

1. Increasing high-quality housing for the market-rate, non-student community

- Comparative Analysis of University Communities

City	2014 Pop	Institution	Student Body	On Campus %	Est. Off Campus
Newark, DE	32,278	University of DE	20,550	49%	10,542
Amherst, MA	39,260	University of MA/ Amherst	28,635	65%	10,022
Binghamton, NY	46,771	SUNY Binghamton	16,695	52%	8,014
Burlington, VT	42,342	University of VT/ Champlain College	12,856	51%	6,299
Chapel Hill, NC	58,379	University of NC	29,135	53%	13,693
Charlottesville, VA	44,505	University of Virginia	23,732	41%	14,002
Clemson, SC	14,254	Clemson University	21,857	41%	12,896
College Park, MD	31,387	University of MD	37,610	44%	21,062
Corvallis, OR	54,735	Oregon State	28,886	18%	23,687
Durham, NH	10,288	University of NH	15,169	56%	6,674
East Lansing, MI	48,611	Michigan State	50,085	39%	30,552
Iowa City, IA	70,597	University of Iowa	31,387	26%	23,226
Morgantown, WV	30,133	WV University	29,175	15%	24,799
Avg	40,272		26,598	59%	15,805

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- Ratio of Median Value of Owner-Occupied Home to Median Income

City	Median Value – Owner Occupied Housing	Median Household Income	Housing Cost Multiplier
Newark, DE	\$275,800	\$54,580	5.1
Amherst, MA	\$341,400	\$40,017	8.5
Binghamton, NY	\$85,100	\$30,978	2.7
Burlington, VT	\$253,300	\$42,677	5.9
Chapel Hill, NC	\$367,800	\$60,802	6.0
Charlottesville, VA	\$293,000	\$44,601	6.6
Clemson, SC	\$200,300	\$37,851	5.3
College Park, MD	\$273,100	\$56,957	4.8
Corvallis, OR	\$262,300	\$39,232	6.7
Durham, NH	\$315,300	\$51,697	6.1
East Lansing, MI	\$177,000	\$32,953	5.4
Iowa City, IA	\$180,900	\$41,410	4.4
Morgantown, WV	\$167,600	\$29,328	5.7
<i>U.S</i>	\$179,000	\$51,144	3.5
<i>Case Study Cities</i>	\$245,600	\$43,310	5.7

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1. Iowa City, IA

- UniverCity Neighborhood Partnership
 - City purchases homes, rehabs (up to \$50K) and then sells for up to \$235,000.
 - Renovation costs are not included in the final sales price and are forgiven once the home has been owner-occupied for five years.
 - Renovated homes are sold to households that meet income guidelines, with some preference given to employees of the University of Iowa.
 - Deed restrictions are placed on UniverCity Neighborhood Partnership properties to insure that they remain owner occupied for 20 years.
 - To date, 42 properties have been rehabilitated and transferred to owner-occupants with an additional 16 homes slated for completion this year.
 - The program has been funded through a \$1.25 million state I-Jobs grant (which finances the forgivable renovation costs), a \$200,000 contribution from the University of Iowa, \$100,000 from the Iowa City Housing Authority and by a \$2.6 million low-interest mortgage loan pool provided by five participating lenders.

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1. Iowa City, IA

▪ Supportive Municipal Actions

- “Good Neighborhood Property Management” program. Area residents are encouraged to register concerns about problem properties – including lack of snow removal, overgrown yards, storage of inoperable vehicles/illegal off-road parking, trash, lack of rental permit, over occupancy, etc. -- through an online service operated by the City’s Housing Inspection Services.
- A rental permit look-up feature provides maximum allowed occupancy information for all registered rental units in the city as well as owner name and contact information.
- An online Complaint Tracking Map allows residents the ability to determine whether reports have already been filed against a specific property and to view all properties for which complaints are being investigated.

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2. Morgantown, WV

■ Morgantown Homecoming

- Existing homes are purchased and rehabilitated by the City in designated areas.
- Leases the homes to families who had completed homeownership counseling and, eventually, sell the units once participating families were considered mortgage worthy.
- The program has been expanded to allow for immediate sale and future projects will include infill new construction in targeted neighborhoods.
- WVU has partnered with the City in providing forgivable down payment assistance for university employees who participate in the program.

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2. Morgantown, WV

▪ Supportive Municipal Actions

- Recently, the City of Morgantown has applied for Pilot Home Rule Status with the State of West Virginia.
- Purpose is to more stringently regulate the presence of upholstered furniture on porches, which would be inconsistent with, and set a higher standard than existing West Virginia Code.
- Each year, following major sporting events, celebratory “couch fires” are set using mattresses, couches and other combustible material found on front porches and yards, and the City seeks to establish stricter controls in order to minimize damage to municipal streets, Fire Department costs and threats to public safety.

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3. Burlington, VT

▪ Owner-Occupied Multi-Family Dwellings

- Homebuyers of multi-unit properties (up to 4 units total) are provided no interest down-payment assistance loans of \$10,000 under the condition that they reside onsite, displace no existing tenants as a result of the purchase and retain the affordability of rental units for a period of five years.
- Unlike the other programs designed to encourage homeownership, the Burlington model does not attempt to return entire properties to homeownership.
- Rather, it acknowledges the large size of many of the homes in the target neighborhoods and the income potential of these rental properties and seeks instead to control pricing of rental units while also inserting on-site owner oversight.

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3. Burlington, VT

▪ Supportive Municipal Actions

- Extended a citywide zoning limit of four unrelated persons per housing unit into the most heavily populated student neighborhoods downtown and enforcement is reported to be ineffective. Already occupied units in the area grandfathered, with the new limitations applying only to units whose use has been suspended for a full year, further limiting the zoning's intent.
- Burlington is currently exploring redevelopment opportunities in its downtown area that include student housing. If sufficient development of this type were to occur, the City hopes that students will be drawn out of neighborhoods, thereby providing opportunities for the restoration of dilapidated multi-unit Victorians into single family homes for occupancy of young professionals and families.

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- Incentivizing non-student rental homes
 - Encourage small households without kids in downtown
 - One-bedroom, one-bath apartments (2 unrelated individuals in the unit)
 - Incentives: bonus density?

2. Increasing rental housing for low-to-moderate income households

Underlying data

- The Newark Housing Authority has 209 vouchers associated with Tenant based section 8 program.
- NHA is currently utilizing 92 of its vouchers.
- New Castle County absorbed 20 vouchers in Mays.
- Project-based rent support limits (includes utility allowance):
 - 1BR- \$1,003
 - 2BR- \$1,210
 - 3BR- \$1,502
 - 4BR- \$1,659

2. Increasing rental housing for low-to-moderate income households

Home Type 1:

- *Acquisition Price: \$180,000 (80% loan, 20% equity)*
- *Living Space: 1,380 SF, 3-4 bedroom homes*
- *Real Estate Tax: \$1,300 per year*

- 911 Pickett Ln
- 21 Westfield Dr
- 904 Kenilworth Ave
- 374 Paper Mill Rd

Monthly Operating Budget

- *Section 8 Payment: \$1,350*
- *RE Tax: \$108*
- *Vacancy (4%): \$54*
- *Operating expenses: \$375*

- *NOI: \$813*

- *Debt Service: \$780 (4.5%, 25 year amort.)*

- *Annual Return on Equity: \$396*
- *% Return on Equity: 1.5%*

2. Increasing rental housing for low-to-moderate income households

Home Type 2:

- *Acquisition Price: \$170,000 (80% loan, 20% equity)*
- *Living Space: 1,350 SF, 3-4 bedroom homes*
- *Real Estate Tax: \$1,300 per year*

- 49 Shull Dr
- 41 Woodhill Dr
- 958 Alexandria Dr

Monthly Operating Budget

- *Section 8 Payment: \$1,350*
- *RE Tax: \$108*
- *Vacancy (4%): \$54*
- *Operating expenses: \$375*

- *NOI: \$813*

- *Debt Service: \$735 (4.5%, 25 year amort.)*

- *Annual Return on Equity: \$936*
- *% Return on Equity: 3.6%*

2. Increasing rental housing for low-to-moderate income households

Home Type 3:

- *Acquisition Price: \$130,000 (80% loan, 20% equity)*
- *Living Space: 1,200 SF, 3 bedroom homes*
- *Real Estate Tax: \$900 per year*

- 74 Ethan Allen Ct
- 5 Patrick Henry Ct
- 20 Patrick Henry Ct
- 165 King William St
- 16 Madison Dr
- 41 Madison Dr

Monthly Operating Budget

- *Section 8 Payment: \$1,350*
- *RE Tax: \$75*
- *Vacancy (4%): \$54*
- *Operating expenses: \$400*

- *NOI: \$821*

- *Debt Service: \$565 (4.5%, 25 year amort.)*

- *Annual Return on Equity: \$3,072*
- *% Return on Equity: 11.8%*

2. Increasing rental housing for low-to-moderate income households

Home Type 1 – Tax exempt bond

Monthly Operating Budget

- *Section 8 Payment:* \$1,350
- *RE Tax (with abatement):* \$75
- *Vacancy (4%):* \$54
- *Operating expenses:* \$375

- *NOI:* \$846

- *Tax Exempt Bond*
Debt Service: \$680
(3% , 25 year amort.)

- *Annual Return on Equity:* \$1,992
- *% Return on Equity:* 7.7%

Home Type 2 – Tax exempt bond

Monthly Operating Budget

- *Section 8 Payment:* \$1,350
- *RE Tax:* \$75
- *Vacancy (4%):* \$54
- *Operating expenses:* \$375

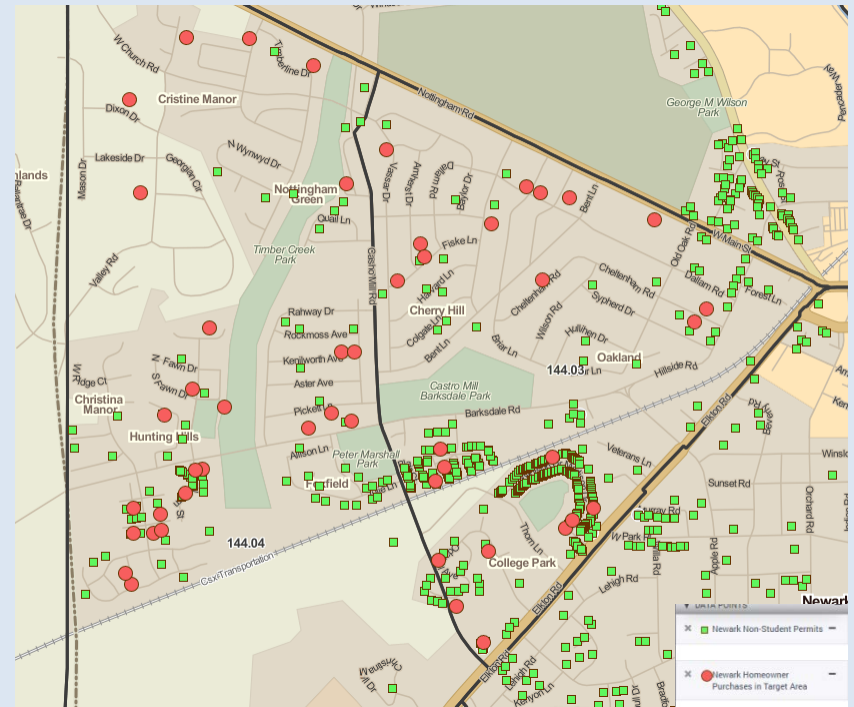
- *NOI:* \$846

- *Tax Exempt Bond*
Debt Service: \$645
(3% , 25 year amort.)

- *Annual Return on Equity:* \$2,412
- *% Return on Equity:* 9.3%

3. Neighborhoods where the market should be shifted to non-student renters or owner-occupants

- Promoting Owner Occupancy of Homes (POOH) Program
 - Create a target area for POOH program, with a deeper subsidy or discount of loan recapture/share of net appreciation.
- Target areas
(Tract 144.03, 144.04)
 - Rental permits: 386
 - Recent owner sales: 48
 - Sale price range: \$98,000 - \$775,000
 - Median sale price: \$236,000
- Expansion of exempt areas for student homes



4. Ideas for code enforcement

- Requirement for new rental permits
 - Must include language in the rental agreement that unit must be available for inspection by City Code Enforcement officials.
- Requirement for renewing rental permits
 - Offer 5 year discount on rental permit fees for inserting the above language in the rental agreement.
- Self-certification (example from Sacramento)
 - If no violation exist on the property, the owner will be provided with “Self Certification” checklist to be completed as part of annual self inspection.
 - Random check of Self-Certified Properties (Sacramento verifies 10% of these properties randomly each year).
 - If a violation is placed on a property, it will be placed in the mandatory “continuing” inspection program at a higher cost.

4. Ideas for code enforcement

- Overcrowding issue

- From the parking study by Tim Haas: guest permits may be utilized full-time by another resident of the household (beyond the first two) or used by a student or employee wishing to avoid downtown parking fees.
- Expand the permit parking zones throughout the city.
 - Offer the parking permits for free or nominally priced for owner-occupants.
 - Devise a tracking system for the use of guest permits.