

Housing Task Force notes from 10-27-15 meeting

Welcome and summary from Laura Grabowski.

Summary of the Design Workshop - 30+ people, great turnout and participation from community. Contemporary housing styles received more interest than expected, elderly people expressed interest in homes on one level. Difficult to summarize because of the wide variety of interests and needs.

Donnie Adkins and other Louisville Metro staff person were interviewed for an article that will be in the next newsletter (November issue) to highlight some of the housing programs and activity going on in Russell. Still have a pot of money for Russell homeowners to help incentivize them.

Rhae: Last meeting, we talked about vacant, blighted and underutilized land, and how to keep homeowners in the Russell neighborhood. Today's focus: other type of housing, looking at the Beecher Terrace site more closely; we must replace one-for-one units either on-site or off-site in a "neighborhood of choice". We had a market study completed to gauge where the market is right now, and what might be feasible for a housing plan. We need to come up with a plan that looks 10 to 20 years ahead, and also addresses the challenges of the market now.

John Biery with Valbridge

Started with a macro view of the market and then worked down to a micro view of Russell and Beecher Terrace. Based on current market scenario and looking out 3 to 5 years. Surveyed existing supply of market-rate, single-family, project-based; as anticipated, high occupancies in West Louisville and Russell, stable market, and pent up demand for new product was confirmed.

Primary Market Area (PMA) is where the majority of tenants are and where the people will come from, which Valbridge believes is the larger west end area. The current PMA Area would likely be: I-64 to the north, Ohio River to the west, Algonquin to the South, and S. 15th to Broadway to 8th on the east.

Based on PMA and the pent up demand they feel the market will support 300 to 350 new non-rental assisted units including a mix of tax credit (60% AMI), and market-rate units; 1 to 4-bedroom unit sizes; single-family walkout/garden style unit types; and family and senior-designated buildings. Should be able to capture affordable market rate for Russell because there aren't many other developments of this type currently in the works.

Kentucky Housing Corporations's Qualified Allocation Plan (QAP) – is important to us as the Russell Transformation Plan will require Tax Credit dollars to execute the plan.

Liberty Green was similar in being difficult in forecast what would happen 15 years out, but we have seen the private sector moving in to develop and other positive occurrences in the neighborhood. We anticipate the private sector will again follow public investment in Russell.

Positives aspects to the neighborhood's market: upper demand from Portland & Central Business District (CBD) ~1000 market rate units being developed or proposed within a 2.5 mile radius, influx will start in 18 to 24 months and be completed in a couple years. New units coming in those areas will have both a good and bad influence. Rents are higher in the CBD – over a \$1.25 higher per square foot; however, there is no new affordable market rate housing market proposed for the CBD – Sheppard Square & Liberty Green will help fill this need. Extension to Waterfront Park and River Road will make Russell a true gateway to the CBD and west end. LMHA has a successful history of similar and recent redevelopment efforts at Park DuValle, Liberty Green and Sheppard Square. Over-the-Rhine (Cincinnati) had similarities to Russell – and has had a positive outcome.

Negatives: The number of vacated and/or abandoned/dilapidated single-family homes, and vacant lots. Also minimal (but not declining, ~11 units/yr.) household growth over the next five years.

Other aspects of findings: 60% (affordable) and 80% (market rate) are the definitions they are using. They are seeing most of the current market rate tenants around 80%, with income band of \$25K to \$68K. Finding exclude public housing units - non-subsidized units only; looking at mix of rental single -family and apartment homes – fairly well spread. Seniors highest growth area – 24 persons per year.

Question: Will Liberty Green (LG) pull demand from Russell? There may be overlap but LG will be done before starting Russell and has a different geographically defined PMA. Most of the demand from Russell is in existing housing.

Valbridge has only briefly touched on Homeownership and is still working on the analysis. Initial findings show that demand supports up to 50 SF homes in the market currently (including the 29 planned at the Cedar St. development). This includes a combination of new construction and redevelopment. Cedar St already has 10 households involved in the purchase process (3 households ready to buy, 7 mortgage-ready) – which is significant in such a short time. Could have single-family HO development in price range of \$95K to \$155K – similar to Cedar Street and Sheppard Square. We need to bridge the gap between Cedar St. and Beecher, important corridor.

People are still having difficulty finding the down payments, they need developers and programs that can provide down payment assistance like Habitat.

In summary, bridging the gap between Russell and CBD, remove 9th Street divide to create more of a residential boulevard instead of a transportation boulevard, bridging the gap between Cedar St single-family (SF) redevelopment site and Beecher, fill in vacant lots, and redevelopment of existing SF homes are all strategies that will all help support the market.

Significant demand for rental assisted units in the neighborhood. Certainly could do one-for-one of the Beecher units, pent up demand for non-subsidized rental units, even beyond LG demand.

In-fill lot ideas: Cedar Street, Food Port, Beecher, KCAAH. This will be discussed more at the November mtg.

Discussion: Some LMHA staff have been referring Beecher residents to the Cedar St. HO units. Led to discussion of Section 8 Homeownership, FSS and IDA programs that could help residents purchase homes. In addition, Health and Human Services IDA grant due in early December which can offer a 6:1 match; money can be used for Homeownership, education or entrepreneurship; can apply every 6 months for this grant. Fifth Third Bank is on board to pursue an application, and Jewish Family Community Center could write the grant and would likely be the lead applicant. Question is when to apply? Could we apply for both – back to back? If we want to apply in multiple rounds need to think carefully about demand. Might be good opportunity for a small peel off group; suggested members of the group: Jamesetta, Community Ventures (CVC), Jill, NDHC, Adam Hall, JCC, Sarah G.

Suggestion: Duplex is a good building type (if you can sell them separately) to address new fire codes which now require 10 foot side yards.

Rhae: Homeownership emerging strategies should consider existing renters in the neighborhood, especially with the S8, PH residents and the opportunities coming on Cedar St.

CVC: Price range for new homes is \$100K-\$125K-\$150K – 4 plan models with many different facades, concrete homes, structure will last over 100 years. Similar to structures in Sheppard Square. CVC is actively interviewing people who are interested and/or recommended for the program. Income ranges – \$25K minimum, no upper limit on income. These are market rate homes. CVC will make loans to people that might not qualify at a traditional bank. Would like to break ground within the month. Majority of the work is centered on a 3 to 4 block area currently. Phase I – 29 units, Phase II – additional number of units TBD. CVC has done a market study – Task Force requested a copy.

Lisa, NDHC: Repair Affair worked on seven homes in Russell last year - used \$16K in materials. 80+ volunteers participated.

CDBG block grant money; invest public funds in an area with the idea that private investment will follow. Funding allocated for owner occupied homes is about \$200K.

How to bring more resources into the neighborhood? Reaching out to existing HO in Jan of 2016 for the next Repair Affair. LMHA staff has been working on the timelines for the NRSA and is meeting with Sandy Bottom next week

Laura: Plan to designate Russell a Neighborhood Revitalization Strategy Area (NRSA) plan in conjunction with Choice Transformation Plan. This allows the City to use their CDBG monies a little more flexibly. City has already designated Portland, and Shawnee as a NRSA.

Rhae: So a robust HO fund is one of the strategies to consider for the plan. Set up a sub-committee to discuss parameters and an action plan for the \$200K in CDBG funds. Perhaps pair it up with Repair Affair or other mechanisms/programs. Potential partners to be on a small team to work on this: Laura G., Donnie, LMHA Staff person, NDHC, HPI, Jackie, Mika, perhaps someone that participated on the repair affair last year.

Side discussion: Soccer field discussion, Scott Love
Mary Ellen Wiederwohl/Gretchen Milliken

Next Meeting: Nov. 18th Joint Task Force Meeting, 10:00 a.m. at the KCAAH in the Pavilion Lobby. Looking at the Emerging strategies among TFs, midpoint check-in, Crime and safety, Neighborhood survey results

Conclusion of Meeting