

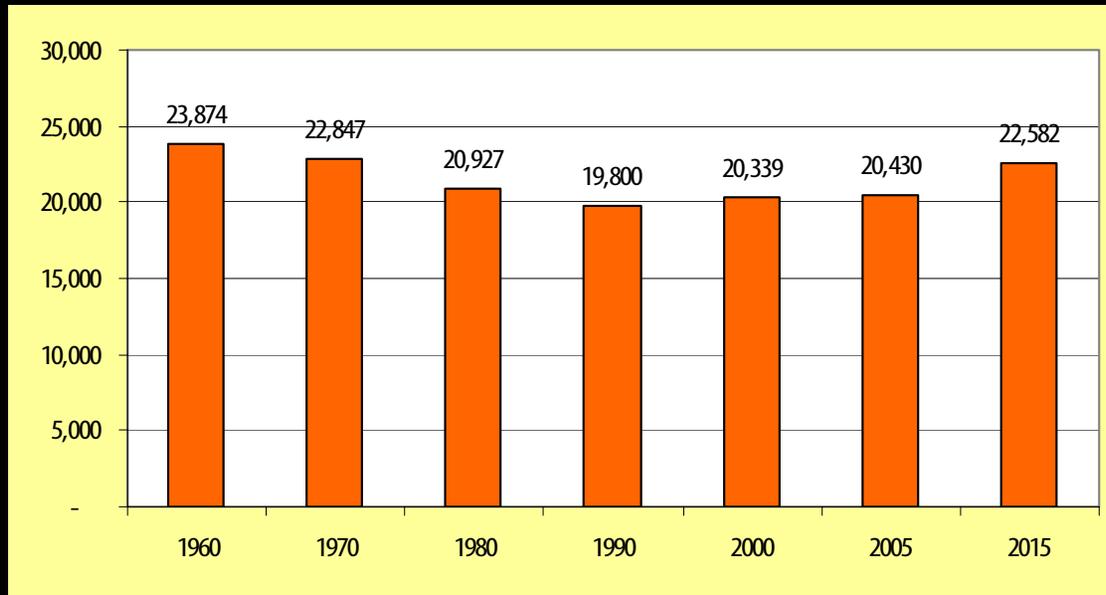


The Sedalia CHAT Report

**Aquila Community
Housing Assessment Team**

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August 14, 2006

Population Change Sedalia, 1960-2015



Source: US Census, RDG Planning & Design



- From 1960 to 1990 Sedalia experienced a steady decline in population.

- During the 1990s Sedalia experienced its first decade of growth since the 1950s.

- Between 1990 and 2000 Sedalia grew by 0.3% annually.

- Construction since 2000 indicates that growth may be accelerating . Assuming continuation of these trends, and an ability to capture a greater degree of development within the city limits, Sedalia should sustain an annual growth rate approaching 0.7%. This is a realistic projection for a city in Sedalia's context, and produces a 2015 population of about 22,500.

Population Change, Sedalia

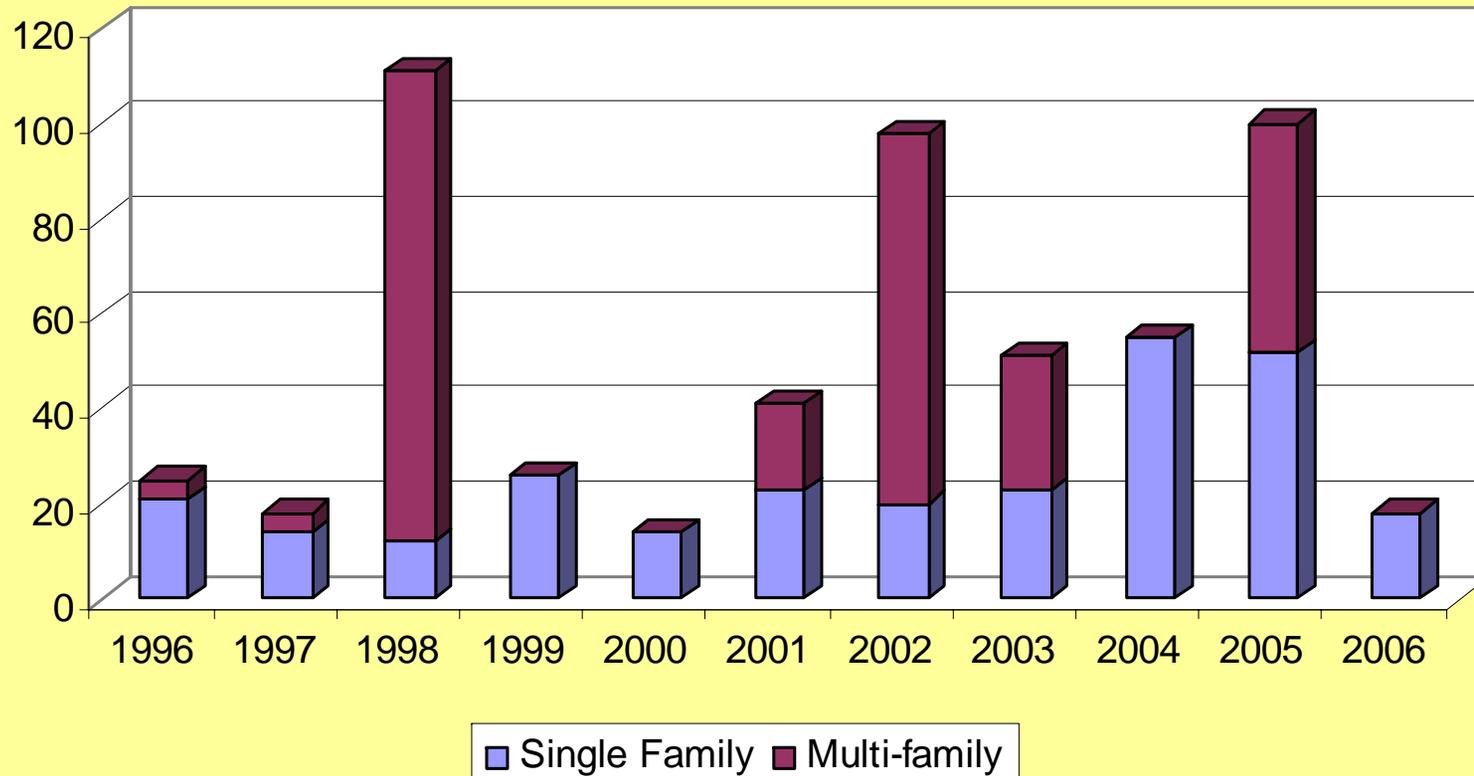
	Change in Population	% Growth During Decade	Annual Growth Rate
1960-1970	-1,027	-4.3%	
1970-1980	-1,920	-8.4%	
1980-1990	-1,127	-5.4%	
1990-2000	539	2.7%	0.3%
1960-2000	-3,535	-14.8%	



Population Change, Sedalia

	1990		2000		Change
Under 15	4,007	20.2%	4,198	20.6%	191.00
15-19	1,238	6.3%	1,485	7.3%	247.00
20-24	1,303	6.6%	1,547	7.6%	244.00
25-34	3,165	16.0%	2,696	13.3%	-469.00
35-44	2,452	12.4%	2,935	14.4%	483.00
45-54	1,790	9.0%	2,238	11.0%	448.00
55-64	1,964	9.9%	1,702	8.4%	-262.00
65-74	2,043	10.3%	1,682	8.3%	-361.00
75-84	1,390	7.0%	1,358	6.7%	-32.00
85 and Over	448	2.3%	498	2.4%	50.00
Median	35.7		35.8		

Housing Production 2001-2005



•Sedalia has averaged 28 new single-family housing units per year since 1996. The construction pattern for multi-family units has been more sporadic with output determined by large projects in 1998, 2002, and 2005.

Population Forecast

	2000	2005 Estimate	2010 Forecast	2015 Forecast
0% in-migration	20,339	20,440	20,579	20,725
0.3% annual growth rate	20,339	20,614	20,893	21,175
0.7% annual growth rate	20,339	21,061	21,808	22,582



- In determining the 10 year population growth for Sedalia we use alternatives of patterns.

- Based on 2000 age cohorts the city should experience more births than deaths.

- From 1990 to 2000, Sedalia recorded an average annual growth rate of about 0.3% .

- Construction activity the last 5 years would indicate a growth rate closer to 0.7% annually.

- Based on recent construction activity, the city could experienced a 0.7% annual growth rate over the next ten years resulting in a 2015 population of 22,582.

Occupancy Changes, Sedalia

	1990		2000		Net Change
	Number	% of Occupied Units	Number	% of Occupied Units	
Owner-Occupied	5,807	69%	5,524	64%	-283
Renter-Occupied	2,609	31%	3,104	36%	495
Total Vacant	898		791		-107
Vacancy rate	9.6%		8.4%		
Total	9,314		9,419		105

- A concentrated effort in the 1990s to remove deteriorated structures on the north side of the city and the removal of an older mobile home park resulted in a decrease in the number of vacant units and may have influenced the decrease in the number of owner-occupied units.
- Construction of major multi-family projects and conversion of owner-occupied units resulted in a nearly 19% increase in rental units.

The Process



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

Ten-Year Development Projection, Sedalia

	2005	2006-2010	2011-2015	Total
Population at End of Period	21,061	21,808	22,582	
HH Population at End of Period	20,724	21,460	22,221	
Average PPH	2.32	2.32	2.32	
HH Demand at End of Period	8,933	9,250	9,578	
Projected Vacancy Rate	7.91%	7.41%	6.91%	
Unit Needs at End of Period	9,700	9,990	10,230	
Replacement Need		75	75	150
Cumulative Need During Period		365	375	740
Average Annual Construction		73	75	74

Housing demand calculation is based on:

- A constant people per household.
- A slightly decreasing vacancy rate.
- A replacement need of 15 units annually.



Income Distributions and Housing Affordability Ranges

Income Range	% of City HH Median	% of Households	Households in Range	Affordable Range for Owner Units	# of Owner Units	Affordable Range of Renter Units	# of Renter Units	Total Affordable Units	Balance
\$0-25,000	0-62%	42.48%	3,665	\$0-50,000	1,967	\$0-399	2,413	4,380	715
\$25,000-49,999	63-123%	36.51%	3,150	\$50,000-124,999	2,909	\$400-599	668	3,577	427
\$50,000-74,999	124-185%	14.12%	1,218	\$125,000-199,999	505	\$600-799	23	528	-690
\$75,000-99,999	186-246%	3.81%	329	\$200,000-249,999	85	\$800-999	0	85	-244
\$100,000-149,999	Over 247%	3.08%	266	\$250,000	58	Over \$1,000	0	58	-208
Median Income:	\$28,641								

Source: RDG Planning & Design

•Based on 2000 housing values Sedalia has a shortage of units priced over \$125,000. Recent increases in single-family construction may be responding to this imbalance.

Ten-Year Housing Development Program, Sedalia

	2006-2010	2010-2015	Total
Total Need	365	375	740
Total Owner Occupied	256	194	450
Affordable Low: 60-100,000	71	54	125
Affordable Moderate: 100-130,000	79	60	139
Moderate Market: 130-200,000	62	47	109
High Market: Over \$200,000	44	33	77
Total Renter Occupied	110	113	223
Low: Less than 450	39	40	79
Affordable: 450-700	36	37	73
Market: Over \$700	35	36	71

- Although the city's split of owner- to renter-occupied units is closer to 65% owner and 35% renter this analysis assumes that new construction will be 70% owner-occupied and 30% renter-occupied .
- About 264 owner-occupied units, or about 26 units annually, should be priced below \$130,000 to meet market requirements. Some of this may be provided indirectly through filter-up processes and senior housing development.
- There will be a 10-year demand for an additional 152 rental units priced below \$700.

Housing Resources and Assets

- Economic Diversity
- Renewed Population Growth
- Community Character
- City Amenities
- Active Housing Production
- Community Organizations
- Supportive Lenders
- Mobilized City Government
- Unique Downtown
- Traditions and History
- Educational and Medical Resources
- Attraction to Seniors

Economic Diversity

Sedalia has a diverse employment base with strengths in food processing, general manufacturing, medical care, education, and government. The city's largest employers, including Tyson Foods (about 1,800 employees), Bothwell Regional Health Center (850), Waterloo Industries (500), and others, provide employment across a wide spectrum of skills and salaries. In addition, nearby Whiteman Air Force Base is a major economic factor in the region. These industries create housing demand at a number of price ranges.

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Renewed Population Growth

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fter 30 years of steady population decline which reduced Sedalia's population by 17%, the city experienced modest if significant growth during the 1990s. Construction since 2000 suggests that this growth trend is continuing. Because of substantial residential development outside the city limits, the city's official population understates the size of the Sedalia urban area. Sedalia between 1960 and 1990 displayed the population pattern of a declining industrial central city surrounded by growing suburban areas. That pattern appears to be changing. New arrivals, notably Latinos and Ukrainians, are fundamental to this revival.

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Community Character

S

edalia is a beautiful town, and its design and character are distinct assets. Features like the distinctive urban design sequence of State Fair Boulevard and Liberty Park, historic residential neighborhoods, Broadway's green community corridor, a downtown full of architectural treasures, and the incomparable Katy Trail contribute to an unusual cityscape. The city is clearly aware of these assets and markets them through such concepts as the Heritage Trail.

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City Amenities

C

omplementing Sedalia's physical character is an enviable array of community amenities and events. The State Fairgrounds is the largest and most visible of these features. A strong arts community dates from Sedalia's status as the birthplace of ragtime and home of Scott Joplin, and now includes the Daum Museum, the Sculpture in the Park program at Liberty Park, and individual artists' studios. The city offers an extensive calendar of community events, an extensive recreation system, distinctive museums, and other features that make life in Sedalia especially rewarding.

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Active Housing Production

H

ousing development in Sedalia has revived after a period of stagnation and even decline. Between 1996 and 2003, a period of relative community growth, single-family development in the city averaged only about 20 units per year. During the last two years, the city built 107 single-family units, and average of 54 per year. Multi-family development has also been resurgent, and construction just outside the city limits continues at a steady rate. Builders and developers are active in the region. A challenge is engaging them directly with this city itself. Some builders have demonstrated an interest and ability to deliver moderately-priced housing. Recent development between Gentry and State Fair Boulevard north of 3rd Street is evidence of this interest.

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Community Organizations

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edalia has a variety of organizations working on housing issues. These include Northside organizations and churches; Pettis County Community Partnership-PROP, placing people with severe needs in good housing; Habitat for Humanity; Missouri Valley Community Action Agency, a CHDO with a growing body of experience in the region; the Salvation Army; and an effective Housing Authority. However, this array of organizations faces some significant challenges such as local experience and funding.

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Supportive Lenders

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edalia's financial community includes local, regional, and national institutions with extensive experience in reinvestment lending. Community organizations have partnered with banks to finance home repairs and purchases. This experience can be applied to workforce housing development and other needs within Sedalia.

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Mobilized City Government

Builders and developers give Sedalia's city administration high marks for moving toward streamlining approval processes and reviewing codes and regulations. It appears that this has not always been the case, providing the industry with incentives to build in the far less regulated county. The city plans to update its comprehensive plan and review its land development regulations. These efforts provide opportunities to partner with builders to expedite processes while maintaining good development standards.

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Unique Downtown

F

ew cities of any size feature a downtown of the architectural and historic character of Downtown Sedalia. This district, listed on the National Register of Historic Places, is the fruit of a building boom in the 1870s and 1880s, the affluence of that era, and the abundance of locally produced bricks. Some adaptive reuse activity and new retailing and entertainment establishments are emerging, but a critical revitalization mass is still in the future. The size of the district and the size of its inventory of superb buildings provide both great opportunities and significant challenges.

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Traditions and History

C

itizens of Sedalia identify strongly with traditional neighborhoods and the city's history. This identification appears especially evident in areas like Northside, strongly associated with the city's African-American community and its churches and culture. This sense of history provides a source of energy that can be harnessed for neighborhood reconstruction – good for both the city as a whole and its supply of affordable housing in particular.

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Educational and Medical Resources

W

hile Sedalia is rightly considered a manufacturing and industrial center, the health and educational sectors are extremely important resources. Bothwell Regional Health Center is a major medical center and is the city's second largest employer. State Fair Community College is also a major resource that includes a building trades program that by itself produces one new house annually.

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Attraction to Seniors

A

combination of good health care, community amenities, institutions, and other features has made Sedalia an attractive retirement community. The city also ranks third behind Warrensburg and Knob Noster as the home for people retiring from Whiteman. This has generated a significant market for senior living, and developers have responded with projects. However, stakeholders suggest a continuing need for maintenance-provided townhouses or attached housing, marketed to older adults.

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Housing Issues and Challenges

- “Gateway” Housing Production
- Neighborhood Revitalization
- Downtown Development
- Building in City and County
- Infrastructure Costs and Finance
- Organizational Issues
- Housing Conditions
- Products for Older Adults
- Rental Quality for People in Need



Gateway Housing Production

C

ontemporary housing that provides working households with an entry into Sedalia's equity market is in short supply. Most observers identify this shortfall as the city's primary housing issue. Based on needs of the city's households, over 50% of its new owner-occupied housing should be in a price range below \$130,000, and about 25% should have an effective price under \$100,000 to buyers. New housing at this cost is rare, although not entirely absent, in the Sedalia market. Redevelopment of the "chicken coop" site north of 3rd and Gentry produced an attractive, moderately-priced neighborhood, and local builders appear to have some confidence in their ability to build to this market – if development and regulatory costs can be managed.

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Neighborhood Revitalization

S

edalia's Northside and East neighborhoods are older neighborhoods with housing deterioration, but significant revitalization potential. Northside, the traditional home of the city's African-American community, has many vacant sites, the result of aggressive demolition activity. These sites are large enough and clustered enough to make a major impact if developed. Infill development in this near-downtown neighborhood, combined with additional demolition, continued good maintenance of the Buckner Apartments public housing development, rehabilitation of the historic Hubbard School, and supporting public improvements can help make the Northside a great neighborhood. The Northside area actually has experienced some new construction since 1996.

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Neighborhood Revitalization

The Eastside area, generally in a triangle bounded by the Union Pacific Railroad, Katy Trail (including the historic depot), and Broadway, has experienced less demolition than Northside. Consequently, it has more houses that need rehabilitation, and has seen less new construction. The city has considered a rehabilitation focus on 4th Street, the on-street route of the Katy Trail. However, significant reinvestment has yet to catch on here.

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Downtown Development

D

owntown Sedalia is a unique district, almost fully intact with a remarkable collection of historic buildings. While the district is still the city's civic center and has retained and sprouted retail businesses and restaurants, it has significant vacancy and many buildings that demand restoration. Upper level residential development is a strong possibility, but also has not occurred to a great degree. One of the district's major challenges is its size and number of buildings – the amount of available space greatly exceeds the size of the current market. A successful downtown program requires a surgical focus on strategic projects that can create momentum. But a revitalized Downtown can become an image center that will increase the value of property in the entire city.

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Building in City and County

M

uch of the Sedalia area's residential development occurs out of the city – in many cases, just over the city's boundaries. Development in Sedalia is regulated by zoning and subdivision regulations and building codes. On the other hand, Pettis County development is not regulated. Because infrastructure development in Sedalia is privately financed, this regulatory disparity gives developers a major reason to build outside of the city. While buyers of these houses shop in Sedalia and support the city's institutions, they do not pay property taxes. In addition, it is possible that failing wastewater system could lead to requests from the city to extend utilities.

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Infrastructure Costs

Infrastructure in Sedalia developments is typically privately financed. Builders suggest that lot costs account for about 20% of the home cost – normal by national standards, but more than they think is warranted. This generates minimum lot cost in the range of \$22,000 to \$25,000, yielding houses that must be minimally priced over \$130,000. The problem is compounded by the low initial cost of development just over the city limit line. Some form of risk-sharing or front-end public financing can level the advantage of building outside the city.

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Organizational Issues

S

edalia's housing-related agencies face challenges in addressing community housing problems. The local Habitat for Humanity program, for example, will not build a home this year because of lack of funds. The Missouri Valley Community Action Agency is a CHDO, but operates on a regional basis and is relatively new to housing development. MVCAA has developed an impressive 15-unit single-family rental project in Knob Noster. A comprehensive program may be needed to create a delivery system for critical housing needs.

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Housing Conditions

W

hile many of the city's distressed units are concentrated on the north and east sides, a number of units around the city need rehabilitation or replacement. In addition, a number of older rental units also appear to be in poor condition. This affects certain groups, including new residents like Latino immigrants, low-income people with few housing options, and agencies attempting to place clients in sound rental housing. Low production of entry-level housing maintains a market for poor units which should either be improved or removed. Some of these units may place their tenants in physical jeopardy as well.

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Products for Older Adults

S

edalia is developing a significant amount of new housing for seniors, often in multi-family or retirement center settings. However, its development community has generated relatively little attached housing or townhome development, combining designs that have a single-family character with common maintenance. The few maintenance-provided projects appear to have been popular with older adults.

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Rental Quality for People in Need

A

gencies such as PROP represent people with severe housing needs. These include people who are seeking a transition to the regular market because of mental or physical disability. These organizations report difficulty finding acceptable units in the city's supply. Although Sedalia has seen relatively recent development of complexes, these large apartment groupings do not meet the needs of these tenants.

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Sedalia Housing Diagnosis

1. Sedalia has a variety of neighborhoods and conditions that resemble those found in larger cities. These include inner-city neighborhoods that have experienced disinvestment, conservation areas, sound older or historic neighborhoods, apartments, new construction, and “suburbs” that have absorbed much of the city’s more affluent buyers.
2. The city has an active housing market that is building both single- and multi-family housing. However, for many years, the city has underachieved in residential construction, reaching a reasonable quantity of single-family development only during the last two years. One reason may be the disparity in regulations between city and county, providing a large incentive to build outside the city.
3. Sedalia’s population and income characteristics indicate a large need for workforce housing. However, the housing industry is not meeting this need. This prevents people from entering the market as owners. In addition, a lack of housing opportunity at this level creates a demand for deteriorated units.

Sedalia Housing Diagnosis

4. Sedalia has a growing ethnic population, largely Ukrainians and Latinos. New Ukrainian arrivals appear to have significant resources and have contributed to high-end housing demand. On the other hand, the Latino population, now estimated at about 3,000 people, is frequently ill-housed, sometimes in dangerous conditions when families share housing. These new immigrants are also contributing to demand for substandard buildings.
5. Most of Sedalia's housing-related organizations have a social service orientation. The regional CHDO is building experience in housing development, but has not yet executed a Sedalia project.
6. Seniors appear to be a substantial market in the city. The city has a reasonable supply of subsidized senior housing, market-rate multi-family, and assisted living. However, attached housing with maintenance provided has not been developed to a great degree.

Sedalia Program Focuses

A housing program for Sedalia should:

1. Create a mechanism capable of delivering gateway housing for new owners.
2. Include a significant neighborhood revitalization focus, potentially in Northside where a combination of neighborhood pride, new investment, available vacant ground, and nearness to Downtown creates a significant opportunity.
3. Plan for major new investment in downtown, where a supply of superb historic buildings can create an image center and unique attraction for the city.
4. Level the playing field between development in the city and county.
5. Include strategies to preserve the city's existing housing supply.
6. Provide incentives for senior development, including a project to develop an affordable, alternative setting.
7. Sponsor a new transitional housing development for people with disabilities.

A Sedalia Housing Partnership

A focused housing approach will require a community partnership, mobilizing the community, existing and potential homebuilders, financial institutions, and the City.

Members of a Sedalia Housing Partnership include:

- The City of Sedalia**
- A Community Development Corporation, which could be the MVCAA or a new locally-based community development corporation.**
- Homebuilders, current and prospective**
- A Lenders Consortium**



A Sedalia Housing Partnership

Community Development Corporation (CDC)

A nonprofit developer governed by a Board of Directors and operating in the same entrepreneurial way as a conventional developer. The Missouri Valley Community Action Agency is a CHDO (Community Housing Development Organization), a CDC with a representative board that has access to a set-aside of tax credits. However, Sedalia's size and complexity may require creation of a new CDC focused exclusively on the city.

Lending Consortium

A cooperative venture of Sedalia's banks, designed to provide short-term financing for a modest but adequate inventory of moderately-priced, owner-occupied houses, and helping to finance projects of the CDC and City.

The City of Sedalia

Financing of capital improvements in a way that reduces and defers the front-end cost of lots.

Builders and Realtors

Construction and marketing of new houses.

A Sedalia Housing Partnership

Roles of the Participants

City of Sedalia	Subdivision development with infrastructure; acquisition and site preparation of infill redevelopment sites; financing assistance through CDBG, TIF, or other programs.
Community Development Corporation (CDC)	Construction on infill sites or in new developments; development of rehab/resale projects; sponsorship of downtown adaptive reuse development
Lending Consortium	Construction financing of CDC projects or affordable housing development by private builders. Pooled construction financing reduces risk to any one lender and permits builders to develop an inventory of houses.
Construction and Realtor Community	Home construction and marketing, either independently or for the CDC.

Project Financing Methods

Construction Financing

In an affordable development, a “critical mass” of houses is vital to moderate income buyers. A single speculative house standing alone in a promised new addition does not offer the security that buyers making the investment of their lives demand, although such a house did sell successfully in Sedalia. In addition, building several units at once can provide economies of scale that can help reduce the cost of houses.

Unfortunately, most builders cannot afford the financial exposure of building several speculative houses at once. Here, a partnership of Sedalia’s banks can help by providing a pool of money sufficient to float five houses in an inventory. The builder repays the construction loan pool when the house sells, but is not exposed to personal risk. Also, none of the banks take an unacceptable individual risk.

Project Financing Methods

Mortgage Financing

For low- and moderate-income buyers, normal mortgage financing may produce monthly payments that are either unaffordable or, because of fixed debt or limited income, make an otherwise good prospect unbankable.

For buyers earning less than 80% of the local median income, the use of "soft-second" mortgages using CDBG or HOME funds can make houses more affordable. These loans reduce the size of the primary mortgage, thereby reducing monthly payments. Soft second mortgages are due on sale of the house.

Project Focuses for a Sedalia Partnership

- Northside Neighborhood Revitalization
- Planned Development
- Acquisition/Rehab/Resale
- Rent-to-Own
- Senior Transitional Ownership



Project Focuses for Sedalia

Northside Neighborhood Revitalization

The Northside is an attractive focus for new development as part of a neighborhood revitalization program. Its adjacency to Downtown and groupings of vacant lots provide the possibility of a “tipping point” that can successfully change a neighborhood and provide buyers with the security necessary to sustain market values. The City of Sedalia should assemble vacant sites that have been cleared through demolition. Tax sales and negotiated purchases are preferred acquisition techniques. New housing development may be financed by the Lenders Consortium and accomplished by the CDC and/or private builders.

In the Northside, the City should remain open to innovative project designs and planned unit developments that may require different dimensional standards from conventional development. The zoning ordinance review should also permit development on smaller lots in urban settings, or permit narrower widths on sites with alley access.

Project Focuses for Sedalia

Northside Neighborhood Revitalization

The Northside effort should include other initiatives to support new housing development. These include:

- Support for the rehabilitation of Hubbard School, using tax increment financing, and low-income and historic tax credits. CDBG or HOME funds may also be used to support this effort. However, if the school cannot be feasibly rehabilitated, the site should be prepared for new development, again potentially developed by the CDC.
- Acquisition/rehabilitation/resale of appropriate properties.
- Design enhancement of the Ohio Avenue corridor.
- Local street rehabilitation and infrastructure improvement.



Project Focuses for Sedalia

Northside Neighborhood Revitalization



*Long School
Neighborhood
Redevelopment,
Omaha, NE*

A very similar neighborhood to the Northside, with city lot acquisition and new construction by a community development corporation.



Project Focuses for Sedalia

Planned Developments

- City encourages planned developments, in subdivisions or on infill sites, where builders (including but not limited to the CDC) can build a critical mass of houses near each other.
- Development regulations for these sites should encourage innovative development designs to take best advantage of infrastructure.
- Could be combined with an interim financing pool, recognizing the risk that multiple, speculative, moderately-priced homes may pose for builders who are small business people. The financing pool can be used by the CDC or for-profit builders for interim financing of house construction.



Project Focuses for Sedalia

Acquisition/Rehab/Resale

In this program concept, houses are acquired and sold in a rehabilitated or “turnkey” state to owner-occupants. This recognizes the limited number of prospective buyers who want to carry out a major home rehabilitation project. This program works best when candidate houses can be purchased at relatively low cost – a condition that occurs in specific parts of Sedalia, including Northside and the east part of the city. Under the program, the CDC purchases existing houses, completely rehabilitates them, and resells them to new homebuyers. The lending community may participate cooperatively in this effort by providing interim financing. Mortgage financing for low and moderate income buyers may be assisted by CDBG or HOME “soft-second” loans. Realtors may also participate by reducing commissions on selected projects.



Project Focuses for Sedalia

Rent-to-Own Development

Rent-to-own projects can be built by a community development corporation with Section 42 tax credits. Funds are escrowed from rents and placed in a downpayment fund. With sufficient accrual of funds, the resident household then uses the fund as a downpayment for purchase of a house. A tax credit assisted unit must remain in low-income rental occupancy for 15 years to avoid recapture. Therefore, the CDC may pair a rent-to-own unit with another of its affordable owner-occupied units.

Rent-to-own developments may also be developed privately. These resemble a 15-year "land contract," providing the resident with the option to buy at a reduced or amortized price after 15 years.



Above: Attached housing in Knob Noster



Project Focuses for Sedalia

Senior Transitional Ownership

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

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



Downtown Development

Sedalia should take full advantage of the potential of its incredible Downtown district – both as an image center for the City and a substantial focus for housing development.

- Complete a Downtown master plan for strategic development. The master plan includes an analysis of the downtown market, quantifying the specific needs for residential, office, and retail development; identifies priority redevelopment opportunities by evaluating properties and yields within those market demands; and establishes a program of supporting public investments to accelerate private response.



Downtown Development

- Create a project financing program to coordinate all available funding sources, including TIF, tax credits, CDBG/HOME, lending consortium, state housing finance agency proceeds, and others, toward targeted rehabilitation efforts.
- Consider augmenting a local CDC with a Downtown Development Corporation.
- Audit city codes and change provisions that discourage adaptive reuse for housing if changes do not affect life safety.



City-County Development Parity

Sedalia and Pettis County should plan cooperatively to “level the field” between developments in and out of the city in the immediate urbanized area.

- Complete a regional development plan cooperatively with Pettis County defining areas that fall within Sedalia’s urban service area. These areas should be subject to development standards consistent with those of the City. A joint jurisdiction should be considered in the urban service area.
- The regional development plan should highlight future infrastructure issues and plan in advance for financing necessary extensions with equitable reimbursements.
- The City should complete a thorough review and update of its development ordinances, done with the assistance of a stakeholder advisory group. Updated ordinances should maintain good standards, but remove provisions that may be unnecessary and tend to discourage housing development within the city.
- The city should provide front-end financing for some public improvements in subdivisions.

Infrastructure Financing

In affordable or workforce developments, Sedalia should focus on reducing the cost of infrastructure to homebuyers as part of monthly housing payments. This may apply to specific planned developments or subdivisions; or to lots including workforce housing within mixed income developments.

- Where possible, use Tax Increment Financing (TIF) to finance infrastructure. Establish specific criteria, including City Council participation, to evaluate projects requesting TIF assistance.
- Consider financing all or part of infrastructure costs for a specific project or site through a deferred mortgage. Infrastructure cost is incorporated as a “soft second” mortgage, payable upon the eventual sale of the house. This technique will be less applicable on houses where the underlying site is owned by a Community Land Trust.

Project Focuses for Sedalia

Sample Return Scenario on Deferred Infrastructure Loan

	Initial Price	Price at Sale
Sale Price	100,000	125,000
Infrastructure Cost	10,200	
Infrastructure/Price Ratio	.102	.102
Amount of Repayment	---	12,750
Equivalent Interest Rates		
–5-Year Resale		4.56
–7-Year Resale		3.24
–10-Year Resale		2.26

The property taxes generated by a house that might otherwise not be built must also factor into the equation

Infrastructure Financing

In other subdivisions, the City of Sedalia should be a funding partner with developers, assisting with front-end financing of public improvements. Failing to do this encourages developers to build lower-cost subdivisions outside of the city.

- For major public improvements (interceptor sewers, major stormwater management), an areawide benefit fee should be considered, with the city providing front-end financing reimbursed by fees.
- For special benefit improvements such as local streets, the city should consider financing through special assessments for projects built within the city limits.



Property Maintenance

Sedalia should complement existing property upkeep and community appearance efforts by strengthening a Property Maintenance Standards Program, encouraging both voluntary compliance with community standards and code enforcement.

- Community Property Standards Manual.
- Continued efforts to assist seniors and low-income people with basic property maintenance with volunteer or organizational efforts.
- Rental rehabilitation loans.
- Continued demolition and infill development on a strategic basis. Maintain two programs in tandem wherever possible.
- “Better Landlords Bureau,” a voluntary investor association/peer group and seal of approval for rental properties.

Transitional Housing

Sedalia as a community should support efforts to develop a transitional housing project to introduce people with critical needs into the housing market.

Pettis County Community Partnership-PROP is administering a program to provide good transitional housing for people with severe housing needs – people with AIDS, mental disabilities, or recovering from substance abuse. A transitional housing development can help these clients achieve a greater degree of self-sufficiency. The community should support a PROP initiative to secure grant funding for such a development, and assist with finding and securing a site.



The Sedalia CHAT Report

**Aquila Community
Housing Assessment Team**

Martin H. Shukert, FAICP
August 14, 2006