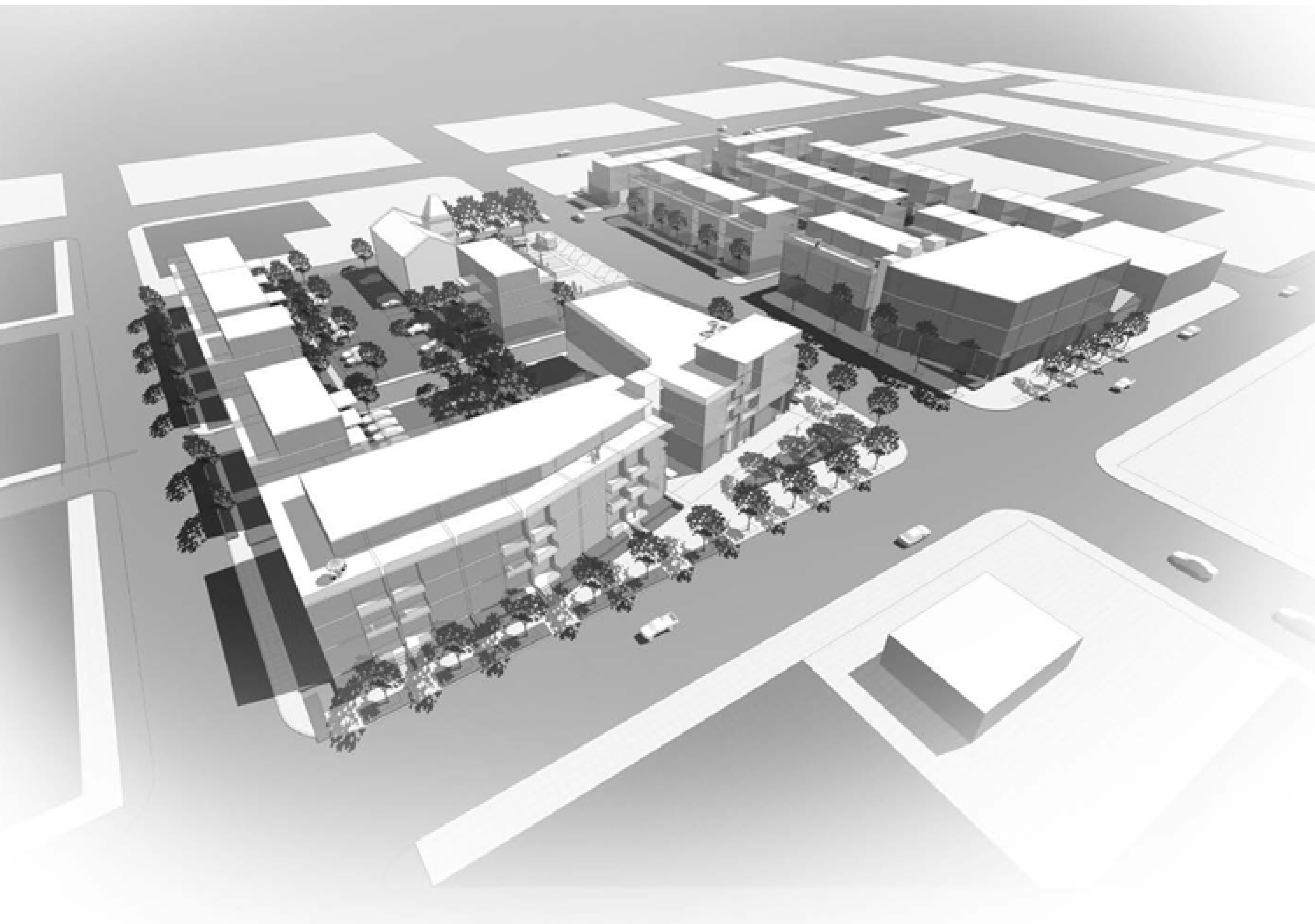
FAIRBORN
A CITY IN MOTION

RATIO

CITY OF FAIRBORN, OH

MASTER HOUSING ASSESSMENT STRATEGY

SEPTEMBER 2019



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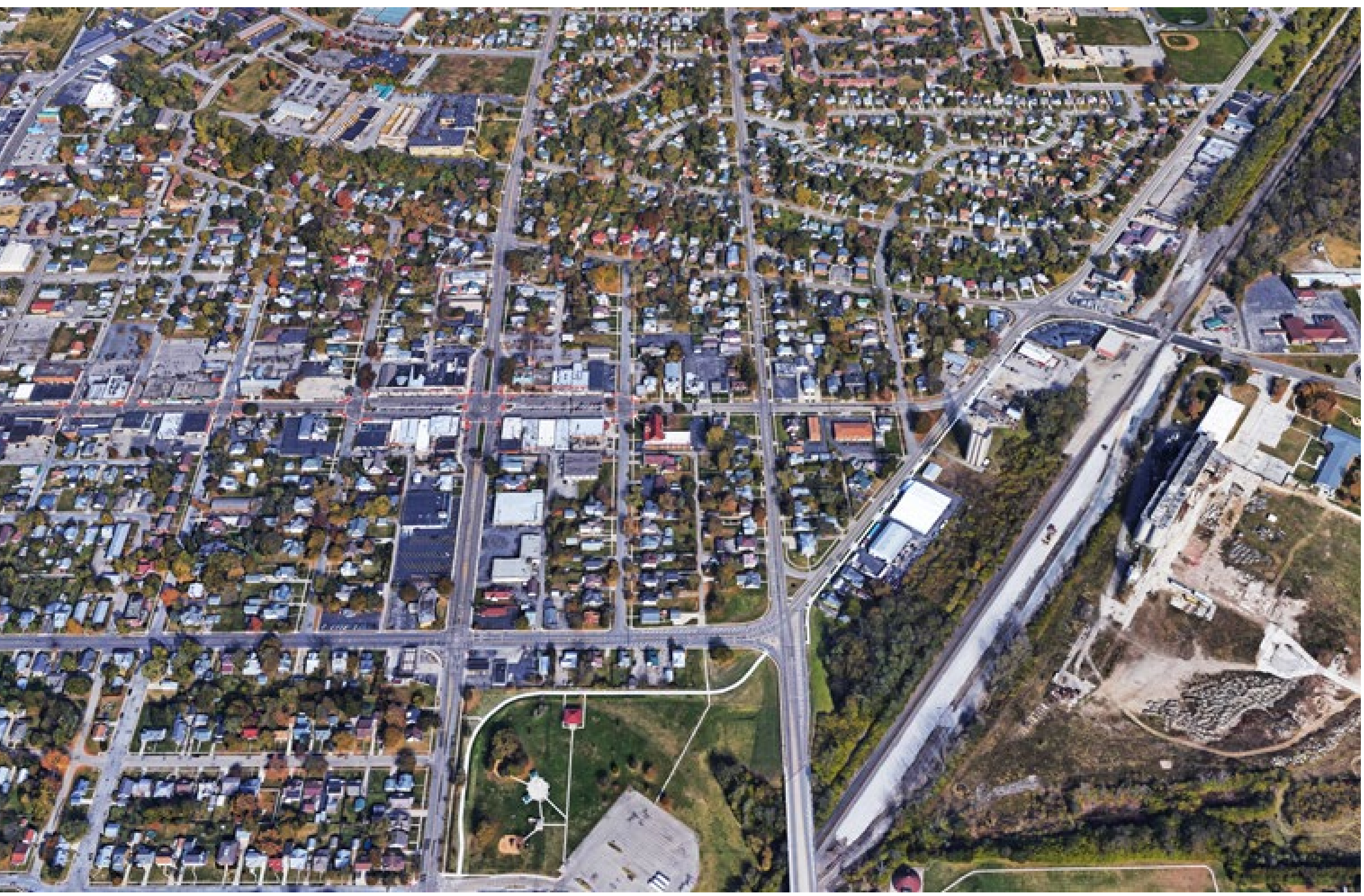
CHAPTER 1

ECONOMIC MARKET CONDITIONS

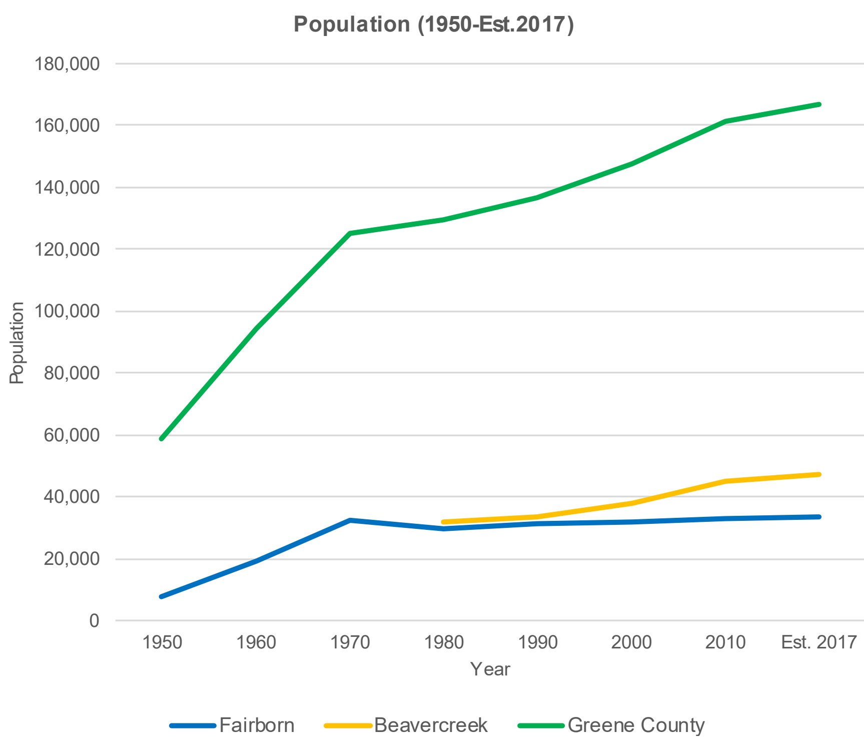


POPULATION

While the population for the Dayton Region experienced a dip from about 805,000 people in 2000 to below 800,000 by 2010, Greene County has continued to expand even through the recession of 2008-09.

Much of Greene County's population growth occurred in Beavercreek, a newly incorporated suburb just south of Fairborn. Fairborn's population has been steady but not expanding significantly.

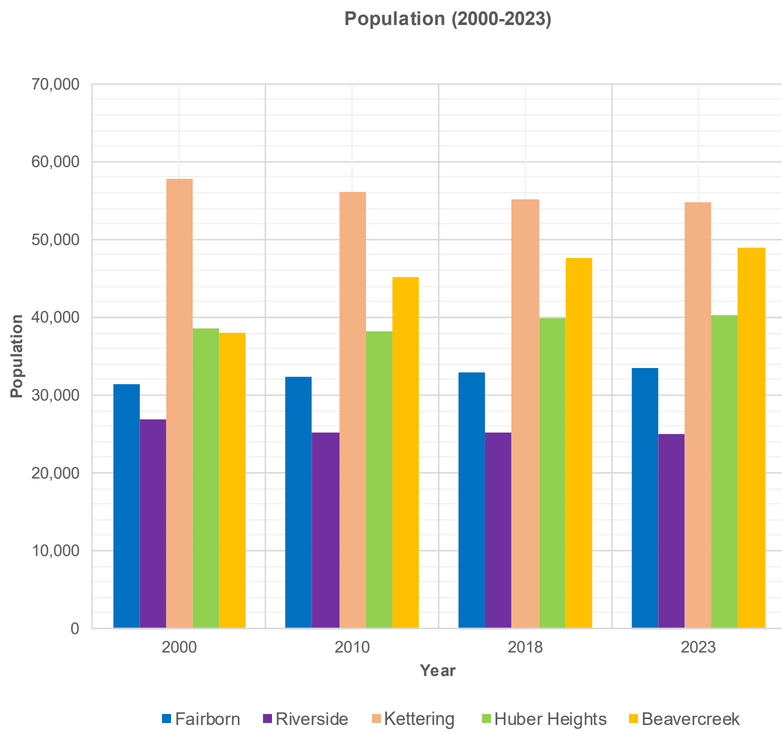
The important point is that while much of the Dayton Region was losing population, Greene County has been stable and has had higher growth than the Region.

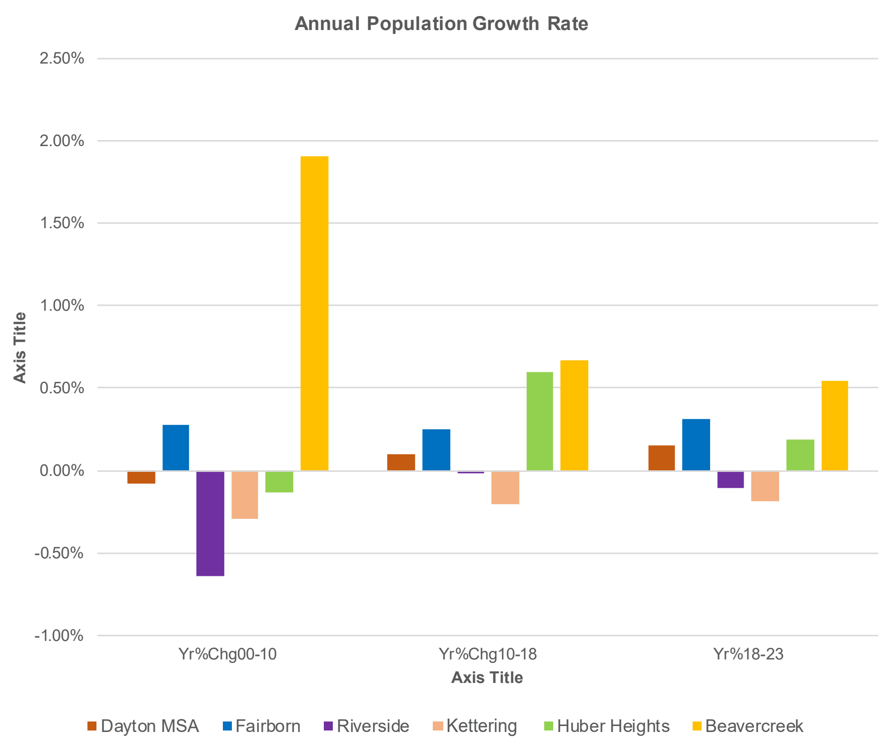


Population in Surrounding Communities

Other near suburbs such as Riverside, Huber Heights, and Kettering have lost population, and some are expected to increase very little from 2018-2023. While Beavercreek is anticipated to have the most population growth, Fairborn is also expected to grow from 2018-2023, see graphs.

The growth rates have been positive for Fairborn and Beavercreek from 2000-2010, while the Dayton MSA and near suburbs were experiencing negative growth rates. Since 2010, the Dayton Metropolitan Statistical Area (MSA) has grown and is anticipated to continue to grow from 2018-2023. Riverside and Kettering will continue negative population growth rates from 2018-2023. Fairborn and Beavercreek are projected to have a higher growth rate than the Dayton Region from 2018-2023. With the continued growth and strong employment provided by Wright-Patterson Air Force Base, Fairborn should continue to have a strong rate of population growth if it has a quality of life that is attractive to young professionals and their families.

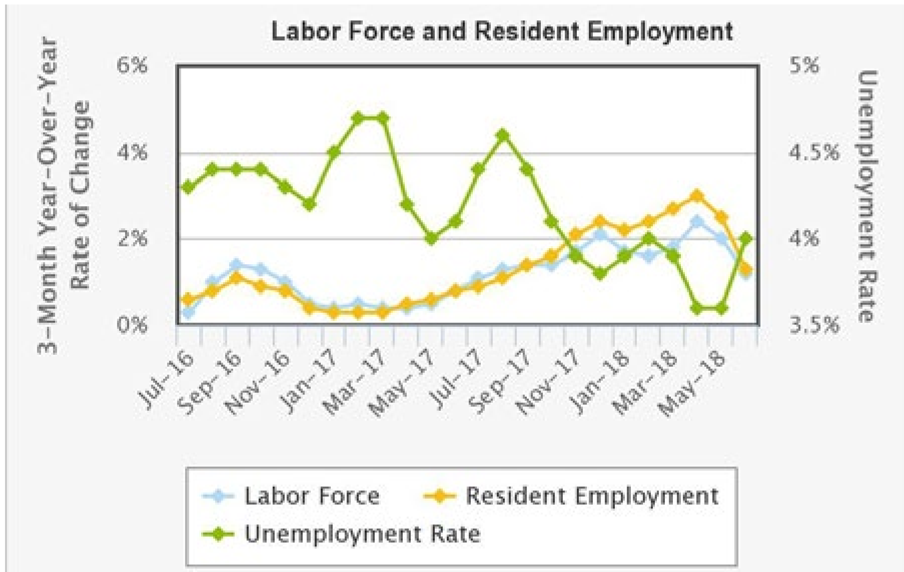




EMPLOYMENT & LABOR FORCE

Labor Force & Employment

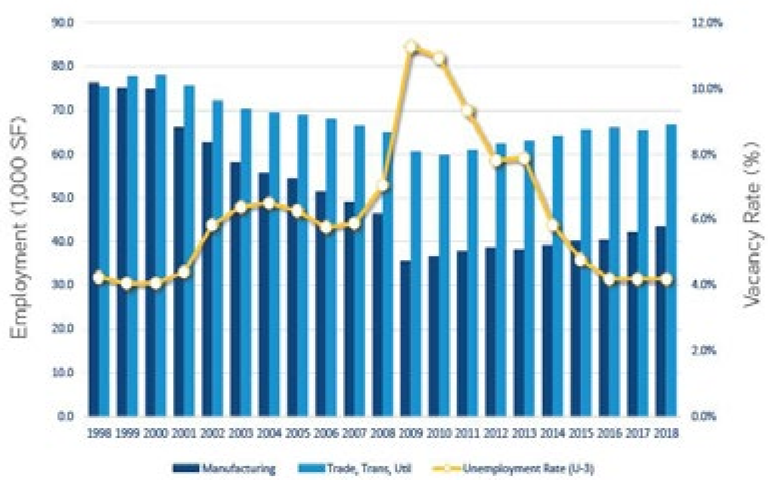
The following graphs illustrate the strong economic growth that the Dayton Region has experienced in the last several years. There has been strong employment with low and decreasing unemployment rates.



Industrial Employment

Even though industrial employment in manufacturing was falling for nearly a decade before the 2008-9 Recession, it remains below 2008 manufacturing employment levels. Trade, Transportation, and Utilities have grown since the recession but like manufacturing remains below 2008 employment levels. This may indicate that many of these jobs are now requiring higher skill levels and are more productive than prior to the recession.

Industrial Employment History



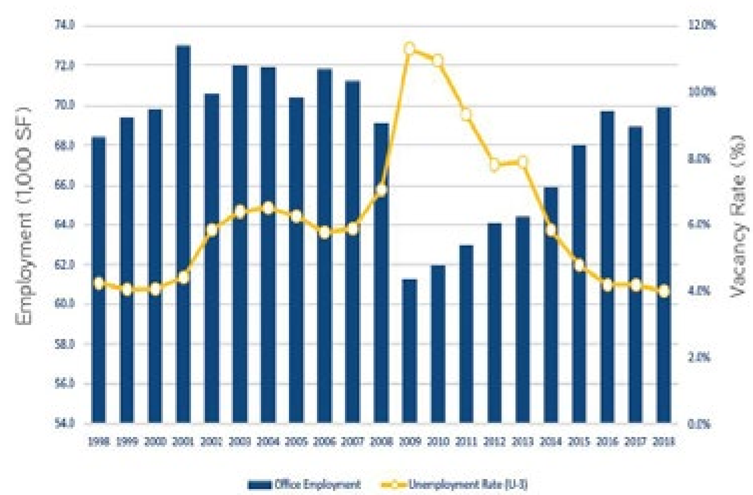
While comprising a smaller share of Dayton's economy, the manufacturing sector has created positive job growth in each of the past five years.

Sources: Colliers Research, CoStar, Bureau of Labor Statistics, Moody's Analytics

Office Employment

Office employment has grown as well since the recession. Now reaching 2008 employment levels, it is anticipated that office employment will continue to grow modestly in the coming years.

Office Employment History



After a slowdown in 2017, the office employment market returned to growth mode over the past 12 months posting a gain of 1.5%.

Sources: Colliers Research, CoStar, Bureau of Labor Statistics, Moody's Analytics

COMMERICAL MARKETS

Retail has been soft throughout much of Dayton like the USA overall. Though Beavercreek has been growing as the east side of Dayton's retail regional big box hub, there remain strengths in smaller retail areas, but rents remain relatively low as noted by recent Colliers estimates.

The Dayton economy remains strong, and it is driven largely by the scale and importance of 27,000 employees at Wright-Patterson AFB. The proximity of WPAFB employment centers to Fairborn and Beavercreek mean that these two communities are the first stop for potential residency of employees at WPAFB. It will be incumbent upon Fairborn to compete for these future residents with Beavercreek, which is an affluent and very suburban built context. Fairborn will need to appeal to those employees and their families that seek affordability and a walkable neighborhood context that could be provided by Downtown Fairborn and to a lesser extent in Five-Points as well.

Category	Asking Rent (per square foot per year)
Overall Market	$9.49
Community Center	$10.95
Neighborhood Center	$9.80
Convenience/Strip Center	$10.34
Freestanding/Big-Box	$5.35

Source: Colliers

CHAPTER 2

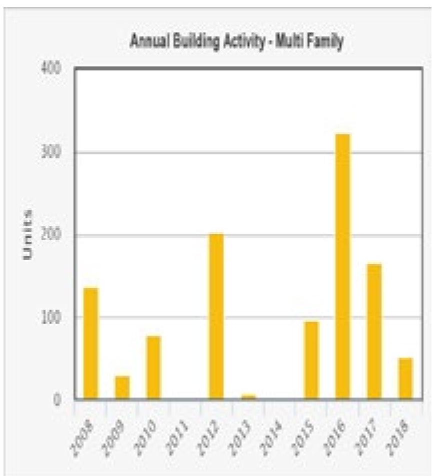
HOUSING MARKET ANALYSIS

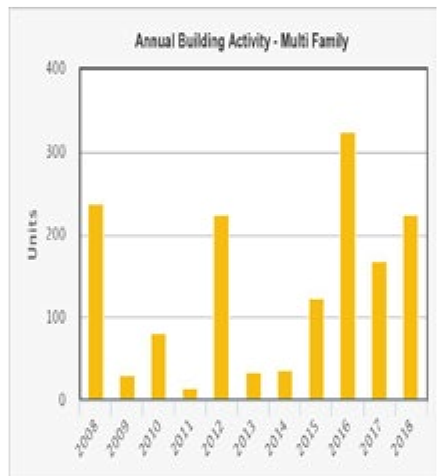
Greene County has led the Dayton Region in residential development for both single-family and multi-family building over the past decade.

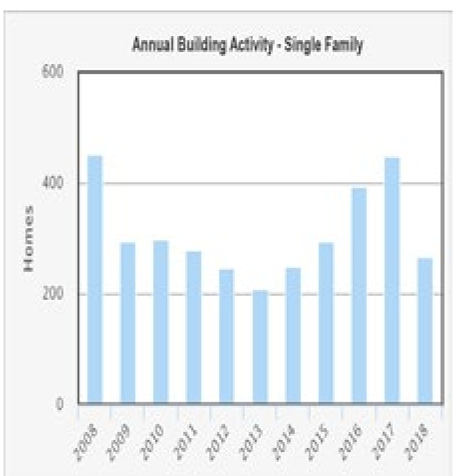
RESIDENTIAL BUILDING

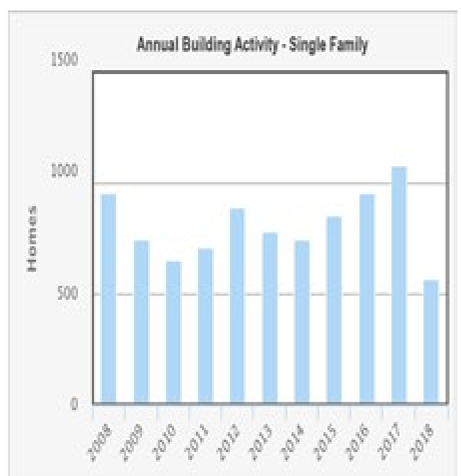
Single-Family Detached & Multi-Family Residential Growth

Greene County has led much of Dayton area's single-family residential growth with much of that occurring in Beavercreek. It has also driven multi-family residential development leading the Dayton area over the past ten years. In 2015, 2016, and 2017, Greene County seemed to represent the Dayton Region's growth in multi-family development.









HOUSING DEMAND IN THE DAYTON REGION

The housing demand projected for the Dayton Region is estimated to be 10,823 units from 2018-2023, this represents 2,165 units per year. Of this growth, a rough estimate can be made of SFR and MFR by taking the Region's current percent for owner-occupied versus rental units to derive an estimated of for sale to rental unit demand. This estimate indicates that of the 2,165 housing units per year about 1,190 may be for sale SFR and about 708 may be rental units. As building permit activity has lagged significantly below these estimates, there is likely still significant housing unit oversupply in the Dayton Region.

Regional Housing Demand Estimates
Dayton MSA

	2000	2010	2018	Projected 2023
Population	805,845	799,232	805,746	811,709
Group Qtrs Population	24,578	24,536	24,334	24,514
Percentage of Population in Households	96.98%	96.98%	96.98%	96.98%
Household Population	781,508	775,095	781,412	787,195
Average Household Size	2.42	2.37	2.36	2.35
Number of Households	332,994	337,229	341,418	345,408
Housing Unit Occupancy Rate	93.00%	89.20%	88.60%	88.20%
Number of Housing Units	347,235	367,272	374,352	379,751
Estimated Number of Vacant Units	24,306	39,665	42,676	44,811
Estimated New Units		20,037	7,080	5,399
Demolitions/deconversions		6,725	6,854	6,953
Net Gain in Housing Units		13,312	226	-1,554
Demand for New Units:				
-Based on Household Growth		4,107	4,063	3,870
Total new units needed (2018-2023)		10,832	10,917	10,823
Annualized demand		**1,083**	**1,365**	**2,165**

Annual Share Own vs. Rent	Total
Own (55.4%)	1,199
Rent (32.7%)	708

Source:ESRI Business Analyst and RATIO

HOUSING DEMAND IN GREENE COUNTY

The housing demand projected for Greene County from 2018-2023 is estimated to be about 3,192 units, this represents 638 units per year. Of this growth, a rough estimate can be made of SFR and MFR. This estimate indicates that of the 638 housing units per year about 386 may be for sale SFR and about 200 may be rental units. As building permit activity has been near these estimates, there is likely new housing unit demand in Greene County.

Regional Housing Demand Estimates
Greene County

	2000	2010	2018	2023
Population	147,886	161,573	166,284	170,568
Group Qtrs Population	8,060	9,678	8,064	8,068
Percentage of Population in Households	95.15%	95.15%	95.15%	95.15%
Household Population	140,714	153,737	158,220	162,295
Average Household Size	2.53	2.43	2.42	2.41
Number of Households	55,312	62,770	65,426	67,370
Housing Unit Occupancy Rate	95.00%	92.00%	92.20%	92.90%
Number of Housing Units	58,224	68,241	70,999	73,331
Estimated Number of Vacant Units	2,911	5,459	5,538	5,940
Estimated New Units		10,017	2,758	2,332
Demolitions/deconversions		1,249	1,300	1,343
Net Gain in Housing Units		8,768	1,458	989
Demand for New Units:				
-Based on Household Growth		7,096	2,527	1,850
Total new units needed (2018-2023)		8,346	3,827	3,192
Annualized demand		**835**	**478**	**638**

Annual Share Own vs. Rent	Total
Own (60.5%)	386
Rent (31.3%)	200

Source:ESRI Business Analyst and RATIO

HOUSING DEMAND IN FAIRBORN

The housing demand projected for the Fairborn community from 2018-2023 is estimated to be about 563 units, this represents 113 per year. Of this growth, a rough estimate can be made of SFR and MFR. This estimate indicates that of the 322 housing units per year about 51 may be for sale SFR and about 49 may be rental units. New housing development will likely occur east of I-675 where much of the recent, new SFR development has occurred in Fairborn. Rental units as well have been located on the east side of I-675 too. With available land in and around downtown and potentially in the Five-Points area, new MFR development may be primed for these areas as residents may be more attracted to the walkable downtown and future walkability of Five-Points to area schools and shopping.

Regional Housing Demand Estimates
Fairborn, OH

	2000	2010	2018	2023
Population	31,496	32,352	33,001	33,509
Group Qtrs Population	1,717	1,938	750	1,585
Percentage of Population in Households	97.73%	97.73%	97.73%	97.73%
Household Population	30,781	31,618	32,252	32,748
Average Household Size	2.23	2.24	2.20	2.19
Number of Households	13,879	14,306	14,679	14,955
Housing Unit Occupancy Rate	94.60%	90.00%	89.60%	89.10%
Number of Housing Units	14,419	15,893	15,836	16,111
Estimated Number of Vacant Units	3,377	6,824	7,384	1,627
Estimated New Units		10,017	2,758	275
Demolitions/deconversions		1,249	1,300	295
Net Gain in Housing Units		8,768	1,458	-20
Demand for New Units:				
-Based on Household Growth		417	365	268
Total new units needed (2018-2023)		1,667	1,665	563
Annualized demand		167	208	113

Annual Share Own v Rent	Annual Total
Own (45.4%)	51
Rent (43.7%)	49

Source:ESRI Business Analyst and RATIO

WORKFORCE HOUSING

FY 2018 Income Limit Area	Median Family Income	FY 2018 Income Limit Category	Persons in Family							
			1	2	3	4	5	6	7	8
Dayton, OH MSA	$65,700	Very Low (50%) Income Limits ($)	23,000	26,300	29,600	**32,850**	35,500	38,150	40,750	43,400
		Extremely Low Income Limits ($)	13,800	16,460	20,780	**25,100**	29,420	33,740	38,060	42,380
		Low (80%) ncome Limits ($)	36,800	42,050	47,300	**52,550**	56,800	61,000	65,200	69,400

Source: U.S. H.U.D.

Fairborn housing prices tend to be lower than Beavercreek, especially for existing housing. These more affordable prices may attract young families as the Fairborn schools have made improvements in quality over the past several years. Multi-family housing development may be created for workforce housing that serves younger workers and young families who are not interested or financially secure to purchase their own homes. As the table above indicates, Greene County and Fairborn are a part of the Dayton MSA; therefore, household income levels for Fairborn are the same as Dayton. As indicated above a family of four could qualify for rental housing with a household income below $52,550 per year, which is 80% of the Area Median Income (AMI) for the Dayton MSA. Developers could create new MFR residential housing to serve these younger households by using 4% federal tax credits to raise equity for their projects and to offset the lower monthly rents that would be attractive to these younger working families.

Fairborn is positioned for new SFR housing, but most of this development will occur east of I-675. These households are bringing in higher household incomes that match or parallel income levels seen in Beavercreek. These new households have more disposable incomes that could be attracted to the shopping in Five-Points and the downtown Fairborn. In and around downtown and Five-Points there are buildable lots for infill new housing, but only on a limited basis.

Most significant opportunities in and around downtown and Five-Points are for new MFR development. These types of new multi-family residential developments will strengthen the consumer density for local businesses. This density will also attract other businesses to downtown and the Five-Points area. By increasing walkability in downtown and the Five-Points areas, Fairborn will be able to successfully compete with surrounding communities for new residents and new residential development.

After additional review of where WPAFB civilian and military personnel live, it was determined that the best geographic fit for the Fairborn housing market may be a 15-minute drive-time from the front gate of WPAFB at State Road 844. The below map illustrates the 15-minture drive-time distances from the front gate in red below.

The housing demand model for the 15-minute drive-time for the Fairborn housing market estimates that an additional 677 housing units could be absorbed in the market by 2023. If the share of these housing units is consistent with existing share of home ownership units (60%) to rental units (40%), then the absorption shares of for sale homes by 2023 may be as high 406 in the Fairborn market. Many of these new for sale homes are being developed in Fairborn on the east side of I-675. It should be noted that much of the overall for sale housing is being built in other nearby communities as well as Fairborn to fill the demand for a possible 406 units by 2023. It should be noted that Fairborn has begun to realize a stronger presence in the market for For-Sale units in the past several years with the new homes being developed east of I-675.

WPAFB 15 Minute Drive-time Housing Market Demand

HOUSING DEMAND MODEL WPAFB	***2000***	***2010***	***2018***	***Projected 2023***
Population	*259,938*	*255,124*	*257,515*	*259,260*
Group Qtrs. Population	*6,198*	*6,198*	*6,198*	*6,198*
Percentage of Population in Households	*97.62%*	*97.57%*	*97.59%*	*97.59%*
Household Population	*253,740*	*248,926*	*251,317*	*253,012*
Average Household Size	*2.42*	*2.37*	*2.35*	*2.34*
Number of Households	*104,995*	*104,930*	*106,845*	*107,962*
Housing Unit Occupancy Rate	*91.70%*	*87.30%*	*86.60%*	*86.20%*
Number of Housing Units	*114,517*	*120,174*	*123,312*	*125,263*
Estimated Number of Vacant Units	*9,505*	*15,262*	*16,524*	*17,286*
Estimated New Units 2000–2100		*5,657*	*3,138*	*1,951*
Demolitions/deconversions 2000-2010; (proj. 2023)		*2,200*	*2,258*	*2,294*
Net Gain in Housing Units		*3,457*	*880*	*-343*
Demand for New Units:				
-Based on Household Growth		*-63*	*1,869*	*1,090*
Total new units needed (2018-2023)		*2,137*	*4,127*	*3,384*
Annualized demand		*214*	*516*	***677***

Sources: ESRI Business Analyst and RATIO

Annual Share Own v Rent	*Annual Total*	*5-year 2018-2023*
Own (60%)	*81*	***406***
Rent (40%%)	*54*	***271***

The rental unit absorption shares estimate of new housing units by 2023 is about 271. To determine the mix of the rental share, the distribution of incomes for potential renter households was calculated across the 125-mintue drive-time market. These calculations indicated that of the estimated 271 rental units in demand through 2023 about 84 – 93 units would be market rate rents as the households would have incomes above 80% of Area Median Income (AMI). AMI is $70,600 for Greene County in 2019.

Multi-family Rental			
Annual Absorption	>80%AMI	60%-80%	<60% AMI
Percent of Absorption	31%	28%	43%
~ 250-300	84 – 93	70 – 84	107 – 129
Market Rate	■		
Workforce 4%		■	
Workforce 9%			■

Those with incomes above $56,500 would be considered market rate renters. For a developer to create market rate rental housing still may have a financial gap to fill if the project is going to get financed and built. While market rate rents will not qualify for federal workforce tax credits, the City of Fairborn may be able to use Tax Increment Financing as a tool to fill the financing gap based on future property tax revenues from the project itself.

Those with household incomes between 60% and 80% would qualify for workforce housing credits of 4% for a developer. These 4% workforce household incomes would be between about $42,000 and $56,500. Many teachers, first responders, and other service sector works fall well within these household incomes ranges. It is estimated that the demand for rental housing units would range from 70 – 84 units by 2023.

For household incomes that fall below 60% of about $42,000, a developer may be able to set rates to serve those below 60%, but the developer would receive a federal workforce tax credit of 9% which may make the project viable to be financed and built. These types of rental units would be filled usually by younger households who are just starting their professional careers as teaches, first responders, and full-time service sector workers. It is estimated that the demand for rental housing units would range for household incomes below 60% from 107-129 units by 2023.

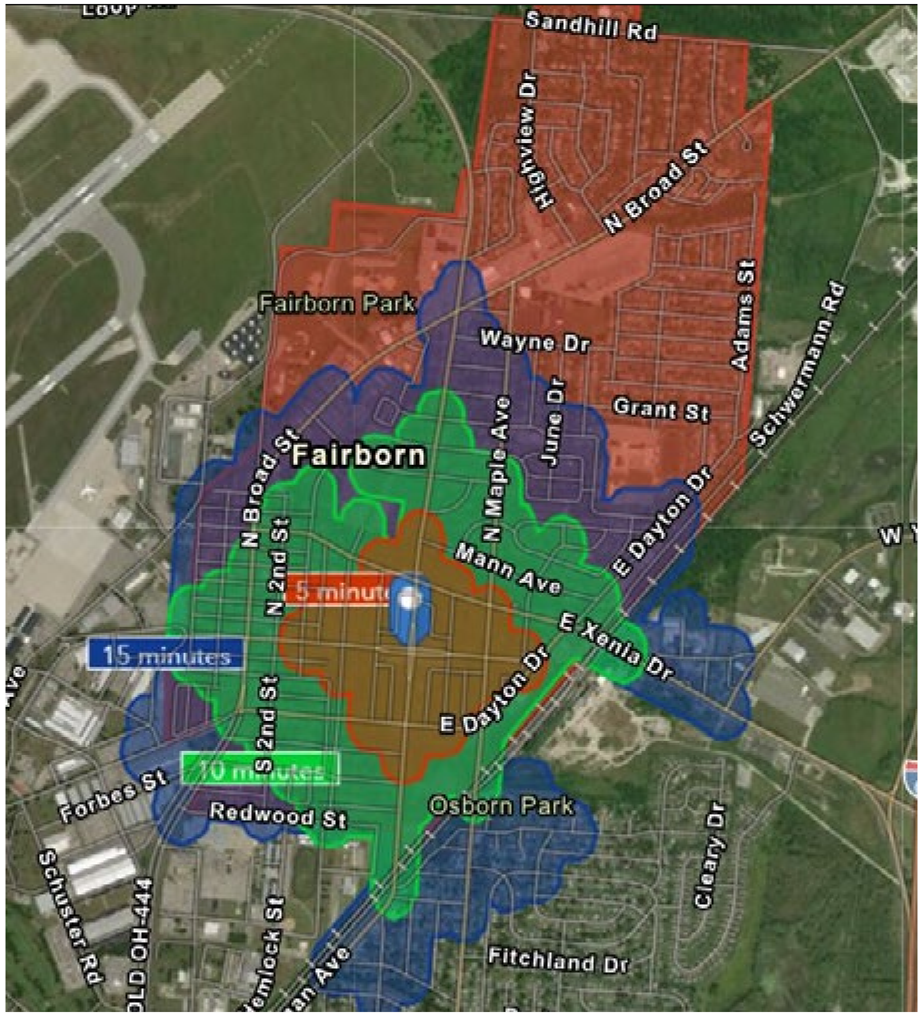
CHAPTER 3

DOWNTOWN AREA DEVELOPMENT CONTEXT

Downtown Fairborn is a very walkable neighborhood. It has a short block grid system dating back to the original plat of the community in the early 1800s and 1900s.

DOWNTOWN DEVELOPMENT CONTEXT

The development context has shifted as Wright-Patterson AFB needs have changed and gates have been closed near the downtown, which has eliminated enlisted personnel easily walking into downtown Fairborn. The walk-time map below illustrates the excellent walkability of downtown Fairborn.

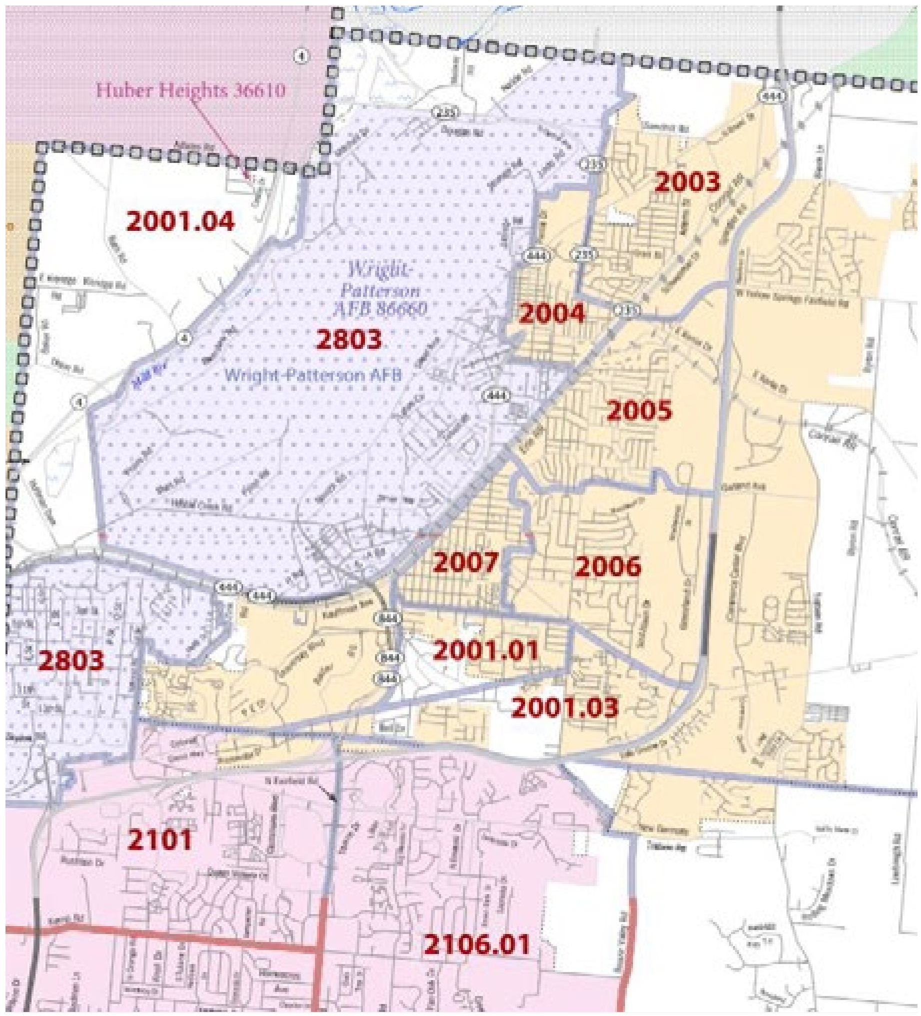


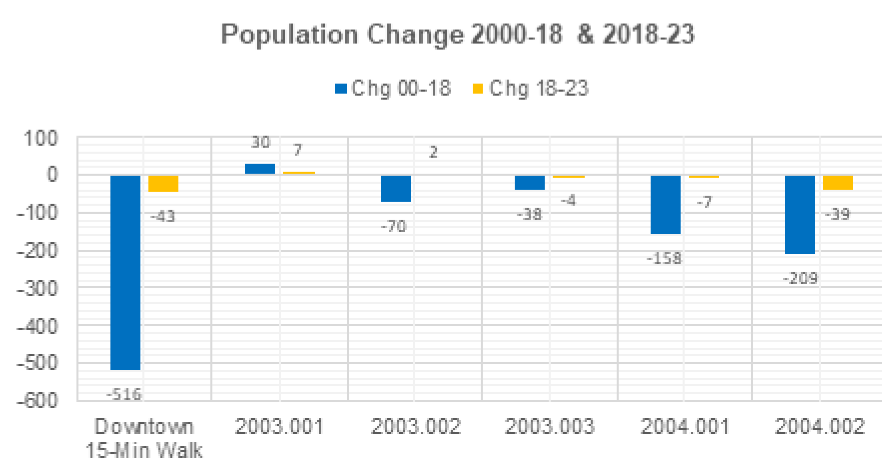
DOWNTOWN AREA SOCIO-ECONOMIC TRENDS

Downtown Fairborn has changed economically with each new generation. It was boom-time during and immediately following World War II in the 1940s–1960s. As Fairborn continues to grow and expand outward toward the southern portion of WPAFB or Area B which is the section of the base with the highest concentration of employment, this movement also attracted new retail along Kauffman and Dayton-Yellow Springs Roads. With the development of I-675, employees of WPAFB Area B were able to live further away but have a commute time similar to when they lived closer to base. With the closing of WPAFB gates close to downtown, further erosion of consumer activity occurred in downtown. This spread Broad Street businesses into a more suburban auto-oriented corridor, and this had a further negative economic impact on Main Street as well.

These shifts also generated a loss of residents from in and around downtown Fairborn. This has further exasperated the retail challenges for businesses in the downtown area. Census tract block group data were collected to capture and quantify these trends and to understand the socio-economic impact better. Data for Census Tracts 2004 and 2003 to the north of downtown have been used to quantify changes. Furthermore, a 15-minute walk-time from the center of downtown was used to understand within a walkable downtown market.

As is shown in the chart below, all block groups lost population except Census Tract 2003. As the data indicates, the most significant population loss is anticipated to continue to be in the 15-minute walkable area of downtown. It lost 516 residents between 2000-2018 and is projected to lose an additional 43 persons between 2018-2023.





The below table represents the housing data for the Dayton MSA and surrounding communities near Fairborn. It also indicates similar data for Fairborn and the immediate downtown area.

Downtown Fairborn's Census Tract 2004 (18-25% vacancy rate) and the 15-minute walk-time area (18.0% vacancy rate) indicate nearly double the residential vacancy rate relative to Fairborn (10.4% vacancy rate) or the Dayton MSA (11.1% vacancy rate). Only Riverside has a larger median home value (MHV) than Fairborn. Downtown Fairborn Median Home Value (MHV) is below $100,000. This lags most of Fairborn (MHV=$121,803) and the rest of the Dayton metropolitan area (MHV=$138,390). As the original area for the community and the mobilization area during World War II, downtown has older homes as the median year built is between 1939-1948 in Census Tract 2004.

Socio-Economic Data (2018)

Geo Area	H Units	%Own	%Rent	% Vacant	MHI	MHV	HARatio	MedAge	DivIndex%	%College	UR%
Dayton MSA	374352	55.2%	33.4%	11.1%	$52,253	$138,390	2.6	40.3	37.2	29.1%	5.4%
Riverside	11,410	48.9%	40.7%	10.1%	$45,214	&96,159	2.1	35.4	28.3	18.6%	7.3%
Keetering	27,808	55.0%	35.6%	9.4%	$53,284	$134,586	2.5	42.1	17.1	34.5%	4.1%
Huber Heights	16,667	64.6%	28.5%	6.9%	$56,932	$117,058	2.1	39.2	38.8	23.9%	5.1%
Beavercreek	20,475	67.3%	27.6%	5.1%	$82,854	$196,628	2.4	41.6	25.2	51.5%	2.5%
	H Units	%Own	%Rent	% Vacant	MHI	MHV	HARatio	MedAge	DivIndex%	%College	UR%
FAIRBORN	**16,391**	**44.7%**	**44.8%**	**10.4%**	**$45,424**	**$121,803**	**2.7**	**34.6**	**30.8**	**28.1%**	**5.9%**
Downtown 15-Min Walk	**2,240**	**32.4%**	**49.6%**	**18.0%**	**$35,284**	**$92,195**	**2.6**	**35.7**	**25.6**	**15.9%**	**9.2%**
2003.001	338	78.7%	16.0%	5.3%	$56,071	$123,200	2.2	41.9	17.2	21.1%	2.1%
2003.002	619	58.3%	32.5%	9.2%	$55,362	$120,489	2.2	40.1	20.5	12.4%	5.3%
2003.003	800	39.0%	47.8%	13.2%	$31,895	$95,087	3.0	32.2	26.5	16.4%	8.4%
2004.001	553	38.3%	43.4%	18.3%	$37,371	$94,915	2.5	38.4	22.3	17.5%	16.4%
2004.002	679	15.2%	59.4%	25.5%	$38,169	$95,982	2.5	41.0	34	12.0%	3.9%
2803.001-WPAFB	128	3.9%	78.9%	17.2%	$53,004	$ -	0.0	24.2	48.6	64.7%	4.10%

Source: ESRI and RATIO

While incomes in and around downtown lag Fairborn and Dayton Region by about $10,000, the lower median home values still present an affordable option in the downtown area with a Housing Affordability Ratio (HARatio) of 2.5 while Fairborn is slightly higher at 2.7. All Housing Affordability Ratio below 3.0 are considered affordable. The challenge will be not just affording the homes, but the upkeep of older homes that range more than 75-years-old. Median rents (MedRent) are about $100 lower per month, but these units tend to be smaller and older than apartment units and rental homes on the outskirts of Fairborn.

ACS Housing Units

Geo Area	1Per%	2+Per%	%w/Child	MedRent	%ofMHI	MedYrBulit
Dayton MSA	30.3%	69.7%	30.1%	$ 590	13.5%	1966
Riverside	28.9%	71.1%	33.5	$ 639	17.0%	1962
	34.9%	65.1%	26.3%	$ 621	14.0%	1960
Huber Heights	22.8%	77.2%	35.8%	$ 611	12.9%	1973
Beavercreek	24.9%	75.1%	30.0%	$ 959	13.9%	1980
	1Per%	2+Per%	%w/Child	MedRent	%ofMHI	MedYrBulit
FAIRBORN	**32.7%**	**67.3%**	**26.3%**	**$ 611**	**16.1%**	**1969**
Downtown 15-Min Walk	**37.8%**	**62.2%**	**28.6%**			
2003.001	23.3%	76.7%	29.2%	$ 784	16.8%	1955
2003.002	29.4%	70.6%	28.5%	$ 494	10.7%	1956
2003.003	30.6%	69.4%	38.9%	$ 570	21.4%	1949
2004.001	35.6%	64.4%	24.2%	$ 568	18.2%	1939
2004.002	53.1%	46.9%	16.6%	$ 540	17.0%	1948
2803.001-WPAFB	12.4%	87.6%	45.1%	$ 1,730	39.2%	1939

Source: ESRI and RATIO

DOWNTOWN AREA HOUSEHOLD TRENDS

The loss in population has a similar impact on the decrease in households in downtown Fairborn. In Census Tract 2004 households are projected to decline by 22, and within the 15-minute walk-time area households are projected to decline by 18.

		Households	Hhlds
Geo Area	2018	2023	ch18-23
Dayton MSA	331757	334843	3,086
Riverside	10,332	10,307	-25
Kettering	25,207	25038	-169
Huber Heights	15519	15684	165
Beavercreek	19,431	20,075	644
FAIRBORN	**14,679**	**14,955**	**276**
Downtown 15-Min Walk	**1,836**	**1,818**	**-18**
2003.001	320	323	3
2003.002	562	564	2
2003.003	694	694	0
2004.001	452	449	-3
2004.002	506	487	-19
2803.001-WPAFB	106	103	-3

CHAPTER 4

FIVE-POINTS AREA DEVELOPMENT CONTEXT

Five-Points was developed during the 1950s and 1960s as Fairborn was expanding out to the south of the original community. While the commercial and retail businesses are very comprehensive in terms of the offerings in the Five-Points area, they must be for the most part accessed safely by car only. The entire area needs to be reconfigured to support vehicular traffic that can also complement pedestrians and bicyclists.

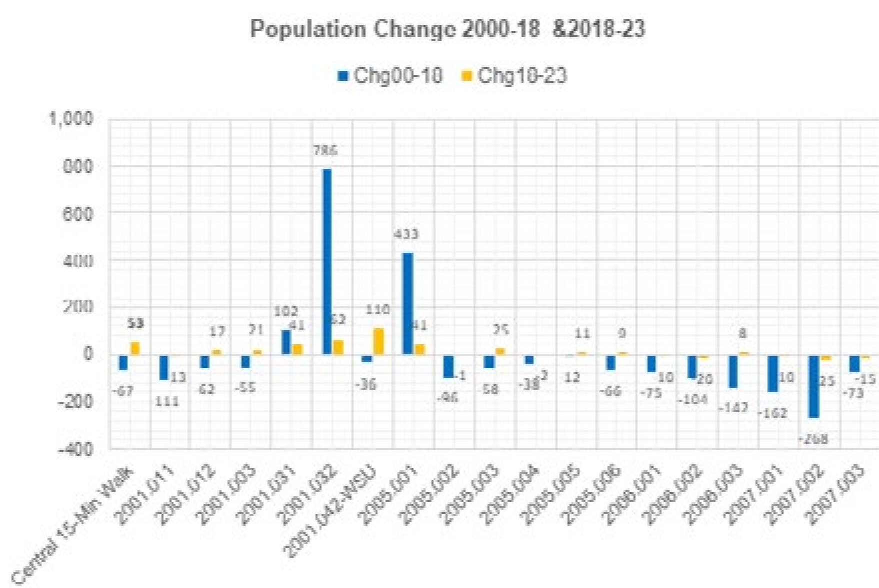
FIVE-POINTS AREA DEVELOPMENT CONTEXT

The development context has shifted as Wright-Patterson AFB and I-675 have impacted retail and commercial movement in and around Five-Points. The area is relatively walkable with a walk score of 60, but due to its high traffic count and roadway configuration the area is not safe for pedestrians or bicyclists. The walk-time map below illustrates the close walkability of Five-Points along its main corridors into surrounding neighborhoods.

FIVE-POINTS AREA SOCIO-ECONOMIC TRENDS

Unlike downtown Fairborn, the Five-Points area has been relatively stable in terms of population over the past two decades. The 15-minute walk-time only lost about 67 residents from 2000-2018. This may be due to its closer proximity to the main gate of WPAFB. Using census tract block groups, it becomes clearer as to which areas of the Five-Points Area neighborhoods are more economically challenged than other neighborhoods within the area.

As shown on the census tract block group map, those block groups in the red oval tended to lose the most population. These block groups generally represent the Wrightview and Pleasantview neighborhoods. As the graph indicates, these areas are projected to continue losing population between 2018-2023.



Five-Points Area Census Tracts 2006 and 2007 (12-14% vacancy rate) and the 15-minute walk-time area (0.5% vacancy rate) indicates nearly the same residential vacancy rate relative to Fairborn (10.4% vacancy rate) or the Dayton MSA (11.1% vacancy rate). Five-Points Area Median Home Value (MHV) is just slightly below Fairborn at $118,000. This is close to Fairborn (MHV=$121,803) and not too far below the rest of the Dayton metropolitan area (MHV=$138,390). As the suburban area developed completely after World War II, the median year built is between the 1950s to 1990s.

Socio-Economic Data (2018)

Census Tracts

	H Units	%Own	%Rent	% Vacant	MHI	MHV	HARatio	MedAge	DivIndex%	%College	UR%
FAIRBORN	**16,391**	**44.7%**	**44.8%**	**10.4%**	**$ 45,424**	**$ 121,803**	**2.7**	**34.6**	**30.8**	**28.1%**	**5.9%**
Central 15-Min Walk	**3,094**	**44.1%**	**45.1%**	**10.8%**	**$ 42,262**	**$ 118,340**	**2.8**	**35.8**	**38.2**	**27.6%**	**5.3%**
2001.011	506	58.1%	30.8%	7.3%	$ 41,985	$ 105,882	2.5	40.9	26.8	32.2%	14.4%
2001.012	407	46.7%	44.5%	8.8%	$ 43,339	$ 103,977	2.4	37.8	34.7	12.7%	2.5%
2001.003	368	23.4%	60.9%	15.8%	$ 27,543	$ 96,739	3.5	28.6	45.7	24.4%	4.6%
2001.031	1,202	42.8%	51.1%	6.1%	$ 44,133	$ 80,599	1.8	39.5	42.5	37.8%	5.7%
2001.032	801	42.8%	47.4%	10.0%	$ 35,822	$ 156,762	4.4	28.3	52.0	40.6%	5.6%
2001.042-WSU	1,069	6.2%	78.3%	14.7%	$ 16,388	$ 87,500	5.3	21.1	53.2	68.6%	9.9%
2005.001	430	71.6%	21.2%	7.2%	$ 44,514	$ 83,416	1.9	34.5	33.0	18.6%	2.9%
2005.002	360	44.7%	46.1%	9.2%	$ 28,513	$ 72,525	2.5	37.0	23.2	0.0%	0.0%
2005.003	376	57.2%	33.5%	9.3%	$ 45,002	$ 72,526	1.6	34.8	22.3	2.2%	4.2%
2005.004	319	66.1%	26.6%	7.2%	$ 57,266	$ 84,060	1.5	38.5	24.6	9.0%	4.8%
2005.005	275	60.7%	34.2%	5.2%	$ 45,758	$ 93,490	2.0	37.3	19.7	10.4%	3.10%
2005.006	461	39.3%	51.2%	9.5%	$ 29,536	$ 78,009	2.6	34.5	31.7	4.4%	11.50%
2006.001	613	86.9%	7.5%	5.5%	$ 94,572	$ 169,144	1.8	54.0	27	39.6%	8.90%
2006.002	306	73.9%	14.1%	12.1%	$ 79,314	$ 149,533	1.9	49.8	21.2	28.7%	3.70%
2006.003	704	62.5%	29.0%	8.5%	$ 42,558	$ 95,175	2.2	42.5	27	19.7%	7.70%
2007.001	563	25.0%	60.4%	14.6%	$ 28,193	$ 76,261	2.7	34.4	33.8	10.4%	19.70%
2007.002	690	26.8%	58.4%	14.8%	$ 25,556	$ 73,921	2.9	33.4	31.8	9.1%	10.20%
2007.003	1,063	7.7%	77.7%	14.4%	$ 25,232	$ 101,190	4.0	28.0	47.0	24.3%	5.40%
East District +	2,764	64.6%	30.5%	4.9%	$ 74,659	$ 206,264	2.8	42.5	24.5	47.3%	1.50%

Source: ESRI and RATIO

While incomes in and around Five-Points are more consistent with Fairborn and Dayton Region, there are areas primarily in Wrightview and Pleasantview neighborhoods (Tracts 2006 and 2007) that significantly lag behind Fairborn and the Dayton Region. The median home values still present an affordable option in the Five-Points area with a Housing Affordability Ratio (HARatio) of 2.5 while Fairborn is slightly higher at 2.7. All Housing Affordability Ratio below 3.0 are considered affordable. The challenge will be not just affording the homes, but the upkeep of older homes that range more than 30-to 50-years-old. Median rents (MedRent) are about $100 lower per month within and around the Wrightview and Pleasantview neighborhoods, which tend to have older apartment developments than those on the periphery of Fairborn.

ACS Housing Units

Census Tracts

	1Per%	2+Per%	%w/Child	MedRent	%ofMHI	MedYrBulit
FAIRBORN	**32.7%**	**67.3%**	**26.3%**	**$ 611**	**16.1%**	**1969**
Central 15-Min Walk	**33.7%**	**66.3%**	**23.1%**			
2001.011	26.0%	74.0%	28.1%	$ 542	15.5%	1958
2001.012	33.2%	66.8%	19.8%	$ 581	16.1%	1967
2001.003	37.2%	62.8%	19.0%	$ 544	23.7%	1966
2001.031	43.5%	56.7%	21.7%	$ 598	16.3%	1985
2001.032	30.8%	69.0%	27.0%	$ 651	21.8%	1985
2001.042-WSU	24.1%	75.9%	5.8%	$ 721	52.8%	1990
2005.001	20.9%	79.1%	40.8%	$ 533	14.4%	1958
2005.002	27.2%	72.8%	38.2%	$ 667	28.1%	1956
2005.003	21.7%	78.3%	41.6%	$ 715	19.1%	1955
2005.004	28.9%	71.1%	33.2%	$ 705	14.8%	1956
2005.005	23.5%	76.5%	32.5%	$ 635	16.7%	1955
2005.006	29.0%	71.0%	32.6%	$ 682	27.7%	1954
2006.001	21.8%	78.2%	24.1%	$ 1,067	13.5%	1967
2006.002	25.9%	64.1%	20.1%	$ 183	2.8%	1971
2006.003	28.3%	71.7%	25.8%	$ 669	18.9%	1960
2007.001	31.4%	68.6%	32.6%	$ 434	18.5%	1970
2007.002	27.5%	62.5%	36.6%	$ 530	24.9%	1960
2007.003	36.2%	63.8%	27.0%	$ 533	25.3%	1973
East District +	33.4%	66.6%	20.2%	$ 732	11.8%	1987

Source: ESRI and RATIO

FIVE-POINTS AREA HOUSEHOLD TRENDS

While Five-Points had suffered some population loss from 2000-2018, most recently the area has stabilized. It is projected to increase households slightly overall, but in Wrightview and Pleasantview, these neighborhoods will have a slight decline in the number of households. Overall, the Five-Points Area has been stable, and the retail and restaurant businesses appear to be doing well. Five-Points has an economic advantage as traffic counts tend to average a daily vehicular count of about 15,000. This is a robust count for an internal street corridor that is more than a mile from the nearest I-675 interchange.

	Number of Households		
FAIRBORN	**2018**	**2023**	**Chg. 18-23**
Central 15-Min Walk	2,760	2,797	37
2001.011	456	452	-4
2001.012	371	380	9
2001.003	310	322	12
2001.031	1,129	1,155	26
2001.032	723	749	26
2001.042-WSU	912	957	45
2005.001	399	415	16
2005.002	327	328	1
2005.003	341	351	10
2005.004	296	296	0
2005.005	261	266	5
2005.006	417	422	5
2006.001	581	579	-2
2006.002	269	261	-8
2006.003	644	650	6
2007.001	481	479	-2
2007.002	588	579	-9
2007.003	919	913	-6
East District +	2629	2802	173

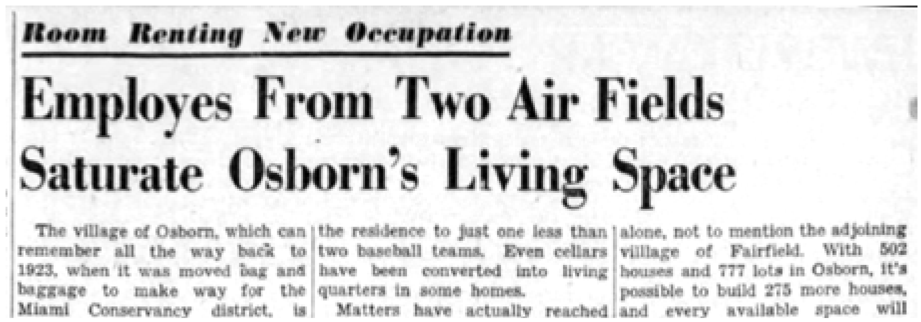
Source: ESRI and RATIO

CHAPTER 5

HISTORIC PRESERVATION

HISTORICAL CONTEXT
WORLD WAR II MILITARY MOBILIZATION

Fairborn experienced incredible residential war mobilization as the Wright Air Field and Patterson Airfields became central to the mobilization effort in 1941-1945. Because of this effort to create housing for military families and workers, Fairborn (then Fairfield and Osborn) increased its population significantly and its housing units. These housing units still exist in Fairborn; however, the quantity and remaining quality of most of these housing units present a unique and one-of-a-kind opportunity for the Fairborn community to preserve its central historic role and military heritage for the United States of America and the Air Force. The number of units is estimated to be between five hundred to a thousand units. Several are in significant apartment complexes that were developed in 1941-1942, with some construction pre-dating the Japanese attack on Pearl Harbor on December 7, 1941. This opportunity will require a detail historic preservation inventory to document the remaining historical assets clearly. It is anticipated that the preservation of these historic housing units would likely qualify for federal historic tax credits. Recently, the Ohio State Historic Preservation Office concurred, and it is anticipated further detailed review is warranted and will occur to support the preservation of Fairborn military heritage and the heritage of the United States of America. The following graphics represent the historic nature of this military housing mobilization effort.



Room Renting New Occupation

Employes From Two Air Fields Saturate Osborn's Living Space

The village of Osborn, which can remember all the way back to 1923, when it was moved bag and baggage to make way for the Miami Conservancy district, is the residence to just one less than two baseball teams. Even cellars have been converted into living quarters in some homes.

Matters have actually reached alone, not to mention the adjoining village of Fairfield. With 502 houses and 777 lots in Osborn, it's possible to build 275 more houses, and every available space will

14 DAYTON JOURNAL, MONDAY, JUNE 1, 1942.

War Boom Brings Problems To Osborn And Fairfield

Size Doubles In Two Years; Still They Grow

Western Awards Honorary Degree To Woman Physicist

Dr. Katharine Blodgett Also Gives Commencement Address

APARTMENT BUILDING PROJECT GOING UP IN FAIRFIELD

THESE NINE APARTMENT BUILDINGS are part of the 24 buildings of Lovington Arms, now being completed on Ohio street in Fairfield by Loving Builders, Inc., of Columbus, William E. Loving, president. Each building contains four apartments, which are of four rooms each, plus bath. The street shown curves around to the right and returns to Ohio street, making a "U-shaped" court, with similar buildings on the other street. The buildings are of solid masonry and contain many novel features. There is a clause in the rent contract which allows it to be cancelled in case the occupant is transferred by service orders.

SOCIETY

Members of Dayton's Young Military Set Relax at Home

Source: RATIO Research

Map of Proposed Fairborn World War II Housing Historic District

FAIRBORN APARTMENTS (1942-1944)

HISTORICAL PRESERVATION DEVELOPMENT CONTEXT

HISTORICAL PROPERTY ASSESSMENT & INVENTORY

The Ohio State Historic Preservation Office concurs that further detailed historic preservation inventory of these uniquely Fairborn historic assets is warranted.

DEVELOPMENT CONTEXT

As mentioned above, these historic housing units would likely qualify developers and their investors for Federal and State historic tax credits on eligible preservation construction. This would allow these historic assets to be preserved. The images below illustrate a similar small apartment complex in Columbus, Ohio that was historically built by one of the developers in Fairborn at the same time in 1941.

Many are unaware with historic preservation tax credits misunderstand that the interiors of the apartment units can be modernized for 21st Century living space, as is presented in the image on the right.

CHAPTER 6

STAKEHOLDER & COMMUNITY MEETINGS

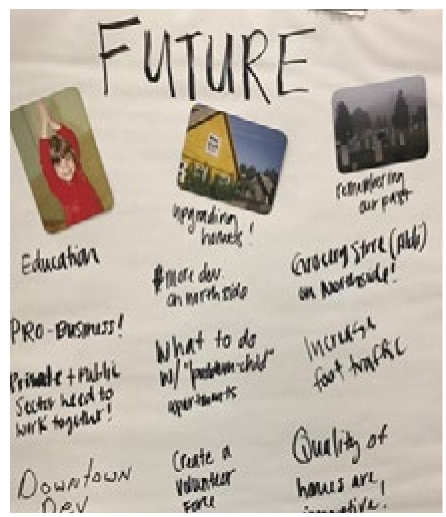
Stakeholder Meetings (November 13th,14th, and 28th)

Key issues raised during the stakeholder meetings are highlighted below:

- **Historical Society –** supports general direction to preserve WWII era residential properties historically
- **City Staff –** focused on enforcement, Wrightview, and Downtown
- **Developers, Bankers, & Landlords –** support denser development and incentivization for new investment and reinvestment in rental properties and homeownership for first-time buyers
- **Social Service Agencies –** need coordination and outreach in Fairborn, could be co-located with satellite offices together
- **Young Professionals –** more amenities, schools important

Community Meetings (November 27th and 28th) & Pop-up Event at Holiday Parade (November 30th)

Community meetings were held to present the issues for public comments, and an additional pop-up event was held to receive informal public remarks during the Holiday Parade. The following images represent some of the feedback and methods used during these meetings. Citizens attended community meetings and reviewed maps of the Downtown and Five-Points to highlight property issues and needs within these neighborhoods. Attendees also reviewed images to express their desires for the future development in Downtown and Five-Points Areas. Furthermore, attendees reviewed precedent images and voted for those that were most appealing to them for the type of development that was depicted.



28-Nov-18 Fairborn Community Meetings

Budget Priority Exercise

Total of 15 Cards were filled out.

Amount	Project	Cards
$1	Community Garden	1
$1	Dog Park	2
$2	Education Center	3
$2	Grocery/Comm. Redevelopment	10
$1	Greenway Trails	1
$2	Health& Wellness /Comm. Ctr.	7
$3	Business Development	8
$1	Park / Greenspace	2
$2	Sustainable Energy Systems	3
$2	Senior Center Expansion	1

30-Nov-18 Pop-Up Event at Holiday Parade

What would you like to see in downtown Fairborn?

Total of 46 Cards were filled out.

Check Boxes	
Multifamily Housing	14
Grocery Store	28
Dog Park	18
Single Family Residences	13
Mixed-Use Development	16
Microbrewery / Beer Garden	25
Live Music	
Fitness Center	18
Write-Ins	
Speciality Shops	1
More Restaurants	1
Develop Bike Paths	1
Ice Skating	1
Fairborn Historical Society	1
Retro Arcade	1
Donut Shoppe	1
Chick-fil-A	1

Master Housing Assessment Goals

The following items were summarized from the stakeholder and community meetings as the key goals for the housing strategy:

- Downtown private investment and development
- Increase residential population and density especially downtown
- Increase walkability of surrounding neighborhoods to downtown and Five-Points areas
- Identify projects that will have lasting economic impact on local businesses
- Identify "catalytic" projects that will have economic impact but also spur further investment and development

CHAPTER 7

HOUSING PROJECT & PROGRAM DEVELOPMENT OPPORTUNITIES

PROJECT ADVISORY COMMITTEE REVIEW & PRIORITIZATION (DECEMBER 19TH)

The Project Advisory Committee met on December 19th to discuss and score potential of development projects. The projects and scoring are represented by the following project maps and project priority scoring tables as revised by the Project Advisory Committee.

Several development issues that must be considered for each project may constrain or delay successful project development:

- **Property ownership and control of development interests**
- **Site Development Complexity**
- **Existing Land Use / Zoning of site and immediate properties**
- **Development Financing**
- **Project Scale and Massing within context of built environment**

Projects were scored on the above property ownership interest in development and site development complexity plus the following bolded goals of the housing strategy goals:

- **Increase Residential Density**
- **Increase Walkability / Connectivity**
- **Economic Impact on Local Business**
- **Catalytic project to spur further investment and development**

FAIRBORN

REVISED PRIORITIZED DOWNTOWN DEVELOPMENT OPPORTUNITIES

DRAFT

Housing Site Attributes Score Low=1 ...High=5 Economic Impact =>	1.Firehouse HP Retail / Restaurant Redevelopment $$$	2. Middle St. HP $	3. Broad St. West & East MFR Redevelopment $$$$$	4. Fairborn Theatre HP Performance Venue $$$	5. 400-440 W. Main Blk Mixed-Use $$$$	6. Wright Street HP $	7. Former 5th/3rd Bank Site Redevelopment $$$$	8. Greenway Trailhead at Granary Elevator $
Property owner interest	5	5	5	5	5	3	5	5
Site Development Complexity	3	2	4	1	3	3	4	3
Walkability	4	3	5	4	5	4	5	3
Support Density	3	2	5	3	4	2	4	2
Economic Benefit to Downtown Businesses	4	2	5	4	5	2	5	2
Total Site Importance Score	**19**	**14**	**24**	**17**	**22**	**14**	**23**	**15**

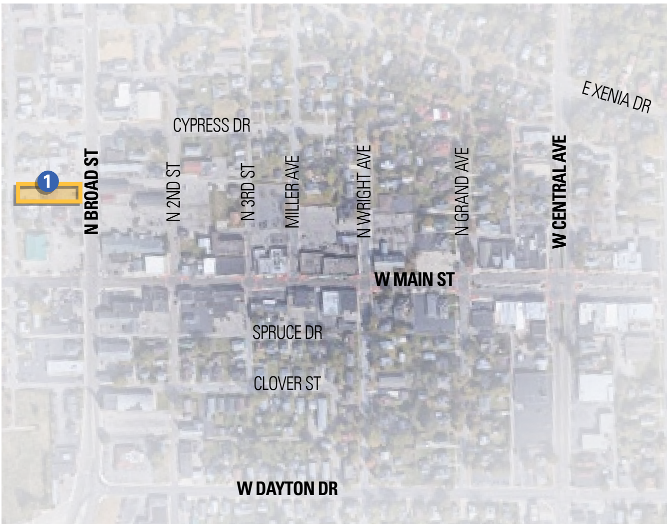
FAIRBORN

PRIORITIZED FIVE-POINTS DEVELOPMENT OPPORTUNITIES

DRAFT

Housing Site Attributes Score Low=1 ...High=5 Economic Impact =>	Wrightview Neighborhood Housing Rehab and Infill Housing $$	2. Col. Glenn Hwy WSU Mixed-Use Redevelopment from Kaufman to University $$$$	3. Park and Elementary School Reuse as Community Center $$	4. NW Quad of 5 -Points Area Mixed-use Redevelopment $$$$	5. Senior independent MFR Redevelopment $$$	6. 5-Points Area Urban Redesign for Ped/Bike $$	Funderburg Rd Greenway from Col. Glenn Hwy to 5-Pts $$
Property owner interest	5	3	4	3	4	4	5
Site Development Complexity	4	3	3	2	5	2	3
Walkability	2	3	2	5	4	5	4
Support Density	4	5	3	5	4	4	4
Economic Benefit to Local Businesses	2	5	2	5	4	3	3
Total Site Attribute Score	**17**	**19**	**14**	**20**	**21**	**18**	**19**

REVISED DOWNTOWN DEVELOPMENT OPPORTUNITIES



1. Firehouse Historic Preservation (Restaurant / Retail Venue)

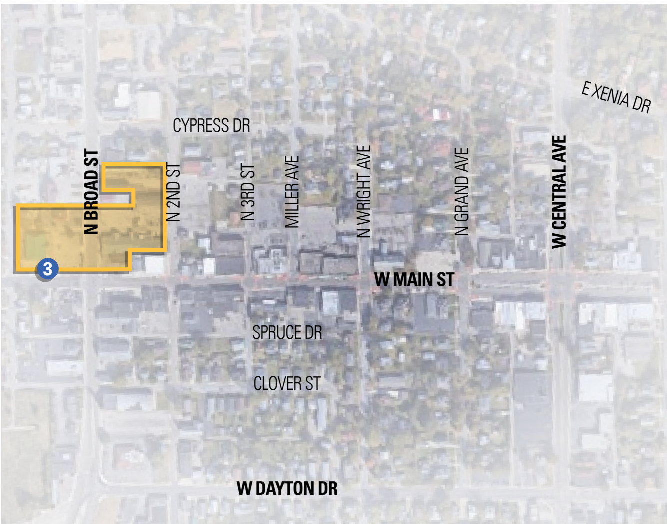
Acreage = 0.50

The former Firehouse may be suitable to fold into a larger Broad / Main Street Redevelopment project which is project 3 in this list of development opportunities. This would allow for a more efficient use of private resources across more square footage. The Firehouse could be a major destination venue for the City of Fairborn and especially a major amenity to the West/East Broad Street Redevelopment if included in the project or done as a standalone project.

2. Middle Street Historic Preservation Multi-Family Residential

Acreage = 0.40

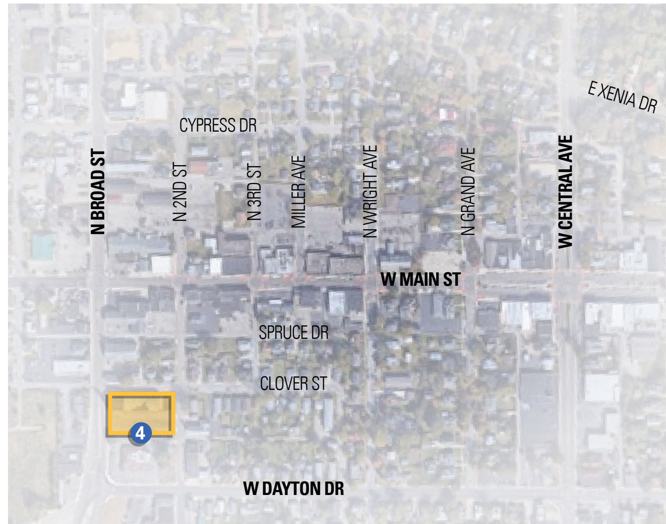
This project requires the City to complete a historic preservation inventory to create a historic district for WWII military historic assets of which the property on Middle Street would be included. This will make the property more affordable for a major redevelopment to preserve its historic value and modernize the mechanical systems, etc.



3. Broad / Main Street at Main Street Redevelopment

Acreage = 4.33

The City of Fairborn owns and therefore controls real estate property on both sides of Broad Street, from immediately behind the historic properties on Middle Street to include the former Legion building to the Broad and West Main Street intersection. This provides an excellent opportunity for a major private redevelopment effort in coordination and with approval from the City. The developer should consider a mixed-use project that is primarily residential with limited retail that could be located at the Broad & Main Street intersection. The development could include significant downtown amenities such as a dog park and include or coordinate with the redevelopment of the firehouse property. The City should think big with these key pieces of real estate to jump-start redevelopment along Broad Street and West Main Street. This should be considered a catalytic project and the city should be aggressive in pursuing developers who have the interest and wherewithal to complete this major redevelopment project.



4. Fairborn Theatre Historic Preservation

Acreage = 1.00

It would appear that recent past efforts to redevelop the Fairborn Theatre property have had little capacity to redevelop the property or run a future performance venue successfully. The City currently has an RFP on the street, but it may be doubtful how successful such an RFP will be at attracting serious developers when major market and feasibility analysis has yet to be completed on the theatre. It warrants serious preservation for its role in Fairborn's past as well as what the Theatre could be to anchor a future major performance venue in Fairborn that could be another catalytic project for the improvement of quality of life in downtown. The Fairborn Theatre has the potential to become a driver for downtown redevelopment as a place that would attract young professionals and talented persons interested in improving the artistic and performing arts of Fairborn.

5. 400-440 W. Main Street Block Redevelopment

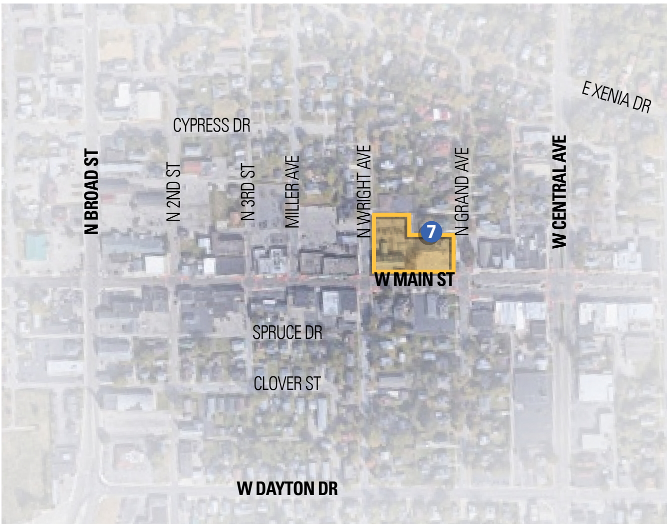
Acreage = 0.94

To find a whole block in the middle of Main Street available for redevelopment is rare. There is an opportunity to transform this block with additional residential and improve the existing commercial uses. It could be linked into the West and East Broad Street project to again leverage scale to use funding as efficiently into a larger scale project. Perhaps, a 4% Low Income Housing Tax Credit (LIHTC) residential units could be developed as part of the residential units. This block plays a major role in linking West and East Main Street together.

6. Wright Street Historic Preservation of Multi-Family Residential Properties

Acreage = 2.0

This project requires the City to complete a historic preservation inventory to create a historic district for WWII military historic assets of which the properties on Wright Street would be included. This will make the property more affordable for a major redevelopment to preserve its historic value and modernize the mechanical systems, etc.



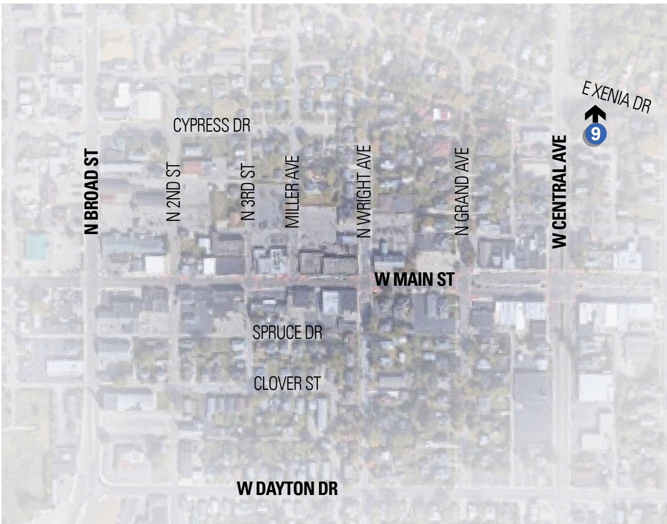
7. Former Fifth Third Bank Property Redevelopment

Acreage = 1.00

The former Fifth Third Bank on Main Street is another catalytic project opportunity. Again, the site may be kept as a commercial redevelopment with the current site of the Farmers Market kept as City property or future plaza site. The property could be used for a future mixed-use development with some residential on site. This may require demolishing the existing building. Another consideration is to use some of the space as municipal offices for City functions that require public attendance and regular meetings such as the City Council, boards and commissions, and a handful of city offices that interface daily with city residents for utility bill paying, etc.

8. Greenway Trailhead at Granary Elevator

This project is already in the master planning phases of the City Park Department. It would link the east edge of downtown to the greenway trails network throughout the Great Miami River basin and the Dayton Region. This could be an excellent trailhead for this system, and it would create an excellent stopover for cyclists in downtown Fairborn.

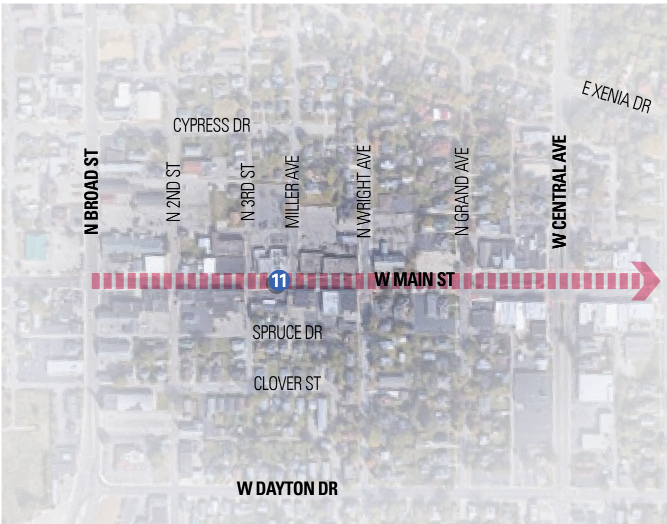


9. Fairborn Apartments Historic Preservation Apartments

This project requires the City to complete a historic preservation inventory to create a historic district for WWII military historic assets of which the properties of the Fairborn Apartments would be included. This will make the property more affordable for a major redevelopment to preserve its historic value and modernize the mechanical systems, etc. of the units. It would also have the potential to eliminate the negative blighting influences of this apartment complex. It would also support future improvement by the school corporation at the middle school to the east of this complex.

10. Wright Village Apartments Historic Preservation of Apartments

This project requires the City to complete a historic preservation inventory to create a historic district for WWII military historic assets of which the properties of the Wright Village apartments would be included. This will make the property more affordable for a major redevelopment to preserve its historic value and modernize the mechanical systems, etc.



11. Main Street Program for Broad and Main Street Businesses (City + Chamber)

Fairborn has an excellent downtown grid pattern that is very walkable. The City takes on much of the festival costs and organization of major events such as the Holiday Parade. Regular programming should be done for Broad and Main Streets that would support weekly and monthly activities that in turn provide an economic impact on local merchants. A Main Street Program coordinated between the City, Chamber, Downtown merchants/ residents, and the Fairborn Development Corporation would benefit downtown businesses and improve the quality of life in the immediate downtown area.

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12. Main Street Façade Loan Program for Broad and Main Street Properties

One of the challenges for small businesses and building owners is to make the necessary improvements to older downtown businesses that do not sap the economic and business growth of local retailers either as property owners or leasees.

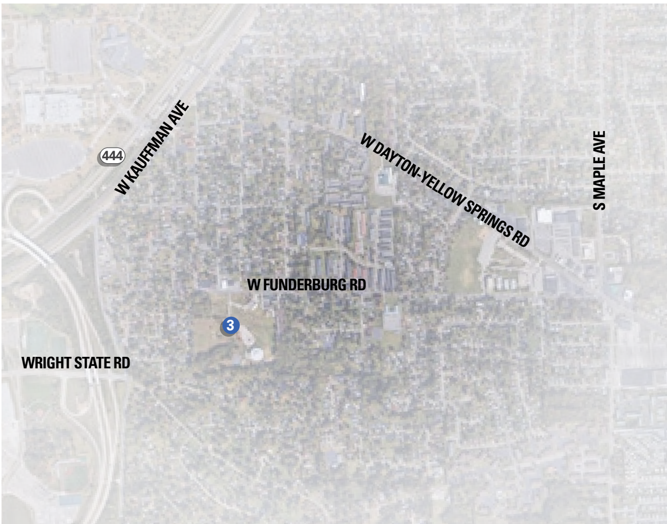
REVISED FIVE-POINTS AREA DEVELOPMENT OPPORTUNITIES

1. Wrightview Neighborhood Infill and Rehabilitation

The Wrightview neighborhood (that is to the west of the Five-Points Area) was mentioned during stakeholder interviews and public meetings as a neighborhood that needs City involvement to help stabilize property values and make necessary public improvements that would support private investment in housing rehabilitation or new infill construction. The City should study how best to make necessary housing rehab occur, especially for those homeowners on fixed incomes, while studying which public improvements regarding streets, sidewalks, or drainage may assist the residents of this neighborhood. The city should investigate multi-family rental improvements as well. Encourage landlords to maintain rental properties through a proactive voluntary program that is maintained to denote which properties have met compliance with housing standards.

2. Col. Glenn Highway Wright State University Mixed-Use Redevelopment

Identified in the recent City Land Use Plan, this project has merit for further consideration as part of this development plan for residential development in the Five-Points Area. The properties within the area would need to be assembled for redevelopment purposes. The City should begin a dialog with Wright State University to determine if there are student housing needs that could be provided at this location. The site could be linked easily to Wright State University with an improved greenway south and west into the campus. It could be linked to the Five-Points Area by a greenway along Funderburg Rd. This project requires significant planning and coordination between the City and University as well as the Wrightview neighborhood and the Five-Points Area businesses. The opportunity and market appear ready for this type of mixed student housing development, but a successful project will depend on significant discussion and coordination between key entities to achieve project success.



3. Wrightview Park and Former School Reuse as Community Center

With the pending closure of Wright Elementary School, the City and School system could provide a major boost to the quality of life for residents by developing a community center at the former school for the neighborhood and expanding the adjacent park into the existing school property. This will take coordination with schools, the neighborhood, and the City Park Department.

4. Northwest Quad Five-Points Redevelopment

The overall economic activity of the Five-Points Area is fairly strong, and it is attracting new investment to the area such as the Dunkin Donuts and the Senior Assisted Living Center. One of the underused parcels is the area to the NW edge of the Five-Points Area where retail businesses are vacant or underused. This area could be a strong candidate for future redevelopment as a mixed-use development that is primarily residential in nature. This would improve residential density near the core of Five-Points while increasing the walkable consumer base for local businesses.

5. Southwest Quad Senior LIHTC Multi-Family Residential Redevelopment

This site will be adjacent to the pending new Senior Assisted Living facility, and it could be an excellent candidate for senior independent living. A developer could use Senior LIHTC credits to assure affordable rents into the future for area seniors who are on more fixed incomes.

6. Redesign Five-Points Intersection to Support Bike and Pedestrian Safety

The Five-Points Area is a vibrant business location for Fairborn. To improve the walkability and attractiveness of the area, it is necessary to re-imagine the area for pedestrians and bicyclists. Safety comes first, and a redesign of local sidewalks and the intersection of Five-Points along with the internal driveways of local commercial establishments would not only improve the mobility of all modes of transportation, but it would improve the attractiveness and economy of the local businesses.

7. Funderburg Greenway from Col. Glenn Highway to Five-Points Intersection

Wrightview neighborhood is somewhat cut off from easy pedestrian and bicyclist connectivity to Five-Points Area. Besides connecting Wrightview neighborhood, this greenway would also connect the new City Park and Community Center along with the Wright State University student housing redevelopment along Col. Glenn Highway at the west end of Funderburg Road.

8. Wrightview Neighborhood Infrastructure Plan

The City should study potential public improvement needs within the neighborhood and prioritize what improvements may be necessary to support future housing rehabilitation and new infill housing within the neighborhood.

9. Pleasantview Neighborhood Infrastructure Plan

While Pleasantview neighborhood did not get mentioned as often as Wrightview for special attention by the City, the City should study potential public improvement needs within the neighborhood. This prioritization effort of public improvements should focus on those that may be necessary to support future housing rehabilitation and new infill housing within the neighborhood.

10. Dayton-Yellow Springs Rd. Business Association from Kauffman Rd. to I-675 east side of Fairborn

Like in Downtown Fairborn, there are special needs of those businesses along the Dayton-Yellow Springs Road regarding traffic patterns, public improvements, and special events. The City should encourage these businesses to consider a voluntary effort to coordinate their business interests. This business association could extend from those at Kauffman Road and the new WSU student housing mixed-use development to those just east of I-675 Dayton-Yellow Springs Road interchange.

CHAPTER 8

PROGRAMMING

This final chapter focuses on housing programs and organizations that work together to provide a comprehensive response to the housing needs in Fairborn.

ORGANIZATIONAL CAPACITY

The following organizational entities described play a unique role in housing development for the City of Fairborn. The only new organization below is the development of a federally recognized Community Housing Development Organization with special capabilities to secure federal funds on behalf of the City of Fairborn.

City of Fairborn, Department of Development Services – This department leads the City's efforts for economic and housing development and provides the staff to manage and use federal program funds for housing improvement projects.

CDBG and HOME – While the City is required to provide some staffing administrative underwriting for these federal programs, it would be important that the City seriously consider underwriting current staff at 100% if possible. The staff currently performs multiple tasks across several program accounts, allowing the City to stretch the benefits of the CDBG and HOME funds to more housing units throughout the City. Because the City of Fairborn is spread-out north to south along the east edge of WPAFB, the use of the CDBG and HOME could be spread-out as well. However, often when a city spreads these limited resources out too "thinly," very little housing impact is made on a neighborhood. A more effective and impactful use of CDBG and HOME funds is to target or concentrate these resources in one neighborhood, showing a more immediate impact on housing and the affected neighborhood. These programs are explained in more detail on the following page.

Code Enforcement – The City's recent proactive enforcement effort should continue in effect, as the step-up enforcement effort has had a noticeable effect on multi-family apartment complexes that previously had a high number of complaints. This effort should be enhanced with additional program activities that encourage voluntary compliance by property owners to maintain and keep their properties safe.

Fairborn Development Corporation (FDC) –

As a 501 (c) 3, the FDC can play a leading role in economic development. This is especially true of real estate assembly for economic development projects that may otherwise be difficult for the City of Fairborn to lead directly. The 501 c 3 status also provides an opportunity for property owners to provide their own properties for an FDC project while also receiving a tax deduction. This may be useful for smaller properties that may be used for a single infill home.

Community Housing Development Organization (CHDO) –

A CHDO is a federally recognized not-for-profit entity that focuses solely on low-to-moderate income / workforce housing issues and projects. The source of this information is Housing and Urban Development (HUD).

These may include set-aside annual allotments from HUD for the following activities

- Acquisition, rehabilitation or new construction of rental housing.
- Acquisition, rehabilitation or new construction of homebuyer properties.
- Direct financial assistance to purchasers of HOME-assisted housing sponsored or developed by a CHDO with HOME funds.

The City of Fairborn would be required to meet the following qualifications for the creation of a CHDO:

- Legal and tax-exempt status,
- Financial management capacity and accountability,
- Staff capacity to carry out HOME-funded activities,
- Experience serving the community,
- Board representation by community members, with at least one-third of its members low-income, and
- Lack of for-profit or public control.

The creation of a CHDO will allow an additional partner for the development of workforce housing especially in targeted neighborhoods such as Wrightview, Pleasantview, and the immediate downtown neighborhoods.

Greene County Development (GCD) –

Provides coordination with Greene County on housing development and economic development projects. GCD may play a lead role in supporting efforts by housing developers to receive county support for their development projects. GCD can also assist with support for state of Ohio tax credits through the Ohio Housing Finance Agency (OHFA).

Greene County Port Authority (GCPA) –

The GCPA offers several benefits to development and company expansion projects. Benefits are among the following:

- Acquire, own, lease, sell or construct improvements to property;
- Issue revenue bonds for port authority facilities;
- Receive federal and state grants;
- Cooperate broadly with other governmental agencies; and
- Offer sales tax reimbursement on construction materials purchased in Ohio.

The GCPA uses these powers to pass advantages along to the private developer or owner.

Greene County Community Improvement Corporation (CIC) –

Greene County Community Improvement Corporation is a not-for-profit organization for the sole purpose of advancing, encouraging, and promoting the industrial, economic, commercial, and civic development of Greene County. The CIC also forms committees focused on Defense & Intelligence, Labor & Education, Business Retention & Expansion, and Marketing to advance the mission of the county.

HOUSING FINANCIAL PROGRAMS

The following list represents the most frequently used housing financial programs by developers for most market and or workforce housing development projects:

Community Development Block Grant (CDBG) –

On an annual basis, the City of Fairborn receives about $250,000 through the CDBG program that is to be used to assist primarily low-to-moderate income residents with housing repairs, rental units, or other public improvements that would remove blighting conditions and/or benefit primarily persons of this income range.

Focused primarily in Wrightview neighborhood and using City funds matching CDBG funds, would allow the City to have a greater impact with the CDBG funds in the Wrightview neighborhood in a more immediate manner.

HOME Investment Partnerships Program (HOME) –

Provides formula grants to States and localities that communities use - often in partnership with local nonprofit groups - to fund a wide range of activities including building, buying, and/or rehabilitating affordable housing for rent or homeownership or providing direct rental assistance to low-income people. HOME is the largest Federal block grant to state and local governments designed exclusively to create affordable housing for low-income households. HOME funds are awarded annually as formula grants to participating jurisdictions (PJ). The program's flexibility allows States and local governments to use HOME funds for grants, direct loans, loan guarantees or other forms of credit enhancements, or rental assistance or security deposits.

Note: Fairborn has received $90,000 to provide HOME housing assistance to qualified households. This amount should assist 9 qualified households, of which 6 households have already been selected. The HOME program is being targeted in the Wrightview neighborhood to concentrate the program's housing and neighborhood benefits.

The HOME program was designed to reinforce several important values and principles of community development:

- HOME's flexibility empowers people and communities to design and implement strategies tailored to their own needs and priorities.
- HOME's emphasis on consolidated planning expands and strengthens partnerships among all levels of government and the private sector in the development of affordable housing.
- HOME's technical assistance activities and set-aside for qualified community-based nonprofit housing groups build the capacity of these partners.
- HOME's requirement that participating jurisdictions match 25 cents of every dollar in program funds mobilizes community resources in support of affordable housing.

New Market Tax Credits (NMTC) –

While not traditionally used for housing, New Markets Tax Credits could be used for projects with mixed-uses such as retail and residential. Developers may also blend NMTC with other tax credit programs such as the federal historic tax credit and low-income housing tax credit programs. This is a complicated tax credit program, and due to its complexity, overall total project development costs should exceed $10 million in value to make the costs of securing the New Markets Tax Credits financially feasible.

Historic Preservation Tax Credits (HTC) –

Federal and state tax credits for historic preservation provide opportunities for developers to leverage additional equity through investors purchasing the qualifying historic tax credits. Like the NMTC program, the use of historic tax credits should be for a project that exceeds $500,000 to provide enough additional equity to make securing the tax credits viable for the project.

Low Income Housing Tax Credits (LIHTC) –

Also known as workforce housing tax credits, because these tax credits are usually used to support a household income range from 60% to 80% of Area Median Income (AMI) with a rent per SF that is set, and only renters who are income eligible qualify to rent the apartments. The lower household income of 60% of AMI may qualify for a 9% tax credit. There are a limited number of these competitive 9% tax credits allowed per year by the federal government. The 4% tax credits, however, are not competitive and allow the household income to rise to 80% of AMI. This brings much less equity investment to the project, but the 4% LIHTC may be very feasible in markets like Fairborn where the rental market rate is at or near the 80% AMI level. The Ohio Housing Finance Authority awards and manages these federal tax credits within the State of Ohio on behalf of the federal government.

Federal Home Loan Bank (FHLB) of Cincinnati –

FHLB Cincinnati runs several programs in support of affordable housing and community development -- everything from homeownership and special needs housing to economic development and disaster recovery. Each with its own application process, these programs help members connect with their communities, often aiding the citizens in most need. This guide will introduce you to program basics. Additionally, the FHLB also conducts seminars and webinars, which provide more in-depth information.

- **FHLB Cincinnati: Affordable Housing Program** - Provides grants up to $1 million for the development of affordable rental and owner-occupied housing. To access the funds, affordable housing developers ("Sponsors") partner with FHLB members to apply for funding. The application period is typically between June and August each year. Applications are submitted online. To apply for a username, collect this information and fill out this online form.
- **FHLB Cincinnati: Welcome Home Program** - Provides grants of up to $5,000 to low- and moderate-income households to assist in the purchase of a home. Members apply for these grants online through the Members Only website. Funds are awarded on a first-come, first-served basis. The application period typically begins March 1, and ends when all funds are reserved.
- **FHLB Cincinnati: Carol M. Peterson Housing Fund** - Provides grants up to $7,500 to help low- and moderate-income elderly and/or special needs households make accessibility modifications and emergency repairs to their homes. Members apply for these grants online through the Members Only website. Funds are awarded on a first-come, first-served basis. The application period typically begins June 1, and ends when all funds are reserved.
- **FHLB Cincinnati: Disaster Reconstruction Program** - Provides grants up to $20,000 to assist survivors in declared disaster areas within the Fifth District to repair or replace their home after a disaster. Members apply for these grants online through the Members Only website. Funds are awarded on a first-come, first-served basis.
- **FHLB Cincinnati: Community Investment Program (CIP)** Provides discounted advances to finance the purchase, construction, and/or rehabilitation of housing and economic development projects that meet certain qualifying factors. Funds are available on a continuous basis via the CIP Application, which can be emailed or faxed to the FHLB
- **FHLB Cincinnati: Economic Development Program (EDP)** - Provides discounted advances to promote economic development and job creation/retention projects that meet certain qualifying factors. Funds are available on a continuous basis via the EDP Application, which can be emailed or faxed to the FHLB.
- **FHLB Cincinnati: Zero Interest Fund** - Provides interest-free loans up to $100,000 to help fund the upfront infrastructure costs for housing, commercial, and/or industrial real estate-related projects. The ZIF application can be emailed or faxed.

US HUD -- MORTGAGE INSURANCE FOR RENTAL & COOPERATIVE HOUSING: SECTION 221(D)(4) –

Section 221(d)(4) program insures mortgage loans to facilitate the new construction or substantial rehabilitation of multifamily rental or cooperative housing for moderate-income families, elderly, and the handicapped. Single Room Occupancy (SRO) projects may also be insured under this section. The source of this information is USHUD.

Purpose: Section 221(d)(4) insures lenders against loss on mortgage defaults. Section 221(d)(4) assists private industry in the construction or rehabilitation of rental and cooperative housing for moderate-income and displaced families by making capital more readily available. The program allows for long-term mortgages (up to 40 years) that can be financed with Government National Mortgage Association (GNMA) mortgage-backed securities.

Type of Assistance:FHA mortgage insurance for HUD-approved lenders.

Eligible Activities: Insured mortgages may be used to finance the construction or rehabilitation of detached or semi-detached row, walkup, or elevator-type in a rental or cooperative housing containing 5 or more units. The program has statutory mortgage limits which vary according to the size of the unit, the type of structure, and the location of the project.

Eligible Borrowers: Eligible mortgagors include public, profit-motivated sponsors, limited distribution, nonprofit cooperatives, builder-seller, investor-sponsor, and general mortgagors.

Eligible Customers: All families are eligible to occupy dwellings in a structure whose mortgage is insured under this program, subject to normal tenant selection. There are no income limits. Projects may be designed specifically for the elderly or handicapped.

- **Application:** Section 221(d)(4) is eligible for Multifamily Accelerated Processing (MAP). The sponsor works with the MAP-approved lender who submits required exhibits for the pre-application stage. HUD reviews the lender's exhibits and will either invite the lender to apply for a Firm Commitment for mortgage insurance or decline to consider the application further. If HUD determines that the exhibits are acceptable, the lender then submits the Firm Commitment application, including a full underwriting package, to the local Multifamily Hub or Program Center for review. The application is reviewed to determine whether the proposed loan is an acceptable risk. Considerations include market need, zoning, architectural merits, capabilities of the borrower, availability of community resources, etc. If the proposed project meets program requirements, the local Multifamily Hub or Program Center issues a commitment to the lender for mortgage insurance.

  Applications submitted by non-MAP lenders must be processed by HUD field office staff under Traditional Application Processing (TAP). The sponsor has a preapplication conference with the local HUD Multifamily Hub or Program Center to determine preliminary feasibility of the project. The sponsor must then submit a site appraisal and market analysis (SAMA) application (for new construction projects), or feasibility application (for substantial rehabilitation projects). Following HUD's issuance of a SAMA or feasibility letter, the sponsor submits a firm commitment application through a HUD-approved lender for processing. If the proposed project meets program requirements, the local Multifamily Hub or Program Center issues a commitment to the lender for mortgage insurance.
- **Technical Guidance:** The 221(d)(4) program is authorized by the National Housing Act (12 U.S.C. 17151 (d)(4)). Program regulations are found at 24 CFR 221, subparts C and D. Basic TAP program instructions are in HUD handbook 4560.01 - Mortgage Insurance for Multifamily Moderate Income Housing Projects available on HUDclips. Refer to the MAP website for guidelines and instructions, lender approval requirements, and MAP coordinators. The program is administered by the Office of Multifamily Housing Programs, Office of Production, and Program Administration Division.
- **Program Accomplishments:** In fiscal year 2015, the Department insured mortgages for 192 projects with 30,412 units, totaling $2.9 billion.

US HUD SECTION 811: SUPPORTIVE HOUSING FOR PERSONS WITH DISABILITIES –

Through Section 811 Supportive Housing for Persons with Disabilities program, HUD provides funding to develop and subsidize rental housing with the availability of supportive services for very low- and extremely low-income adults with disabilities. The source of this information is USHUD.

Purpose: Section 811 program allows persons with disabilities to live as independently as possible in the community by subsidizing rental housing opportunities which provide access to appropriate supportive services.

Type of Assistance: The newly reformed Section 811 program is authorized to operate in two ways: (1) the traditional way, by providing interest-free capital advances and operating subsidies to nonprofit developers of affordable housing for persons with disabilities; and (2) providing project rental assistance to state housing agencies. The assistance to the state housing agencies can be applied to new or existing multifamily housing complexes funded through different sources, such as Federal Low-Income Housing Tax Credits, Federal HOME funds, and other state, Federal, and local programs. The last appropriation for traditional 811 capital advances was made in FY 2011.

- **Capital Advances** - HUD has traditionally provided interest-free capital advances to nonprofit sponsors to help them finance the development of rental housing such as independent living projects, condominium units and small group homes with the availability of supportive services for persons with disabilities. The capital advance can finance the construction, rehabilitation, or acquisition with or without rehabilitation of supportive housing. The advance does not have to be repaid as long as the housing remains available for very low-income persons with disabilities for at least 40 years.

  HUD also provides project rental assistance contracts for properties developed using Section 811 capital advances; this covers the difference between the HUD-approved operating cost of the project and the amount the residents pay--usually 30 % of adjusted income. The initial term of the project rental assistance contract is 3 years and can be renewed if funds are available.

  Each project must have a supportive services plan. The appropriate State or local agency reviews a potential sponsor's application to determine if the plan is well designed to meet the needs of persons with disabilities and must certify to the same. Services vary with the target population but could include case management, training in independent living skills and assistance in obtaining employment. However, residents cannot be required to accept any supportive service as a condition of occupancy.

Nonprofit organizations with a Section 501(c)(3) tax exemption from the Internal Revenue Service can apply for a capital advance to develop a Section 811 project.

- **Project Rental Assistance:** A new Project Rental Assistance program was authorized by the Frank Melville Supportive Housing Investment Act of 2010 and was first implemented through a demonstration program in FY 2012..

Under this program, state housing agencies that have entered into partnerships with state health and human services and Medicaid agencies can apply for Section 811 Project Rental Assistance for new or existing affordable housing developments funded by LIHTC, HOME, or other sources of funds. Under the state health care/ housing agency partnership, the health care agency must develop a policy for referrals, tenant selection, and service delivery to ensure that housing is targeted to a population most in need of deeply affordable supportive housing. Section 811 assistance comes in the form of project rental assistance alone. No funds are available for construction or rehabilitation.

Eligible grantees are state housing agencies that have entered into partnerships with state health and human services and Medicaid agencies who then allocate rental assistance to projects funded by tax credits, HOME funds, or other sources.

Eligible Customers: For projects funded by capital advances and supported by project rental assistance contracts (PRAC), households must be very low income (within 50% of the median income for the area) with at least one adult member with a disability (such as a physical or developmental disability or chronic mental illness).

For projects funded with Project Rental Assistance, residents must be extremely low income (within 30% of the median income for the area) with at least one adult member with a disability. States may establish additional eligibility requirements for this program.

Application: Applicants must submit an application in response to a Notice of Funding Availability (NOFA) posted on Grants.gov.

Technical Guidance: This program is authorized by Section 811 of the National Affordable Housing Act of 1990 (P.L. 101-625) as amended by the Housing and Community Development Act of 1992 (P.L. 102-550), the Rescission Act (P.L. 104-19), the American Homeownership and Opportunity Act of 2000 (P.L. 106-569), and the Frank Melville Supportive Housing Act of 2010 (P.L. 111–374). Program regulations are in 24 CFR Part 891. To learn more about the Section 811 program, see Section 811 Supportive Housing for Persons with Disabilities (HUD Handbook 4571.2) and Supportive Housing for Persons with Disabilities, Conditional Commitment to Final Closing (HUD Handbook 4571.4), which are available on HUDclips.

Program Accomplishments: In Fiscal year 2015, the Department insured mortgages for 192 projects with 30,412 units, totaling $2.9 billion.

Ohio Public Works Commission –

The Ohio Public Works Commission (OPWC) was initially created in 1987 to administer the State Capital Improvement Program, which was soon joined by the Local Transportation Improvement Program. These programs, which run concurrently, are solicited, scored and selected by the 19 District Integrating Committees according to each district's schedule. In 2000, the OPWC became responsible for the administration of the Clean Ohio Conservation Green Space Program in which applications are solicited, scored, and selected by the 19 Natural Resource Assistance Councils (NRAC).

The OPWC staff is accountable to the legislatively appointed twelve-member Commission who provides oversight to the Director and adopts the bylaws governing the conduct of OPWC's business. The Commission's staff works with the district committees to ensure that the programs are administered in a fair and objective manner. On a daily basis, staff maintains ongoing contact with local communities, providing technical assistance through each project's completion.

It is OPWC's mission to deliver its statutory programs with the greatest efficiency and highest customer satisfaction while maintaining a high level of transparency and accountability to Ohio's taxpayers.

Ohio EPA - Ohio Water Pollution Control Loan Fund –

The Water Pollution Control Loan Fund (WPCLF) offers financial and technical assistance to public or private applicants for the planning, design, and construction of a wide variety of projects to protect or improve the quality of Ohio's rivers, streams, lakes and other water resources. In general, WPCLF low-interest loans to address and solve wastewater infrastructure challenges are available to public entities (villages, cities, counties and sewer districts) for the following types of projects:

- Wastewater treatment plant improvements/expansion
- New/replacement sewers
- Excess sewer infiltration/inflow correction
- Facilities for unsewered areas including HSTS systems
- Combined sewer overflow correction

Wastewater projects seeking loans typically follow these basic steps. Assistance from the WPCLF – both in terms of funding and technical assistance – is available for each of the steps.

Ohio Department of Transportation (ODOT) – Transportation Alternatives (TAP) –

The Transportation Alternatives Program (TAP) provides funding for projects defined as transportation alternatives, including on- and off-road pedestrian and bicycle facilities, infrastructure projects for improving non-driver access to public transportation and enhanced mobility, community improvement activities, and environmental mitigation; recreational trail program projects; and safe routes to school projects.

HOUSING REHABILITATION AND NEIGHBORHOOD SPECIFIC PROGRAMS

Focused Housing Rehabilitation –

As described in other parts of this strategy, housing rehabilitation should be focused on neighborhoods with the highest needs. Based on census data and stakeholder input, the Wrightview neighborhood has historically and remains the neighborhood with the highest housing needs. This allows the City of Fairborn to focus, and over several years begin to see positive impacts to the neighborhood; where if the City spread these scarce federal funds across the City, very little difference would be realized on a block-by-block or neighborhood basis.

Volunteer Paint-up and Weatherization Programs –

These programs could serve elderly homeowners or disabled veterans throughout the City with small home improvement projects that could be done in a few hours by volunteers. Donations should be secured possibly from home improvement stores while volunteer coordination and qualifying eligible home referrals should be managed by a CHDO or the City's Department of Development Services.

City-wide Neighborhood Clean-up Program –

A City-wide clean-up program is possible, but it should be coordinated with regular trash pick-up operations. Therefore, neighborhoods could focus on a block or two blocks at a time. This could also be expanded to smaller neighborhood parks, where small improvements could again be made by volunteers with guidance from City crews or other professional volunteers.

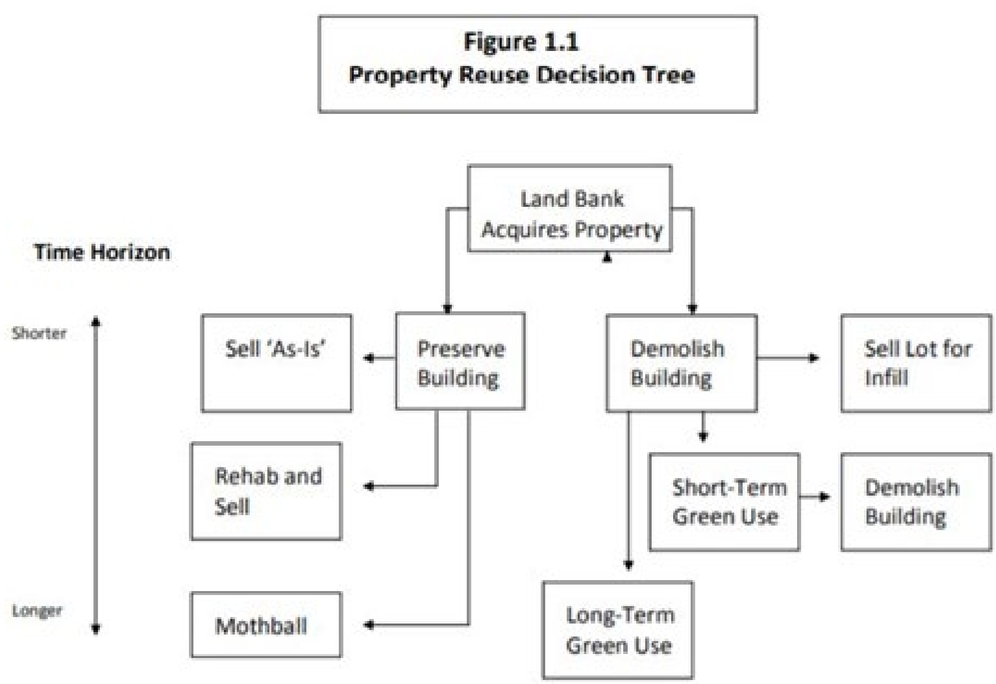
"Tiny Homes" or Alternative Dwelling Units (ADUs) –

These very small homes with square footage size between 400-1000 SF may provide a smaller footprint for rental or single-family homes, but generally these programs will have a greater demand in metropolitan areas where land and home prices and the cost of new housing is often prohibitive for many families. The City of Fairborn generally has a large supply of smaller footprint affordable housing between 750-1000 SF two-bedroom available for sale. Furthermore, land values within the Fairborn and the greater Dayton MSA are generally affordable for most types of housing development.

Community Land Bank –

Land banks are public or community-owned entities created for a single purpose: to acquire, manage, maintain, and repurpose vacant, abandoned, and foreclosed properties – the worst abandoned houses, forgotten buildings, and empty lots. Land banks play a variety of roles as part of a Neighborhood Stabilization Program.

Land banks can play a very limited role, such as simple acquiring property on behalf of a local municipality, to a broader role of property developer. It is important to note that land banks are not financial institutions: financing comes from developers, banks, and local governments. The role a land bank plays in a community is usually dependent on the capacities of the local government, nonprofit and developer industries within the locality, and the relevant needs that exist. Furthermore, when land banks acquire property, they must make several choices regarding property re-use, in addition to a number of choices with respect to property acquisition, disposition, re-use and other policies and procedures. See below diagram for property reuse decision making flow chart.



Please refer to appendix for additional material on Community Land Banks.

Landlord and Rental Housing Programs –

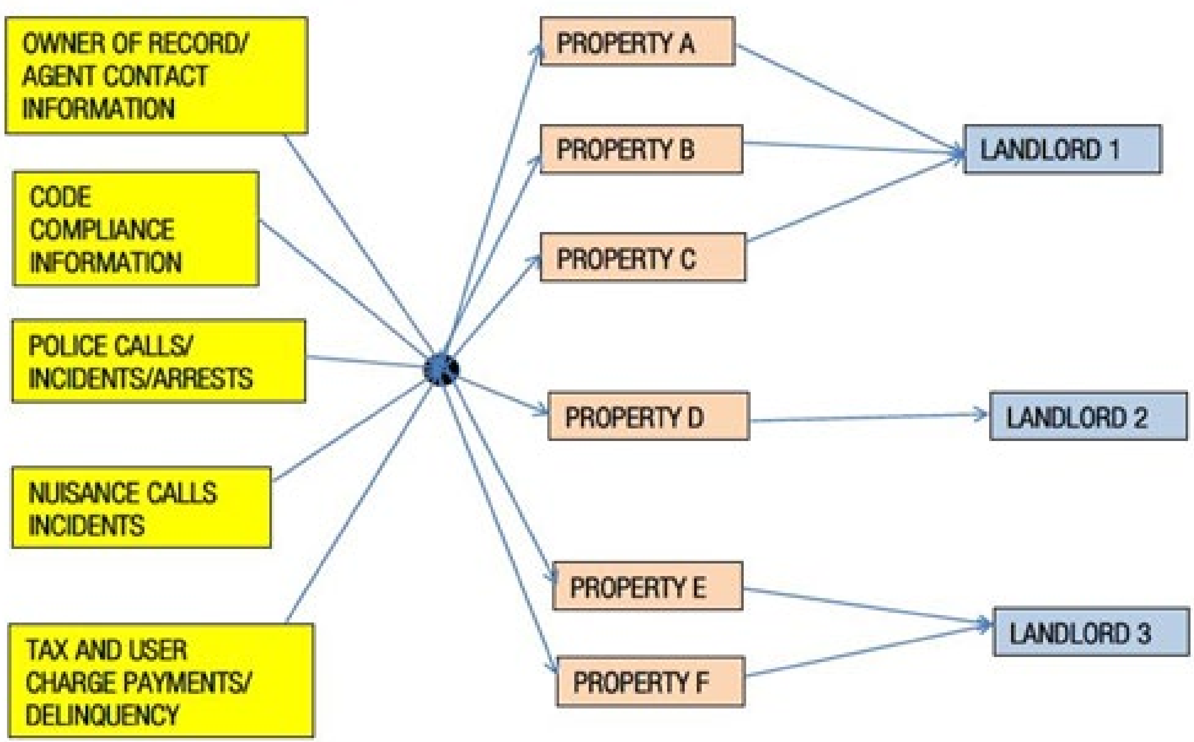
Since about half of Fairborn housing units are rental, it is important that the positive steps taken recently by the City of Fairborn regarding rental property enforcement efforts be expanded to provide a broader set of landlord incentives and assistance methods to ensure long-term rental housing properties remain not just meeting basic codes but encourage further property upgrades over time.

The City should closely consider implementing the following landlord program to some level.

Basic Rental Housing Information System –

The City of Fairborn may need to develop a more robust rental housing information system so the community can easily and effectively track performance of property owners' rental units for health and safety compliance issues. A robust rental information system will make the City's regulatory review more efficient and it should improve neighborhood stability as well. The diagram below illustrates key fields that may be part of a rental information system.

FIGURE 1: SCHEMATIC REPRESENTATION OF BASIC RENTAL PROPERTY INFORMATION SYSTEM



Manual of Good Landlord Practice –

The City of Fairborn provides a rental brochure for tenants, but a good practice manual would outline both landlord and tenant rights in detail for community residents. It may have standard guidance for tenant-lease agreements and other elements of rights for tenants and landlords.

Landlord Academy –

The City of Fairborn has about 50% of its housing units being rental units; therefore, landlord training would provide guidance for best practices within the rental properties. The academy could provide training on a number of issues such as trash removal, crime prevention practices, code upgrade guidance, etc.

Landlord Association –

A strong landlord association will allow members to work together to improve their properties while sharing how best practices may be applied for their rental units and their tenants. The association may address several issues:

- Serve as a networking resource for property managers/owners
- Educate and inform property managers/owners about municipal initiatives and construction projects
- Improve the safety and quality of all rental properties to improve the City's image and its neighborhoods
- Increase meeting awareness and attendance
- Promote resources for property managers/owners and their tenants
- Provide more accessible dialogue between government, residents, and property managers/owners

"Good Landlord" Program –

Create a performance-based standard to grade rental properties so tenants may make an educated selection on where to live. This could be a voluntary program that is supported by property managers/owners. The listing of well-performing rental properties could be used by Fairborn businesses and WPAFB for their employees looking for residential rental units.

For further information, please refer to the appendix to review a local guide for landlord programs prepared by the following from the Center of Community Progress Practice Brief: *"Raising the Bar: Linking Landlord Incentives and Regulation Through Rental Licensing—A Short Guide for Local Government Officials"* may be used by City staff to prepare a more comprehensive local program for their rental properties and their landlords.

CHAPTER 9

IMPLEMENTATION & ACTION PLAN

The Implementation and Action Plan will discuss how each project and program identified in Chapter 7 will be implemented, by whom and with what potential funding sources, and the project/program schedule. Project assumptions will be outlined to highlight the unique challenges and opportunities with each project. Also, the project assumptions will explain each project development context, entitlement, and financing.

STRATEGY GOALS

The Fairborn Master Housing Assessment and Strategy focuses on four major goals for the Downtown and Five-Points Areas. To implement this housing strategy each project will address one of the four goals below:

Increase Neighborhood Stability

Increase Walkability / Connectivity

Positively Impact Local Businesses

Increase Population Density

PROJECT DEVELOPMENT CONTEXT

Each project has its own unique development context that positively or negatively impacts the implementation of the specific project. The development issues will be discussed for each project. They are:

- **Property ownership and control of development interests –** Without project site control, the project or property owner must be interested and be in favor of project development on their property. Without this, no project will successfully be developed.
- **Site Development Complexity –** Understanding the site and property development complexity is also critical to eliminating project implementation delays and resolving potential complex issues that exist on a property and may hinder development. These are often environmental in nature, as a brownfield project may have environmental contamination to remediate. Without proper remediation, development may be moot on a contaminated site.
- **Existing Land Use / Zoning of site and immediate properties –** Does the property have the correct zoning and if not, how does the zoning need to be modified to entitle the developer the opportunity to move into the implementation of the project.
- **Project Scale and Massing within context of built environment –** While zoning entitlement aspects are the legal controlling element for the property to be developed as proposed by an investment team, it remains important that the site once developed fits into and supports the existing and future urban / neighborhood context in which it's being proposed.
- **Project Development Financing (Sources and Uses) –** Once the above issues are reasonably resolved for the project, how will the project be financed? What are the sources and uses of the development pro forma? These funding issues will be developed for all privately financed or public-private partnerships where local funding through Tax Increment Financing may be used. The financial development scenarios illustrate how financial development may work for each privately driven project in either Downtown or Five-Points Areas.

DOWNTOWN AREA
PROJECT IMPLEMENTATION & SCHEDULE

FIREHOUSE HISTORIC PRESERVATION REDEVELOPMENT

Project Goals

Project Description

Reuse former Firehouse for a commercial venture such as a micro-brew pub and/restaurant. The building would be preserved with 6000 SF total and Grass Leaseable Area GLA of ~5100SF. It is projected that a monthly rent of $10.00/SF would be established based on existing market conditions in the downtown area for retail rents. Federal and Ohio state historic preservation tax credits would be used to generate necessary equity for the development team. This project could be rolled into a larger project on the existing city-owned property to the west and east across Broad Street.

This project should stabilize and support businesses in the Downtown Area of Broad and Main Street. On its own or in combination with other redevelopment along Broad Street, this project could become a potential destination venue and thus increase the consumer density coming to downtown. It would support other local businesses in downtown by attracting consumers who may not otherwise be coming to the downtown area.

Project Assumptions

Property ownership and control of development interests – Property is owned by the City of Fairborn, who is very interested in historically preserving the building for economic redevelopment.

Site Development Complexity – The site of the historic firehouse may be eligible for listing on the National Register of Historic Places. While some may see this as a hindrance, developers familiar with historic preservation tax credits will welcome the opportunity to leverage additional equity into the development financing that will be required because local rents are too low to complete this project using conventional financing.

Existing Land Use / Zoning of site and immediate properties – The property is along Broad Street commercial corridor, and it should remain with an intense land use such as restaurant commercial use that will manage many customers.

Project Scale and Massing within context of built environment – The urban context of the surrounding properties is no higher than two- or three-stories. The height of the firehouse is about 3 to 4 stories. It should remain at its current height which allows it to act as a visual focal point along Broad Street.

Project Development Financing (Sources and Uses) – The financial development scenario below indicates that a financial gap exists due to existing rents that are too low to underwrite redevelopment without use of historic tax credits. Furthermore, the financial scenario also suggests that Tax Increment Finance (TIF) underwriting by the City of Fairborn may be necessary as well to close the financial development gap.

FAIRBORN, OHIO **Historic Preservation of former Firehouse**

RATIO

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Assumptions:	SF	Parking Spaces	
TOTAL SF	6,000		
GLA	5,100	85%	
Commercial	5,100	10	2 spaces/1000sf
Residential	0	0	1 space/unit
Total Parking		10	spaces

Project description: Project consists of ~6000 SF of historic renovaetd space for a retail/brew pub at market rate ($20/SF per month). Assume cap rate at 8.0% and use of historic federal HTC and Ohio HTC (not to exceed $5M).

MFR	Unit SF	No. of Units	Rent/SF	Rent/Month	Rent
Monthly Avg Unit	**0**	**0**	**$ -**	**$ -**	**$ -**
Annual Total			1-person hhld	$ 1,000	$ -
Vacancy (5%)			2-person FM Rents	$ 765	$ -
Total MF Income					$ -
Opearting Expenses - MFR				Unit/Yr	
Operating Expenses and Taxes				$ 5,000.00	$ -
Reserves				$ 250.00	$ -
Total Operating Expenss - MFR					$ -
NOI -MFR					$ -

Financial Sources - No Gap Assistance	TDC%	Amount
Equity	**30.0%**	**$ 360,000**
Construction Loan Max. 70% of NPV	66.9%	**$ 803,250**
TOTAL SOURCES	100%	$ 1,200,000
Value Creation without public investment		
Cap Rate		**8.0%**
Projected Value		$ 1,147,500
Total Development Costs LESS Equity		$ 840,000
Financial GAP	**25.6%**	**$ 307,500**

COMMERCIAL (1/3)	Total SF	Rent/SF	Annual Income
Retail/Office/Conference	5,100	$ 20.00	$ 102,000
Vacancy	10%		$ (10,200)
NOI-Commercial			$ 91,800

Revised Financial Sources	TDC%	Amount
Equity	**17.8%**	**$ 213,450**
Construction Loan Max. 70% of NPV	66.9%	**$ 803,250**
HTC Fed and State combined	**34.4%**	**$ 412,800**
TIF	***0.0%***	***$ -***
Funding Source No Equity	101.3%	$ 1,216,050
TOTAL SOURCES	100%	$ 1,200,000
Value Creation with public investment		
Cap Rate		8.0%
Projected Value		$ 1,147,500
Total Development Costs LESS, HTC & Equity	47.8%	$ 573,750
Financial GAP		**$ 573,750**

OTHER INCOME	Total Spaces	Rent/Space	Monthly	Annual Income
Parking	10.2	$0	$ -	$ -
Vacancy 7.5%				$ -
NOI-Other Income				$ -

TOTAL PROJECT NOI	**$ 91,800**

DEVELOPMENT COSTS			Total	$/Unit	$/SF
Land Costs			**$ -**		$ -
Site Work Costs			$ 100,000		$ 16.67
Building Construction Costs/SF		6,000	$ 900,000		**$ 150.00**
Structured Parking	$15000/space	0	$ -		$ -
Surface Parking	$2500/space	10	$ 25,000		$ 0.27
Total Non-Construction Costs (20% of Constuction)			$ 200,000		$ 33.33
TOTAL DEVELOPMENT COSTS			**$ 1,200,000**		**$ 200.00**

*Reduced max LIHTC 9% by $1.4M

$35M Eligible for HTC	$ Credits of Con	$.80/$Credits
Federal HTC (20% of eligible costs)	$ 216,000	$ 172,800
Ohio (25% of eligible costs <$5M)	$ 300,000	$ 240,000
Total HTC Equity Raised		***$ 412,800***

Review Cash Flow	Value
NOI	$ 91,800
D/S w1.25 DCR	$70,284
Cash Flow	$ 21,516

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MIDDLE STREET HISTORIC PRESERVATION FOR MULTI-FAMILY RESIDENTIAL

Project Goals

Project Description

Preserve Middle Street historic apartment and continued use for multi-family residential apartments. Three buildings would be preserved with about 24 units. It is projected that a monthly rent of $0.90/SF would be established based on existing market conditions in the downtown area for residential rents. Federal and Ohio state historic preservation tax credits would be used to generate necessary equity for the development team.

Project Assumptions

Property ownership and control of development interests – The property is currently for sale.

Site Development Complexity – The site consistent of three small apartment buildings from the World War II military mobilization effort. Historic tax credits could likely assist with the renovation of these buildings.

Existing Land Use / Zoning of site and immediate properties – Existing land use and zoning is consisting with current zoning status for multi-family residential.

Project Scale and Massing within context of built environment – The two-story apartment buildings are consistent with the surrounding neighborhood of two-story homes to the south and commercial buildings to the north along Broad Street.

Project Development Financing (Sources and Uses) – This project would likely require using historic federal and state tax credits to close the renovation financing gap. There should not be any need for City financial assistance for this project. Besides the historic tax credit, the project may qualify for federal low-income housing tax credits of 4% (rents kept at 80% Area Median Income (AMI)) or 9% (rents kept at 60% of AMI). Please see the Fairborn Apartments Financial Development Scenario for reference on how this project could be structured for a private developer.

WEST & EAST BROAD ST. MIXED-USE REDEVELOPMENT AT WEST MAIN ST.

Project Goals

Project Description

The City owns most of this 4+ acre real estate that is divided by Broad Street. It is projected that a monthly rent may be generated at $1.25/sq. ft. per month because this would be the newest apartment mixed-use development in downtown Fairborn. Rents may be achieved because of the excellent walkability of the location to downtown Fairborn shops and businesses. It is anticipated that the project would create about 105,000 SF to create 90 luxury apartments with limited retail of about 12,000 SF. It may be necessary to blend a 4% LIHTC units into the financing to close project financing gap. The City of Fairborn will likely be required to assist with TIF underwriting. This is a catalytic project with the potential to be a game-changer for downtown Fairborn and the Fairborn community in general. It will have an immediate impact on businesses, and it will drive further investment and job creation in and around Broad Street and Main Street.

Project Assumptions

Property ownership and control of development interests – The City owns the real estate and is motivated to support private development that would create a catalytic impact on downtown and the Fairborn community.

Site Development Complexity – The real estate is mostly clear and anticipated to be environmentally clean. There are two vacant buildings on the site, but neither appears to present any significant demolition challenges.

Existing Land Use / Zoning of site and immediate properties – The properties are in the downtown area, and the land use would be consistent with current land uses and zoning.

Project Scale and Massing within context of built environment -- This portion of downtown has mostly low-rise commercial buildings with some residential along the south edge of the real estate. It would be appropriate for the buildings to be 3-4 stories high. This would create significant scale, but it would not be out of character for the downtown context or the commercial properties along Broad Street corridor.

Project Development Financing (Sources and Uses) – It is anticipated that the city would support this project with TIF assistance, and it may be necessary for the developer to pursue using federal 4% LIHTC to blend rents and close a financial gap with the project. The financial development scenario below illustrates potential funding structure for the project that could guide a private developer to complete this transformative project.

FAIRBORN, OHIO
DOWNTOWN - Former Fire Station & Broad Street Redevelopment Financial Scenario

RATIO

Assumptions:	SF	Parking Spaces	
TOTAL SF	105,000	3 floors	
GLA	89,250	85%	
Commercial	12,000	24	2 spaces/1000sf
Residential	77,250	91	1 space/unit
Total Parking		115	spaces

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Project description: Project consists of ~91 new apartment units at market rate ($0.90/SF per month). Assume cap rate at 8.0% and use of TIF. Commercial space includes 6,000 SF in the former Fire Station and an additional 6,000 SF of new retaill in mixed-use MFR residential at $20/SF with 115 parking spaces.

MFR	Unit SF	No. of Units	Rent/SF	Rent/Month	Rent
Monthly Avg Unit	**850**	**91**	**$ 0.90**	**$ 765.00**	**$ 69,525**
Annual Total				$ 1,000	$ 834,300
Vacancy (5%)				$ 765	$ (41,715)
Total MF Income					$ 792,585
Operating Expenses - MFR				Unit/Yr	
Operating Expenses and Taxes				$ 5,000.00	$ (454,412)
Reserves				$ 250.00	$ (22,721)
Total Operating Expenses - MFR					$ (477,132)
NOI -MFR					$ 315,453

COMMERCIAL (1/3)	Total SF	Rent/SF	Annual Income
Retail/Office/Conference	12,000	$ 20.00	$ 240,000
Vacancy	10%		$ (24,000)
NOI-Commercial			$ 216,000

OTHER INCOME	Total Spaces	Rent/Space	Monthly	Annual Income
Parking	114.8823529	$0	$ -	$ -
Vacancy 7.5%				$ -
NOI-Other Income				$ -

TOTAL PROJECT NOI	**$ 531,453**

DEVELOPMENT COSTS			Total	$/Unit	$/SF
Land Costs			**$ -**	**$ -**	**$ -**
Site Work Costs			$ 200,000	$ 2,200.65	$ 1.90
Building Construction Costs/SF		105,000	$ 13,125,000	$ 144,417.48	**$ 125.00**
Structured Parking	$15000/space	0	$ -	$ -	$ -
Surface Parking	$2500/space	115	$ 287,206	$ 3,160.19	$ 3.16
Total Non-Construction Costs (20% of Constuction)			$ 2,665,000	$ 29,323.62	$ 25.38
TOTAL DEVELOPMENT COSTS			**$ 15,990,000**	**$ 175,941.75**	**$ 152.29**

Financial Sources - No Gap Assistance	TDC%	Amount
Equity	**30.0%**	**$ 4,797,000**
Construction Loan Max. 70% of NPV	**29.1%**	**$ 4,650,211**
TOTAL SOURCES	100%	$ 15,990,000
Value Creation without public investment		
Cap Rate		**8.0%**
Projected Value		$ 6,643,158
Total Development Costs LESS Equity		$ 11,193,000
Financial GAP	**-28.5%**	**$ (4,549,842)**

Revised Financial Sources	TDC%	Amount
Equity	**15.8%**	**$ 2,526,698**
Construction Loan Max. 70% of NPV	**29.1%**	**$ 4,650,211**
TIF	**24.1%**	**$ 3,852,844**
LIHTC (4% with basis at 90% of TDC)	**27.0%**	**$ 4,317,300**
Funding Source No Equity	*80.2%*	*$ 12,820,355*
TOTAL SOURCES	100%	$ 15,990,000
Value Creation with public investment		
Cap Rate		8.0%
Projected Value		$ 6,643,158
Total Development Costs LESS TIF,LIHTC & Equity	33.1%	$ 5,293,158
Financial GAP		**$ 1,350,000**

Review Cash Flow	Value
NOI	$ 531,453
D/S w1.25 DCR	$406,893
Cash Flow	$ 124,559

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FAIRBORN THEATRE HISTORIC PRESERVATION REUSE

Project Goals

Project Description

The former Fairborn Theatre is a legitimate historic landmark for Fairborn and the Wright-Patterson Air Force Base as well. The vacant theatre has not been used as a theater for at least two decades. While a local not-for-profit theatre organization recently attempted to restore its use, it was not successful. At the time of this writing, the City of Fairborn has a Request For Proposal out to developers for the theatre. It is unclear at this time whether the Theatre will be preserved for the future.

Project Assumptions

Property ownership and control of development interests – The City owns the property as a last resort, but it may not be able to be significantly involved financially in a restoration project or future operations of the theater as a "community theatre."

Site Development Complexity – Due to its historic condition, the theatre may be eligible for federal and state historic tax credits that would assist the capital stack for the project; however, it is the long-term operation of a theatre or community theatre that is questionable without further market feasibility of the theatre and surrounding performing arts facilities.

Existing Land Use / Zoning of site and immediate properties – The site would remain as a theatre, and the status would not change from its existing land-use classification.

Project Scale and Massing within context of built environment – Restoring the theatre fits with the existing Broad Street corridor and this edge of downtown.

Project Development Financing (Sources and Uses) – The project would likely require significant City participation with significant funding from private donations and foundations. Further, research beyond the scope of this Master Housing Assessment & Strategy is necessary to thoroughly understand the full range of redevelopment options for this landmark building that has played such a central role in the history of Fairborn.

400-440 WEST MAIN STREET BLOCK REDEVELOPMENT

Project Goals:

Project Description

The south side of the 400 block of West Main Street is for sale. If the existing buildings in the block were retained for future redevelopment, it is projected that about 55,000 SF of mixed-use could be generated between existing buildings and building new structures behind the current buildings. This would potentially create about 45 residential apartment units while leaving about 10,000 SF at the ground level along West Main Street for commercial uses.

Project Assumptions:

Property ownership and control of development interests – The properties along 400-440 West Main Street are currently for sale.

Site Development Complexity – Existing buildings present some challenges to creating an economically efficient mixed-use development, but it is anticipated that the "historic" feel of the existing buildings may make the development more appealing for commercial and residential tenants.

Existing Land Use / Zoning of site and immediate properties – The new redevelopment project would be consistent with downtown development uses.

Project Scale and Massing within context of built environment – The project would have a new 3-story building behind the existing 2-story buildings along Main Street. It is anticipated that this would be consistent with the development context in downtown.

Project Development Financing (Sources and Uses) – As the financial scenario illustrates, the City of Fairborn would likely need to assist with TIF funds to offset existing rents in downtown for both commercial and residential. It may be necessary for a developer to use 4% LIHTC to generate adequate equity to fill the project financial gap.

FAIRBORN, OHIO
DOWNTOWN - 400-440 W. Main Street Block Redevelopment

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RATIO

Assumptions:	SF	Parking Spaces	
TOTAL SF	55,000	2-3 floors	
GLA	46,750	85%	
Commercial	10,000	20	2 spaces/1000sf
Residential	36,750	45	1 space/unit
Total Parking		65	spaces

Project description: Project consists of ~45 new apartment units at market rate ($0.90/SF per month). Assume cap rate at 8.0% and use of TIF. Commercial space includes 6,000 SF at $20/SF. Parking half the vehicles on site or 65 total parking spaces.

MFR	Unit SF	No. of Units	Rent/SF	Rent/Month	Rent
Monthly Avg Unit	**850**	**45**	**$ 0.90**	**$ 765.00**	**$ 34,425**
Annual Total				$ 1,000	$ 413,100
Vacancy (5%)				$ 765	$ (20,655)
Total MF Income					$ 392,445
Operating Expenses - MFR				Unit/Yr	
Operating Expenses and Taxes				$ 5,000.00	$ (225,000)
Reserves				$ 250.00	$ (11,250)
Total Operating Expenses - MFR					$ (236,250)
NOI -MFR					$ 156,195

COMMERCIAL (1/3)	Total SF	Rent/SF	Annual Income
Retail/Office/Conference	6,000	$ 10.00	$ 60,000
Vacancy	10%		$ (6,000)
NOI-Commercial			$ 54,000

OTHER INCOME	Total Spaces	Rent/Space	Monthly	Annual Income
Parking	65	$0	$ -	$ -
Vacancy 7.5%				$ -
NOI-Other Income				$ -

TOTAL PROJECT NOI	**$ 210,195**

DEVELOPMENT COSTS			Total	$/Unit	$/SF
Land Costs			**$ 500,000**	$ 11,111.11	$ 9.09
Site Work Costs			$ 200,000	$ 4,444.44	$ 3.64
Building Construction Costs/SF		55,000	$ 6,875,000	$ 152,777.78	**$ 125.00**
Structured Parking	$15000/space	0	$ -	$ -	$ -
Surface Parking	$2500/space	65	$ 162,500	$ 3,611.11	$ 2.95
Total Non-Construction Costs (20% of Constuction)			$ 1,415,000	$ 31,444.44	$ 25.73
TOTAL DEVELOPMENT COSTS			**$ 8,990,000**	**$ 199,777.78**	**$ 163.45**

1. Financial Sources - No Gap Assistance	TDC%	Amount
Equity	**30.0%**	**$ 2,697,000**
Construction Loan Max. 70% of NPV	20.5%	**$ 1,839,206**
TOTAL SOURCES	100%	$ 8,990,000
Value Creation without public investment		
Cap Rate		**8.0%**
Projected Value		$ 2,627,438
Total Development Costs LESS Equity		$ 6,293,000
Financial GAP	**-40.8%**	**$ (3,665,563)**

Revised Financial Sources	TDC%	Amount		
Equity	**18.9%**	**$ 1,700,000**		
Construction Loan Max. 70% of NPV	20.5%	**$ 1,839,206**		
TIF	***19.9%***	***$ 1,785,263***		
LIHTC (4% with basis at 90% of TDC)	***27.0%***	***$ 2,427,300***	$ 53,940	credits/unit
Funding Source No Equity	*67.3%*	*$ 6,051,769*		
TOTAL SOURCES	100%	$ 8,990,000		
Value Creation with public investment				
Cap Rate		8.0%		
Projected Value		$ 2,627,438		
Total Development Costs LESS TIF, LIHTC, & Equity		$ 3,077,437		
Financial GAP		**$ (450,000)**		

Review Cash Flow	Value
NOI	**$ 210,195**
D/S w1.25 DCR	**$160,931**
Cash Flow	**$ 49,264**

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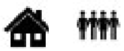
WRIGHT STREET HISTORIC PRESERVATION FOR MULTI-FAMILY RESIDENTIAL

Project Goals



Project Description

Preserve Wright Street historic apartment and continued use for multi-family residential apartments. Six buildings would be preserved with about 18 units. It is projected that a monthly rent of $0.90/SF would be established based on existing market conditions in the downtown area for residential rents. Federal and Ohio state historic preservation tax credits would be used to generate necessary equity for the development team.

Project Assumptions

Property ownership and control of development interests – The properties are currently for sale.

Site Development Complexity – They consist of six duplex apartment buildings and one former military dormitory from the World War II military mobilization effort. Historic tax credits could likely assist with the renovation of these buildings.

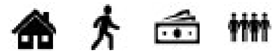
Existing Land Use / Zoning of site and immediate properties – Existing land use and zoning is consistent with current zoning status for multi-family residential.

Project Scale and Massing within context of built environment – The two-story apartment buildings are consistent with the surrounding neighborhood of two-story homes to the south and commercial buildings along Wright Street and around Main Street.

Project Development Financing (Sources and Uses) – This project would likely require using historic federal and state tax credits to close the renovation financing gap. There should not be any need for City financial assistance for this project. Besides the historic tax credit, the project may qualify for federal low-income housing tax credits of 4% (rents kept at 80% Area Median Income (AMI)) or 9% (rents kept at 60% of AMI). Please see the Financial Development Scenario below for reference on how this project could be structured for a private developer.

FORMER FIFTH THIRD BANK PROPERTY REDEVELOPMENT

Project Goals



Project Description

If the former Fifth Third Bank building remains on the site, then it could potentially be incorporated into a larger development that would keep office uses in the bank building while creating additional residential apartment units. The project would add about 16 apartment units while maintaining the office space. The section of the property to the east of the bank along Main Street could be kept as a Farmers Market with an improved Downtown Plaza space.

Project Assumptions

Property ownership and control of development interests – The property is currently for sale.

Site Development Complexity – There are no known historical or environmental issues with the site.

Existing Land Use / Zoning of site and immediate properties – The Project would introduce a mixed-use context directly onto Main Street that would be consistent with existing uses and zoning.

Project Scale and Massing within context of built environment – The project would potentially have a small three-story building in the rear of the existing bank building. This should not affect the design feel along Main Street, and it is low enough not to impact single-family homes.

Project Development Financing (Sources and Uses) – The financial scenario below suggests that the City of Fairborn may need to be prepared to assist with TIF underwriting. The private developer may also need to use additional federal tax credits such as 4% LIHTC to completely fill in a likely financial gap.

FAIRBORN, OHIO
DOWNTOWN - Former 5th/3rd Bank Property Redevelopment

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RATIO

Assumptions:	SF	Parking Spaces	
TOTAL SF	25,000	3 floors	
GLA	21,250	85%	
Commercial	8,000	16	2 spaces/1000sf
Residential	13,250	16	1 space/unit
Total Parking		32	spaces

Project description: Project consists of ~16 new apartment units at market rate ($1.25/SF per month). Assume cap rate at 8.0% and use of TIF. Commercial space includes 8,000 SF at $20/SF with parking spaces for 32 vehicles.

MFR	Unit SF	No. of Units	Rent/SF	Rent/Month	Rent
Monthly Avg Unit	**850**	**16**	**$ 1.25**	**$ 1,062.50**	**$ 16,563**
Annual Total				$ 1,000	$ 198,750
Vacancy (5%)				$ 765	$ (9,938)
Total MF Income					$ 188,813
Operating Expenses - MFR				Unit/Yr	
Operating Expenses and Taxes				$ 5,000.00	$ (77,941)
Reserves				$ 250.00	$ (3,897)
Total Operating Expenses - MFR					$ (81,838)
NOI -MFR					$ 106,974

COMMERCIAL (1/3)	Total SF	Rent/SF	Annual Income
Retail/Office/Conference	8,000	$ 20.00	$ 160,000
Vacancy	10%		$ (16,000)
NOI-Commercial			$ 144,000

OTHER INCOME	Total Spaces	Rent/Space	Monthly	Annual Income
Parking	32	$0	$ -	$ -
Vacancy 7.5%				$ -
NOI-Other Income				$ -

TOTAL PROJECT NOI	**$ 250,974**

DEVELOPMENT COSTS			Total	$/Unit	$/SF
Land Costs			**$ 400,000**	$ 25,660.38	$ 16.00
Site Work Costs			$ 200,000	$ 12,830.19	$ 8.00
Building Construction Costs/SF		25,000	$ 3,125,000	$ 200,471.70	**$ 125.00**
Structured Parking	$15000/space	0	$ -	$ -	$ -
Surface Parking	$2500/space	32	$ 78,971	$ 5,066.04	$ 0.87
Total Non-Construction Costs (20% of Constuction)			$ 665,000	$ 42,660.38	$ 26.60
TOTAL DEVELOPMENT COSTS			**$ 4,390,000**	**$ 281,622.64**	**$ 175.60**

Financial Sources - No Gap Assistance	TDC%	Amount
Equity	**30.0%**	**$ 1,317,000**
Construction Loan Max. 70% of NPV	50.0%	**$ 2,196,025**
TOTAL SOURCES	100%	$ 4,390,000
Value Creation without public investment		
Cap Rate		**8.0%**
Projected Value		$ 3,137,178
Total Development Costs LESS Equity&Loan		$ 3,073,000
Financial GAP	**1.5%**	**$ 64,178**

Revised Financial Sources	TDC%	Amount
Equity	**0.9%**	**$ 41,153**
Construction Loan Max. 70% of NPV	50.0%	**$ 2,196,025**
TIF	***22.0%***	***$ 967,522***
LIHTC (4% with basis at 90% of TDC)	***27.0%***	***$ 1,185,300***
Funding Source No Equity	99.1%	$ 4,348,847
TOTAL SOURCES	100%	$ 4,390,000
Value Creation with public investment		
Cap Rate		8.0%
Projected Value		$ 3,137,178
Total Development Costs LESS TIF,LIHTC & Equity		$ 2,237,178
Financial GAP		**$ 900,000**

Review Cash Flow	Value
NOI	**$ 250,974**
D/S w1.25 DCR	**$192,152**
Cash Flow	**$ 58,822**

DRAFT for Deliberative Financial Planning Purposes Only

GREENWAY TRAILHEAD AT THE GRANARY ELEVATOR

Project Goals

Project Description

The Greenway Trailhead would connect to the Buckeye Greenway trail that runs south to Wright State University and other major regional trails throughout the Dayton and Great Miami River Basin. The Greenway Trailhead should be directly linked to downtown Main Street, and it represents an excellent means to attract non-residents who would be using the regional trail system to downtown Fairborn. The greenway will eventually be extended to the City Quarry Park and areas on the City's northeast side.

Project Assumptions

**Property ownership and control of development interests – **The project would be directed by the City in partnership with property owner.

**Site Development Complexity – **There may be some structural issues with the Granary Elevator building, but there are no known environmental issues on the site of the trailhead.

**Existing Land Use / Zoning of site and immediate properties – **This project would be consistent with the City's long-range Park Master Plan.

**Project Scale and Massing within context of built environment – **The Granary is an existing building that pre-dates the merger of Fairfield and Osborn to form Fairborn. While it is an older structure that has significant visual prominence due to its height, it is not considered a contributing building to the historic structures of Fairborn.

**Project Development Financing (Sources and Uses) – **This is a City project that would contribute significantly to the overall quality of life of the downtown and the community as a whole. This is a publicly funded project that the City Parks Department has planned for in its capital budget for the coming years.

FAIRBORN APARTMENTS - MILITARY RESIDENTIAL HISTORIC PRESERVATION FOR MULTI-FAMILY RESIDENTIAL UNITS

Project Goals

Project Description

There are an estimated 200 units within the Fairborn Apartments complex that was constructed for World War II mobilization. Like the other military historic residential development from the World War II era, these properties need preservation. The buildings are a major historical asset to the City of Fairborn and represent a one-of-a-kind historic preservation opportunity. Currently, these units are Section 8 housing, and the historical aspects of some of the structures are being compromised. This project would eliminate the slum and blighting influences of this development on the surrounding neighborhood.

For the City to take advantage of this uniquely Fairborn development opportunity, it will require a historic survey and inventory of the historic buildings at the Fairborn Apartments and the other historic subdivisions and housing units in Fairborn. Due to the high quality and quantity of historical military units for preservation, a military residential historic district formation is recommended for the long-term protection of these historical assets for the Fairborn community and Wright-Patterson AFB.

Project Assumptions

Property ownership and control of development interests – There are multiple owners involved, and the historic survey will document the ownership status of the properties. It is believed from initial discussions that owners of the major historical apartment complexes such as Fairborn Apartments may be very interested in the federal and state historic tax credits.

Site Development Complexity – There are historical complexities, but no major environmental issues.

**Existing Land Use / Zoning of site and immediate properties – **The existing land uses would remain consistent with current residential uses.

**Project Scale and Massing within context of built environment – **No significant scale or massing changes would be proposed from the current residential context.

**Project Development Financing (Sources and Uses) – **The financial scenario below suggests how a major historic preservation and modernization of the historic apartment units could be financially structured.

FAIRBORN, OHIO Historic Preservation of Major Military Residential Apartment Units

DRAFT

Assumptions:	SF	Parking Spaces	
TOTAL SF	200,000		
GLA	170,000	85%	
Commercial	0	0	2 spaces/1000sf
Residential	170,000	0	1 space/unit
Total Parking		0	spaces

Project description: Project consists of ~250 historic apartment units at market rate ($1.25/SF per month). Assume cap rate at 8.0% and use of historic federal HTC and Ohio HTC (not to exceed $5M).

MFR	Unit SF	No. of Units	Rent/SF	Rent/Month	Rent
Monthly Avg Unit	**680**	**250**	**$ 0.90**	**$ 612.00**	**$ 153,000**
Annual Total			1-person hhld	$ 1,000	$ 1,836,000
Vacancy (5%)			2-person FM Rents	$ 765	$ (91,800)
Total MF Income					$ 1,744,200
Operating Expenses - MFR				Unit/Yr	
Operating Expenses and Taxes				$ 5,000.00	$ (1,250,000)
Reserves				$ 250.00	$ (62,500)
Total Operating Expenses - MFR					$ (1,312,500)
NOI -MFR					$ 431,700

Financial Sources - No Gap Assistance	TDC%	Amount
Equity	**30.0%**	**$ 10,836,000**
Construction Loan Max. 70% of NPV	10.5%	**$ 3,777,375**
TOTAL SOURCES	100%	$ 36,120,000
Value Creation without public investment		
Cap Rate		**8.0%**
Projected Value		$ 5,396,250
Total Development Costs LESS Equity		$ 25,284,000
Financial GAP	**-55.1%**	**$ (19,887,750)**

COMMERCIAL (1/3)	Total SF	Rent/SF	Annual Income
Retail/Office/Conference	0	$ -	$ -
Vacancy	10%		$ -
NOI-Commercial			$ -

Revised Financial Sources	TDC%	Amount
Equity	**4.5%**	**$ 1,618,875**
Construction Loan Max. 70% of NPV	**10.5%**	**$ 3,777,375**
HTC Fed and State combined	**28.2%**	**$ 10,201,280**
TIF	***0.0%***	***$ -***
LIHTC (9% with basis at 9% of TDC)*	***56.8%***	***$ 20,522,470***
Funding Source No Equity	95.5%	$ 34,501,125
TOTAL SOURCES	100%	$ 36,120,000
Value Creation with public investment		
Cap Rate		8.0%
Projected Value		$ 5,396,250
Total Development Costs LESS HTC,LIHTC & Equity	14.9%	$ 5,396,250
Financial GAP		**$ -**

*Reduced max LIHTC 9% by $1.4M

OTHER INCOME	Total Spaces	Rent/Space	Monthly	Annual Income
Parking	0	$0	$ -	$ -
Vacancy 7.5%				$ -
NOI-Other Income				$ -

TOTAL PROJECT NOI	**$ 431,700**

DEVELOPMENT COSTS			Total	$/Unit	$/SF
Land Costs			**$ -**	$ -	$ -
Site Work Costs			$ 100,000	$ 400.00	$ 0.50
Building Construction Costs/SF		200,000	$ 30,000,000	$ 120,000.00	**$ 150.00**
Structured Parking	$15000/space	0	$ -	$ -	$ -
Surface Parking	$2500/space	0	$ -	$ -	$ -
Total Non-Construction Costs (20% of Constuction)			$ 6,020,000	$ 24,080.00	$ 30.10
TOTAL DEVELOPMENT COSTS			**$ 36,120,000**	**$ 144,480.00**	**$ 180.60**

$35M Eligible for HTC	$ Credits of Eligible Const.	$.80/$Credits
Federal HTC (20% of eligible costs)	$ 6,501,600	$ 5,201,280
Ohio (25% of eligible credits <$5M)	$ 8,750,000	$ 5,000,000
Total HTC Equity Raised		***$ 10,201,280***

Review Cash Flow	Value
NOI	$ 431,700
D/S w1.25 DCR	$330,520
Cash Flow	$ 101,180

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WRIGHT VILLAGE APARTMENTS HISTORIC PRESERVATION FOR MULTI-FAMILY RESIDENTS

Project Goals

Project Description

Preserve and continue Wright Village apartment complex for multi-family residential apartments. 12 four-unit apartment buildings would be preserved with about 48 units. It is projected that a monthly rent of $0.90/SF would be established based on existing market conditions in the downtown area for residential rents. Federal and Ohio state historic preservation tax credits would be used to generate necessary equity for the development team.

Project Assumptions

Property ownership and control of development interests – The current ownership may be interested in using historic tax credits to preserve the apartments.

Site Development Complexity – They consistent of 12 four-unit apartment buildings from the World War II military mobilization effort. Historic tax credits could likely assist with the renovation of these buildings.

Existing Land Use / Zoning of site and immediate properties – Existing land use and zoning is consisting with current zoning status for multi-family residential.

Project Scale and Massing within context of built environment – The two-story apartment buildings are consistent with the surrounding neighborhood of two-story homes to the north and east and with WPAFB to the south and west of the site.

Project Development Financing (Sources and Uses) – This project would likely require using historic federal and state tax credits to close the financial renovation gap. There should not be any need for City financial assistance for this project. Besides the historic tax credit, the project may qualify for federal low-income housing tax credits of 4% (rents kept at 80% Area Median Income (AMI)) or 9% (rents kept at 60% of AMI). Please see the Fairborn Housing Financial Development Scenario for reference on how this project could be structured for a private developer financially structured.

NEW MAIN STREET PROGRAM (DOWNTOWN AREA INCLUDES BROAD AND MAIN STREETS)

Project Goals

Project Description

The state of Ohio has a Main Street program for municipalities to help them provide business assistance and development direction for downtown communities. These programs have been very important across much of the nation for revitalizing downtowns. Main Street Programs are often managed within City governments, Chambers, or standalone not-for-profit organizations. Main Street Programs should supplement City and Chamber economic development efforts to help the community improve their overall quality of life by having a vibrant downtown to call home.

Project Assumptions

Property ownership and control of development interests – Main Street Programs are designed to work with individual businesses and property owners on a voluntary basis through encouragement and assistance, not through enforcement of some rigid standard of design, etc.

Site Development Complexity – This program requires a commitment from the City, Chamber, and downtown businesses to work.

Existing Land Use / Zoning of site and immediate properties – Most recommendations from a Main Street Program would be consistent with existing downtown zoning and land uses.

Project Scale and Massing within context of built environment – The Main Street Program would only make recommendations that are supportive of the downtown built environment and downtown business interests.

Project Development Financing (Sources and Uses) – Funding for the Main Street Program should be shared by City, Chamber, and downtown businesses, and possibly different grants and individual donors. Rather than competing, it should be extending each organization's resources.

SMALL BUSINESS LOAN FUND FOR BROAD AND MAIN STREETS

Project Goals

Project Description

Because of the age of many buildings in downtown, certain improvements need to be made to structures to allow new businesses to open or existing businesses to expand. These tend to be important aspects of a building's systems that require necessary capital repairs to extend the system's life. These may include but not be limited to roofs, walls, windows/doors, foundations, mechanical and electrical systems. These small business loans should be made to the property owner who should then pass along savings to the business lessee if the business does not also own the property.

Project Assumptions

Property ownership and control of development interests – Property owners would need to voluntarily participate, and the loan would need to make financial sense to the property owner as well. The small loan program should try where possible to leverage other financial lending and investment when the term of the small loan could bring additional capital into the underwriting of a project.

Site Development Complexity – Loans should be able to be used for common remediation needs such as any asbestos or lead-paint abatement efforts. Otherwise, it is anticipated that the loans would support property owner capital investments in the property and would protect the long-term integrity of the building.

Existing Land Use / Zoning of site and immediate properties – Loans should support existing downtown land uses and zoning.

Project Scale and Massing within context of built environment – Projects would fit into the existing downtown development context.

Project Development Financing (Sources and Uses) – Initial loan funds may be generated from existing or future TIF increments and/or other public lending programs at the state or federal levels such as CDBG or Economic Development Administration funds from the US Department of Commerce. Again, the loan fund should make attempts to leverage and or pool resources where reasonable with other financial lending entities to make loans for local businesses that may not have been made without the small loan fund involvement.

BROAD STREET STREETSCAPE IMPROVEMENTS

Project Goals

Project Description

Broad Street should become an economic anchor for downtown Fairborn. With the City real estate and earlier Broad Street Redevelopment Project, this and other projects and businesses would be supported and enhanced by a redesigned streetscape that is more appealing to pedestrians and bicyclists. This would make the downtown area more livable and it would increase the value of real estate especially along Broad Street. The Broad Street improvements could be phased over two years of construction with Phase 1 from West Main Street intersection north to Middle Street intersection. Phase 2 would be from West Main Street intersection south to the West Dayton Drive intersection.

Project Assumptions

Property ownership and control of development interests – All anticipated improvements should be within the public right of way.

Site Development Complexity – The project requires coordination between the City of Fairborn and ODOT.

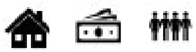
Existing Land Use / Zoning of site and immediate properties – The streetscape improvements along Broad Street should be consistent and within the design context of the improvements the City of Fairborn has completed on Main Street.

Project Scale and Massing within context of built environment – The improvements should be within the current right of way which would likely not include any environmental or significant historical issues.

Project Development Financing (Sources and Uses) – The budget for these street improvements should be a combination of local City funds that match federal USDOT funds that are managed by ODOT.

SPARK INNOVATION CENTER FOR SMALL BUSINESSES

Project Goals



Project Description

This project is intended to bring very small businesses and entrepreneurs together in collaborative workspace. It will provide a business environment for collaboration between businesses, and it should attract young entrepreneurs as well as those middle-age professionals who may be striking out on their own after years of working for major corporations in the defense military industries. This effort is a development partnership between the city's Fairborn Development Corporation and Co'Hatch a coworking space developer.

Project Assumptions

Property ownership and control of development interests – City owns and has renovated downtown space for the Spark Innovation Center.

Site Development Complexity – Project is nearly up and running as of this writing. No further challenges persist except ongoing management.

Existing Land Use / Zoning of site and immediate properties – The project fits well into the downtown zoning and land uses.

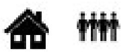
Project Scale and Massing within context of built environment – The project fits into the downtown context.

Project Development Financing (Sources and Uses) -- The City has invested in the capital to renovate the building into the Spark Innovation Center, and it is ready for operational uses for businesses and entrepreneurs.

FIVE-POINTS AREA PROJECT IMPLEMENTATION & SCHEDULE

WRIGHTVIEW NEIGHBORHOOD INFILL & SINGLE-FAMILY RESIDENTIAL REHABILITATION

Project Goals



Project Description

The Wrightview neighborhood was mentioned throughout stakeholder and community meetings as a neighborhood that required more direct involvement from the City of Fairborn to try to stabilize the neighborhood for current and future residents. It is in the western portion of the Five-Points Area. Besides the feedback during meetings, socio-economic data indicates this neighborhood faces the greatest amount of socio-economic challenges. Therefore, it is recommended that the City continue to take an even greater pro-active effort to stabilize this neighborhood. One of the most important efforts is to improve the existing housing stock through housing rehabilitation funding and review how best to initiate an infill housing program to build new housing on vacant lots. Habitat for Humanity has done some significant work in this neighborhood, and it would be recommended that the City and Habitat for Humanity discuss how best to address these housing-related efforts. This effort may not have a major impact on the viability of local business, but it indirectly will improve the quality of life of neighborhood residents in the Five-Points Area.

Project Assumptions

Property ownership and control of development interests – The program would depend on individual property owner involvement, and it may require the City to proactively condemn properties that violate safety and health issues causing a threat to neighborhood residents.

Site Development Complexity – This program is a project-by-project type program, and each home site requires a separate evaluation of the property. It would not be unexpected to find asbestos or lead-based paint in some of the older homes in the neighborhood.

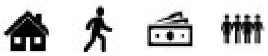
Existing Land Use / Zoning of site and immediate properties – The program would be consistent with current zoning and land uses as single-family residential units.

Project Scale and Massing within context of built environment – This would be consistent with current and future neighborhood character of one-story and two-story homes.

Project Development Financing (Sources and Uses) – The City of Fairborn could use its CDBG funds for some of the home rehabilitation costs, and this could be matched by homeowners and or supplemented by private programs such as Habitat for Humanity.

COL. GLENN HIGHWAY WRIGHT STATE UNIVERSITY MIXED-USE REDEVELOPMENT

Project Goals



Project Description

This project was mentioned in the City's recent Comprehensive Plan. Due to the proximity of Wright State University and the underused real estate along Colonel Glenn Highway, it is recommended that the City seriously investigate how to move this redevelopment project forward. It will require the City to complete land assembly because at this time the real estate that totals about seven acres is divided into a few smaller properties with multiple owners. If the City could assemble the real estate, then it is anticipated that private developers would likely be very interested in constructing a mixed-use development on the seven acres. The attraction of this type of development for the City is its ability to create an anchor development to the Wrightview neighborhood on the west end of the Five-Points Area. While Wrightview residents tend to have more modest incomes, this is also true for most college student as well. The commercial retail and restaurant options would likely have pricing that is budget sensitive and would appeal to both students and nearby residents of Wrightview. The redevelopment along Col. Glenn Highway would also likely drive additional single-family infill to the Wrightview neighborhood. This could be a great "win-win" project for Wright State University and the City of Fairborn.

Project Assumptions

Property ownership and control of development interests - The City would need to begin discussion with current property owners to determine their interest in selling their real estate for a larger redevelopment project. The process of land assembly may take several years for the City to complete, but it should begin the process now.

Site Development Complexity – While the properties are a mix of mostly older one-story commercial structures, there are no anticipated environmental or historical issues with any of the properties.

Existing Land Use / Zoning of site and immediate properties – The real estate would need to be rezoned for commercial and mixed-use purposes or it could be approved as a Planned Unit Development (PUD). The important point is that this redevelopment project is consistent with the City's Comprehensive Plan and would be consistent with this Master Housing Assessment & Strategy implementation effort.

Project Scale and Massing within context of built environment – The real estate would be transformed from low-rise commercial into likely 3-4 story mixed-use buildings. While this does contrast with the single-family neighborhood in Wrightview to the east, it is located along a major thoroughfare providing a transitional zone between the commercial corridor and the residential neighborhood to the east.

Project Development Financing (Sources and Uses) – This is a major redevelopment project, and it will require participation from the City not only to acquire the necessary seven acres for a redevelopment site, but it may require the City assist with TIF underwriting to allow the developer to fill the project financial gap. The financial scenario below highlights how this project could be financed once real estate is available for development.

FAIRBORN, OHIO
CENTRAL - Col. Glenn Hwy Wright State University Mixed-Use Redevelopment

DRAFT

RATIO

Assumptions:	SF	Parking Spaces	
TOTAL SF	103,000	3 floors	
GLA	87,550	85%	
Commercial	7,500	15	2 spaces/1000sf
Residential	80,050	94	1 space/unit
Total Parking		109	spaces

Project description: Project consists of ~94 new WSU student apartment units at market rate ($1.25/SF per month). Assume cap rate at 8.0% and use of TIF. Commercial space includes 7,500 SF at $20/SF with parking for 109 spaces.

MFR	Unit SF	No. of Units	Rent/SF	Rent/Month	Rent
Monthly Avg Unit	**850**	**94**	**$ 1.25**	**$ 1,062.50**	**$ 100,063**
Annual Total				$ 1,000	$ 1,200,750
Vacancy (5%)				$ 765	$ (60,038)
Total MF Income					$ 1,140,713
Operating Expenses - MFR				Unit/Yr	
Operating Expenses and Taxes				$ 5,000.00	$ (470,882)
Reserves				$ 250.00	$ (23,544)
Total Operating Expenses - MFR					$ (494,426)
NOI -MFR					$ 646,286

COMMERCIAL (1/3)	Total SF	Rent/SF	Annual Income
Retail/Office/Conference	12,000	$ 20.00	$ 240,000
Vacancy	10%		$ (24,000)
NOI-Commercial			$ 216,000

OTHER INCOME	Total Spaces	Rent/Space	Monthly	Annual Income
Parking	109.1764706	$0	$ -	$ -
Vacancy 7.5%				$ -
NOI-Other Income				$ -

TOTAL PROJECT NOI	**$ 862,286**

DEVELOPMENT COSTS			Total	$/Unit	$/SF
Land Costs			**$ 2,000,000**	$ 21,236.73	$ 19.42
Site Work Costs			$ 200,000	$ 2,123.67	$ 1.94
Building Construction Costs/SF		103,000	$ 12,875,000	$ 136,711.43	**$ 125.00**
Structured Parking	$15000/space	0	$ -	$ -	$ -
Surface Parking	$2500/space	109	$ 272,941	$ 2,898.19	$ 3.00
Total Non-Construction Costs (20% of Constuction)			$ 2,615,000	$ 27,767.02	$ 25.39
TOTAL DEVELOPMENT COSTS			**$ 17,690,000**	**$ 187,838.85**	**$ 171.75**

1. Financial Sources - No Gap Assistance	TDC%	Amount
Equity	**30.0%**	**$ 5,307,000**
Construction Loan Max. 70% of NPV	42.7%	**$ 7,545,003**
TOTAL SOURCES	100%	$ 17,690,000
Value Creation without public investment		
Cap Rate		**8.0%**
Projected Value		$ 10,778,575
Total Development Costs LESS Equity		$ 12,383,000
Financial GAP	**-9.1%**	**$ (1,604,425)**

Revised Financial Sources	TDC%	Amount
Equity	**30.0%**	**$ 5,307,000**
Construction Loan Max. 70% of NPV	42.7%	**$ 7,545,003**
TIF	***16.7%***	***$ 2,954,425***
Funding Source No Equity	59.4%	$ 10,499,428
TOTAL SOURCES	100%	$ 17,690,000
Value Creation with public investment		
Cap Rate		8.0%
Projected Value		$ 10,778,575
Total Development Costs LESS TIF & Equity		$ 9,428,575
Financial GAP		**$ 1,350,000**

Review Cash Flow	Value
NOI	**$ 862,286**
D/S w1.25 DCR	**$660,188**
Cash Flow	**$ 202,098**

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WRIGHTVIEW PARK & SCHOOL REUSE AS COMMUNITY CENTER

Project Goals

Project Description

The Wright Kindergarten Campus will be closing soon, as Fairborn School System begins to build new buildings to consolidate its elementary school students. This may provide an opportunity for the City and School System to work together to reuse the school building as a community center for the Wrightview neighborhood and the general area in and around Five-Points. The socio-economic condition of the Wrightview neighborhood suggests that there may be a need for social services and outreach to residents that only a community center can provide. The center could potentially provide a food pantry, basic health care, workforce training and adult education programming, afterschool programming for neighborhood children of working parents, satellite library services, etc.

Project Assumptions

Property ownership and control of development interests – The School System may have interest in transitioning ownership to the City or a not-for-profit entity who would manage a future Community Center. The Park Department could expand its adjacent park on to the community center land as well.

Site Development Complexity – The building is older but has been well maintained by the school corporation. It should not have any existing constraints for its reuse as a community center.

Existing Land Use / Zoning of site and immediate properties – The zoning would be consistent with current institutional uses on the site.

Project Scale and Massing within context of built environment – No significant building modifications would be anticipated with the transition to a community center.

Project Development Financing (Sources and Uses) - The City, School Corporation, and Wrightview residents should begin discussion to fully determine the value of a community center as a reuse for this soon-to-be vacant school building.

NW QUAD FIVE-POINTS MIXED-USE REDEVELOPMENT

Project Goals

Project Description

Near the Five-Points shopping area there is an underused triangular area of about 5.5 acres that could be available for redevelopment purposes. The development opportunity would primarily support multi-family residential apartments, but it could include a small amount of retail/restaurant along the frontage to Dayton-Yellow Springs Road. The development could support about 145,000 SF of building that would provide for about 140 apartment units and still leave about 4,500 SF for small retail uses.

Project Assumptions

Property ownership and control of development interests – The property ownership is in private hands across about three parcels. It is anticipated that a private developer could purchase the real estate for redevelopment purposes, but it may take some time to negotiate these sales with the various property owners.

Site Development Complexity – The site has older low-rise commercial uses at this time, and there are no known environmental issues or other constraints known of the property.

Existing Land Use / Zoning of site and immediate properties – The redevelopment of this large triangular area would be consistent with the current commercial uses in the area.

Project Scale and Massing within context of built environment – Redevelopment of the property with three- to five-story buildings may be suitable given its adjacency to Dayton-Yellow Springs Road. The property would act as a transition zone between the single-family residential neighborhood to the east and the larger commercial businesses in the Five-Points Area.

Project Development Financing (Sources and Uses) -- While private investors would likely be in position to assemble this real estate, the development itself may require the City to underwrite with TIF funding. Also, the private developer may need to use federal 4% LIHTC to close a project financial gap. The below financial scenario suggests how the public-private partnership funding could be structured.

FAIRBORN, OHIO
CENTRAL - NW Quad MFR Redevelopment with limited commercial

DRAFT

RATIO

Assumptions:	SF	Parking Spaces	
TOTAL SF	145,000	3 floors	
GLA	123,250	85%	
Commercial	4,500	9	2 spaces/1000sf
Residential	118,750	140	1 space/unit
Total Parking		149	spaces

Project description: Project consists of ~140 new apartment units at market rate ($0.90/SF per month). Assume cap rate at 8.0% and use of TIF. No commercial space included. Parking for 149 spaces.

MFR	Unit SF	No. of Units	Rent/SF	Rent/Month	Rent
Monthly Avg Unit	**850**	**140**	**$ 0.90**	**$ 765.00**	**$ 106,875**
Annual Total				$ 1,000	$ 1,282,500
Vacancy (5%)				$ 765	$ (64,125)
Total MF Income					$ 1,218,375
Operating Expenses - MFR				Unit/Yr	
Operating Expenses and Taxes				$ 5,000.00	$ (698,529)
Reserves				$ 250.00	$ (34,926)
Total Operating Expenses - MFR					$ (733,456)
NOI -MFR					$ 484,919

COMMERCIAL (1/3)	Total SF	Rent/SF	Annual Income
Retail/Office/Conference	0	$ 10.00	$ -
Vacancy	10%		$ -
NOI-Commercial			$ -

OTHER INCOME	Total Spaces	Rent/Space	Monthly	Annual Income
Parking	148.7058824	$0	$ -	$ -
Vacancy 7.5%				$ -
NOI-Other Income				$ -

TOTAL PROJECT NOI	**$ 484,919**

DEVELOPMENT COSTS			Total	$/Unit	$/SF
Land Costs			**$ 2,000,000**	$ 14,315.79	$ 13.79
Site Work Costs			$ 200,000	$ 1,431.58	$ 1.38
Building Construction Costs/SF		145,000	$ 18,125,000	$ 129,736.84	**$ 125.00**
Structured Parking	$15000/space	0	$ -	$ -	$ -
Surface Parking	$2500/space	149	$ 371,765	$ 2,661.05	$ 4.09
Total Non-Construction Costs (20% of Constuction)			$ 3,665,000	$ 26,233.68	$ 25.28
TOTAL DEVELOPMENT COSTS			**$ 23,990,000**	**$ 171,717.89**	**$ 165.45**

1. Financial Sources - No Gap Assistance	**TDC%**	**Amount**
Equity	**30.0%**	**$ 7,197,000**
Construction Loan Max. 70% of NPV	17.7%	**$ 4,243,042**
TOTAL SOURCES	100%	$ 23,990,000
Value Creation without public investment		
Cap Rate		**8.0%**
Projected Value		$ 6,061,489
Total Development Costs LESS Equity&Loan		$ 16,793,000
Financial GAP	**-44.7%**	**$ (10,731,511)**

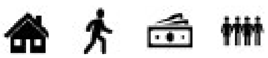
Revised Financial Sources	**TDC%**	**Amount**
Equity	**16.5%**	**$ 3,951,211**
Construction Loan Max. 70% of NPV	17.7%	**$ 4,243,042**
TIF	***31.3%***	***$ 7,500,000***
LIHTC (4% with basis at 90% of TDC)	***27.0%***	***$ 6,477,300***
Funding Source No Equity	75.9%	$ 18,220,342
TOTAL SOURCES	100%	$ 23,990,000
Value Creation with public investment		
Cap Rate		8.0%
Projected Value		$ 6,061,489
Total Development Costs LESS HTC,LIHTC & Equity		$ 6,061,489
Financial GAP		**$ (0)**

Review Cash Flow	**Value**
NOI	**$ 484,919**
D/S w1.25 DCR	**$371,266**
Cash Flow	**$ 113,653**

DRAFT for Deliberative Financial Planning Purposes Only

SW QUAD FIVE-POINTS SENIOR INDEPENDENT LIVING MFR 9%-LIHTC

Project Goals



Project Description

Near the Five-Points shopping area's southwest quadrant there is a large vacant, former Kmart building that is for sale. This property consists of about 8 acres, and it could be transitioned to a senior independent living development. The development opportunity would support senior multi-family residential apartments. This would be an excellent reuse for this large parcel as there is currently a new senior assisted living facility planned adjacent to this site. The development could support about 145,000 SF of building that would provide for about 140 apartment units.

Project Assumptions

Property ownership and control of development interests – The property is for sale.

Site Development Complexity – The site has older low-rise commercial uses at this time, and there are no known environmental issues or other constraints known of the property.

Existing Land Use / Zoning of site and immediate properties – The redevelopment of this large property would be consistent with the current commercial uses in the area along Dayton-Yellow Springs Road. The project would be a good transition between the commercial corridor and the residential single-family neighborhoods to the south of the Five-Points Area.

Project Scale and Massing within context of built environment – Redevelopment of the property with three- to five-story buildings may be suitable given its adjacency to Dayton-Yellow Springs Road. The property would act as a transition zone between the single-family residential neighborhood to the south and west, and the commercial businesses in the Five-Points Area.

Project Development Financing (Sources and Uses) -- While private investors would likely be in position to assemble this real estate, the development itself may require the City to underwrite with TIF funding. Also, the private developer may need to use federal 4% LIHTC to close a project financial gap. The financial scenario below suggests how the public-private partnership funding could be structured.

FAIRBORN, OHIO
CENTRAL - SW Quad Senior MFR w LIHTC Redevelopment

DRAFT

RATIO

Assumptions:	SF	Parking Spaces	
TOTAL SF	225,000	3 floors	
GLA	191,250	85%	
Commercial	0	0	2 spaces/1000sf
Residential	191,250	225	1 space/unit
Total Parking		225	spaces

Project description: Project consists of ~225 new senior apartment units at market rate ($1.25/SF per month). Assume cap rate at 8.0% and use of TIF. No Commercial space included. Parking for 225 spaces.

MFR	Unit SF	No. of Units	Rent/SF	Rent/Month	Rent
Monthly Avg Unit	**850**	**225**	**$ 0.80**	**$ 680.00**	**$ 153,000**
Annual Total				$ 1,000	$ 1,836,000
Vacancy (5%)				$ 765	$ (91,800)
Total MF Income					$ 1,744,200
Operating Expenses - MFR				Unit/Yr	
Operating Expenses and Taxes				$ 5,000.00	$ (1,125,000)
Reserves				$ 250.00	$ (56,250)
Total Operating Expenses - MFR					$ (1,181,250)
NOI -MFR					$ 562,950

COMMERCIAL (1/3)	Total SF	Rent/SF	Annual Income
Retail/Office/Conference	0	$ 10.00	$ -
Vacancy	10%		$ -
NOI-Commercial			$ -

OTHER INCOME	Total Spaces	Rent/Space	Monthly	Annual Income
Parking	225	$0	$ -	$ -
Vacancy 7.5%				$ -
NOI-Other Income				$ -

TOTAL PROJECT NOI	**$ 562,950**

DEVELOPMENT COSTS			**Total**	**$/Unit**	**$/SF**
Land Costs			**$ 3,000,000**	$ 13,333.33	$ 13.33
Site Work Costs			$ 200,000	$ 888.89	$ 0.89
Building Construction Costs/SF		225,000	$ 28,125,000	$ 125,000.00	**$ 125.00**
Structured Parking	$15000/space	0	$ -	$ -	$ -
Surface Parking	$2500/space	225	$ 562,500	$ 2,500.00	$ 6.18
Total Non-Construction Costs (20% of Constuction)			$ 5,665,000	$ 25,177.78	$ 25.18
TOTAL DEVELOPMENT COSTS			**$ 36,990,000**	**$ 164,400.00**	**$ 164.40**

1. Financial Sources - No Gap Assistance	**TDC%**	**Amount**
Equity	**30.0%**	**$ 11,097,000**
Construction Loan Max. 70% of NPV	**13.3%**	**$ 4,925,813**
TOTAL SOURCES	100%	$ 36,990,000
Value Creation without public investment		
Cap Rate		8.0%
Projected Value		$ 7,036,875
Total Development Costs LESS Equity&Loan		$ 25,893,000
Financial GAP	**-51.0%**	**$ (18,856,125)**

Revised Financial Sources	**TDC%**	**Amount**
Equity	**10.8%**	**$ 4,000,000**
Construction Loan Max. 70% of NPV	**13.3%**	**$ 4,925,813**
TIF	**9.4%**	**$ 3,481,700**
LIHTC (9% with basis at 90% of TDC)	**60.8%**	**$ 22,471,425**
Funding Source No Equity	83.5%	$ 30,878,938
TOTAL SOURCES	100%	$ 36,990,000
Value Creation with public investment		
Cap Rate		8.0%
Projected Value		$ 7,036,875
Total Development Costs LESS TIF, LIHTC & Equity		$ 7,036,875
Financial GAP		**$ -**

Review Cash Flow	**Value**
NOI	**$ 562,950**
D/S w1.25 DCR	**$431,009**
Cash Flow	**$ 131,941**

DRAFT for Deliberative Financial Planning Purposes Only

REDESIGN FIVE-POINTS FOR PEDESTRIAN AND BICYCLIST SAFETY AND MOBILITY

Project Goals

Project Description

Currently nearly all business establishments can only be safely accessed by car as the Five-Points intersection and parking areas are not conducive to pedestrians or bicyclists. The entire Five-Points intersection needs to be redesigned to provide safety and ease of mobility to pedestrians and bicyclists. This will make the businesses more valuable, and it will attract more businesses and investment to the Five-Points Area.

Project Assumptions

Property ownership and control of development interests – The City and State ODOT manage the Dayton-Yellow Springs Road, so close coordination is required between City and State officials. Much of the internal drives to the businesses are owned by privately. These owners may provide easements to the City to improve drives, sidewalks, and bikeways to and through their property because these improvements should improve business sustainability and long-term value of their properties.

Site Development Complexity – The public right of way is known, and most redesign work would be within the right of way. There are complexities regarding the coordination and negotiation of easements with private property owners assuming some internal improvements to parking may be required.

Existing Land Use / Zoning of site and immediate properties – Most of the project should be within the right of way with a limited amount on private property easements. There should be no effect to existing land uses or zoning.

Project Scale and Massing within context of built environment -- Project streetscape should retain current travel lanes but with enhanced sidewalks, street crossing, enhanced street lighting, and landscaping.

Project Development Financing (Sources and Uses) – The funding should be from City funds that match federal USDOT grant dollars that are managed through ODOT.

FUNDERBURG ROAD GREENWAY TRAIL FROM KAUFFMAN RD. TO EAST SIDE OF I-675

Project Goals

Project Description

The Funderburg Road Greenway (10' wide) would connect the Five-Points Area eastern section to the western section near Col. Glenn Highway and Kauffman Road. It would also link to the regional Huffman Prairie Bikeway and to Wright State University's campus along University Blvd underneath State Road 844. Furthermore, it would connect Wrightview neighborhood to the commercial area at the core of the Five-Points. Finally, it would provide children in the Wrightview neighborhood a safe route to walk to the new Fairborn Primary School in the Five-Points Area.

Project Assumptions

Property ownership and control of development interests – Most if not all of the greenway construction would be within existing right of way. Owned and managed by the City of Fairborn.

Site Development Complexity – Since it's in the right of way, there are no anticipated environmental or other constraints on construction.

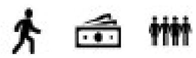
Existing Land Use / Zoning of site and immediate properties -- No existing land uses or new zoning necessary.

Project Scale and Massing within context of built environment – The design of the greenway should be asphalt and 10 feet wide to accommodate both pedestrians and bicyclists.

Project Development Financing (Sources and Uses) – Funding should be from City funds that match federal and state grants from ODOT and potentially other state grants for health and wellness.

WRIGHTVIEW AND PLEASANTVIEW NEIGHBORHOODS INFRASTRUCTURE STUDIES

Project Goals



Project Description

The Wrightview neighborhood is the most challenged socio-economically within Fairborn. It was also widely mentioned during community and stakeholder meetings as a neighborhood that requires extra attention from the City of Fairborn to assist stabilizing the residential community. Upon visual inspection, much of Wrightview neighborhood was developed before the City of Fairborn incorporated it. This means much of the public street system and public improvements in general such as drainage, sidewalks, curb and gutters may not meet current City standards. It would be useful to understand what deficiencies exist within the neighborhood, so the City could prioritize the needs and make improvements over time. These improvements would improve property values and make the neighborhood more appealing for infill new single-family homes, housing rehabilitation and multi-family infill apartments. The City should work with residents of Wrightview to identify needs and to prioritize future projects.

Project Assumptions

Property ownership and control of development interests – Most of the public infrastructure improvements would be in the public right of way. Owned and controlled by the City.

Site Development Complexity – One of the other main features of the infrastructure study would determine where challenging public improvements may exist within the neighborhood that may constrain or delay future upgrades.

Existing Land Use / Zoning of site and immediate properties – Most construction work should be within the public right of way.

Project Scale and Massing within context of built environment – The study should identify needs and suggest what sustainable solution may be available to assure long-term viability of projects.

Project Development Financing (Sources and Uses) – City may be able to use local funds and its CDBG program funding to complete the study and be a part of future funding for project construction and matching other federal or state funding.

FIVE-POINTS AREA BUSINESS ALLIANCE (DAYTON-YELLOW SPRINGS RD BUSINESSES FROM KAUFFMAN TO EAST SIDE OF I-675)

Project Goals

Project Description

The purpose of a business alliance for the Five-Points Area would be to bring businesses together to advocate on their behalf and coordinate marketing and sales promotions. This would be a board group of merchants who would support their shared business needs. The business alliance would be from Kauffman Road to I-675.

Project Assumptions

Property ownership and control of development interests – This is a business advocacy group that may desire to create a not-for-profit entity to manage any funds that the alliance may need to operate.

Project Development Financing (Sources and Uses) – Funding for any marketing and sales promotions should be from a common fund established by the alliance.

SENIOR ASSISTED LIVING CENTER

Project Goals

Project Description

A private developer is planning to build a Senior Assisted Living Facility in the southeast quadrant of Five-Points Area on about five acres with ingress and egress to Dayton-Yellow Springs Road.

Project Assumptions

Property ownership and control of development interests – It is a private land transaction that is financed privately.

Site Development Complexity – This project should be clear and ready for development as no significant issues are known that would delay the project.

Existing Land Use / Zoning of site and immediate properties – The development would likely conform to the existing commercial land uses and zoning prevailing along this portion of the Dayton-Yellow Springs Corridor.

Project Scale and Massing within context of built environment – The project will likely fit within the existing development context with a low-rise facility that is ADA compatible.

Project Development Financing (Sources and Uses) – The project will be financed by private sector. No City funds are necessary.

IMPLEMENTATION MATRIX - DOWNTOWN

Project No.	Priority Score	Downtown Area	Lead Entity Support Entity	Primary & Secondary Funding Sources	Project Est. Cost Private $	Local Direct Cost Public $	TPC Total S	Short 1-3 Years	Medium 3-5 Years	Long 5+ Years
1	19	Firehouse Historic Preservation Redevelopment	Private, City-DS, FDC	Private, HTC, City-TIF	$1,200,000	$-	$1,200,000	Medium		
2	14	Middle Street Historic Preservation MFR	Private	Private, 4%LIHTC, HTC	$500,000	$-	$500,000	Short		
3	24	West & East Sides of Broad at W Main St. Mixed-Use	Private, City, FDC	Private, 4%LIHTC, City-TIF	$10,549,209	$3,852,844	$14,402,053	Medium		
4	17	Fairborn Theatre Historic Preservation	City-DS & FDC	City, Public & Private	$2,500,000	$2,500,000	$5,000,000	Long		
5	22	400-440 W. Main St. Block Redevelopment	Private, City-DS, FDC	Private, 4%LIHTC, City-TIF	$6,281,506	$1,785,263	$8,066,769	Medium		
6	14	Wright Street Historic Preservation Properties	Private	Private, 4%LIHTC, HTC	$500,000	$-	$500,000	Short		
7	23	Former 5th-3rd Bank Property Redevelopment	Private, City, FDC	Private, 4%LIHTC, City-TIF	$3,422,478	$967,522	$4,390,000	Short		
8	15	Greenway Trailhead at Granary Elevator	City-Parks, FDC	City-Parks, Private	$-	$500,000	$500,000	Medium		
9	NA	Fairborn Apartments Historic Preservation MFR	Private, City-DS, FDC	Private, 4%LIHTC, HTC	$36,120,000	$-	$36,120,000	Medium		
10	NA	Wright Village Apartments Historic Preservation MFR	Private, City-DS, FDC	Private, 4%LIHTC, HTC	$8,000,000	$-	$8,000,000	Medium		
11	NA	Main Street Program (City + Chamber)	City-DS & Chamber, FDC	Public & Private	$-	$100,000	$100,000	Short		
12	NA	Main and Broad Street Loan Fund Program	City-DS & Chamber, FDC	Public-TIF, Private	$50,000	$50,000	$100,000	Medium		
13	NA	Broad Street - Streetscape Imp.	Public-PW&DS	City-DS&PW, ODOT	$-	$1,500,000	$1,500,000	Short		
14	NA	Spark Innovation Center	Public-DS	Public sector various sources	$-	$100,000	$100,000	Short		
		TOTAL DT PROJECT COSTS			**$69,123,193**	**$11,355,629**	**$80,478,822**			
		Total DT Percent of Costs			**86%**	**14%**	**100%**			

IMPLEMENTATION MATRIX - FIVE-POINTS

Project No.	Priority Score	Five-Points Area	Lead Entity Support Entity	Primary & Secondary Funding Sources	Project Est. Cost Private $	Project Est. Cost Public $	Total Project Cost Total S	Short 1-3 Years	Medium 3-5 Years	Long 5+ Years
1	17	Wrightview Neighborhood Infill & SFR Rehabilitation	City-DS, Private	City-CDBG, Private	$-	$125,000	$125,000			Long
2	19	Col. Glenn Hwy WSU Mixed-use Redevelopent	City-DS, WSU, Private	Private, City-CDBG, TIF	$11,907,003	$2,954,425	$14,861,428			Long
3	14	Wrightview Park and School Reuse as Community Center	City-DS&Parks, Schools, Private	City-Parks, Private, Schools	$-	$1,000,000	$1,000,000		Medium	
4	20	NW Quad 5-Pts Redevelopmpent Mixed-use MFR	Private, City-DS	Private, City-TIF	$18,461,445	$5,528,555	$23,990,000		Medium	
5	21	SW Sr. Independent MFR LIHTC Redevelopent	Private, City-DS	Private, City-TIF	$31,397,238	$3,481,700	$34,878,938	Short		
6	18	Redesign 5-Pts for Bike & Pedestrian Safety	City-DS&PW	City-TIF, ODOT Grants	$-	$2,000,000	$2,000,000		Medium	
7	19	Funderburg Rd Greenway from Kauffman Rd to 5-Pts Intersection	City-DS&PW, Schools	ODOT State& Federal Grants, Private	$-	$1,500,000	$1,500,000		Medium	
8	NA	Wrightview Neighborhood Infrastructure Study	City-DS&PW	City-CDBG	$-	$25,000	$25,000	Short		
9	NA	Pleasantview Neighborhood Infrastructure Study	City-DS&PW	City-CDBG	$-	$25,000	$25,000		Medium	
10	NA	Dayton-Yellow Springs Rd Business Alliance Kauffman to I-675	City-DS &Chamber, FDC	City-DS&Chamber, FDC	$25,000	$25,000	$50,000	Short		
11	NA	Senior Assisted Living Center	Private	Private	$5,000,000	$-	$5,000,000	Short		
		TOTAL 5-PTS PROJECT COSTS			**$66,790,686**	**$16,664,680**	**$83,455,366**			
		TOTAL 5-PTS Percent Costs			**80%**	**20%**				
				TIF Est. Leverage ($1.00)	**$82,068,879**	**$18,620,309**				
		GRAND TOTAL COSTS (Downtown & 5-Points)			**$135,913,879**	**$28,020,309**	**$163,934,188**			
		GRANT PERCENT COSTS (Downtown & 5-Points)			**83%**	**17%**	**100%**			

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APPENDIX

Wright Patterson Air Force Base
Civilian and Military Personnel Residency Data

Fairborn, Ohio

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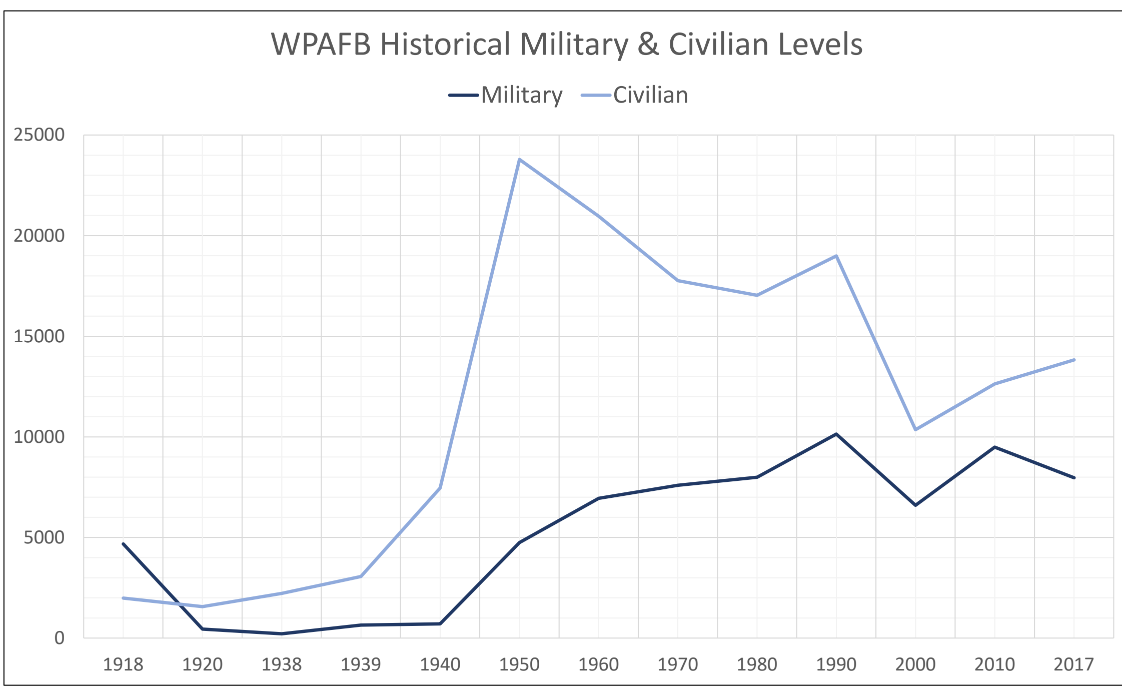

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RATIO

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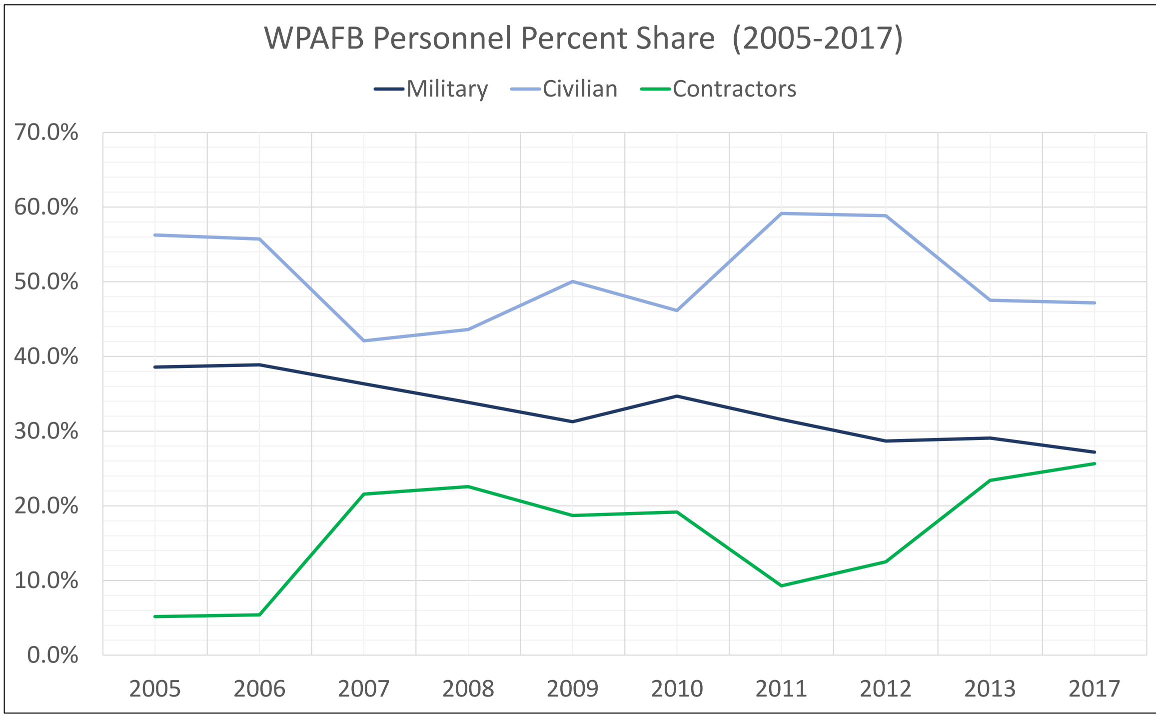

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RATIO

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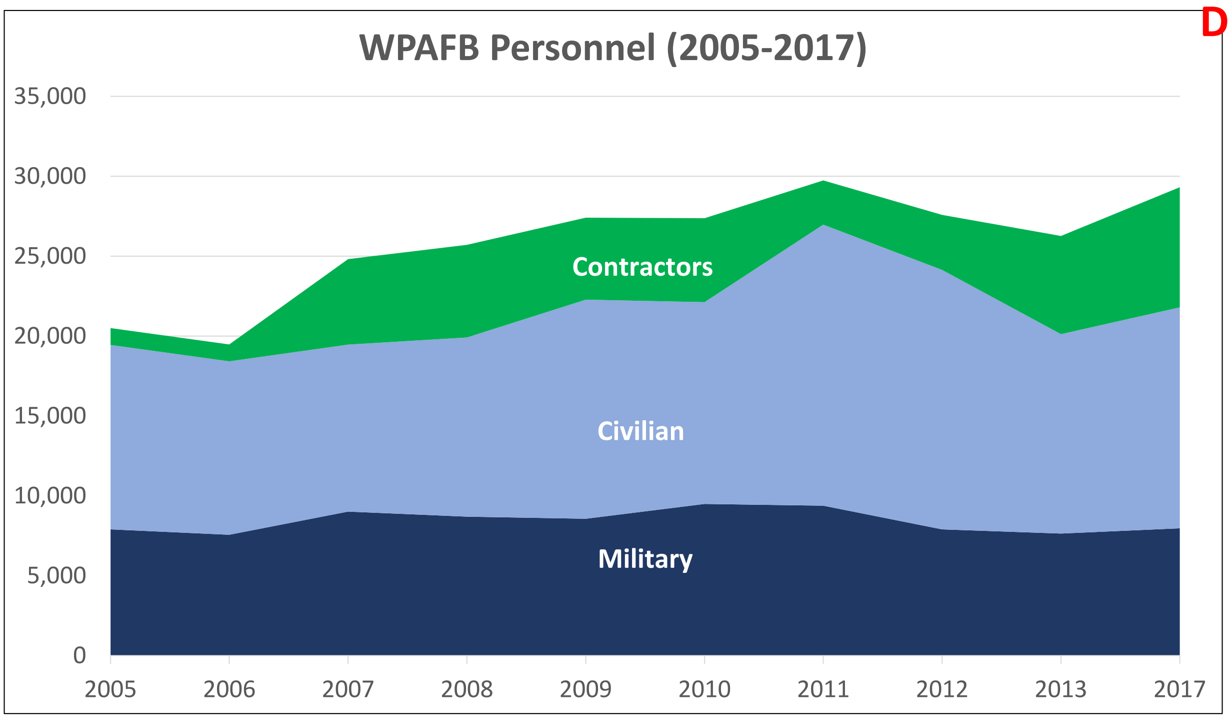

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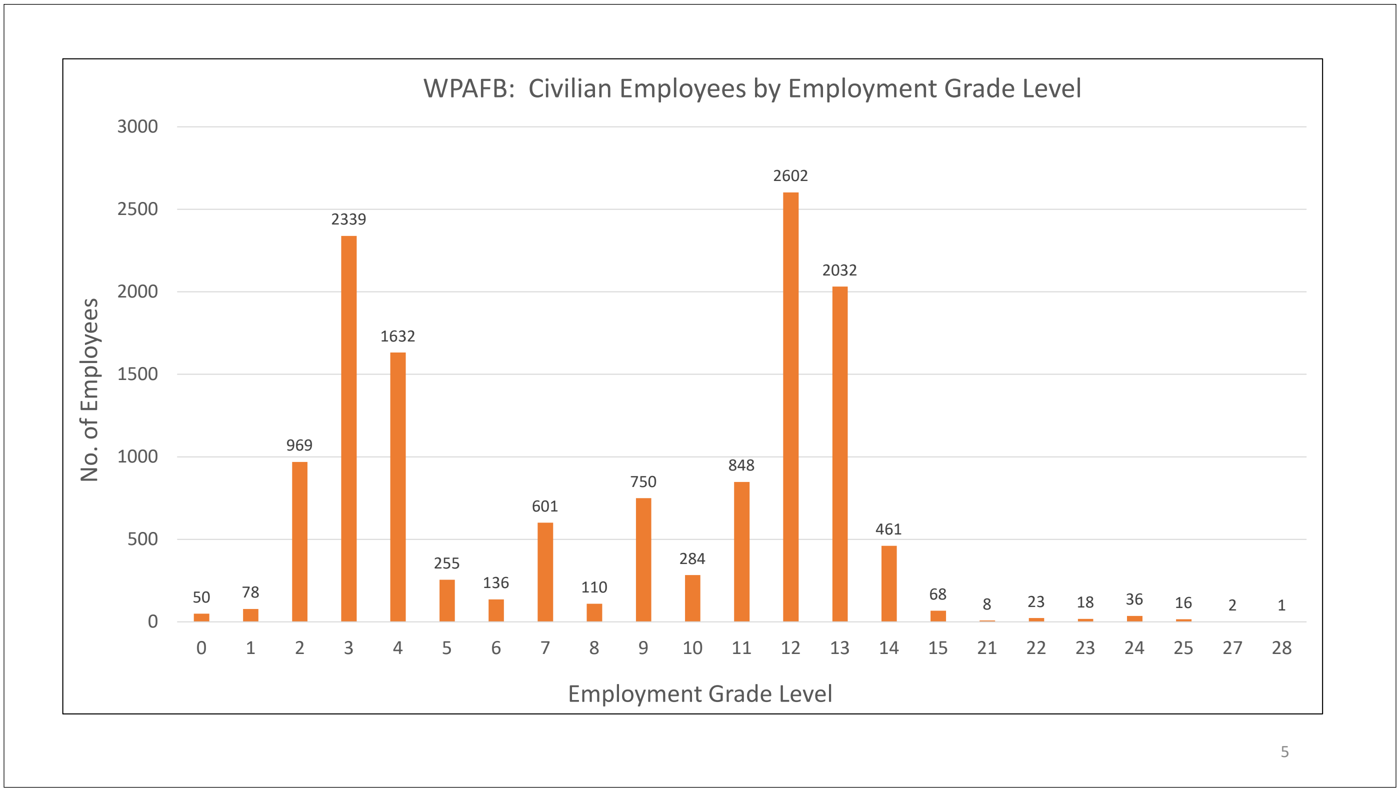
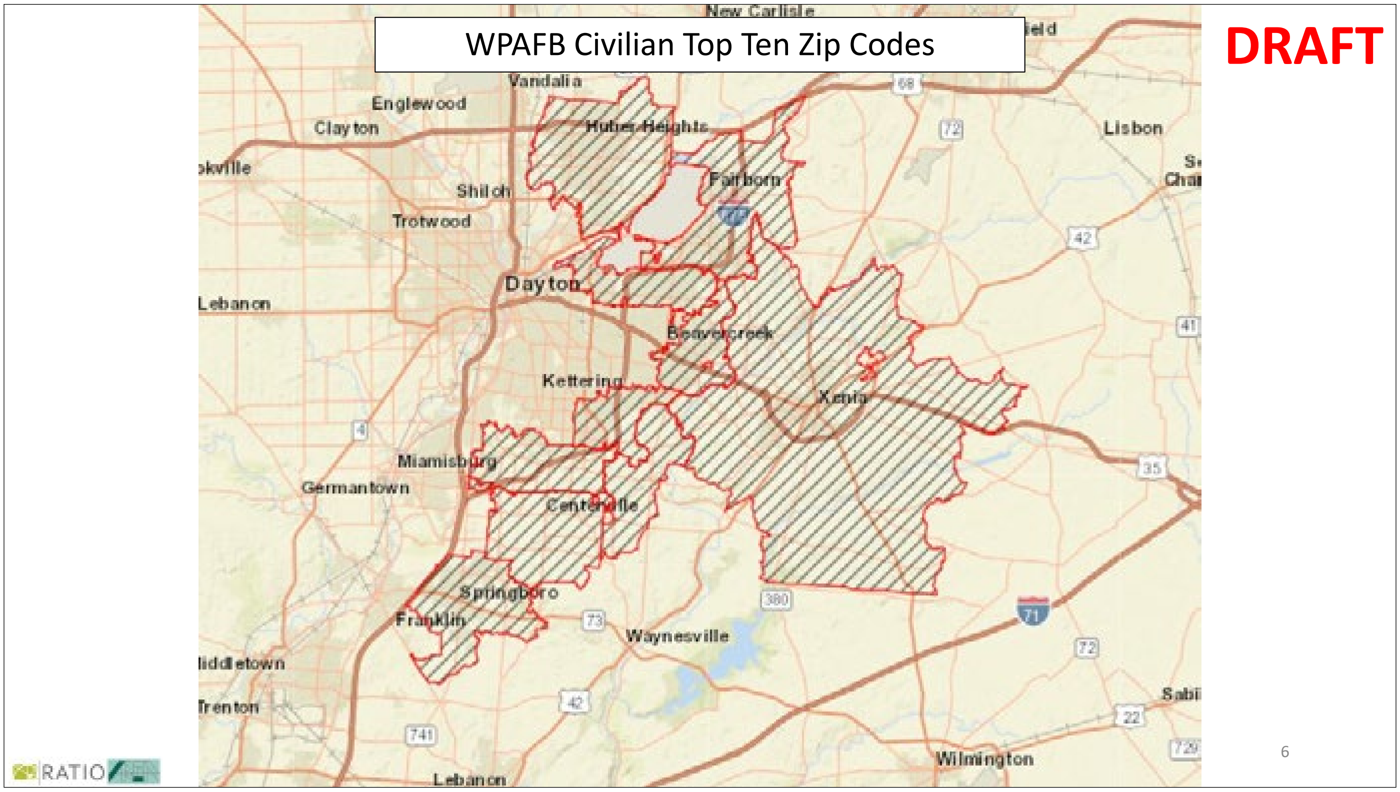
RATIO


WPAFB: Civilian Employees by Employment Grade Level
No. of Employees
3000
2500
2000
1500
1000
500
0
50
78
969
2339
1632
255
136
601
110
750
284
848
2602
2032
461
68
8
23
18
36
16
2
1
0 1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 21 22 23 24 25 27 28
Employment Grade Level
5


WPAFB Civilian Top Ten Zip Codes
DRAFT
New Carlisle
Vandalia
Englewood
Clayton
Huber Heights
Fairborn
Shiloh
Trotwood
Dayton
Lisbon
Lebanon
Beavercreek
Kettering
Xenia
Miamisburg
Germantown
Centerville
Springboro
Franklin
Waynesville
Trenton
Wilmington
Lebanon
6
RATIO

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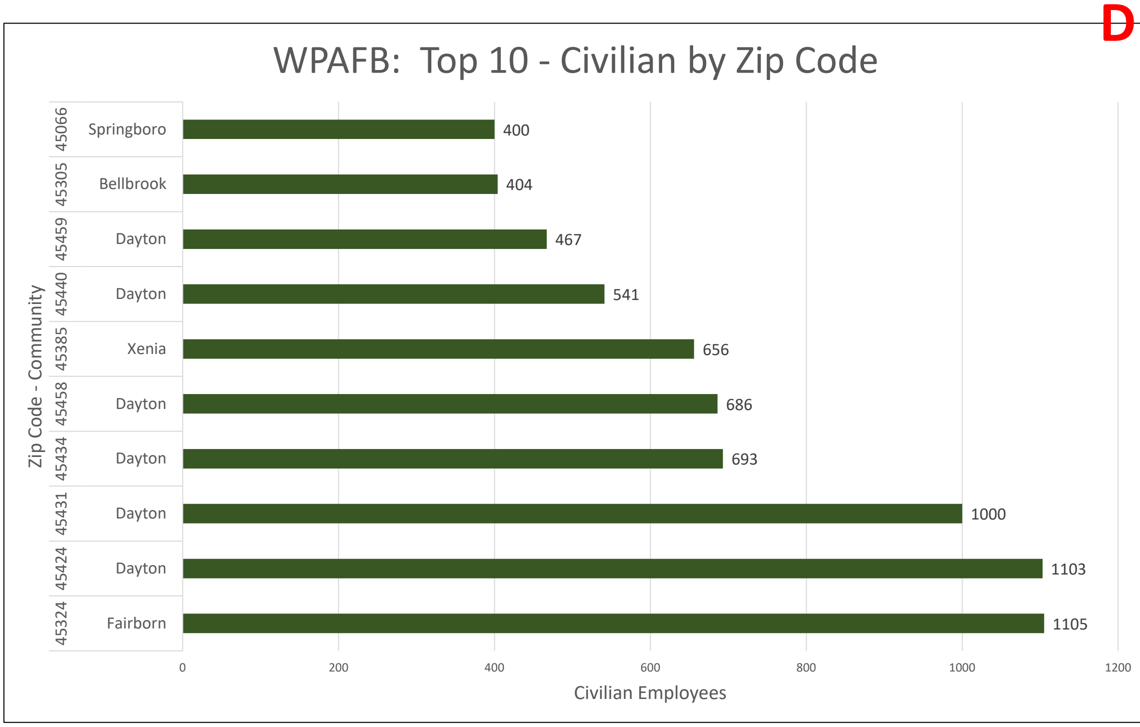

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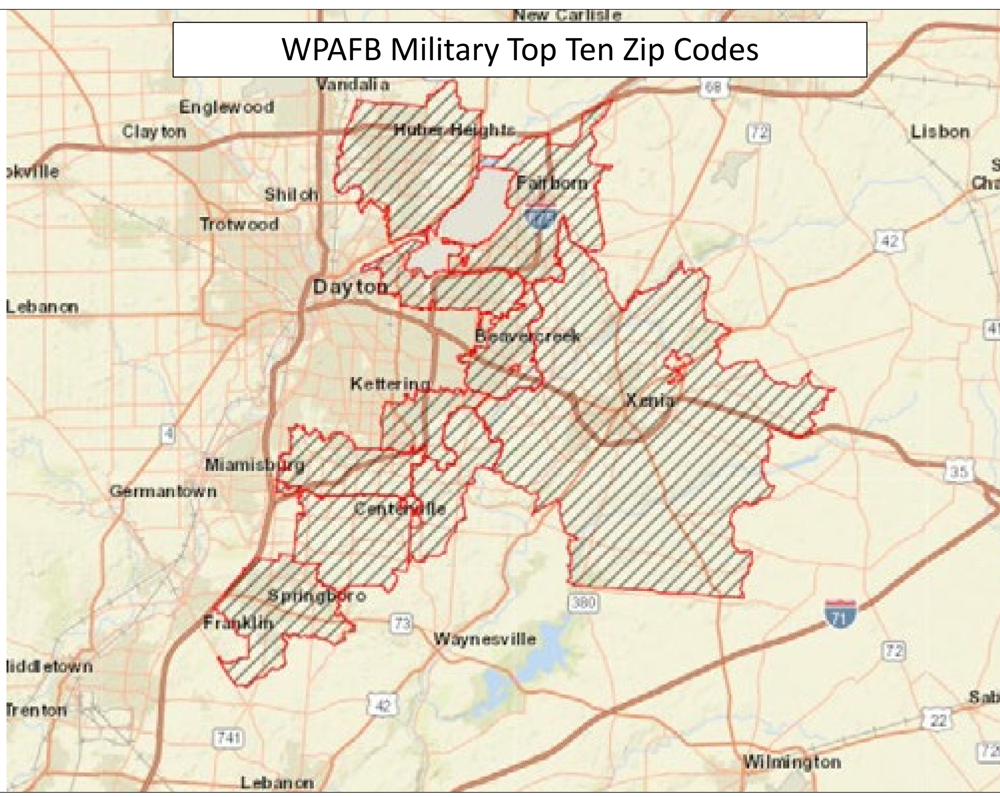
RATIO



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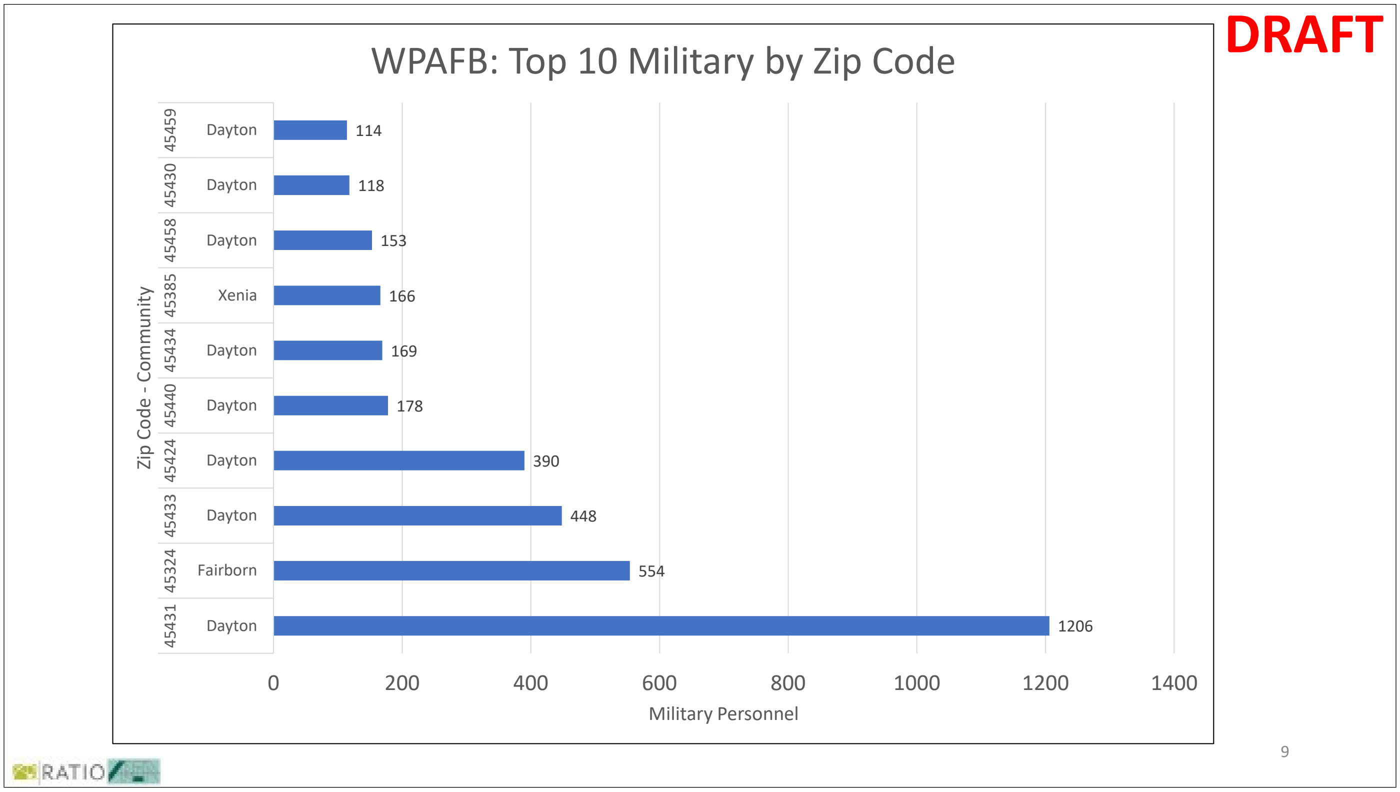
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WPAFB: Top 10 Military by Zip Code
Zip Code - Community
45459 Dayton 114
45430 Dayton 118
45458 Dayton 153
45385 Xenia 166
45434 Dayton 169
45440 Dayton 178
45424 Dayton 390
45433 Dayton 448
45324 Fairborn 554
45431 Dayton 1206
0 200 400 600 800 1000 1200 1400
Military Personnel
9
RATIO

MEMORANDUM

To: RATIO Design

From: Applied Real Estate Analysis (AREA), Inc.

Date: March 6, 2019

Subject: Housing Needs and Demand Related to Wright-Patterson Air Force Base Fairborn, Ohio

Applied Real Estate Analysis (AREA), Inc., is part of a team headed by RATIO Design to prepare a master housing assessment strategy for the City of Fairborn, Ohio. This memorandum focuses on Wright-Patterson Air Force Base (WPAFB) as one key component of potential demand for housing in the city.

To understand potential demand related to WPAFB, the RATIO team performed the following:

1. Conducted an interview with a representative of WPAFB
2. Requested data from WPAFB on personnel at the base, including current military, civilian, and contractor personnel
3. Examined information available on the WPAFB website regarding housing resources available for base personnel
4. Obtained and reviewed a copy of a 2007 “Housing Requirements and Market Analysis” (HRMA) for WPAFB prepared by Science Applications International Corporation

PERSONNEL TRENDS

According to a WPAFB representative, the personnel associated with WPAFB totaled 29,314 in 2017, including approximately 7,966 military personnel, 13,829 civilian personnel, and 7,519 contractors. As shown in the following exhibit, the total number of personnel has varied substantially over the years, with substantial increases in some years and over some decades, but declines during other periods.

Between 2013 and 2017, the total number of personnel increased about 12 percent, from 26,270 to 29,314. Most of the increase occurred in contractor personnel, which grew by 10.8 percent, or 1,367 persons.

Exhibit 1.
Wright-Patterson Air Force Base Personnel Strength

	Number				Time Period Percent Change				Percent of Total		
Year	Military	Civilian	Contractors	Total	Military	Civilian	Contractors	Total	Military	Civilian	Contractors
1918	4,683	1,985		6,668					70.2%	29.8%	
1920	452	1,565		2,017	-90.3%	-21.2%		-69.8%	22.4%	77.6%	
1938	212	2,222		2,434	-53.1%	42.0%		20.7%	8.7%	91.3%	
1939	652	3,059		3,711	207.5%	37.7%		52.5%	17.6%	82.4%	
1940	708	7,455		8,163	8.6%	143.7%		120.0%	8.7%	91.3%	
1950	4,745	23,781		28,526	570.2%	219.0%		249.5%	16.6%	83.4%	
1960	6,948	20,966		27,914	46.4%	-11.8%		-2.1%	24.9%	75.1%	
1970	7,596	17,761		25,357	9.3%	-15.3%		-9.2%	30.0%	70.0%	
1980	7,992	17,031		25,023	5.2%	-4.1%		-1.3%	31.9%	68.1%	
1990	10,143	18,994		29,137	26.9%	11.5%		16.4%	34.8%	65.2%	
2000	6,600	10,353		16,953	-34.9%	-45.5%		-41.8%	38.9%	61.1%	
2001	7,264	11,109		18,373	10.1%	7.3%		8.4%	39.5%	60.5%	
2002	7,506	10,358		17,864	3.3%	-6.8%		-2.8%	42.0%	58.0%	
2003	8,002	12,362		20,364	6.6%	19.3%		14.0%	39.3%	60.7%	
2004	7,916	12,288		20,204	-1.1%	-0.6%		-0.8%	39.2%	60.8%	
2005	7,907	11,533	1,058 *	20,498	-0.1%	-6.1%		1.5%	38.6%	56.3%	5.2%
2006	7,569	10,849	1,053 *	19,471	-4.3%	-5.9%	-0.5%	-5.0%	38.9%	55.7%	5.4%
2007	9,020	10,447	5,350 **	24,817	19.2%	-3.7%	408.1%	27.5%	36.3%	42.1%	21.6%
2008	8,700	11,212	5,801 **	25,713	-3.5%	7.3%	8.4%	3.6%	33.8%	43.6%	22.6%
2009	8,567	13,711	5,128 **	27,406	-1.5%	22.3%	-11.6%	6.6%	31.3%	50.0%	18.7%
2010	9,493	12,634	5,251 **	27,378	10.8%	-7.9%	2.4%	-0.1%	34.7%	46.1%	19.2%
2011	9,386	17,591	2,760 **	29,737	-1.1%	39.2%	-47.4%	8.6%	31.6%	59.2%	9.3%
2012	7,909	16,229	3,447 **	27,585	-15.7%	-7.7%	24.9%	-7.2%	28.7%	58.8%	12.5%
2013	7,637	12,481	6,152 **	26,270	-3.4%	-23.1%	78.5%	-4.8%	29.1%	47.5%	23.4%
2017	7,966	13,829	7,519 **	29,314	4.3%	10.8%	22.2%	11.6%	27.2%	47.2%	25.6%

* Civilian Contractors Advisory and Assistance Services (A&AS) and Defense Automatic Addressing System Center (DAASC) per guidance from SAF/FMC
** Civilian Contractors A&AS and DAASC per guidance from SAF/FMC; plus Contract Man-Year Equivalent (CME) contractor budget authorizations per direction of 88ABW Commander. CME authorizations could be filled or vacant, but the calculations assume they were filled.

Source: "History of Wright-Patterson Air Force Base: The First Century," History Office, Air Force Life Cycle Management Center, Air Force Materiel Command, Wright-Pattterson Air Force Base, Ohio, 2015, and Director of WPAFB Installation Public Affairs, 2017.

In recent years, the distribution of personnel among the military, civilian, and contractor categories has changed very little. In 2017, civilian staff accounted for 47.2 percent of the total, while military personnel represented 27.2 percent and contractors represented 25.6 percent. In 2005, the first year for which information is available for all three personnel categories, civilian personnel accounted for 56.3 percent of the total and contractors were only 5.2 percent of total personnel. In that year, military personnel represented 38.6 percent of all WPAFB personnel.

WPAFB Housing Requirements and Market Analysis

For most military installations, the U.S. Department of Defense requires a housing market analysis every four years. The RATIO team was able to obtain one "Housing Requirements and Market Analysis" for WPAFB, produced in August 2007 and covering the period 2006 to 2011.[1] Neither earlier nor more recent HRMAs were available.

The Department of Defense and military agencies within it provide very detailed directions for the methodology and data to be used to determine the amount of military housing needed at each installation, given existing military housing as well as private sector housing available in surrounding communities. The HRMA analysis focuses only on military personnel and does not include the housing needs or demand by civilians and contractors working at a military installation. According to the *U.S. Air Force Housing Requirements and Market Analysis Guidance Manual*, published in March 2005, "The fundamental Air Force … policy is to look to the private sector to provide the necessary housing to meet the needs of the military members prior to considering government options to develop and provide housing."[2] To achieve this objective, the manual identifies the following three main tasks for the HRMA:

1. Establish a minimum housing requirement for military housing, which includes sufficient family housing to maintain a viable military community, provide housing for key and essential personnel, preserve historic housing, provide suitable housing for lower income military families, and provide housing for unaccompanied personnel

2. Determine if there is sufficient and suitable private sector housing for military households (both families and unaccompanied personnel)

3. Determine the total housing for military family and unaccompanied personnel, which should equal the minimum housing requirement plus the shortfall in the private sector

By completing these tasks, the HRMA identifies the amount of additional housing needed from the private sector for each military pay grade and unit size based on

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[1] Science Applications International Corporation, "Housing Requirements and Market Analysis: Wright Patterson Air Force Base 2006–2011," August 10, 2007.
[2] *U.S. Air Force Housing Requirements and Market Analysis Guidance Manual*, March 2005, page 1-1.

number of bedrooms. For the Wright-Patterson HRMA as well as other HRMAs, the local housing market area was defined as the geographic area located within 20 miles of the installation's headquarters building, or an approximately one-hour commute time from that building during peak traffic.

According to the only available HRMA provided by WPAFB, as of 2011, approximately 986 additional housing units were needed for the 7,263 military personnel at WPAFB. Of that total number, 488 units, or 49 percent, represented the shortfall of housing in the local private sector housing market. Consequently, a fairly small number of additional private sector housing units were needed as of 2011 within a fairly large housing market area that extended well beyond the City of Fairborn.

Unfortunately, it is not possible to estimate the current potential shortfall, if any, of private sector housing, given current military personnel levels. The HRMA analysis used to estimate the potential shortfall is a detailed process that requires substantial information about authorized permanent military personnel by pay grade to estimate unmet housing needs. Given continued development of private housing since 2011 and the minimal change in the number of total military personnel, it is not likely that the current amount of private housing needed throughout the HRMA's defined housing market area has increased greatly above the 2011 level of about 488 housing units.

Exhibit 2.

Total Military Family Housing Requirement (Past HRMA Estimates)

Component	HRMA through 2008	2006 to 2011 HRMA 2006	2006 to 2011 HRMA 2011
Authorized Permanent Party	**6,569**	**6,774**	**7,263**
Accompanied Personnel	4,884	4,571	4,911
Families Without Sponsor	-	3	3
Unaccompanied Personnel	1,685	2,206	2,355
Accompanied Personnel	4,884	4,571	4,911
Military Couples and Voluntary Separations	269	476	511
Military Families	4,414	4,095	4,400
In Military Housing (Floor Requirement)	592	-	498
In Private Sector Housing	3,822	2,557	3,902
Homeowners	1,167	1,684	1,876
Renters	2,655	873	2,026
Suitable Rental Market Share	2,152	719	1,538
Not Allocated Suitable Housing	503	154	488
Military Family Floor Housing Requirement	592	-	498
Private Sector Shortfall	503	-	488
Total Military Family Housing Requirement	1,095	-	986

Source: Housing Requirements and Market Analysis Wright Patterson Air Force Base, August 2007.

Special Needs Housing

According to the U.S. Census, in 2017 approximately 5,006 people, or approximately 15.3 percent of Fairborn's population, were living with a disability. This is a 2.5 percent increase in persons with disabilities since 2010. Approximately 54.3 percent of persons with a disability in Fairborn have an ambulatory difficulty, 36.5 percent are in an independent living facility, and 29.2 percent have a cognitive difficulty.

Disability Characteristics

	2010		2017		
	With Disability	Percent with a Disability	With Disability	Percent with a Disability	Percent Change
Total	4,885	15.4%	5,006	15.3%	2.5%
Population under 5 years	79	3.70%	40	1.70%	–49.4%
With a hearing difficulty	65	3.10%	33	1.40%	–49.2%
With a vision difficulty	79	3.70%	7	0.30%	–91.1%
Population 5 to 17 years	406	9.50%	376	8.60%	–7.4%
With a hearing difficulty	155	3.60%	26	0.60%	–83.2%
With a vision difficulty	92	2.20%	0	0.00%	–100.0%
With a cognitive difficulty	189	4.40%	No data	No data	No data
With an ambulatory difficulty	53	1.20%	No data	No data	No data
With a self-care difficulty	0	0.00%	No data	No data	No data
Population 18 to 64 years	3,002	13.80%	2,671	12.5%	–11.0%
With a hearing difficulty	390	1.80%	444	2.10%	13.8%
With a vision difficulty	450	2.10%	401	1.90%	–10.9%
With a cognitive difficulty	1,420	6.50%	1,029	4.80%	–27.5%
With an ambulatory difficulty	1,531	7.10%	1,361	6.40%	–11.1%
With a self-care difficulty	489	2.30%	542	2.50%	10.8%
With an independent living difficulty	1,172	5.40%	1,105	5.20%	–5.7%
Population 65 years and over	1,398	38.90%	1,919	43.0%	37.3%
With a hearing difficulty	684	19.00%	665	14.90%	–2.8%
With a vision difficulty	238	6.60%	310	6.90%	30.3%
With a cognitive difficulty	305	8.50%	435	9.70%	42.6%
With an ambulatory difficulty	793	22.00%	1,358	30.40%	71.2%
With a self-care difficulty	304	8.40%	359	8.00%	18.1%
With an independent living difficulty	528	14.70%	724	16.20%	37.1%

Source: 2008–2010 American Community Survey 3-Year Estimates; 2013–2017 American Community Survey 5-Year Estimates.

Of the total disabled community in Fairborn, 89.3 percent are white alone, 3.6 percent are African American alone, 0.9 percent are Asian alone, 0.5 percent are some other race, and 5.7 percent are two or more races.

Homeless Population

According to the HUD Continuum of Care, in Ohio in 2018, approximately 4,667 households without children were living in emergency shelter units and 936 households without children were living in transitional housing units. Since 2010, there has been an 18.3 percent increase in households in emergency shelter units and a 56.5 percent decrease in households living in transitional housing units. The number of households with at least one child and one adult living in transitional housing has also decreased. Approximately 567 households, or 70 percent of households, were no longer living in transitional housing from 2010 to 2018. There has been a 16.7 percent increase, or 94 households, in households with at least one adult and one child living in emergency shelter over the same time period.

Ohio Homeless Summary by Household Type

	2010 Shelter		2018 Shelter		2010–2018 Percentage Change	
	Emergency Shelter	Transitional Housing	Emergency Shelter	Transitional Housing	Emergency Shelter	Transitional Housing
Households without children	4,012	2,154	4,667	936	16.3%	–56.5%
Households with at least one adult and one child	643	810	737	243	14.6%	–70.0%
Households with only children			45	6		

Source: HUD Continuum of Care Homeless Assistance Programs Homeless Populations and Subpopulations (2010 and 2018).

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RAISING THE BAR: LINKING LANDLORD INCENTIVES AND REGULATION THROUGH RENTAL LICENSING

A Short Guide for Local Government Officials

Alan Mallach
Center for Community Progress

A Center for Community Progress Practice Brief

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ABOUT THE AUTHOR

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This guide was prepared to assist local officials and others concerned with rental housing issues develop rental regulation ordinances. While it contains discussion of legal and policy issues for consideration by local leaders, it does not constitute legal advice and should not be relied upon as such. If you have any specific questions about any legal or financial matter related to rental regulation, you should consult an appropriately qualified professional. Municipalities are urged to consult local legal counsel in the course of preparing ordinances or taking other steps with respect to the matters addressed in this guide.

ABOUT CENTER FOR COMMUNITY PROGRESS

Founded in 2010, the Center for Community Progress is the only national 501(c)(3) nonprofit organization solely dedicated to building a future in which entrenched, systemic blight no longer exists in American communities. The mission of Community Progress is to ensure that communities have the vision, knowledge, and systems to transform blighted, vacant, and other problem properties into assets supporting neighborhood vitality. As a national leader on solutions for blight and vacancy, Community Progress serves as the leading resource for local, state, and federal policies and best practices that address the full cycle of property revitalization. Major support for Community Progress is generously provided by the Charles Stewart Mott Foundation and the Ford Foundation.

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INTRODUCTION: UNDERSTANDING THE REGULATORY FRAMEWORK

Regulating the condition and operation of rental housing is a major challenge facing local governments across the United States, particularly those experiencing social and economic distress. In recent years, along with widespread foreclosures and loss of property values, many municipalities have seen increasing numbers of single family homes move from owner-occupancy to absentee ownership and rental occupancy. While a stock of sound, well-managed single family rental properties can be a valuable asset for a community, in many cases much of this inventory is neither sound nor well-managed.

The responsibility for making sure that landlords maintain and manage their properties well falls to the municipality, which has the authority to enforce codes and take a variety of other actions under the legal powers they have to regulate property (see text box). The goal of these regulations is not to hinder landlords' ability to conduct business, but to raise the bar and ensure, to the extent possible, that landlords are responsible stewards of their properties, working with the municipality to ensure safe, clean neighborhoods.

THE MUNICIPAL POWER TO REGULATE PROPERTY

The powers of local governments to regulate properties vary widely from state to state and within states between "home rule" and "non-home rule" municipalities. Home rule municipalities typically have broad powers to address the public health, safety, and general welfare in areas that are *not expressly precluded* by state law. Non-home rule municipalities have much more limited powers, and can only act within the parameters *expressly permitted* by state law. The same distinction applies at the state level. In some states, known as "Dillon's Rule" states, municipalities have no home rule powers, but are limited to those activities that are expressly permitted by state law. In other states, they have varying degrees of flexibility to act on the basis of what is known as the municipal "police power" to uphold the health, safety and general welfare of the community's citizens. Local officials should consult with legal counsel familiar with these issues before taking action.

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Throughout the guide, key points are indicated with this symbol: ➡

The way in which municipalities do so can be called the *regulatory framework*, which is the sum of the ordinances, administrative systems, and operating practices the municipality uses to foster responsible landlord behavior and sound, well-managed rental housing in the community. The principal elements in the regulatory framework are shown in Table 1 below, with a brief description and rationale for each. *Landlord*

Table 1: The Rental Housing Regulatory Framework

ELEMENT	DESCRIPTION	RATIONAL
Landlord registration or licensing ordinances	A *registration* ordinance requires landlords to register their properties with the municipalities and provide contact information A *licensing* ordinance requires registration and a regular health and safety inspection, and may also require other actions by the landlord.	A registration system is informational only, and does not affect the right of a landlord to own and operate rental property. A licensing system conditions that right on compliance with appropriate public interest standards, and raises the bar for landlords in the community. Where legally permitted, a licensing system is a much more effective way of improving rental housing quality.
Mechanisms to ensure landlords are registered and/or licensed	Procedures (see Sec. 1.1 of the guide) to ensure that landlords register or comply with licensing requirements.	No ordinance is self-enforcing, and simply passing a registration or licensing ordinance does not get landlords, especially small landlords of single-family properties to comply. Proactive steps are needed to get landlords into the system.
Rental property information system	A data base of registered/licensed rental properties in the community, including information about code compliance, police calls, and tax/fee payment status.	The ability to track landlords and rental properties is a key to effective enforcement. A strong property information system allows a municipality to target resources to problems more effectively
Strategic code enforcement	Code enforcement that goes beyond complaint response to strategically address systemic targets and focus on bringing properties into compliance with codes	Complaint-driven code enforcement, while necessary, is inefficient and leads to scattered outcomes rather than systematic compliance and neighborhood stabilization
Compliance-oriented fee structure	Fee structures that are oriented to generating positive outcomes and maximizing compliance rather than revenues	Fees should not be seen as a revenue generating mechanism, but as a way of motivating landlords to affirmatively comply with ordinances as responsible owners.

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incentives should be thought of as part of the overall regulatory framework, rather than as a separate unrelated strategy.

The previous table illustrates the contents of the guide, which is divided into three major areas – getting the most out of a licensing system, improving the quality of rental management, and offering incentives to responsible landlords. Each of these areas is divided into a number of specific areas. While some strategies depend on having others in place – it is hard to set up a performance-based licensing system without a good property data base – others can be done by themselves. We try to indicate as we go along which steps are dependent upon other actions, and which are not.

I CREATING A LICENSING SYSTEM

1.1 UNDERSTANDING WHY LICENSING IS SO IMPORTANT

It is important to make clear up front the difference between a licensing and a registration system, and why licensing allows a municipality to become much more effective and proactive in terms of raising the quality of its rental housing stock. A registration system is purely informational. It requires landlords to provide basic information to the municipality. It carries with it no inherent ability to enforce codes or set standards.

A licensing system, which is the primary subject of this guide, is a fundamentally different matter. By establishing minimum standards that a landlord must comply with in order to operate a rental housing unit, licensing serves as the basis for a multifaceted system to improve the community's rental housing stock. A licensing system makes it clear that the community's landlords have a responsibility to live up to certain standards, but also that the municipality has accepted its responsibility to act proactively to enforce its standards. Licensing also facilitates efforts to move from a reactive and complaint-driven code enforcement system to one that is strategic and designed to improve the quality of the entire rental stock, not just the properties that trigger complaints.

A municipality that has a registration system has taken an important first step when it decides to transition to a licensing system, since it has already begun the process of creating an inventory of landlords who will need to be licensed. The key question, which is addressed below in the framework of the licensing system, is whether the inventory does in fact contain all or the great majority of the landlords and rental properties in the municipality. Experience in many different communities has shown that simply enacting an ordinance does not lead to

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compliance – a systematic outreach strategy is needed.

1.2 REACHING OUT TO THE COMMUNITY

The outreach strategy, however, really needs to begin even before the ordinance is enacted. The rationale for licensing rental properties is straightforward and compelling. The ability to live in housing that meets basic health and safety standards is a fundamental human need, and arguably far more critical to far more people than many of the professions and activities that are already subject to state or local licensing requirements.

At the same time, municipalities seeking to enact rental licensing may encounter strong opposition from property owners. While some objections may not be well-founded, others may reflect legitimate concerns that an ordinance may be administered in a punitive fashion or accompanied by unduly burdensome fees. For that reason, any municipality considering rental licensing should reach out to those most directly affected in advance, to explain how the proposed ordinance would work, and why it would benefit landlords, tenants, and their communities. Outreach efforts should focus not only on landlord and real estate associations and their key members, but also to tenant organizations where they exist, and to neighborhood and block associations.

Since most owners of rental properties in most communities are responsible landlords, an important selling point of *a performance-based licensing system*, as described in this guide, is that it does not treat rental properties and landlords in a "one size fits all" fashion, but rewards responsible landlords, while focusing enforcement on chronic offenders.

Outreach should be systematic and thoughtful, and all parties should be given the opportunity to have meaningful input into the specific provisions of the proposed ordinance, not merely be encouraged to support something presented as a *fait accompli*. In the end, no amount of outreach can guarantee that there will be no opposition, but a sound outreach effort will not only reduce opposition and build support, but, in the event the ordinance passes even with opposition, help the city build the positive relationships it will need with the landlord community to bring about successful implementation of the ordinance.

Small municipalities may find it difficult, given their limited financial and staff resources, to implement some of the actions in this guide by themselves. An alternative approach worth serious consideration is to carry out those actions through intermunicipal cooperation, or by having them carried out by a regional body or other entity. Areas where this may be worth consideration are discussed in Part IV of the guide. A final section provides resources, including informational material on landlord strategies generally and links to specific good practices.

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II GETTING THE MOST OUT OF A LICENSING SYSTEM

OVERVIEW

Creating a licensing system, in and of itself, can be an effective starting point in improving the quality of rental housing maintenance and management in a municipality. It is only effective, however, if the great majority of landlords in the community are licensed. The threshold problem that municipalities face when they enact such an ordinance is getting landlords into the system. Experience shows that without proactive steps to get landlords licensed, only one-third or fewer are likely to get into the system, a number that will typically exclude most of the small mom-and-pop owners of single family properties. Many landlords are unlikely to be aware of the existence of the ordinance, while others – in the absence of systematic enforcement, which is rarely present – expect that they can remain under the municipality's radar. Section 2.1 will describe the steps a municipality can use to get more landlords into a licensing system.

The second step to get the most out of the system is to take the licensing information, along with other information that is already available in the community about properties, and create a simple database to track rental properties, described in Section 2.2. This enables the municipality to understand its rental inventory, identify problem properties and landlords, and target limited resources to the problems. It can also help build cooperative relationships between the local government, residents, and neighborhood associations to help address problem properties in their neighborhoods. We refer to a system that focuses on problems, while rewarding good landlord performance, as a performance-oriented regulatory system, described in Section 2.3.

2.1 GETTING LANDLORDS INTO A LICENSING SYSTEM

While no municipality can expect to have 100% of the landlords licensed, at least 80% to 90% should be licensed for the licensing regime to be effective. This can only happen through a systematic effort to gain compliance. Obvious strategies, such as door-to-door campaigns, are likely to be both expensive and ineffective. Cities have limited resources to devote to this task, and must come up with more cost-effective strategies to gain compliance. Some of those strategies may be able to take advantage of available technologies in creative ways. This section describes three strategies municipalities can use.

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a. Mass mailing

(1) Create a list of presumptive rental properties, by comparing property addresses to the name and address of the person to whom property tax bills are sent, and sorting by the latter address (some money can be saved by sending a single mailing to the owner of multiple properties). The list should be screened to identify those properties that are already licensed so that they do not receive mailings.

(2) Send the owner of record a packet containing the following information:

a. A cover letter explaining the licensing requirement affecting all rental properties in the municipality
b. A flier explaining the provisions of the licensing ordinance and regime
c. A licensing form, for the owners of rental properties to return to the municipality with the appropriate fee; and
d. An affidavit of non-rental status, a sworn document which the owner can complete and return if the property is not being used as a rental property

The mailing should also indicate that the municipality has adopted a six-month (or similar period) amnesty period, during which no landlord will be penalized for failing to file a licensing application. It should further describe the potential penalties to which the owner may be subject if he or she fails to get the property licensed within that period, or if the owner files the affidavit of non-rental status and is subsequently found to be operating the property as a rental property.

(3) Send a follow-up letter to owners who fail to respond, one way or the other, to the initial mailing. This letter should go out 45 to 60 days after the initial mailing. While resources are unlikely to permit systematic visits to the properties of all owners who fail to respond, a schedule of spot-checks should be developed within the limits of available personnel.

b. Transaction-driven mailing

(1) Arrange with the county to receive a list of new sales transactions on a regular basis (at least monthly).

(2) As the municipality is notified of each transaction, the same packet described above should be mailed to the owner of record. Since the owner in many cases will be unfamiliar with the municipality, the packet should also include a flier with other information likely to be useful to a property owner in the municipality, such as emergency phone numbers, landlord-tenant ordinances, code requirements, and trash collection schedules.

(3) As above, a second letter should be sent to those who do not respond to the initial mailing. Depending on the number of properties involved and the resources available, follow-up visits should be made to

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some or all of the properties where the owner has failed to respond.

The mailing process can, in large part, be automated; in other words, the addresses can be entered into a computer and appropriate software can be installed to generate the mailings. Depending on the volume and costs involved, the municipality may want to contract with a direct mail firm which already has the necessary equipment, rather than doing this in-house.

c. Citizen reporting (drop-a-dime)

Despite a municipality's best efforts, many landlords may remain unlicensed. In order to get more of those landlords into the regime, the municipality can utilize the eyes and ears of its residents to report unlicensed landlords.

(1) Create and post in a highly visible location on the municipality's website an accessible, searchable database of all of the *licensed* rental properties, with their owners' names and contact information.

(2) Create on the municipal website a simple means by which residents or neighborhood organizations can report properties that (1) they believe to be rental properties; and (2) do not appear in the municipality's licensed rental property database. This can take the form of a box in which the resident can enter the address of the property.

(3) When properties are reported, send the owner of record a mailing similar to that described under 2.1(a) above.

(4) Once these features have been put on the municipality's website, get the word out energetically to civic organizations and neighborhood groups, urging them to use it to help establish and maintain the quality of the municipality's rental housing stock.

The procedure should be simple and *anonymous*. Requiring people who report properties to identify themselves discourages reporting.

In view of the widespread ownership of smartphones, communities should explore whether an app may be available that people can download to their smartphones and use for this purpose. Existing systems that have been developed for people to report vacant, blighted properties could perhaps be adapted to reporting unlicensed landlords.

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2.2 CREATING A BASIC RENTAL HOUSING INFORMATION SYSTEM

Having good basic information about the community's rental properties, and what is happening with them is a major asset in any rental housing regulatory system. It makes possible a variety of strategies that can make the municipality's regulatory efforts both more effective – in terms of their impact on housing quality and neighborhood stability – and more efficient – in terms of impact relative to the amount of resources devoted to the task.

The principle of a basic rental housing information system is straightforward: assemble information already being gathered in the municipality on rental properties and their owners, so that information on either an individual property or an individual landlord, who may own multiple properties, can be readily accessed by local officials and other authorized personnel as shown in schematic form in Figure 1. A more detailed description of the information

FIGURE 1: SCHEMATIC REPRESENTATION OF BASIC RENTAL PROPERTY INFORMATION SYSTEM

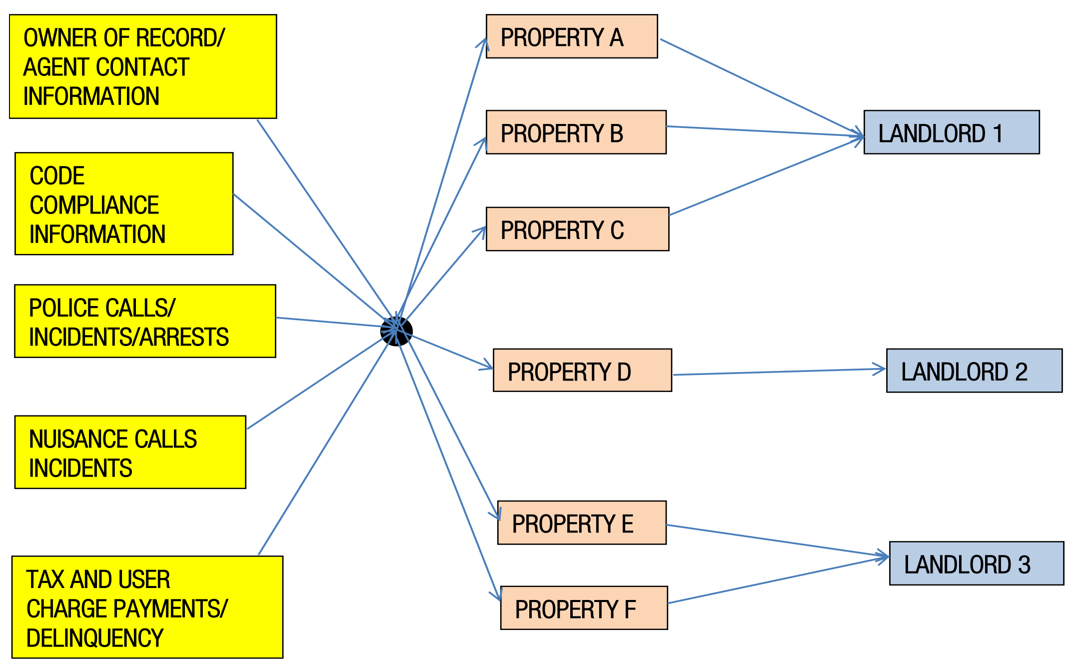

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Table 2: Categories and Sources for Rental Property Information System

CATEGORY	SOURCE	DETAIL
Owner of record/agent contact information	Registration or Licensing Form Updates from County Recorder	Name/address of owner Name/address of agent if owner not local
Code compliance information	Municipal agency responsible for code enforcement	Most recent inspection/ outcomes/time to comply Re-inspections needed
Police calls/incidents/arrests	Police Department	Calls, incident reports, and arrests by location
Nuisance calls/incidents	Municipal agency responsible for addressing nuisance issues	Noise, health, and similar violations
Tax and user charge information	Treasurer, Tax Collector, and other agencies responsible for levying user fees	Taxes and user charges due by amount and date Delinquency in payment Tax liens outstanding

and its sources is shown in Table 2 following the figure. If not all of these information sources are available at the beginning, the system can be set up with those that are available, and the others (including any other useful information not shown in the table) added as they become available.

A rental housing information system can be as simple or as sophisticated as a community's resources permit and its goals dictate. Some small communities use nothing more elaborate than an Excel spreadsheet, which can be adequate where the number of properties involved is small, while others use more advanced software. A group of Minnesota local governments have formed a consortium to provide a common platform for local data needs, including a property information system and a data system for permits and inspections.

2.3 MOVING TO A PERFORMANCE-BASED REGULATORY SYSTEM

In order to establish a performance-based regulatory system, a municipality must have two key elements in place: (1) a well-functioning landlord licensing process; and (2) a basic rental property information system.

[1] Local Government Information Systems (LOGIS). See http://www.logis.org/

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No municipality has unlimited resources. The best regulatory framework is one which effectively distinguishes between those landlords who are responsible owners and managers, and those who are not, and focuses the greater part of the municipality's efforts on the second group. Among the greatest benefits of having the property information system up and running are that it gives the municipality a powerful tool for evaluating landlord performance, identifying problem buildings and landlords, and targeting resources to the problems. Brooklyn Center, Minnesota, an inner-ring suburb of Minneapolis, has designed a good system for doing this, which we describe in the box to the left.

Municipalities going to a performance-based system should add tax compliance to the factors used to classify property. The information is readily available, and failure to pay property taxes and municipal user charges in a timely fashion, or at all, is a hallmark of a problem landlord. Including tax compliance in the system will provide inducement to landlords to pay their taxes.

Table 3 on the following page shows proposed landlord and municipal responsibilities in a performance-based system. They are divided into two categories – **basic requirements**, which are the fundamental requirements to make the system work and establish clear standards for landlords; and **optional provisions**, which are enhancements that can improve the system but are not essential to its functioning. The optional provisions can also be incorporated into the Good Landlord Program, described in Section 4.1.

A major advantage of the performance-based system is that it allows the municipality to focus its limited inspection resources. Thus, the municipality is not spending valuable time inspecting properties that are likely to be in good condition more often than necessary, and can devote its resources to the worst-performing properties.

PERFORMANCE-BASED LICENSING IN BROOKLYN CENTER, MINNESOTA

Brooklyn Center annually determines the number of property code and nuisance violations, and police service calls, for each property. They then use that information to classify each property from Type I through IV. The properties are first scored on the basis of the number of property code and nuisance violations. That score is then adjusted on the basis of the number of validated calls for disorderly conduct and Part I crimes.

The classification of properties from Type I to Type IV is then used by Brooklyn Center to determine (1) the obligations of the landlord going forward; and (2) the level of monitoring by the municipality; that is, how often the property is scheduled for inspection, and what other steps, if any, the municipality will take to bring the property and the landlord up to the community's standard. The closer the property classification is to Type I, the fewer obligations are placed on the landlord, and the less often the property is inspected.

The full description of the Brooklyn Center scoring system can be found at http://www.cityofbrooklyncenter.org/DocumentCenter/Home/View/118

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Table 3: Landlord and Municipal Requirements Under Performance-Based Regulatory System

	CLASSIFICATION	I	II	III	IV
BASIC REQUIREMENTS	Re-licensing inspection timetable	Every three or four years	Every two years	Annual	Every six months
	Participation in landlord improvement program (see note 1)	Encouraged	Encouraged	Required	Required
	Participation in crime-free program (see note 2)	Encouraged	Encouraged (see note 3)	Required	Required
	Other requirements	None	None	None	Must complete remedial action plan which must be approved by municipal officer
OPTIONAL PROVISIONS	License fee	Base fee	Base fee	Base fee + added "problem property" fee (see note 4)	Base fee + higher added "problem property" fee (see note 4)
	Eligible for purchase of public property	Yes	Yes, subject to case by case review	No	No
	Eligible for good landlord incentives	Yes	Yes, if meets conditions	No	No

Notes:

(1) See Section 3 for further discussion.
(2) This can be combined into a single program with the landlord improvement program, or run as a separate initiative.
(3) May be required if criminal or related matters make up principal reason for lower rating.
(4) See Section 4 for further discussion of fees.

In lieu of having municipal inspectors conduct licensing and re-licensing inspections, a municipality with limited personnel resources may want to consider creating a list of screened, approved private inspection firms that will conduct these inspections for a predetermined fee, payable directly by the property owner to the firm. This can save the municipality money, and free up inspectors for more urgent activities. Another alternative is to contract with a single firm through a Request for Proposals process to handle all licensing inspections in the municipality.

III RAISING THE BAR FOR PROPERTY MANAGEMENT AND MAINTENANCE

Most landlords in most communities are small scale mom-and-pop landlords, but many do not live near their properties. Some are irresponsible, but others may be responsible individuals who are unable for many different reasons to give their properties the attention they need, leading to inadequate maintenance and management quality. These issues can take many different forms, including:

- Failure to maintain building and grounds in visually appropriate condition
- Failure to make repairs in timely fashion
- Failure to ensure uninterrupted utility service
- Failure to address public safety issues associated with the property
- Failure to perform appropriate pre-lease tenant screenings
- Failure to use appropriate lease document
- Failure to evict problem tenants when appropriate.

Raising the bar in all of these areas will benefit responsible tenants, responsible landlords, and the community as a whole. To do so effectively, it is important to create a support structure for responsible landlords, with a particular focus on assisting those who have been unable to maintain their properties to an appropriate standard.

All of the recommendations in this section may be implemented either through inter-municipal cooperation or regional support programs, or through partnerships with existing high-capacity organizations in the area. Municipalities should carefully explore both options before deciding whether to initiate their own program. For this reason, some of these recommendations are not presented in as much detail as those in the previous section.

3.1 CREATING A MANUAL OF GOOD LANDLORD PRACTICE

Every existing landlord in each municipality, as well as individuals acquiring property in the municipality, should be given a manual which lays out the responsibilities of landlords and standards of good landlord practice, both in general and with respect to the provisions of any applicable ordinance specific to that municipality. The manual should include a recommended form lease.

There are a number of existing manuals that have been created by municipalities (links to some are provided in Section 6 of this guide). Rather than reinvent the wheel, the best approach for a municipality is to use a good existing model, with an additional section or insert with information about the municipality's ordinances and requirements, along with information about the municipality, such as contact information for local officials, recycling guidelines, etc.

3.2 CREATING A "LANDLORD ACADEMY"

A landlord academy is shorthand for a well-organized and integrated series of training and technical assistance programs offered to landlords in the municipality. A landlord academy can include assistance through a variety of programs and modalities, including:

- Training programs for landlords, which can include both basic courses and advanced or specialized courses in subjects such as equipment maintenance, legal issues, or financial management.

CRIME-FREE RENTAL HOUSING PROGRAM

Crime-Free Rental Housing is a program of the International Crime-Free Association, based in El Cajon, California, that is widely used by municipalities around the United States. It consists of three elements, carried out by or under the supervision of the municipal police department:

Phase I – An eight-hour training program taught by a trained police officer, covering a wide range of issues, and including a 100-page manual for every participant.

Phase II – A CPTED (crime prevention through environmental design) survey of the property by a trained police officer, covering such areas as door, window, and lock standards; exterior lighting, and landscape maintenance.

Phase III – A Crime-Free Commitment by the property owner, including commitment to proper tenant screening, use of a crime-free lease addendum, working with the police, etc.

While the term "crime-free program" does not appear to be subject to copyright or other restrictions, it is generally used to refer to this specific program. Many municipalities have similar programs, either designed locally or by other entities.

For more information, see http://www.crime-free-association.org/rental_housing.htm.

- Crime-Free programs, which are already used by many municipalities, could be integrated into the landlord academy (see text box on previous page).

- If resources permit, hands-on technical assistance, something like a SCORE[2] program for landlords, can be very productive. It can use retired contractors, inspectors, building superintendents, landlords, and others to provide one-on-one assistance to landlords, either on an ongoing basis or as needed.

Access to one-on-one assistance could be something offered only to landlords who are participating in the good landlord program, and used as an inducement to get landlords to participate. In the other direction, landlords who have received low scores for their properties could be *required* to participate in training courses.

This is another area where individual municipalities should work cooperatively to offer courses, potentially in partnership with an existing organization that already does so.

3.3 CREATING A LANDLORD ASSOCIATION OR STRENGTHENING AN EXISTING ORGANIZATION

A strong, effective landlord association can be an asset to both the community's landlords and the community as a whole. A good model is the

THE BROOKLYN CENTER ASSOCIATION FOR RESPONSIBLE MANAGEMENT

The objectives of the ARM are as follows:

- Serve as a networking resource for property managers
- Educate and inform property managers about current municipal initiatives
- Improve the safety and quality of all rental properties in the municipality to improve and maintain the municipality's image with citizens and neighbors
- Increase ARM meeting awareness and attendance
- Promote resources for property managers and tenants
- Provide more accessible dialogue between government, residents, and property managers

Landlords who fall into categories III and IV are required to participate in landlord association meetings.

For further information see http://www.municipalityofbrooklyncenter.org/index.aspx?NID=234

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[2] SCORE (which initially stood for Service Corps of Retired Executives) is a program supported by the U.S. Small Business Administration that links small business people who need technical assistance with qualified volunteers. For more information see https://www.score.org/

Brooklyn Center, Minnesota, Association for Responsible Management (ARM), described in the text box above.

Creating such an entity, and actively encouraging landlord participation, can serve not only to spur more responsible landlord operations, but as an effective communications strategy between local government and the landlord community. The landlord improvement program shown in Table 4 can be conducted through a landlord association. The association can either be a local organization specific to a single municipality, or an area-wide organization.

3.4 BUILDING A REGISTRY OF QUALIFIED PROPERTY MANAGEMENT COMPANIES

Where landlords are located more than a few miles from their properties, or where their ability to become effective property managers is limited for other reasons, high quality third-party property management can make the difference in bringing about sound, well-maintained rental properties.

Municipalities should encourage landlords, particularly those where there is evidence of limited capacity to manage their properties on their own, to use professional management. Two steps municipalities can take are:

- Creating a registry of approved or licensed property management companies; and
- Offering incentives, such as a partial fee rebate or waiver of other requirements (such as taking training courses) to problem landlords who hire approved managers.

In some areas, there may not be enough professional property managers interesting in managing scattered single family rental properties. If this is the case, municipalities may want to work with their neighbors or with a regional organization to pursue either or both of the following steps:

- Identify qualified management firms in the region, particularly in nearby major cities, and encourage them to open a local branch operation;
- Create, perhaps in partnership with an existing firm or nonprofit entity, a new locally based company dedicated to property management.

Although over time, property management pays for itself – and is often profitable – either of these two steps might require that the public sector provide some seed money to get the project started.

IV PROVIDING INCENTIVES TO RESPONSIBLE LANDLORDS

Landlord incentives complement a regulatory strategy by building an ever-growing pool of responsible landlords who meet good practice standards with respect to their leasing and operations. While regulations can discourage bad actors, incentives reinforce and encourage good, responsible operations.

4.1 CREATING A "GOOD LANDLORD" PROGRAM

While incentives can be employed individually or separately, they are likely to have much more impact if they are bundled into a comprehensive program, under an umbrella such as a "good landlord program" or similar term. Under such a program, landlords that meet the criteria to participate can become members of the program, and obtain all of the benefits of the program.

Alternatively, as the airlines do with their loyalty programs, the benefits can be tiered, so that "silver" landlords are eligible for one set of incentives, but "gold" landlords are eligible for those and more. This can easily be integrated with the performance-based regulatory system described above (Section 2.3).

There are two basic approaches to setting the eligibility for a good landlord program (or for incentives separately):

(1) Basing eligibility on performance: Any landlord who meets the criteria (as described in Section 2.3) on his or her properties during the preceding year would be eligible. This approach requires that the municipality have its property information system up and running.

(2) Creating an "aspirational" system: Landlords become eligible when they make a pledge to meet the criteria by signing onto a landlord code of conduct. If, after making such a commitment, a landlord fails to meet the criteria, he/she is removed from the program.

The two can be combined in a system which accepts any landlord who makes the pledge into the program, but limits "gold" benefits to landlords who both make the pledge and meet a high standard of performance.

4.2 OFFERING MULTIPLE LOW-COST/NO-COST INCENTIVES

There are many incentives that municipalities can offer landlords which cost the municipality little or nothing. These incentives can be bundled into a package that is made available to all participants in the good landlord program, including.

- Provide access to free one-on-one technical help with specific management or maintenance problems. The municipality can line up a small group of people, including property managers, lawyers, and the like, who agree to be available for a modest amount of time for this program.

- Designate a police officer as an ongoing liaison with landlords, to assist not only in crime-free programs, but with specific problems or concerns.

- Hold regular (monthly or bi-monthly) forums between key municipal officials and landlords where both municipal and landlord concerns can be discussed informally and openly.

- Provide fast-track approval of permits for property improvements.

- Offer free advertising of available rentals on the municipal website and in local newspapers, particularly free weekly merchandising papers.

- Negotiate discounts for good landlords on goods and services at local merchants or from local contractors.

- Provide free or low-cost equipment such as smoke or carbon monoxide detectors, security locks, etc. Municipalities may be able to acquire these in bulk from retailers either as a contribution or at a significantly discounted cost.

- Provide free radon testing.

The specifics of the bundle would vary from municipality to municipality, based on what are seen as the most appealing incentives for landlords, and what is feasible, in terms of availability of volunteers and donation of materials or services.

4.3 DESIGNING FEE STRUCTURES AS INCENTIVES

Municipalities can use the way they charge fees – both general ones and fees specific to rental housing – to act as incentives for responsible rental operations. This can happen in two general ways:

- Offering good landlords reduced fees for fee-charged municipal services, such as building permit fees for property improvements, crime-free housing fee or garbage removal fees.

- Structuring fees associated with rental properties to function as incentives.

While the first is largely self-explanatory, the second can take different forms that may need some discussion.

a. Basic licensing fees

Licensing fees should be kept as low as municipal financial circumstances permit, in order to maximize compliance with the licensing ordinance. They should not be seen as a vehicle for generating municipal general revenue. If feasible, the licensing fee should be no more than the administrative cost of the program, which should most probably not be more than $10/year. Similarly, the basic licensing inspection should be free if possible, along with the initial follow-up inspection if the property failed to meet the basic licensing requirements. Where fiscal considerations dictate that a fee be charged for the initial inspection, it should be kept as low as possible, and include the initial follow-up inspection in the fee. Substantial fees, however, may be charged for subsequent re-inspections, and penalties charged for failure to qualify for the license.

We do not recommend that landlords who do not comply with licensing requirements be required to vacate their units, unless the property fails to meet basic health and safety standards for occupancy. Such requirements penalize the tenants more than they do the owner. Municipalities should use the fee structure, as described further below, as well as citations and fines, to obtain compliance.

b. Disproportionate impact fee

A highly creative approach is followed by municipalities in Utah, based on a state enabling law[3] that has two parts:

- Municipalities impose a **disproportionate impact fee** on rental properties. The fee must be determined on the basis of a formal analysis that calculates the cost that rental properties impose for municipal police, fire, and code enforcement compared to the rest of the municipality, and establishes a dollar amount for each unit, known as the disproportionate impact fee, which can vary depending on the type of rental property. This fee can be substantial. The city of West Jordan imposes a fee of $200 per year for single family rental properties, and $70 per unit for multifamily properties.

- Municipalities establish a **good landlord program.** Landlords who qualify for the good landlord program receive a rebate of the disproportionate impact fee except for a modest amount for administrative costs. In West Jordan, $7 per unit is retained by the municipality for administrative costs.

This program is widely used in many Utah municipalities and is credited with significant improvements in the quality of rental housing operations and maintenance. It is critical that any such program be based on a solid, defensible analysis of municipal costs and meet all relevant local legal requirements.

c. Graduated licensing fee

A variation on the licensing fee, which is shown in Table 4, is to add a performance-based fee to the basic fee. Under a performance-based fee:

- Landlords and properties who fail to meet adequate standards would be assessed a supplemental licensing fee for the following year.

- At the end of the year, if the properties improved to a higher category, the landlord would receive a rebate of a portion of the supplemental licensing fee. The rebate could be a standard amount.

[3] The Utah enabling law can be found at Utah Code, Title 10, Chapter 1, Section 203.5 and can be accessed at http://le.utah.gov/code/TITLE10/htm/10_01_020305.htm

or could be based on the degree of improvement.

- Alternatively, the municipality can enact a single licensing fee for all landlords, but adjust the period covered by the fee based on the property category; thus the owner of a category I property would pay the fee once every three or four years, but the owner of a category IV property would pay the (same) fee every six months.

This approach offers landlords a concrete incentive for improving the quality of their operation.

4.4 EXPLORING OTHER POSSIBLE GOOD LANDLORD INCENTIVES

The ideas in this section are offered as additional options to consider, depending on resource availability, policy preferences, legal framework, and appropriateness for the particular municipality.

a. Security deposit guarantee

In less affluent communities, landlords periodically find a prospective tenant who meets all of the requirements for a lease but lacks the funds for the full security deposit. In this program, the municipality provides a guarantee to the landlord of the additional amount the tenant needs to meet the security deposit requirement. Because such a program expands the pool of potential qualified tenants, it is likely to be highly attractive to landlords. While there is no direct cost to the municipality, it does place some amount of public funds at risk.

b. Make qualified landlords eligible to purchase vacant properties owned by the municipality or land bank entity

This supports the goal of increasing the pool of responsible landlords. It is only meaningful, however, if the municipality and/or land bank have an inventory of properties available, which can be offered to landlords by the public sector at prices that are advantageous to landlords without resulting in loss to local governments. There may be some opposition for such an initiative from those who believe that local governments should sell single family properties only to owner-occupants.

V OPPORTUNITIES FOR INTER-MUNICIPAL AND REGIONAL COOPERATION

Most municipalities in most metropolitan areas, particularly in the Northeast and Midwest, are small, both in area and population. They have limited resources, both with respect to the number of professional staff they employ as well as the funds over which they have discretion. While the landlord strategies described in this short guide can be implemented by individual municipalities, many may benefit from being done either by a number of municipalities pooling their resources or by a regional agency. It may be more cost-effective to have the activity more centralized. In addition, a regional organization may be more likely to have the necessary specialized staff or discretionary seed funds.

Table 5: Potential Roles for Inter-municipal Cooperation and Regional Agencies

SEC.	PROGRAM	POTENTIAL INTER-MUNICIPAL OR REGIONAL ROLE
1	Getting landlords into the system	If municipalities adopt a common ordinance, many operational functions such as mailings and web-based information can be centralized to reduce overhead costs.
	Creating a basic rental housing information system	Municipalities can share an information system, or the system can be maintained by a regional agency, to reduce overhead costs and increase access to qualified personnel.
	Performance-based regulatory system	Assuming that the information system is maintained by a single entity on behalf of multiple municipalities, that entity can do the tracking and classifying of landlords, and provide that information to participating municipalities.
	Creating a list of screened and pre-approved inspectors	This is a service that can be provided by a regional agency for participating municipalities.
2	Create a manual of good landlord practice	A single manual can be developed, either by a regional agency or by an existing high-capacity organization, and adopted (with appropriate municipality-specific inserts) by participating municipalities.
	Create a landlord academy	Since the scope of landlord training varies little if at all from municipality to municipality, and there are clear cost advantages in reaching a larger pool of landlords, this could be done either by a regional agency or by an existing high-capacity organization on behalf of participating municipalities.
	Create a landlord association	This is an activity that might be shared between contiguous municipalities, in order to increase the available pool of landlords, and better manage the administrative requirements of supporting the association.
	Create a registry of qualified property management companies	This is a service that can be provided by a regional agency for participating municipalities.
3	Create a good landlord program	While there are advantages to having municipal programs, it may be desirable for contiguous small municipalities to create a single program to reduce overhead costs.
	Offer multiple low cost incentives	A regional agency may be in a stronger position to package some of the incentives that could be offered in the good landlord program.
	Design fee structures as incentives	If there are municipalities that are interested in pursuing the disproportionate impact fee approach (Section 4.3.b) a regional agency could conduct or commission the impact study that is needed to set the fee. (continued on next page)

Table 5: Potential Roles for Inter-municipal Cooperation and Regional Agencies (Continued)

SEC.	PROGRAM	POTENTIAL INTER-MUNICIPAL OR REGIONAL ROLE
3	Security deposit guarantee	Managing this program could be done by a single entity, either one municipality on behalf of multiple municipalities, or a regional body to reduce administrative and overhead costs.
	Purchase of vacant properties	This could be done through a land bank entity
	Equity protection insurance	If there are municipalities that are interested in pursuing equity protection insurance, a regional agency could conduct or commission the analysis that would be needed to determine whether it would be feasible and its benefits commensurate with its costs. If the study was positive, a regional agency could design a program on behalf of municipalities. Because of the nature of such a program, it is likely to be more cost-effective with a larger pool of properties, suggesting that a multiple-municipality program is to be preferred.

We have noted in different places in this guide some of the areas where inter-municipal or regional cooperation might be desirable. Table 5 above provides a more organized picture, for each of the different programs and initiatives described in the guide, how they might lend themselves to inter-municipal or regional implementation.

VI RESOURCES FOR FURTHER INFORMATION

GENERAL GUIDES

Dealing with Problem Property Owners section of the Building American Cities Toolkit from the Center for Community Progress http://www.communityprogress.net/problem-property-owners-pages-201.php

Alan Mallach (2010). *Meeting the Challenge of Distressed Property Investors in America's Neighborhoods*. Published by the Local Initiatives Support Corporation, available at http://www.lisc.org/docs/publications/102010_Distressed_Property_Investors.pdf

Sarah Treuhaft, Kalima Rose, and Karen Black (2010). *When Investors Buy Up the Neighborhood: Preventing Investor Ownership from Causing Neighborhood Decline*. Published by PolicyLink, available at http://www.fhfund.org/wp-content/uploads/2014/10/WHENINVESTORSBUYUPTHENEIGHBORHOOD.pdf

LANDLORD GUIDES AND MANUALS

Landlord Training Program: Keeping Illegal Activity out of Rental Property. Prepared by Campbell DeLong Resources Inc. for the Bureau of Justice Initiatives, US Department of Justice. Available at http://www.communityprogress.net/filebin/pdf/toolkit/LandlordTrainingProgram_JohnCampbell.pdf

Portland, Oregon. *Landlord Training Program Manual.* This manual and the one from Durham, North Carolina, are both adapted from the Campbell DeLong guidebook to include specific information about state law and local regulations. https://www.portlandoregon.gov/bds/article/96790

Durham, North Carolina, *Landlord Training Program Manual* http://durhamnc.gov/ich/cb/nis/Documents/landlordtrainingmanual.pdf

The Community Investment Corporation in Chicago has developed a Property Management Manual for landlords, which can be downloaded (by chapter) from http://www.cicchicago.com/landlord-resources-training/download-manual-and-forms/

Greater Manchester (UK) Landlord Accreditation Scheme *Code of Standards and Management Practices.* While based on British law and practice, this contains a great deal of information relevant to US communities. http://www.stockport.gov.uk/2013/2998/43251/codeofstandardsandmanagementpractice

HAP Housing, a nonprofit organization based in Springfield, Massachusetts, has developed an excellent comprehensive manual for landlords in Massachusetts. It comes as a CD along with multiple forms and documents, and can be ordered from HAP Housing for $45. Order at http://www.haphousing.org/default/index.cfm/landlords/property-management/

GOOD PRACTICES

The city of Brooklyn Center, Minnesota, operates a well-thought-out, comprehensive rental licensing program, including the performance-based approach described in this guide. http://www.cityofbrooklyncenter.org/index.aspx?nid=316

The state of Utah authorizes municipalities to establish Good Landlord Programs to encourage landlords to maintain and manage their properties responsibly in exchange for a reduction in rental license fees. A "What is the Good Landlord Program?" factsheet can be found at: http://www.communityprogress.net/filebin/pdf/toolkit/UtahHousingCoalition_WhatIsTheGoodLandlordProgram.pdf

The City of Milwaukee runs a strong landlord training program, offering a wide range of courses and materials for landlords. http://city.milwaukee.gov/Landlordtraining#.VTFHW1krGUk

The Community Investment Corporation of Chicago offers a variety of good resources for landlords http://www.cicchicago.com/landlord-resources-training/

CRIME PREVENTION MODELS AND STRATEGIES

Overview of the Crime-Free Rental Housing Program from the International Crime-Free Association
http://www.crime-free-association.org/rental_housing.html

Overview of Crime Prevention through Environmental Design (CPTED) resources
https://www.bja.gov/evaluation/program-crime-prevention/cpted1.html

MATERIALS ON DEFENSIBLE SPACE

Oscar Newman "Defensible Space" 1997. An article describing the defensible space concept and how it was used in the Five Oaks community of Dayton, Ohio.
http://www.nhi.org/online/issues/93/defense.html

Oscar Newman Creating Defensible Space 1996. A book published by the U.S. Department of Housing and Urban Development which discusses the concept and creation of defensible space in detail, including case studies from Dayton, Ohio; Yonkers, New York; and New York City.
http://www.huduser.org/publications/pdf/def.pdf

NSP Land Banking Toolkit

Overview of Land Bank Decisions and Tools

About this Tool

Description:

This document provides an overview of the types of decisions land bank managers must make with respect to property acquisition and reuse. Special emphasis is placed on how these decisions should be taken in light of market conditions. Where appropriate, the other tools in the Land Banking Toolkit are referenced. This document also contains an appendix listing the names and locations of all documents in the Land Banking Toolkit, in addition to a brief description of each resource. Each of these tools can be found on the NSP Resource Exchange.

Source of Document:

Substantial portions of this document come from a document utilized by the Genesee County Land Bank Authority.

Disclaimer:

This document is not an official HUD document and has not been reviewed by HUD counsel. It is provided for informational purposes only. Any binding agreement should be reviewed by attorneys for the parties to the agreement and must conform to state and local laws.

This resource is part of the NSP Toolkits. Additional toolkit resources may be found at www.hud.gov/nspta

U.S. Department of Housing and Urban Development
Neighborhood Stabilization Program 1

OVERVIEW OF LAND BANK DECISIONS AND TOOLS

This document is designed as a companion to the inventory of land banking tools commissioned by the US Department of Housing and Urban Development under the Neighborhood Stabilization Program. The complete inventory is appended to the end of this document. Reference to specific tools is made in [brackets] throughout the text.

INTRODUCTION

Land banks are public or community-owned entities created for a single purpose: to acquire, manage, maintain, and repurpose vacant, abandoned, and foreclosed properties – the worst abandoned houses, forgotten buildings, and empty lots. Land banks play a variety of roles as part of a Neighborhood Stabilization Program. [See Land Banking 101: What is a Land Bank?] They can play a very limited role, such as simple acquiring property on behalf of a local municipality, to a broader role of property developer. It is important to note that land banks are not financial institutions: financing comes from developers, banks, and local governments.

The role a land bank plays in a community is usually dependent on the capacities of the local government, nonprofit and developer industries within the locality, and the relevant needs that exist. Furthermore, when land banks acquire property, they must make a number of choices regarding property re-use, in addition to a number of choices with respect to property acquisition, disposition, re-use and other policies and procedures. [See Land Bank Policies and Procedures]

In the pages to follow, we first present an overview of the choices land banks must make after they've acquired properties. Because market conditions are so critical to decisions about property re-use following acquisition, the second section presents a way of thinking about these conditions and their implications. The third section goes into more detail on other issues in land bank decisionmaking. Where appropriate, reference is made to the land bank tools available on the NSP Resource Exchange.

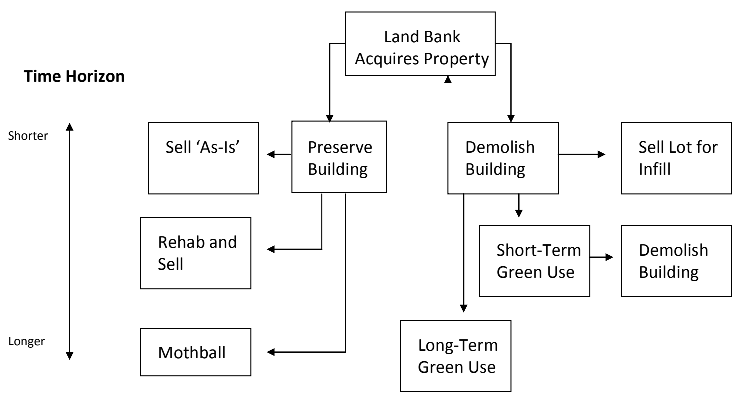
OVERVIEW OF LAND BANK DECISIONS ON PROPERTY RE-USE

Most of the properties that a land bank acquires are individual vacant residential properties, and usually single family houses. Figure 1.1 shows the options that exist – in theory - with respect to any residential property. As the Figure shows, the threshold decision a land bank has to make with each property it acquires is whether to keep the structure intact, or demolish it. That decision then triggers a second set of decisions.

On the preservation side, shorter term options include sale of the house essentially as-is, with only cosmetic repairs required, or if more extensive work is required, sale after rehabilitation. In some instances, neither immediate sale or rehab and sale will be feasible, but for a variety of reasons, such as the desire to preserve historical or architectural value, a house might be mothballed for a longer period, usually pending a return of market demand or availability of renovation subsidies.

On the demolition side, removal of the structure makes possible re-uses that, in the short run, include sale of the parcel for in-fill development or use as a side yard to an existing home, or in the medium-term, use of the lot as green space until subsequent development becomes feasible. Where markets are particularly weak, long-term use as green space may be the only feasible re-use. [For a set of tools covering demolition, please see the Demolition Toolkit on the NSP Resource Exchange.]

Figure 1.1
Property Reuse Decision Tree



In practice, only some of these options actually exist, while some that may be possible may not be desirable. [See Process Map and related material covering property acquisition and disposition: Land Banking Agreement, Option Agreement, Property Donation Checklist, and Side-Lot Disposition Policies and Procedures.] Moreover, some options which are feasible and desirable may not be legal depending on the funding source. In the context of the NSP, two critical constraints are worth mentioning here. (There are a number of other NSP limits on land bank activities, which are referenced in the toolkit materials available on the NSP Resource Exchange.)

1. NSP requires specific property types for each eligible use. Eligible use "C" – land banking – requires grantees to use foreclosed-upon residential properties. While some land banks might deal with commercial property or property that was not foreclosed upon, they must limit use of NSP funds to foreclosed residential properties.

2. The 10-year limit on re-use for NSP land banking is mentioned elsewhere in this document will shape program design decisions related to NSP-funded properties. Land banks using NSP funds must design their programs to ensure that NSP properties are transferred or otherwise re-used within the 10-year period.

LAND BANKS AND HOUSING MARKET CONDITIONS

The role of a public sector land bank will vary widely depending on the housing and real estate market conditions in their community. Land banks must assess their development strategy by carefully considering market conditions and promoting property use that helps to alleviate blight and stabilize neighborhoods.

A practitioner can assess the strength of a local market by looking at two factors: the number of sales (relative to the total number of properties in the area) and the sales price level. The two are usually closely related – an area which has strong demand as measured by numbers of sales will usually also have higher prices, while an area with weak demand will have low prices – but not always. For example, a stable area with modest 1950's ranch houses may have strong demand but low prices.

Markets run the gamut from strong to weak. In the strongest markets, properties that come on the market typically sell quickly for prices that are usually more than the 'replacement cost' of the homes; that is, the cost to build a similar home on a vacant lot. Owners tend to pay their taxes and maintain their properties. If a mortgage loan is in default, the owner can usually sell the property and pay off the note. Even when a property falls into foreclosure, the lender makes sure the property is maintained and sold off as quickly as possible.

In the weakest markets, properties may not sell at any price. In some distressed areas, a year may go by without a single private market real estate transaction. Many owners do not pay property taxes or maintain their properties, while lenders will often not even complete foreclosures to defray the loss on a defaulted mortgage. This has led to thousands of 'walk-away' properties in some older urban areas.

Most neighborhoods are somewhere between these two extremes. Many urban neighborhoods, even in distressed cities, have *some* market demand, but properties may sit on the market for a long time, or may sell for less than replacement cost. Properties in good condition may sell, but those in need of major repair may languish, and ultimately to be abandoned.

In addition to looking at the conditions in a city or a particular neighborhood within that city, one should also look at the overall market picture of the larger housing region. The strength of the regional market is an important guide to thinking about the market potential in currently distressed urban neighborhoods. It is far easier to revive such a neighborhood if the city is located in a growing region with strong housing market demand such as the Washington DC or Boston areas, than in an area like Cleveland or Buffalo, where overall regional demand is weak.

Market Implications for Acquisition

How many properties the land bank will be able to get, and how many of them will have no cost other than transaction costs, depends on the market conditions of each area. Table 1-1 offers a typology of major market categories, and addresses the extent to which the land bank is likely to be able to get properties under each set of market conditions.

In the strongest neighborhoods, land banks are extremely unlikely to acquire properties, as there is a robust private market for homes that become available. In the weakest neighborhoods, land banks can easily assemble large property inventories at little cost. For example, the Cuyahoga County Land Reutilization Corporation, the Cleveland area land bank, is currently negotiating with lenders to have the land bank accept these properties as a gift, with the lenders throwing in funds to cover the cost of demolition.

TABLE Neighborhood market conditions and land bank acquisition options

NEIGHBORHOOD MARKET TYPE	DESCRIPTION	LAND BANK ACQUISITION OPTIONS
High price/demand relative to region (very strong market)	Houses are in great demand and usually sell quickly at high prices to affluent home buyers. Houses are well maintained and infill lots are quickly redeveloped.	Land bank unlikely to be involved with properties in these areas
High price/demand relative to city (strong market)	Houses are in demand and usually sell quickly at moderate to high prices to middle or upper income home buyers. Houses are generally well maintained and infill lots are usually redeveloped.	Land bank may be involved in facilitating re-use of small number of specific problem properties, usually through market value transactions

Average price/demand relative to city (Moderate market)	Most houses are sold but often remain on market for long period and are sold at moderate prices to moderate or middle income buyers. Most houses well maintained but scattered deterioration and abandonment are present. Many buyers are absentee buyers	Land bank can obtain some properties through gift, tax foreclosure, or purchase of REO properties or mortgages from lenders.
Low price/demand relative to city (weak market)	Some houses are sold but others tend to languish and are abandoned. Most buyers are absentee buyers. Poor maintenance and absentee ownership are increasing.	Land bank can obtain large number of properties through gift, tax foreclosure, or purchase of REO properties or mortgages from lenders.
Very low price/demand (non-market)	Most houses do not find buyers. Vacancy and abandonment are widespread.	Over time land bank may be able to obtain most of the properties in the area through gift, tax foreclosure, or purchase of REO properties or mortgages from lenders.

Market Implications for Property Re-use

Market conditions will also dictate whether the land bank can dispose of properties quickly, hold them for 3 to 5 years, or plan to hold them indefinitely. Market conditions will also dictate whether the properties should be used for a *development-related* purpose, or for a *non-development* use such as green space, agriculture, or habitat restoration.

Retention and Re-use of Existing Structures

Reusing buildings: A land bank should make sure that potential demand exists for the building before moving forward. In addition, it should establish (1) whether a demand exists for home ownership or only for rental, and whether rent-to-own options would appeal to the consumer market; and (2) what price or rent level is realistic.

In many areas in today's market conditions, there is a surplus of houses available relative to the number of prospective homebuyers, and the land bank should be careful not to take actions that may undercut the private market. In some cases, the land bank may take title to properties that can be sold 'as-is' to home buyers, while in other cases it may be able to recover all or most of the cost of restoring its properties to good condition before selling them. In other areas, though, house prices may be extremely low, and massive amounts of subsidy would be needed to rehabilitate and sell a house; in that situation, it might be *possible*, but would probably not be a prudent or responsible use of public funds.

Mothballing buildings: In most cases, a building should only be preserved if it can be re-used relatively quickly, say within 2 years or less. The cost of stabilizing and maintaining vacant buildings, as well as the risk of fire or other hazards, is high and should not be lightly assumed.

Where the land bank takes title to a building that has particular aesthetic or historic value, or where the building's demolition would undermine the neighborhood's fabric, it may want to 'mothball' the building: stabilize it, make sure it is watertight and well-secured, and hold it on a long-term basis either until enough properties have been acquired to make possible a major rehab project or until market conditions have improved enough to justify the cost of rehabilitation.

Re-use of Vacant Lots Created Through Demolition

Demolition and redevelopment: Once a building has been demolished, the lot can be used in many different ways. In relatively strong market areas, where the land bank may find it necessary to demolish a dilapidated structure, the lot can be sold to a for-profit or non-profit developer for infill redevelopment. In other cases, the land bank may want to hold the land for more long-term re-use, around one of three alternative strategies:

- **Hold for site assembly,** particularly if there are many vacant properties likely to be available to the land bank over the next 1 to 3 years
- **Hold for future redevelopment,** in areas where current market conditions do not justify redevelopment, but which have assets that may make redevelopment feasible within the next 10 years or less
- **Commit to long-term non-market green use,** in areas where market demand is particularly weak, where large-scale abandonment has already taken place, and where the likelihood of future market demand is small. Potential uses may include urban agriculture, habitat restoration, reforestation, expansion of parklands, or other options.

Not all weak market areas are alike. Some areas may have significant assets, such as proximity to a waterfront or to a major employer, which cannot be realized in the short-run, but are likely to be significant in the long-run. The land bank should try to identify these assets, and make sure that it does not take any steps that preclude future redevelopment. Where vacant parcels are being held for future redevelopment, short-term green re-use options, such as community gardens or nest pocket parks are generally desirable.

Short-term, small-scale green re-use projects tend only to work well in neighborhoods that have a pool of committed homeowners or a strong neighborhood association to ensure that the project is maintained. [See, for example, tools related to re-use as community open space: Clean & Green Maintenance Program Guidelines and Clean & Green Maintenance Program Agreement.]   The same is true of side lot programs, where the land bank sells vacant lots to adjacent property owners at nominal cost. This can be a good re-use of scattered vacant lots in areas with stable homeownership, where there is a high likelihood the lots will be well-maintained, but is less desirable elsewhere.

Table 2 provides an overview of land bank strategies in areas with different market conditions, using the five-level market typology first shown in Table 1.

TABLE 2 LAND BANK RE-USE OPTIONS

NEIGHBORHOOD MARKET TYPE	GENERAL COMMENT	IMMEDIATE	SHORT-TERM (3 to 5 years)	MEDIUM-TERM (5 to 10 years	LONG-TERM
High price/demand relative to region (very strong market)	Land bank unlikely to be involved with properties in these areas	NONE	NONE	NONE	NONE
High price/demand relative to city (strong market)	Land banks like to be involved only with small number of properties in these areas.	Where land bank acquires properties, it should develop strategies to put them back into immediate re-use with significant private sector investment	NONE	NONE	NONE
Average price/demand relative to city (Moderate market)	Land bank may pursue multiple strategies depending on specific regional market, neighborhood, block and property conditions, including resale, rehab for sale or rent, or short- to medium-term holding for future re-use. Selective demolition of problem properties may be appropriate.	Selective resale or rehab of properties in good locations or good condition for sale to homebuyers or rental. Side yard programs Selective demolition of problem properties affecting neighborhood stability.	Hold some vacant lots and structures for longer term re-use options in anticipation of improved market demand. Limited temporary use of vacant land for community gardens and other community benefit uses	Re-use vacant lots and structures in response to changes in market conditions Continue some medium-term uses of vacant land	NONE

TABLE 2-2 (continued

NEIGHBORHOOD MARKET TYPE	GENERAL COMMENT	IMMEDIATE	SHORT-TERM (3 to 5 years)	MEDIUM-TERM (5 to 10 years	LONG-TERM
Low price/demand relative to city (weak market)	Land bank may pursue multiple strategies depending on specific regional market, neighborhood, block and property conditions,	Limited resale or rehab of structures in good condition or location Demolition of problem properties	Hold vacant land and selected structures for longer term re-use Temporary or permanent uses of vacant land for green community benefit uses	Sell or redevelop properties based on change in market conditions Hold properties for longer term re-use Medium-term uses of vacant land for green community benefit uses	Sell or redevelop properties based on change in market conditions Limited permanent use of vacant land for green community benefit uses
Very low price/demand (non-market)	Land bank strategies will emphasize non-market or green re-use of vacant property with only limited re-use of buildings.	Identify selected properties or locations for potential future redevelopment Extensive demolition of properties	Hold selected properties for potential future redevelopment Temporary or permanent uses of vacant land for green community benefit uses	Hold selected properties for potential future redevelopment Temporary or permanent uses of vacant land for green community benefit uses	Sell or redevelop properties in response to changes in market conditions Large-scale permanent use of vacant land for green community benefit uses

THE GAME PLAN: THINKING THROUGH RE-USE STRATEGIES

An important role of any land bank is to provide a pipeline of properties in support of the activities of the local governments and non-profit entities within its area of operation. Thus, many land banks have provided properties to cities and non-profits using HUD Neighborhood Stabilization Program funds, particularly as properties taken through tax foreclosure are eligible for NSP funding.

At the same time, while a land bank is not a fully independent entity, neither is it merely a passive conduit of properties to others. Land banks have fiduciary responsibilities to ensure that the re-use of their properties benefits the public, which means they must evaluate both the prospective users and uses of the properties it holds.

Given all of the options that land banks have at their disposal, they should have a game plan that enables the land bank to evaluate options and choose the ones that add the greatest value to the community, while sustaining the land bank's own effectiveness. As properties are taken into the land bank, staff and consultants should evaluate each one, carrying out a sort of property 'triage' based on a series of questions:

1. What are realistic market opportunities or constraints affecting the property; i.e., are there credible entities that might buy or rent the property?

2. If the city or a CDC has a specific plan for an area, how can properties in that area taken into the land bank further that plan? [See MOU with Local Government Agencies and Community Involvement Program Guidelines.]

3. What are the *physical* opportunities or constraints affecting the property; i.e., building condition, historic or aesthetic quality?

4. What are the *economic* opportunities or constraints affecting the property?

This process can allow the land bank in most cases to assign each property to one or another of the categories shown in Figure 2-1.

Most of these same considerations apply to decisions on property re-use:

1. Is the proposed *use* realistic, in light of building and market conditions?

2. Is the proposed *use* appropriate, in light of neighborhood conditions, surrounding land uses, and market-building goals?

3. Does the proposed *user* have the capacity – in terms of financial resources, technical skills and community support – to carry out the project successfully?

If a land bank conveys properties without being sure that the answer to all three questions is affirmative, then it is significantly at risk of seeing the property remain vacant – and even return in a few years to the land bank's portfolio – or of contributing to further community decline.

The economic opportunities and constraints associated with re-use of each property are particularly important, since land banks not only have limited resources, but are often required to support their activities in whole or part from their receipts from property sales and re-use. [See Program Funding Matrix and Program Budget] Land banks that operate across a large enough area and that are aggressive in taking all eligible properties, have found that a small but important percentage of the properties they take are in strong market locations and have significant market value. These properties can be sold – often 'as is' – to generate funds that can be used either to support the land bank's operation or to subsidize re-use activities in weaker market locations.

Conversely, land banks must be mindful of the costs associated with other re-use options. Although they may be under pressure from preservationists to preserve many of the buildings they acquire, the cost of either mothballing or reusing buildings in weak market areas may be too great to permit those options to be used more than rarely in special cases.

Even with careful due diligence, the land bank should still be mindful of these risks, and should make sure that to the extent possible, properties are conveyed with strict terms to ensure that they are in fact re-used properly, and with provisions that allow the land bank to recapture the property (reverter or reversionary rights) if the terms are not complied with.

The long-term nature of the land bank's responsibilities dictates that a land bank should have a regular – at least annual – process to review the status of (1) all properties in the land bank inventory; and (2) all properties that have been sold by the land bank subject to performance conditions. This process, which should include an evaluation of any changes in area-wide or neighborhood-level market conditions, should enable the land bank to identify and take advantage of new and emerging opportunities for re-use of its properties.

MARKETING

Land Banks may need to be involved in the actual marketing of completed development project, if they act as the developer. Prior to initiating a development project, the land bank should evaluate the property's ability to be sold once development is completed. NSP Census Tracts limit locations to areas that may be in *Less Desirable Neighborhoods* because of the following reasons:

1. Developments are smaller, numbering 1-5 homes. They are not large subdivisions or major revitalization efforts, which means that they have both limited marketing budgets and low visibility in the marketplace.

2. Lending has become more conservative, especially in areas with large numbers of foreclosures. Credit to most prospective buyers has tightened.

3. In many neighborhoods impacted by foreclosures, high inventories of properties available for sale have depressed home values. This is especially true where there are large numbers of short sales or foreclosed properties sold at auction.

4. Overall buyer demand has slackened, in part due to job losses, and the relative advantages of homeownership over renting have become far less clear. This is especially true with the end of Federal tax credits for home purchases.

5. Buyer confidence in future neighborhood value increases may be weak. Buyers have many choices, and more desirable areas may now be cheaper than they were prior to recent price declines.

Land Banks should consider working with a local realtor to market the project, emphasizing the positives of the neighborhood including issues around safety, schools (nearby public, private, charter & parochial schools as well as those that are a mass transit ride away) and value (affordability, functionality, location). In addition, the land bank should highlight the special amenities of the homes themselves, such as:

1. Energy efficiency, including NSP-funded improvements, as well as new and energy-efficient (Energy Star or better) appliances.

2. Structural improvements, such as covered porch or rear deck, convenient kitchens with pantry space, convenient laundry areas that include wash tubs, shelves and folding areas.

3. Spaciousness and convenience, including more than one bath room, 3 Bedrooms + room for office/media, light and window location.

4. Upgraded exterior finishes ("curb appeal"), landscaping and outdoor living space.

5. Interior finishes, such as hardwood flooring instead of carpet, tile instead of linoleum

The following chart details area median income categories, residential housing categories and the potential markets and households where a Land Bank may desire to target their redeveloped residential properties.

DEVELOPMENT ACTIVITY	Targeted market as % AMI
RENTAL PRODUCTION Families with very low incomes, some on public assistance Seniors and people with disabilities	0-60%
OWNER-OCCUPIED REHABILITATION Seniors & other homeowners with limited income who want to stay in neighborhood	0-80%
NEW BUYER PURCHASE REHABILITATION First-time home buyers Often need to build a 3rd bedroom and 2nd bathroom	50-100%
SINGLE-FAMILY NEW CONSTRUCTION Buyers have enough income to have other housing options First-time home buyers and move-up buyers who prefer to live in urban areas	60-120%
GRAND HISTORIC HOME PURCHASE FOR BUYER TO REHAB Dual-Income, No Kids (DINKs)	150%-200%
TOWNHOME/CONDO NEW CONSTRUCTION Buyers with limited borrowing power, wanting new construction First-time home buyers who prefer urban areas Single-parent households seeking low utilities, maintenance	50-100%

NSP Program Requirements

As discussed, land banks often purchase and manage acquisition of properties for *Immediate Redevelopment*, i.e. rehabilitation, new construction or reconstruction. Land Banks must enforce NSP compliance and affordability requirements on the property used for Immediate Redevelopment and do so in a manner that meets the HUD program guidelines when conveying the property to the developer.

For those properties designated for *Long-term Redevelopment*, i.e. property to be acquired, land banked, and prepared for redevelopment Land banks have the right and obligation to use NSP funds to pay for such costs to maintain and secure property during the NSP Contract Term. Land Banks often insure the property during NSP Contract Term.

A Land Bank can demolish any and all structures and make improvements to the land banked property using NSP funds as long as the property is considered "blighted". If the property is demolished, a project specific environmental review is required. A Land Bank should insure the property until a long-term redevelopment plan emerges. A Land Bank must always enforce NSP compliance and affordability requirements of property for redevelopment and do so in a manner that meets the HUD program guidelines. [See Sample RFP for Boarding Contractors, Boarding Specifications, and Sample RFP for Maintenance Contractors]

The NSP 10-Year Limit on Land Banking

Before a land bank invests NSP funds into any property, it is essential that it think strategically about its ability to re-use the property in a manner that conforms to end-use requirements for the program. If land banking activities extend beyond the NSP grant period, the Land Bank will need to plan for a maintenance strategy without benefit of federal assistance for the duration of the land banking period.

Major issues

With respect to the 10-year provision for land banking, the HUD regulations state the following:

> "An NSP-assisted property may not be held in a land bank for more than 10 years without obligating the property for a specific, eligible redevelopment of that property in accordance with NSP requirements."

Thus, properties that have been acquired, maintained or assisted under Eligible Use C of the Neighborhood Stabilization Program must meet the 'end-use' requirements for that property within this 10-year period.

End-use Requirements

Land Banks are able to acquire, maintain and dispose of properties under Eligible Use C, and can redevelop them using NSP funding under Eligible Use E. While demolition (Eligible Use D) of the property may take place within this period, demolition does not qualify as an end use of the subject property. Eligible Use E ultimately requires the redevelopment of demolished or vacant properties. Redevelopment of these properties can be based on the following end-use activities:

Residential Housing – Development may include: new construction; owner-occupied rehabilitation; rental development and rehabilitation. This housing must be made available to NSP eligible households (at or below 120% of area median income). All NSP funds used to acquire, maintain, demolish, redevelop and dispose of land banked properties contribute towards the total development subsidy, and are thereby subject to HUD's approved federal subsidy limits per unit in the individual jurisdictions.

Side-lot Disposition – Vacant or demolished lots shall be conveyed for residential purposes only to adjacent homeowners that are NSP income eligible [See Side Lot Policies and Procedures]

Community Facilities – This is defined as use for the social, cultural, and educational activities of a neighborhood or entire community. Such uses might include neighborhood or community centers, community gardens (i.e. urban agriculture), parks and recreational facilities. As land banking is geographically specific to approved income-eligible target areas, the beneficiary requirements for these activities have been satisfied. However, if the property is to be conveyed to a public institution (for instance, a public hospital or university), then there will be a burden to demonstrate and report that a majority of the end-users meet the income requirements of the NSP program.

In certain weak market communities that have experienced a significant loss of population and economic base, planning and development efforts may specifically require a longer-term land banking program. In the event that localities can demonstrate that they require long-term land banking strategies to achieve best and highest use for neighborhood stabilization, land banks may wish to address HUD to consider their long-term land banking program as a qualified end-use, as long as the activities are part of a community redevelopment plan.

APPENDIX 1: CONTENTS OF LAND BANKING TOOLKIT

Title	Description
	Overview and General Operations
What is a land bank?	Explains land bank programs, referring to the different components of land banks, especially useful to municipalities not previously exposed to land banks.
Policies and procedures	Sample document of policies and procedures that guide a land bank program, important to protecting those operating and governing a land bank.
Governance structures	Examples of possible land bank governance, including recommended members of the board and advisory committees.
Program director job description	Sample job description for a land bank program director position.
	Land Bank Financing
Program funding matrix	Sample funding matrix helpful in exploring resources for funding programming.
Program budget	Sample budget helpful for creating annual budget, helping ensure that land banks do not forget key expenses.
	Government and Community Relationships
MOU with local governmental agencies	Outlines potential relationships between land banks and other governmental entities.
Community involvement program guidelines	Framework to ensure that land banks include community input in development of policies, program goals, etc.
	Property Acquisition and Disposition
Process map	Walks a land bank through acquisition, maintenance and disposition of a property.
Land banking agreement	Allows a non-profit or government to land bank a property until it is ready for disposition or development.
Option agreement	Allows a potential purchaser to secure a purchase option pending due diligence completion.
Property donation checklist	Walks through a suggested list of due diligence that should be completed prior to accepting a property for any party.
Side-lot disposition policy and procedure	Assists land bank in creation and implementation of a side lot program, allowing vacant lots resulting from demolition to be transferred to adjacent owners.
	Property Board Up and Maintenance
RFP for boarding contractors	Assist land banks in procuring contractors to board up properties.
Boarding specifications	Self-described
RFP for maintenance contractors	Assist land banks in procuring maintenance contractors.
Property maintenance contract	Self-described
Clean & Green maintenance program guidelines	Program that involves community groups in vacant property / green space maintenance.
Clean & Green maintenance program agreement	Agreement between land bank and community group to maintain Clean & Green properties.

Community Involvement Program Guidelines for Land Banks

About this Tool

Description:

This document provides guidance on the community outreach process in land banking. It discusses strategies for communicating meetings and activities to the public, tips for establishing a meaningful dialogue with the community, and guidance on evaluating a community involvement program. It also provides a definition of "community" in the context of community outreach for land banking.

How to Adapt this Document:

This document should be used as a guide for creating a community outreach plan and program that meets the needs of the individual municipality and land bank. This guidance should be a starting point for community outreach and dialogue, and the process may be customized based on the overall size of the land banking program.

Source of Document:

Center for Community Progress

Disclaimer:

This document is not an official HUD document and has not been reviewed by HUD counsel. It is provided for informational purposes only. Any binding agreement should be reviewed by attorneys for the parties to the agreement and must conform to state and local laws.

This resource is part of the NSP Toolkits. Additional toolkit resources may be found at www.hud.gov/nspta

COMMUNITY INVOLVEMENT PROGRAM GUIDELINES FOR LAND BANKS

Community involvement guidelines will provide land banks with a framework to ensure that land banks include community input in the development of policies, program goals, outreach procedures, evaluation, etc. Community involvement is a key component of successful land bank programs. A community outreach plan is an effective tool for managing community involvement activities. The purpose of this plan is to help land banks who wish to develop and implement a community outreach program to support NSP eligible activities with foreclosed properties. The benefit of an outreach strategy is the ability to 'control the message,' build a base of support and understanding, document progress, and learn what stakeholders think so that land banks may adjust accordingly.

Your community outreach plan should be appropriate for the size of the locality. Cities with larger, more extensive land bank programs may expect to have a more extensive long-term community outreach plan. Smaller counties, cities, towns, or land banking organizations may need a less extensive, shorter term community outreach plan. At a minimum, your program should demonstrate a commitment to open, two-way communication with the people living or working near the properties being evaluated or targeted for land bank redevelopment.

Goals, Activities, and Schedule

Land banks should create a plan and specify what outreach activities will be implemented. Furthermore, a timeline should be created to indicate when community outreach activities will occur. Allow time to prepare for successful events. Program evaluation and specific techniques for evaluating each activity should be included in your planning.

Activities could include public meetings, land bank NSP redevelopment workshops, and/or site visits (if the site is considered safe for visiting). Meetings should be scheduled well in advance and at times that are convenient for community participants. This may mean holding meetings during the evening or other times outside of typical business hours. It also includes seeking input from stakeholders, especially potential community participants, as to when and where meetings will be held. Distribute information on meetings and other activities in a manner that encourages participation. Announcements and notifications should be targeted toward all potentially high foreclosure affected neighborhoods and stakeholders, and all income and age groups.

The following are potential ways to announce meetings and activities:

- Newspapers
- community newsletters
- notices displayed in stores, libraries, churches, community bulletin boards, and other public locations
- announcements on community television programs
- telephone calls or direct mailings to non-governmental organizations, and community groups in the area
- door-to-door personal invitations

You may wish to work on a mutually agreeable schedule for meetings and other activities in an initial meeting. If your program is large, it may be appropriate to set up subgroups to meet on specific topics, or to organize community activities which will increase community interest and participation in land bank programs and redevelopment decisions.

Who Is the Community?

Avoid defining the community too narrowly or targeting only selected groups for participation in your community outreach activities. Use an "open admissions" policy that allows good faith participation of any interested individual or group. Potential community participants include the following:

- local residents
- local businesses
- educational institutions
- neighborhood associations
- school, religious, civic, and other non-government organizations;
- healthcare providers, and police and fire departments
- elected or appointed officials
- people in other neighborhoods or the larger community who live in close proximity to land bank properties or have an interest in redevelopment of foreclosed properties.

Education and Information for the Community

After preparation of a community outreach plan, consider in detail the initial steps that will be taken to provide land bank neighborhood stabilization program, community plans, land banking and site-specific information to the community. The community will need adequate background information to participate or provide input to decision making. Many interested members of the community are likely to have little, if any, knowledge of the background, history, or redevelopment options for land banking and the targeted areas or property.

A critical first step in establishing a meaningful dialogue is to provide the community with background information on NSP, land banking and foreclosure to help individuals identify issues that are relevant and important to them. The community needs to know what decisions are already made and what decisions their input will affect. You should provide this information in a format that community representatives can understand. Often it is helpful to use more than one format – verbal presentations accompanied by written handouts, for example.

If members of the community are not native English speakers, providing translators and/or written materials in the native language of the community may be useful. This educational component of the outreach program may be accomplished by using several of a variety of activities or tools:

- educational workshops
- informational meetings
- community day or fair to bring together different age groups
- bus or walking tours of targeted areas of redevelopment (i.e. NSP Target Areas)
- visual-aids – maps, pictures, or conceptual drawings
- summaries of important documents – environmental reports, neighborhood plans, etc.

Focus for Community Dialogue

Communication is a two-way process. You need to provide information to the community, and the community needs to provide information to you. Community representatives and other stakeholders should be invited to jointly decide what topics and issues need discussion, more explanation, or further study. Information generated as the result of community requests should be presented in a format readily understood by or explained to the community. The following questions may be asked by stakeholders:

- Are there any known immediate safety or health concerns?
- Are there immediate plans for securing the site, and/or removing debris or maintenance?
- What is the compliance status with environmental condition, local job creation, affordability?

- Are there already plans for redevelopment?
- Will zoning for the properties change?
- What is the timeline for redevelopment activities on the site?
- How will my participation affect the future of this property and neighborhood stabilization?

Community Outreach Program Evaluation
You should develop a system to continually evaluate the effectiveness and relevancy of your community outreach program. Possible options include obtaining feedback from community members who participate in community outreach meetings and activities by distributing questionnaires and conducting informal interviews. Include a description of your process for evaluating the effectiveness of your program in your community outreach plan. It is critical to track activities such as: how many mailings, emails, posts have been distributed; how many sessions took place and what was the attendance; and how many one-on-one briefings took place. Set up a system that protects the identity and privacy of individuals who participate in evaluation activities.

In order for land banks to use the evaluation of community involvement for the development of policies, program goals, future outreach procedures, etc., make sure that you continue to assess the effectiveness of each activity, look at the short and long-term goals of community involvement, and compare results with the plan to see what worked, what didn't, and how to improve. The changes implemented as a result of community input and involvement will demonstrate that they are willing and open to partner with the community to stabilize neighborhoods, thus rebuilding communities for the benefit of all.