



## HOUSING EXECUTIVE SUMMARY

### Introduction

Housing efforts within the City of Dayton have varied throughout the years from small projects with individual developers to large-scale, multi-partner neighborhood overhauls. In today's market, it's imperative to establish a new approach to the economic viability of downtown housing development. The key to future development is a proactive approach to grow the housing market.

Since 1990, approximately 600 units have been built or renovated in the Central Business District and 100 units in the surrounding neighborhoods. In the past, most downtown projects have had a similar financial structure, the challenge being that more often than not the cost to construct these units far outweighed the price for which the units could be sold. In July 2008, the City of Dayton commissioned a Downtown Housing Assessment Study to determine the number of for-sale and rental multifamily housing units that could be supported downtown through 2012. The study showed the city could absorb 55 more market-rate rental units per year, and it recommended targeting young and mid-age professionals, who on average could afford rent of up to \$1,000 monthly, including utilities. The study also showed downtown could absorb up to 28 new for-sale condo units yearly, targeting buyers ages 45 to 74 who are purchasing a retirement residence.

The study's conclusions are key. Development of a critical mass of market-rate housing downtown is likely to require a public/private partnership to achieve a broader range of housing types at varying price points. Local organizations and the city should identify potential funding alternatives while focusing on the student housing market and potential sites for developing new housing. The importance of such efforts is underscored by the finding that increasing the number of middle- and upper-income downtown residents will enhance the vitality of downtown, particularly in the evening, and likely spur retail development.

### Overall Goal

Improve and expand neighborhoods in Greater Downtown by creating vibrant, socio-economically diverse residential areas that offer varied price points, a wide range of product choices and the types of amenities that residents in today's market expect.

### Core Objectives

- build or renovate 5,000 housing units in Greater Downtown during the next 10 years (2010-2020)
- improve amenities that serve the downtown and inner-ring residents and make Greater Downtown a more competitive regional residential market
- create a balance between rental and for-sale residential units
- offer options to residents in both the type of housing and the price points for both rental units and for-sale units

## Key Recommendations

- **Rank potential housing sites using criteria developed by the housing committee to better understand which projects are more likely to have the highest success rate based on predetermined qualifiers.** Those criteria take into account individual plans for redevelopment, the specific location of each development, and the broader implications of development. Specific criteria include the number of units and development cost per unit; the time needed to complete the development; such location considerations as potential contamination and necessary clean up, cost of land assembly per acre and available parking; and the eligibility of the development for new market, historic or affordable housing tax credits.
- **Revisit projects that have stalled for various reasons and find creative solutions to get them completed.** A significant amount of work already has been completed on such projects as the Excelsior and Merc, viable projects that can bring new housing on-line rather quickly.
- **Create and finance a pre-development fund and an equity fund to assist in the overall development and gap financing of housing projects in Greater Downtown.** Every project completed in Greater Downtown area has required gap financing, presenting a valid need for a fund to aid in the redevelopment process that makes building housing in Greater Downtown an attractive option for developers.
- **Develop a site assembly and land banking strategy to obtain properties determined prime for successful redevelopment.** Because site control has a significant impact on the speed to market and overall cost of redevelopment, a strategy to gain control of targeted locations must be established. All possible tools should be considered, including the Real Estate Acquisition Program (REAP), nuisance declaration, demolition, purchase or creating partnerships with building owners as developers.
- **Begin speculative pre-development work on housing sites that demonstrate the most potential for success.** Upon determining the sites and neighborhoods that seem to have the most promise, predevelopment work should begin immediately to facilitate redevelopment. This would include environmental reviews, visioning illustrations, and cost estimates.
- **Create a list of leading local, regional and national developers with experience in urban housing projects.** Complete some of the general pre-development work of high-priority projects and send out a request for proposal to those selected developers.
- **Build upon the Downtown Dayton Partnership's Strategic Reuse Project by focusing on buildings that rank high based on the site evaluation criteria, and work to develop cost estimates and development strategies to turn those projects into reality.** This effort also should explore how to best obtain control for development purposes.