

DOWNTOWN
REVITALIZATION &
ECONOMIC
ASSISTANCE FOR
MISSOURI

September 2009

RESIDENTIAL DEMAND ANALYSIS

FINAL SURVEY
FINDINGS & RESULTS

Aurora, Missouri



ACKNOWLEDGMENTS



CITY OF AURORA

DOWNTOWN REVITALIZATION AND ECONOMIC ASSISTANCE FOR MISSOURI (DREAM) PROGRAM SPONSORS:



PLANNING CONSULTANT



PREPARED BY



This Page Intentionally Left Blank

TABLE OF CONTENTS

<u>Section</u>	<u>Page</u>
Report Preparation Information	1
I. Conclusions And Recommendations	5
II. Market Area Description	7
III. Economic Profile.....	19
IV. Demographic Profile.....	23
V. Review of Previous Downtown Housing Market Studies	35
VI. Existing Housing	37
• Downtown Housing	37
• Single Family Housing	37
• Market Rate Rental Housing	38
• Senior Affordable Rental Housing	42
• Family Affordable Rental Housing	44
VII. Identification of Primary and Secondary Market Areas	47
VIII. Potential Residential Downtown Housing Demand.....	49
• Overview	49
• Home Ownership Housing Demand Analysis.....	55
• Market Rate Rental Housing Demand Analysis	56
• Affordable Family Rental Housing Demand Analysis.....	56
• Affordable Senior Rental Housing Demand Analysis	56
IX. Downtown Residential Implementation Strategy	61
X. Assumptions and Limiting Conditions	65
XI. Appraisers Certification.....	67

This Page Intentionally Left Blank

REPORT PREPARATION INFORMATION

CONSULTING REPORT PREPARATION

This consulting report has been prepared in conformance with the Uniform Standards of Professional Appraisal Practice (USPAP) and standards adopted by the National Council of Affordable Housing Market Analyst (NCHMA).

IDENTIFICATION OF THE MARKET ANALYST

Steve Sillimon, market analyst, is the staff appraiser for the Missouri Housing Development Commission.

INTENDED USE OF REPORT

The intent of this report is to assist Aurora in its effort to revitalize its Downtown through the DREAM Initiative by analyzing possible demand for housing that would support that effort.

THE IDENTITY OF THE CLIENT AND THE INTENDED USERS OF REPORT

The client of the report is the Missouri Housing Development Commission (appraiser's employer), and the intended users are the City of Aurora, Lawrence County, Missouri and parties interested in development of residential housing units in Downtown Aurora, Missouri.

ANALYSIS, RECOMMENDATION, OR OPINION TO BE DEVELOPED

The analysis, recommendations, or opinions will include:

- A review of previous housing market studies or consumer surveys;
- Identification of Primary and Secondary Market Areas;
- Identification of existing housing inventory and competitive locations;
- Demographic profile for the area;
- Economic profile of the market;
- Opinions regarding the household demand for residential units in the Downtown Market Area of Aurora that could complement Downtown revitalization efforts.

IDENTIFICATION OF THE SUBJECT AREA

The area that is the subject of this report is the Downtown Market Area of the City of Aurora, within the specific geographic boundaries as described within this report.

EFFECTIVE DATE OF THE REPORT

The effective date of the report is August 28, 2009.

EXTRAORDINARY ASSUMPTIONS

In preparing this report the appraiser has relied on various physical, economic, and demographic data and information from various sources, including market studies submitted to MHDC from other analysts, and believes the information to be to be credible, reliable, and critical to the preparation of this report. The use of this information will affect the assignment results.

SCOPE OF WORK

The scope of work necessary to prepare this report is:

- Physical survey of the area that is the subject of the report;
- Physical survey of existing housing options in the market;
- Economic survey and competitive analysis of existing housing options in the market;
- Obtain and review general and historical information about the market;
- Obtain and review any housing related studies prepared for the market;
- Obtain and review any current information regarding activities in the market that could affect the marketability of housing;
- Obtain and analyze demographic information for the primary and Secondary Market Areas;
- Estimate the current and future household demand in the Primary Market Area that would be attracted to housing options in the Downtown Market Area;
- Prepare a target market analysis for affordable, market rate, and for-sale housing in the Primary Market Area for family and senior households.

INFORMATION USED, METHODS AND TECHNIQUES EMPLOYED, AND REASONING THAT SUPPORTS THE CONCLUSIONS

The information used in the report comes from local sources, market surveys; and public and proprietary information. The techniques employed in the report are industry standard demand analysis techniques based on estimating the number of target households that can be captured in the Downtown housing market. The reasoning that will support the conclusions is based on the benefit that additional residential housing can make to Downtown revitalization efforts.

This Page Intentionally Left Blank

SECTION I

CONCLUSIONS AND RECOMMENDATIONS

- The key to a thriving downtown is people and the types of people downtown are downtown employees, visitors, or permanent residents. The things that bring people to downtown are jobs, attractions/venues, or housing. Downtowns that lack jobs, attractions, or housing may have trouble with economic viability. This study focused on housing's role in Downtown and attempted to answer the question of what type of housing would complement Downtown revitalization and how many households could reasonably be expected in that market.
- Demographic data indicates that between 2009 and 2014 the number of households in Aurora is expected to increase by approximately 80 households. That estimate is based on historical birth, death and migration records, and the current economic state of the community. It is possible that the addition of new, good quality housing in Downtown could accelerate the household increase of the community by attracting new households to the city.
- Like many downtowns across the country, Downtown Aurora has gone through a period of transition as some businesses have moved to other locations in the City. Although Downtown has gone through a downward economic transition and there is a noticeable amount of vacant commercial space, there are many small businesses that still operate and generate a fair amount of consumer traffic through the area.
- There are currently residential units in Downtown Aurora, which is limited to a cluster of single family homes on the east side of the DREAM Study Area, a few scattered single family homes in other parts of Downtown, a few small multifamily rental units, and a few owner occupied residential units on the upper floors of some Downtown commercial buildings.
- The existing residential units in Downtown make a positive contribution to the area by housing consumer households that use some of the Downtown businesses, like the grocer, pharmacy, and restaurants.
- The production of additional residential units in Downtown would complement revitalization efforts by increasing the customer base for existing and prospective businesses in Downtown, making a positive use of vacant or underutilized buildings and land, and increasing the tax base.
- Although there are a couple of owner occupied upper floor units in Downtown, the loft-style condo market that has helped to revive downtowns in other parts of the country has not formed in the Aurora market and presently would not appear to be feasible.
- A survey of existing market rate and affordable rental housing developments for non-senior households in Aurora indicates that most have soft occupancy, so it would not be feasible to add new non-senior market rate or affordable rental housing in Downtown.
- A survey of existing affordable rental housing developments for senior households (62 years old and above) in Aurora indicates that all have good occupancy and waiting lists. Opportunity exists to serve some excess demand with new or rehabilitated rental units in Downtown.

- Because State and Federal Subsidy Programs and the pool of developers experienced with the programs are readily available, it should be easier and quicker to produce affordable housing than to produce market rate rental housing. The key step is to start momentum of residential development in Downtown that could induce other developments. New residential development Downtown should also motivate owners of existing buildings Downtown to make improvements to their properties.
- Affordable senior housing subsidy programs make it possible to create well designed, high quality, and aesthetically pleasing developments that can be catalysts for further development in Downtown.
- A quantitative demand analysis was prepared for affordable senior housing to estimate the level of market demand that exists in Downtown. The intent of the demand analysis is to provide the City of Aurora, builders, and developers with an idea of the potential market demand for new residential units that could be produced in Downtown. The result is as follows:

<u>Housing Type</u>	<u>Potential Household Demand</u>
Market Rate Rental.....	0
Affordable Family Rental	0
Affordable Senior Rental.....	<u>43</u>
Total Estimated Household Demand	43

- In addition to adding new residential units, the Downtown would benefit by the improvement in the condition of the existing housing stock through code enforcement and voluntary owner improvements. One of the programs that could assist with this is the Missouri Housing Development Commission Home Improvement Program (HeRO).

Map #2



Map #3



OVERVIEW

Aurora is the most populous city in Lawrence County and is located in the southwest corner of Missouri, approximately 30 miles southwest of Springfield and 50 miles south of Joplin. Highway access is afforded by U.S. Highways 60, which runs through Aurora and Interstate 44, which is located approximately 10 miles north of the City.



Aurora was incorporated in 1886 and owes much of its early history to mining and the railroad. The opportunity to have a stop along the new railroad was one of the reasons the town was founded. Also early on, ore was found in the community and mining began. The first large industry, Majestic Milling, came to Aurora in August 1905, and soon after Aurora had one of the largest feed mills in the world. Today the mills are no longer the largest industries in Aurora. The largest current employers in the Community are Ag Forte, LLC, a turkey hatchery, Wal-Mart, the local school district, and St. Johns Hospital.

Aurora is considered to be a quaint little community that is the Summit City of the Ozarks. It is located a short distance from lakes and major recreation areas, and larger communities of Springfield, Branson, and Joplin. Aurora is also a primary trade area for some of the smaller surrounding communities.

Downtown Aurora is centrally located in the community. The boundaries of the DREAM Downtown Revitalization Area are generally Olive Street to the north, Church Street to the south, Elliott Avenue to the east, and Washington Avenue to the west.

Like many downtowns, Aurora's is the center of local government. The municipal office building is located on a square between Pleasant and College Streets on the north and south, and Madison Avenue on the east and west. Also located downtown are the Aurora Police Department, Aurora Fire Department, the U.S. Post Office, the public library, various places of worship, an area museum, and social service agencies. Downtown Aurora also has various types of private businesses including two grocers, gas stations, restaurants, clothing stores, antique stores, furniture stores, gift shops, and offices.

Aurora's Downtown was the major shopping district until the City began to grow and more businesses, including Wal-Mart, began to sprout in other areas of the City. Although most retail and service businesses are located in other areas of the community, the small businesses that continue to operate Downtown generate a fair amount of pedestrian and vehicular traffic.

Most of the commercial buildings around the Downtown Square are single story and much of it appears to be vacant. Most of the commercial buildings along Madison Avenue and Olive Streets are two-story structures. Most of the street level commercial space of those buildings is occupied, but most of the upper floor space appears to be vacant.

When originally built most of the upper floor space was occupied by workers in the area. As the mills closed and the community began to grow demand for the upper floor units diminished and most have been vacant for many years. A few of these commercial buildings have residential space of the upper floors that is occupied by the owners of the buildings.

DOWNTOWN AREA PHOTOGRAPHS



Aurora City Hall
2 West Pleasant Street

Princess Movie Theater
14 West Olive Street





Hog Wild BBQ Restaurant
22 East Olive Street

Modern Variety Grocer
30 E. College Street



B & P Discount Grocer
35 West Olive Street



Bootleggers Restaurant
101 S. Madison Avenue

Missouri Pacific Train Station Museum
& Aurora Chamber of Commerce
121 E. Olive



Looking south at buildings on the east side
of Madison, across from City Hall



Looking south at buildings on the west side of Madison, across from City Hall

Buildings on the east side of Madison, between Locust and Olive Streets



Building at northeast corner of Madison and Olive Streets



Old Hotel Building at the northwest corner of Madison and Olive Streets

Building at northeast corner of Pleasant and Madison Streets



Single family homes on the east side of the DREAM Downtown Area



Single family home on the east side of the DREAM Downtown Area

TRAFFIC ARTERIES

Church Street (Business Highway 60) and Olive Street (State Highway 39) are the primary east/west traffic arteries into Downtown. Elliott Avenue is the primary north/south traffic artery into Downtown.

Streets have two way traffic patterns in Downtown, with the exception of Madison Avenue, which has a one-way traffic pattern around the City Hall Square.

EXISTING LAND USES

Most of the land use in Downtown is commercial, but most of the blocks on the east side of the Dream Downtown Area have single family residential land uses.

ADJACENT AREAS

Land uses adjacent to the DREAM Downtown Area are predominately residential to the, east, west, and south, and light industrial to the north.

PARKING

Downtown has a modest amount of vehicular activity during the weekdays, to the point that parking near some businesses along Madison Avenue and Olive Street south of the square could be limited. Because of a significant number of commercial vacancies around the square, parking around City Hall did not appear to be a problem during normal business hours.

RETAIL SHOPPING

Downtown has a few retail shopping options including a couple of grocers, a few clothing stores, a furniture store, and gift shops.

ENTERTAINMENT

The only entertainment venue noted Downtown is the single screen Princess Movie Theater at 14 W. Olive Street.

DINING ESTABLISHMENTS

Downtown had several dining establishments that were noted, including Pizza Inn, Bootleggers, and Hawg Wild BBQ.

PARKS AND RECREATION

A couple of parks are located near the Downtown, including White Park and the larger Baldwin Park.

SCHOOLS

Educational facilities in Aurora include an early childhood center, an elementary school, an intermediate level, a junior high, and a high school. None are located in Downtown.

PUBLIC TRANSPORTATION

Aurora is not served by a local public transportation system.

DOWNTOWN AREA STRENGTHS AND WEAKNESSES

From a residential market perspective the Aurora Downtown Market Area has positive attributes, including:

- **Government Center:** Downtown is the municipal center of government, which brings employees and people conducting business (potential consumers) to the area on a daily basis throughout the work week.
- **Existing Residential Market:** Downtown already has a small number of single family homes on the east side of the DREAM Downtown Area.
- **Potential Development Space:** Downtown has a significant amount of vacant building space that has the potential to be used for residential development.
- **Location:** Downtown is centrally located in the community, which makes it easily accessible from all areas of the city.
- **Commitment:** The community seems to be committed to improving Downtown, which is evidenced by the creation and activities of groups like the Main Street Aurora Committee.
- **Eating Establishments:** Downtown has a couple of popular eating establishments that draw people to Downtown from inside and outside of the community.

- **Catalytic Efforts:** There are a couple of buildings in Downtown that have been renovated, which may encourage other improvements in the area.
- **Neighborhood Amenities:** Downtown area has a couple of grocers, a pharmacy, a gas station, and eating establishments, which are all important neighborhood amenities to existing and potential residents.

From a residential market perspective current weaknesses of the Aurora Downtown Market Area also exist, including:

- **Deteriorated Buildings:** Some buildings in Downtown are deteriorated and create an eyesore that could adversely affect the market appeal and overall impression of the area.
- **Limited Rent Potential:** The low market rents in Downtown limit the amount of acquisition and rehabilitation debt financing that could be used to improve Downtown buildings for commercial or residential use.
- **Limited Subsidy Funds:** Grants or low interest funding to assist owners and investors with financing residential improvements to Downtown buildings is very limited.
- **Available Housing:** The demand for housing in Downtown must compete with what appears to be an ample supply of available residential options in other parts of the community.

This Page Intentionally Left Blank

SECTION III

ECONOMIC PROFILE

OVERVIEW

The following section includes an analysis of the economy of the market area. The analysis will focus on employment by industry, major employers, area employment, unemployment, and labor force trends. MHDC has obtained economic information from the Missouri Department of Economic Development, Bureau of Labor Statistics, U.S. Census Bureau, and the Aurora, Chamber of Commerce.

Major Employers

Major Employers - Aurora, Missouri Area		
Employers	Type of Business	Employees
Ag Forte, LLC	Turkey Hatchery	350
Aurora R-8 Schools	Elementary & secondary education	300
Wal-Mart	Discount department store	250
St. John's Hospital Aurora	Acute care hospital	215
MWM Dexter	Commercial printer	120
TT Group, Inc.	Shoe manufacturing	100
Aurora Nursing Center	Elderly health care	95
Price Cutter Supermarket	Grocery chain	60
City of Aurora	Municipal government	60
AFB International	Dog food flavors	60
Luggage Works/Logo Solutions	Airline luggage/embroidery	45

Source: Aurora Chamber of Commerce

In addition to the jobs within the community, Aurora is located close to the major metropolitan areas of Springfield and Joplin, Missouri. Many residents of Aurora commute to those areas for employment.

The economy of Aurora was weakened by the departure of the Little Tykes manufacturing plant approximately seven years ago. The plant was a major employer with jobs that paid wages significantly higher than minimum wages.

Recent data compiled by the U.S. Bureau of Labor Statistics indicated that 49 of the 50 United States had a decline in manufacturing jobs from July 2008 to July 2009. During that period the State of Missouri is reported to have had a decline in manufacturing jobs of 28,100. The trend is expected to continue, so communities in Missouri like Aurora will need to try and attract different industries to remain economically competitive.

Employment Categories and Wages

Average Employment and Wages - Lawrence County, Missouri								
Industry	2007*		2006		2005		2004	
	Avg. Employment	Avg. Mthly. Wages						
11 - Agriculture, Etc.	351	\$2,099	347	\$2,011	344	\$2,066	357	\$2,012
21 - Mining	27	\$2,096	27	\$1,997	24	\$2,077	18	\$1,876
22 - Utilities	96	\$4,136	99	\$3,699	99	\$3,606	103	\$3,282
23 - Construction	440	\$2,490	434	\$2,371	434	\$2,367	433	\$2,276
31 - Manufacturing	1,400	\$2,923	1,359	\$2,785	1,343	\$2,576	1,357	\$2,440
42 - Wholesale trade	240	\$2,870	210	\$2,662	197	\$2,667	177	\$2,751
44 - Retail Trade	1389	\$2,131	1464	\$2,021	1429	\$2,024	1435	\$2,015
48 - Transportation and warehousing	611	\$3,055	614	\$2,906	596	\$2,820	531	\$2,583
51 - Information	118	\$2,262	131	\$2,079	127	\$1,920	122	\$1,786
52 - Finance & Ins.	186	\$2,876	207	\$2,667	203	\$2,607	213	\$2,680
53 - Real estate	73	\$1,318	90	\$1,320	88	\$1,198	84	\$1,314
54 - Professional and technical services	148	\$2,084	132	\$1,852	118	\$1,799	200	\$2,516
55 - Mgmt. (companies)	68	\$3,514	59	\$3,128	51	\$2,868	48	\$2,751
56 - Administrative, etc.	101	\$2,357	109	\$1,573	77	\$1,880	69	\$1,889
61 - Educational	1047	\$2,243	1012	\$2,115	1015	\$2,058	1001	\$2,008
62 - Health care, social	1331	\$2,170	1286	\$2,087	1226	\$2,053	1088	\$2,065
71 - Arts, etc.	25	\$1,203	25	\$1,179	24	\$1,353	15	\$1,545
72 - Accom. & food svcs	683	\$880	639	\$884	702	\$868	772	\$852
81 - Other services	179	\$1,646	172	\$1,640	165	\$1,619	164	\$1,624
Public Administration	270	\$2,073	248	\$2,000	246	\$1,985	234	\$1,943

*Information available to date
Source: U.S. Census Bureau

The largest employment trades in Lawrence County are manufacturing, retail, healthcare, and education. Average monthly wages for those trades in 2007 was \$2,923 for manufacturing, \$2,131 for retail trade, \$2,170 for healthcare, and \$2,243 for education.

Labor Force and Unemployment

Local Area Employment - Lawrence County, Missouri					
Year	Labor Force	Employment	Unemployment	Unemployment Rate	Missouri Unemployment Rate
2003	18,439	17,546	893	4.8%	5.6%
2004	18,619	17,727	892	4.8%	5.8%
2005	18,765	17,905	860	4.6%	5.4%
2006	19,192	18,454	738	3.8%	4.8%
2007	19,176	18,405	771	4.0%	5.0%
2008	19,174	18,257	917	4.8%	6.1%

Source: Department of Economic Development

The unemployment rate for Lawrence County has consistently been better than the state as a whole.

Commuting Patterns

Commuting Patterns						
State/County	Total Workers 16+ in 2000	Workers Commuting Outside Place of Residence 2000	Percent of Total Workers 2000	Percent of Total Workers 1990	Change 1990-2000 Number of Workers	Change 1990-2000 Percent of Workers
Missouri	2,629,296	877,655	33.4	31.2	146,250	2.2
Lawrence	15,679	7,368	47.0	40.3	2,123	6.7
Dade	3,392	1,475	43.5	39.3	274	4.1
Greene	119,180	8,320	7.0	6.2	2,097	0.8
Jasper	48,176	8,353	17.3	12.6	3,245	4.8
Barry	14,523	3,784	26.1	21.0	1,369	5.0
Newton	24,482	10,382	42.4	43.4	1,650	(0.9)
Christian	27,421	17,644	64.3	59.8	8,232	4.5

Source: Office of Social and Economic Data Analysis and U.S. Census Data

The table indicates that as of year 2000 approximately 47% of the residents of Lawrence County commuted outside of the County for employment. Most commute to the Springfield job market in nearby Greene County.

This Page Intentionally Left Blank

SECTION IV

DEMOGRAPHIC PROFILE

Population

Total Population						
Year	Aurora	Change %	Lawrence County	Change %	Missouri	Annual Change %
2000	7,014		35,204		5,595,211	
2009	7,523	7.3%	38,201	8.5%	5,870,906	4.9%
2014	7,839	4.2%	39,997	0.047014	6,053,252	3.1%

Source: Claritas, MHDC

The information in the table above shows that the populations of Aurora and Lawrence County have been increasing and are projected to continue increasing through 2014. This is a positive indicator of the probable need for additional housing units to serve the growing population.

Population by Age

Population By Age Group						
Aurora, Missouri						
Age Cohort	2000	Percent	2009	Percent	2014	Percent
0-20	2,189	31%	2,299	31%	2,436	31%
21-24	328	5%	331	4%	401	5%
25-34	864	12%	1,035	14%	939	12%
35-44	985	14%	944	13%	1,005	13%
45-54	738	11%	931	12%	941	12%
55-64	639	9%	670	9%	789	10%
65-74	575	8%	600	8%	581	7%
75-84	496	7%	461	6%	469	6%
85+	200	3%	252	3%	278	4%

Source: Claritas, MHDC

As demonstrated in the preceding chart, the population of Aurora is greatest in the 25-34 year age group during 2009, followed by the 35-44 year age group.

Average Age of Population

Total Population Average Age	
Aurora, Missouri	
Year	
2000	38.1
2009	38.2
2014	38.2

Source: Claritas

The table illustrates that the average age of the population remained about the same between 2000 and 2009 and is expected to remain the same between 2009 and 2014.

Average Age Comparison

Average Age Comparison 2000-2009			
Community	Population		Change (Years)
	2000	2009*	
Aurora	38.13	38.19	0.06
Carl Junction	34.51	36.27	1.76
Monett	37.84	37.13	-0.71
Republic	35.12	35.76	0.64
Webb City	34.91	34.63	-0.28

Source: Claritas

*Estimate

The average age of the population of Aurora is slightly higher than some of the neighboring communities.

Population by Gender

Population By Gender						
Aurora, Missouri						
Gender	2000	Percent	2009	Percent	2014	Percent
Male	3,286	47%	3,565	47%	3,736	48%
Female	3,728	53%	3,958	53%	4,103	52%

Source: Claritas, MHDC

The table illustrates that the past population gender distribution that included a majority of females is expected to remain the same through 2014.

Educational Attainment

Marital Status

2009 Est. Population Age 15+ by Marital Status		
Aurora, Missouri		
Type	Population	Percentage
Total, Never Married	950	12%
Married, Spouse present	3285	41%
Married, Spouse absent	297	4%
Widowed	522	6%
Divorced	760	9%
Males, Never Married	563	7%
Previously Married	381	5%
Females, Never Married	387	5%
Previously Married	901	11%

Source: Claritas

Total Households

Total Households				
Aurora, Missouri				
Year	Aurora	Change %	Lawrence County	Change %
2000	2,818		13,568	
2009	2,941	4.4%	14,652	8.0%
2014	3,022	2.8%	15,314	4.5%

Source: Claritas, MHDC

The number of households in Aurora increased slightly between 2000 and 2009 and the trend is expected to continue through 2014. Similar to the growth in population, this is an indicator of probable future housing needs.

Average Household Size

Average Household Size	
Aurora, Missouri	
Year	Average
2000	2.44
2009	2.50
2014	2.54

Source: Claritas

Households by Age of Householder

Households by Age of Householder						
Aurora, Missouri						
Age Cohort	2000	Percent	2009	Percent	2014	Percent
Under 25	188	7%	185	6%	213	7%
25-34	441	16%	513	17%	463	15%
35-44	539	19%	502	17%	527	17%
45-54	412	15%	502	17%	508	17%
55-64	388	14%	394	13%	461	15%
65-74	379	13%	383	13%	368	12%
75-84	346	12%	310	11%	315	10%
85+	125	4%	152	5%	167	6%

Source: Claritas, MHDC

Households by Size

Households By Size						
Aurora, Missouri						
Household Size	2000		2009		2014	
	Number	Percent	Number	Percent	Number	Percent
1 Person	839	29.8%	850	28.9%	859	28.4%
2 Persons	937	33.3%	956	32.5%	971	32.1%
3 Persons	419	14.9%	455	15.5%	476	15.8%
4 Persons	361	12.8%	375	12.8%	383	12.7%
5 Persons	161	5.7%	182	6.2%	194	6.4%
6 Persons	71	2.5%	82	2.8%	90	3.0%
7+ Persons	30	1.1%	41	1.4%	49	1.6%
Total	2,818	100%	2,941	100%	3,022	100%

Source: Claritas, MHDC

Household Type and Presence of Own Children

2009 Est. Household Type, Presence Own Children		
Aurora, Missouri		
Type	Households	Percentage
Single Male Householder	289	10%
Single Female Householder	561	19%
Married-Couple Family, own children	691	23%
Married-Couple Family, no own children	806	27%
Male Householder, own children	79	3%
Male Householder, no own children	40	1%
Female Householder, own children	206	7%
Female Householder, no own children	123	4%
Nonfamily, Male Householder	84	3%
Nonfamily, Female Householder	62	2%

Source: Claritas

Hispanic Households

Hispanic Households	
Aurora, Missouri	
Year	Number
2009	68
2014	84

Source: Claritas

The table indicates that the estimated number of Hispanic households in Aurora is relatively small and is not projected to increase significantly between 2009 and 2014.

Tenure By Occupancy of Housing Units

Tenure by Occupancy of Housing Units				
Aurora, Missouri				
Bedrooms	2000	%	2009	%
Owner Occ.	1902	68%	2017	69%
Renter Occ.	890	32%	924	31%

Source: Claritas

Tenure by Bedroom Size (Owner Occupied)

Tenure By Bedrooms (2000)		
Owner Occupied		
Aurora, Missouri		
Bedrooms	Households	Percentage
No BR.	-	0.0%
1	41	2.2%
2	499	26.2%
3	1,130	59.4%
4	215	11.3%
5 or more	17	0.9%

Source: U.S. Census Bureau

Tenure by Household Size (Renter Occupied)

Tenure By Bedrooms (2000)		
Renter Occupied		
Aurora, Missouri		
Bedrooms	Households	Percentage
No BR.	18	2.0%
1	287	32.2%
2	437	49.1%
3	129	14.5%
4	19	2.1%
5 or more	-	0.0%

Source: U.S. Census Bureau

Households by Income Distribution

Households by Income Distribution						
Aurora, Missouri						
Income Cohort	2000		2009		2014	
	Number	Percent	Number	Percent	Number	Percent
< than \$15,000	793	28.6%	643	21.9%	594	19.7%
\$15,000-\$24,999	587	21.2%	533	18.1%	499	16.5%
\$25,000-\$34,999	431	15.5%	434	14.8%	443	14.7%
\$35,000-\$49,999	458	16.5%	541	18.4%	531	17.6%
\$50,000-\$74,999	329	11.9%	495	16.8%	531	17.6%
\$75,000-\$99,999	102	3.7%	137	4.7%	216	7.1%
\$100,000-\$149,999	45	1.6%	114	3.9%	148	4.9%
\$150,000-\$249,999	22	0.8%	30	1.0%	44	1.5%
\$250,000-\$499,999	5	0.2%	12	0.4%	13	0.4%
\$500,000 +	0	0.0%	2	0.1%	3	0.1%
Total	2,772	100.0%	2,941	100.0%	3,022	100.0%

Source: Claritas, MHDC

The table indicates that in 2009 approximately 90% of the households in Aurora were estimated to have household incomes of less than \$75,000. Approximately 5% of households were estimated to have incomes between \$75,000 and \$100,000, and approximately 5% were estimated to have incomes in excess of \$100,000.

Gross Rent as a % of Monthly Household Income

Gross Rent as % of Monthly HH Income (1999)		
Aurora, Missouri		
Status	Number	Percentage
Less than 15 percent	150	17%
15 to 19 percent	87	10%
20 to 24 percent	102	11%
25 to 29 percent	115	13%
30 to 34 percent	95	11%
35 percent or more	235	26%
Not computed	106	12%

Source: U.S. Census Bureau

Approximately 26% of renter households in Aurora have a gross rent (rent+utilities) that exceeds 35% of their monthly household income.

Area Maximum Affordable Housing Income and Rents

Maximum Income and Rents for HOME and Housing Tax Credit Programs for Lawrence County												
2007 Median Income	Income %	Maximum Incomes						Maximum HOME/LIHTC Rents				
		Persons in Household						Bedroom Sizes				
		1	2	3	4	5	6	0Br	1Br	2Br	3Br	4Br
\$43,300	50%	15,950	18,250	20,500	22,800	24,600	26,450	398	427	512	592	661
	60%	19,140	21,900	24,600	27,360	29,520	31,740	478	513	615	711	793
								HUD Fair Market Rents				
								425	426	513	698	805

Source: HUD, IRS, MHDC

The table above illustrates the maximum income and rents for the HOME and Housing Tax Credit programs for Lawrence County.

Cost Burdened Households

Cost Burdened Households (2000) - Aurora, Missouri			
	Renter	Owner	Renter & Owner
Total	896	1,914	2,810
Cost Burdened >30%	33.8%	17.3%	22.6%
Severely Cost Burdened >50%	13.3%	5.9%	8.3%
Elderly 1 & 2 Persons	223	683	906
Cost Burdened >30%	28.7%	16.5%	220342.4%
Severely Cost Burdened >50%	9.0%	6.3%	216342.1%

Single Person Non-Elderly	285	140	425
Cost Burdened >30%	40.4%	42.9%	41.2%
Severely Cost Burdened >50%	19.3%	14.3%	17.7%
Small Fam 2-4 Persons	318	922	1,240
Cost Burdened >30%	29.6%	14.0%	166748.3%
Severely Cost Burdened >50%	13.8%	5.4%	161353.5%
Large Fam 5+ Persons	70	169	239
Cost Burdened >30%	42.9%	17.2%	24.7%
Severely Cost Burdened >50%	0.0%	0.0%	0.0%

Source: 2000 Chas Data

Cost Burdened Households (2000) - Missouri			
	Renter	Owner	Renter & Owner
Total			
Cost Burdened >30%	30.9%	16.7%	20.9%
Severely Cost Burdened >50%	14.8%	6.2%	8.8%
Elderly 1 & 2 Persons			
Cost Burdened >30%	39.4%	17.4%	22.0%
Severely Cost Burdened >50%	18.4%	7.3%	9.6%
Single Person Non-Elderly			
Cost Burdened >30%	31.5%	26.3%	29.2%
Severely Cost Burdened >50%	15.7%	10.6%	13.4%
Small Fam 2-4 Persons			
Cost Burdened >30%	27.1%	14.0%	17.2%
Severely Cost Burdened >50%	12.7%	4.6%	6.5%
Large Fam 5+ Persons			
Cost Burdened >30%	26.4%	15.7%	18.3%
Severely Cost Burdened >50%	12.6%	5.1%	6.9%

Source: 2000 Chas Data

The Aurora Cost Burdened table indicates that approximately 15% of all renter households in Aurora were severely rent burdened in 2000. The severely rent burdened rate for all renter households in Missouri for the same period was about the same. The most severely cost burdened renter groups in Aurora appear to be elderly households at 18.4%.

Migration Patterns

Following are tables that show the migration patterns into and out of Lawrence County and the net migration totals between 2004 and 2007.

Gross Annual Household In-Migration								
Lawrence County, Missouri								
County of Origin	2007		2006		2005		2004	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Total In-Migration	937	100%	985	100%	867	100%	923	100%
Total In-Migration Same State	709	76%	727	74%	631	73%	688	75%
Total In-Migration Out of State	228	24%	258	26%	236	27%	235	25%
Greene County	268	29%	236	24%	200	23%	200	22%
Barry County	126	13%	141	14%	142	16%	174	19%
Jasper County	62	7%	86	9%	63	7%	58	6%
Christian County	61	7%	60	6%	50	6%	71	8%
Stone County	29	3%	26	3%	28	3%	33	4%
Newton County	25	3%	29	3%	24	3%	34	4%
Jackson County	15	2%	10	1%	9	1%	14	2%
Dade County	14	1%	24	2%	11	1%	10	1%
Benton County, Ark	10	1%	6	1%	5	1%	11	1%
All Other Counties	327	35%	367	37%	335	39%	318	34%

Source: Internal Revenue Service

Gross Annual Household Out-Migration								
Lawrence County, Missouri								
Destination County	2007		2006		2005		2004	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Total Out-Migration	961	100%	1,016	100%	923	100%	920	100%
Total Out-Migration Same State	624	65%	656	65%	614	67%	634	69%
Total Out-Migration Out of State	337	35%	360	35%	309	33%	286	31%
Greene County	164	17%	197	19%	164	18%	168	18%
Barry County	169	18%	159	16%	179	19%	167	18%
Jasper County	52	5%	52	5%	46	5%	53	6%
Christian County	43	4%	53	5%	33	4%	55	6%
Stone County	34	4%	28	3%	24	3%	25	3%
Newton County	31	3%	24	2%	30	3%	32	3%
Jackson County	10	1%	9	1%	14	2%	9	1%
Dade County	15	2%	15	1%	15	2%	18	2%
Benton County, Ark	18	2%	12	1%	8	1%	9	1%
All Other Counties	425	44%	467	46%	410	44%	384	42%

Source: Internal Revenue Service

Net Annual Household Migration				
Lawrence County, Missouri				
County	2007 Number	2006 Number	2005 Number	2004 Number
Greene County	104	39	36	32
Barry County	-43	-18	-37	7
Jasper County	10	34	17	5
Christian County	18	7	17	16
Stone County	-5	-2	4	8
Newton County	-6	5	-6	2
Jackson County	5	1	-5	5
Dade County	-1	9	-4	-8
Benton County, Ark	-8	-6	-3	2
All Other Counties	-98	-100	-75	-66
Net Migration	-24	-31	-56	3

Source: Internal Revenue Service

The migration tables indicate that from 2004 to 2007 Lawrence County attracted around 900 new households, but in the latest three years of that period had a negative net migration record. It is interesting to note that for at least the last four years Lawrence County has gained more households from Greene, Jasper, and Christian Counties than it has lost to those counties.

Units in Structure

Units in Structure (2000)		
Aurora, Missouri		
Type	Number	Percentage
1, detached	2,378	77.7%
1, attached	32	1.0%
2	112	3.7%
3 or 4	187	6.1%
5 to 9	53	1.7%
10 to 19	-	0.0%
20 or more	58	1.9%
Mobile Home	240	7.8%
Total	3,060	100.0%

Source: U.S. Census Bureau

Year Structure Built

Year Structure Built (2000)		
Aurora, Missouri		
Year	Number	Percentage
1999 to March 2000	35	1.1%
1995 to 1998	236	7.7%
1990 to 1994	130	4.2%
1980 to 1989	405	13.2%
1970 to 1979	505	16.5%
1960 to 1969	365	11.9%
1950 to 1959	746	24.4%
1939 or earlier	638	20.8%

Source: U.S. Census Bureau

Building Permits

Building Permits - Aurora, Missouri				
Units in Bldg.	Units			
	2008	2007	2006	2005
1	4	19	25	18
2	0	0	0	4
3 to 4	0	0	0	0
5 +	0	0	0	0
Total	4	19	25	22

Source: US Census Bureau

This Page Intentionally Left Blank

SECTION V

REVIEW OF PREVIOUS DOWNTOWN HOUSING MARKET STUDIES

The City of Aurora has a Comprehensive Plan dated May 21, 2002. Although the Comprehensive Plan was not focused on Downtown it does indicate that the City should encourage the adaptive reuse of vacant or underutilized commercial structures Downtown and encourage historic preservation in Downtown.

This Page Intentionally Left Blank

SECTION VI

EXISTING HOUSING

DOWNTOWN HOUSING

Downtown is surrounded by residential land uses to the east, west, and south. The railroad tracks border Downtown on the north side. Within the DREAM Boundary, the blocks along the east side are predominately improved with single family homes. There are a few single family homes in other parts of the DREAM Boundary, but the largest concentration is along the east side that borders Elliott Avenue.

In addition to the single family homes, there is a small amount of residential space on the upper floors of some of the commercial buildings along Madison Avenue and Olive Street in Downtown. This space is primarily occupied by owners of the buildings.

A large amount of upper floor space is vacant or used for storage. The loft style apartment market that has helped to revive downtowns in many larger cities has been slow to form in smaller communities like Aurora, where the downtown does not have a significant cluster of employers, or entertainment and dining venues.

The footprint of the DREAM Downtown Revitalization Area has a cluster of single family homes on the east side. In addition to those homes there are also a few other single family homes scattered on the west side of the DREAM area. Most of the homes in the downtown area appear to be in average condition, but some are in fair to poor condition.

SINGLE FAMILY HOUSING

Presently the single family housing market in Aurora is slow, which is similar to markets in other parts of Missouri and the United States. Before the slow down, Aurora was a fairly active market, which is evidenced by the new homes that have been built in some of the new subdivisions in the city.

There are currently 218 single family properties currently listed for sale in the Aurora Area Multiple Listing Service. They range from an asking price of around \$20,000 to as high as \$400,000. Single family homes listed near Downtown have asking prices within a range of \$50,000 to \$110,000.

MARKET RATE RENTAL HOUSING

A survey was made of market rate rental housing options in Aurora. Following are a few of the housing options that are representative of the unsubsidized rental housing options in Aurora. In order to protect the privacy of the owners, only basic information regarding the developments can be provided.



Pin Oaks Apartments
U.S. Highway 60 and Bus. Highway 60
Aurora, Missouri
417-229-2871
40 units

Oak Knoll Apartments
South Street and Oak Knoll Drive
Aurora, Missouri
417-224-2213
36-2Br units





Colonial Village Apartments
Church and Lakeview Drive
417-678-5462
Aurora, Missouri
20 units

504 W. Church
Aurora, Missouri
417-440-0161
6-2Br units



Tiffany Court Apartments
1221 S. Park
Aurora, Missouri
417-380-2083



J & B Apartments
510 Madison
Aurora, Missouri
417-678-6357

Unnamed Apartments
Fogle Drive
Aurora, Missouri
417-887-7348



Griffith Townhomes
810 Griffith Street
Aurora, Missouri
417-489-0879
8-2Br units

Typical Rent Range

Typical rent ranges for market rate rental units were approximately \$300 to \$400 for one-bedroom units and \$350 to \$550 for two-bedroom units. There were very few three bedroom units in apartment buildings. Most of the large family units are single family home rentals that generally rent within a range of \$450-\$750, depending on size, condition, and location.

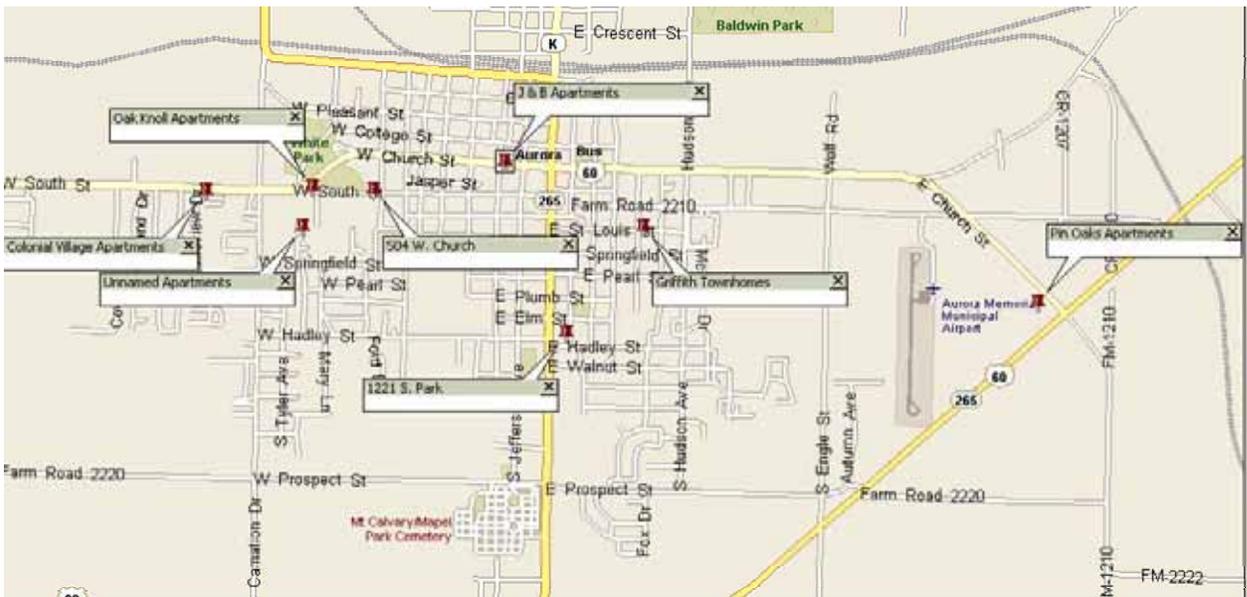
Occupancy

The market rate rental market in Aurora is reported to be soft at this time. Many rental developments are reporting higher than normal vacancies, which have been attributed to the loss of jobs in the area and the increase in the cost of fuel. Many individuals that commuted to other areas for employment have chosen to move out of Aurora to be closer to their jobs.

Under Construction/Consideration

The surveyor is not aware of any new market rate rental developments that are under construction or under consideration.

Following is a map of the location of the surveyed market rate developments in Aurora:



SENIOR AFFORDABLE RENTAL HOUSING

A survey was made of senior affordable rental housing options in Aurora. Following is basic information regarding the developments:



Aloha Apartments
111 W. Springfield
Aurora, Missouri
417-678-5919
31 Units
Rent is Income Based
Good occupancy
Aurora Housing Authority Units

Lincoln Estates Apartments
401 W. Hadley
Aurora, Missouri
417-678-5919
28-1Br Units
Rent is Income Based
100% Occupancy
Waiting list



Allgeier Manor Apartments
501 W. Hadley
Aurora, Missouri
417-678-5600
48-1Br Units
Rents are Income Based
Good Occupancy

Following is a map of the location of the affordable senior rental developments in Aurora:



Typical Rent Range

The amount of the tenant portion of rent for most of the affordable senior units in Aurora is limited to 30% of household income. The remaining portion is a project based rent subsidy.

Occupancy

All of the affordable senior housing developments are reported to have good occupancy and in some cases waiting lists.

Under Construction/Consideration

The surveyor is not aware of any new affordable senior housing units that are under construction or under consideration.

FAMILY AFFORDABLE RENTAL HOUSING

A survey was made of affordable family rental housing options in Aurora. Following is basic information regarding the developments:



Aurora Heights Apartments
1100 Highland
Aurora, Missouri
417-678-3771
36 Units
28-2Br units @ \$395
8-3Br units @ \$445
80-85% Occupancy

Sycamore South Apartments
30 E. Chestnut
Aurora, Missouri
417-255-9556
20 Units
8-1Br Units @ \$365
12-2Br Units @ \$465
Rents are Rural Development Basic Rents
Good Occupancy



Oak Ridge Apartments
Public Housing Family Units
Springfield & Oak Ridge Streets
Aurora, Missouri
417-678-5437
33 units
Good Occupancy

Typical Rent Range

Some of the affordable family rental developments have rent subsidy, where tenants are required to pay at least 30% of their income and the rent subsidy makes up the difference. All of the units at the Aurora Housing Authority development are rent subsidized. Aurora Heights Apartments is not rent subsidized, so it provides a good idea of the rent that a lower income household can afford to pay.

Occupancy

All of the affordable family developments in Aurora with rent subsidy have good occupancy. Aurora Heights Apartments, which is not rent-subsidized, was reported to have some vacancies.

Under Construction/Consideration

The analyst is unaware of any affordable housing family apartments that are currently under construction or consideration.

Following is a map of the location of the affordable family rental developments in Aurora:



This Page Intentionally Left Blank

SECTION VII

IDENTIFICATION OF PRIMARY AND SECONDARY MARKET AREAS

The Primary Market Area is the area from which the majority of market demand for Downtown housing in Aurora is expected to be drawn. This is an area that extends from the outer boundaries of Downtown and includes nearby communities and rural areas where households would consider available housing options in Downtown Aurora. After surveying the area and taking into consideration the opinions of local market participants, it is the opinion of the analyst that the Primary Market Area of the Aurora Downtown Housing Market is all of the City of Aurora and an area that extends approximately 10 miles around the City of Aurora.

PRIMARY MARKET AREA

The following map shows the area that is considered to be the Primary Market Area for purposes of this report.



SECONDARY MARKET AREA

The Secondary Market Area of Aurora is the area surrounding the Primary Market Area that also contains households that could be attracted to residential housing in Downtown Aurora. The number of households in this Secondary Market Area will be significantly less than the Primary Market Area, but will still make up part of the overall housing demand and should be considered. The Secondary Market Area extends around Aurora for a radius of approximately 30 miles.

The following map shows the area that is considered to be the Secondary Market Area for purposes of this report.



SECTION VIII

POTENTIAL RESIDENTIAL DOWNTOWN HOUSING DEMAND

OVERVIEW

The purpose of this study is to determine if residential development would benefit Downtown revitalization efforts in Aurora. Aspects of residential demand such as the household type(s) that would comprise the likely residential market for Downtown housing, the type of housing that could be in demand, and the estimated households from the overall market that can be captured for residential units in Downtown are considered.

Many older Downtowns have suffered from urban sprawl as new apartments, residential subdivisions, shopping centers and commercial strip malls have been developed outside of the central business district. As tenant and homeowner households, and business consumers became attracted to the housing and shopping destinations outside of Downtown, the housing and retail demand in Downtowns across the country decreased dramatically. The result in many cases has been empty and underutilized buildings. This appears to be the case in Aurora. Although much of the Downtown space is occupied with businesses and a very small number of residential units on the upper floors of the Downtown commercial buildings, there is a significant amount of space that is currently vacant.

Would additional residential units complement the efforts to revitalize Downtown?

In many urban communities across the country the revitalization of Downtowns has involved an increase in the population of permanent residents. Permanent residents provide a neighborhood energy that has many positive social and economic benefits. High density Downtowns promotes greater interaction as people are more likely to take advantage of the walkable urbanity that the Downtown offers. It can offer a quality of life not found in other areas of the community, especially if the area offers a concentrated mix of dining, entertainment, and retail venues. From an economic point of view an increase in the population of Downtown can provide a dedicated customer base for existing and new businesses. It can have a positive impact on the demand, value, and consequently the tax base, of real estate. It can motivate existing property owners to improve their property and cure some of the eyesores that are vacant or deteriorated buildings.

Smaller communities like Aurora should also benefit from an increase in the permanent Downtown population. The results may not be as dramatic as in a larger community, but any increase in the permanent population should make a positive contribution to Downtown revitalization efforts.

What types of housing should be considered in the Aurora Downtown Market Area?

When thinking about the impact of demographic structures and changes in housing demand, it is important to watch trends with respect to four critical age groups, which tend to represent the major stages of a household's life cycle:

- 18-24:- includes the largest tenant group, which are young individuals and couples that have recently left their parents home to start their adult lives, demanding low frills and low cost rental housing in single family units or apartments
- 25-34:- includes mostly young, married households, generally with children, demanding rental housing or home ownership units
- 35-54:- encompasses maturing (move-up) families, demanding mostly owner-occupied housing and larger, higher-quality, single family units, depending on income (this is referred to as the full-nest stage)
- 55 and older:- includes older households with no children, demanding mostly owner-occupied housing and smaller, single family units, condominiums, or apartments, depending on income (this is referred to as the empty-nest stage)

The type of housing units that should be added to the housing inventory in Downtown Aurora that should complement revitalization efforts should be units that will be marketable to households with no children. Generally those types of households would be young individuals and couples and senior households. Because of the weakness of the local real estate and rental market and the difficulty of building or rehabilitating residential space in Downtown that would be affordable and profitable, the only type of housing that may be feasible in Downtown may be affordable senior rental housing.

In Aurora, the only type of housing that appears to have strong market demand and a possible need for additional units is affordable senior housing. All of the existing affordable senior housing developments are at full occupancy and in some cases waiting lists. Another consideration is that the existing affordable senior developments have very few two-bedroom units for seniors. The strong demand coupled with the availability of subsidized financing programs and vacant building space in Downtown makes affordable senior housing production a feasible option.

The introduction of affordable senior housing in Downtown could be a catalyst for other types of residential development in Downtown and an inducement for new businesses to serve the growing Downtown neighborhood.

Where are the households that form the potential market for housing in the Aurora Downtown Market Area likely to come from?

The demand for units in Downtown will come from households that live in and around the City, some of which are presently residing in housing that may be in substandard condition, or more expensive than they can easily afford. Demand may also come from households with larger housing than they want at this stage in their life or from households that are attracted to newer loft-style rental apartments that will be unique to Downtown.

What is the estimated number of households that could create residential household demand in the Aurora Downtown Market Area?

In order to estimate the number of households that could create residential housing demand in the Aurora Downtown Market Area it will first be necessary to estimate demand for the Aurora residential market as a whole. The next step is to apply a Downtown capture rate to the total number of households that form the Aurora residential demand. The Downtown capture rate represents the percentage of households in the Aurora residential market that could create the residential demand in the Downtown Market Area.

Claritas, Inc., a leading national demographic data provider, working with another company, Ribbon Demographics, has recently developed a unique data product that is designed specifically for housing analysis. The product is called HISTA. HISTA breaks households down by income, size, tenure and broad age groups. It is a custom four-way cross tabulation of household data; not extrapolations of SF3 data and eliminates the need for the analyst to perform various extrapolation steps, which is not as accurate as cross tabulation.

On the following pages are HISTA (Households by Income, Size, Tenure, and Age) tables for the Primary Market Area, which includes the City of Aurora and an area that extends approximately 10 miles around Aurora.

Owner and Renter Households 2009

Owner Households Under Age 55 Years Current Year Estimates - 2009						
	1-Person Household	2-Person Household	3-Person Household	4-Person Household	5+-Person Household	Total
\$0-10,000	95	121	34	36	28	314
\$10,000-20,000	197	151	83	116	51	598
\$20,000-30,000	240	276	188	161	146	1,011
\$30,000-40,000	145	352	277	270	246	1,290
\$40,000-50,000	99	370	403	402	288	1,562
\$50,000-60,000	0	271	297	368	255	1,191
\$60,000+	133	877	889	990	482	3,371
Total	909	2,418	2,171	2,343	1,496	9,337

Owner Households Aged 55-61 Years Current Year Estimates - 2009						
	1-Person Household	2-Person Household	3-Person Household	4-Person Household	5+-Person Household	Total
\$0-10,000	101	48	4	5	10	168
\$10,000-20,000	67	100	17	20	4	208
\$20,000-30,000	76	148	22	9	15	270
\$30,000-40,000	34	234	57	9	13	347
\$40,000-50,000	39	231	22	29	5	326
\$50,000-60,000	14	193	49	7	4	267
\$60,000+	44	641	113	70	46	914
Total	375	1,595	284	149	97	2,500

Owner Households Aged 62+ Years Current Year Estimates - 2009						
	1-Person Household	2-Person Household	3-Person Household	4-Person Household	5+-Person Household	Total
\$0-10,000	479	81	7	0	5	572
\$10,000-20,000	683	460	28	2	2	1,175
\$20,000-30,000	447	670	70	5	5	1,197
\$30,000-40,000	194	638	83	5	8	928
\$40,000-50,000	81	438	108	9	13	649
\$50,000-60,000	53	311	118	8	26	516
\$60,000+	251	686	128	18	18	1,101
Total	2,188	3,284	542	47	77	6,138

Renter Households Under Age 55 Years Current Year Estimates - 2009						
	1-Person Household	2-Person Household	3-Person Household	4-Person Household	5+-Person Household	Total
\$0-10,000	320	141	105	67	90	723
\$10,000-20,000	409	167	152	94	107	929
\$20,000-30,000	278	207	200	168	73	926
\$30,000-40,000	87	150	121	122	110	590
\$40,000-50,000	38	96	152	92	74	452
\$50,000-60,000	31	91	49	28	42	241
\$60,000+	57	160	98	116	90	521
Total	1,220	1,012	877	687	586	4,382

Renter Households Aged 55-61 Years <i>Current Year Estimates - 2009</i>						
	1-Person Household	2-Person Household	3-Person Household	4-Person Household	5+-Person Household	Total
\$0-10,000	70	23	2	0	0	95
\$10,000-20,000	80	8	5	3	0	96
\$20,000-30,000	22	15	12	0	0	49
\$30,000-40,000	13	4	2	6	4	29
\$40,000-50,000	0	13	6	0	0	19
\$50,000-60,000	0	39	0	0	0	39
\$60,000+	24	16	7	0	5	52
Total	209	118	34	9	9	379

Renter Households Aged 62+ Years <i>Current Year Estimates - 2009</i>						
	1-Person Household	2-Person Household	3-Person Household	4-Person Household	5+-Person Household	Total
\$0-10,000	406	37	3	0	0	446
\$10,000-20,000	198	81	3	6	0	288
\$20,000-30,000	74	52	0	0	0	126
\$30,000-40,000	21	39	0	13	4	77
\$40,000-50,000	22	23	21	0	5	71
\$50,000-60,000	11	0	0	0	0	11
\$60,000+	51	18	0	0	0	69
Total	783	250	27	19	9	1,088

Owner and Renter Households 2014

Owner Households Under Age 55 Years <i>Five Year Projections - 2014</i>						
	1-Person Household	2-Person Household	3-Person Household	4-Person Household	5+-Person Household	Total
\$0-10,000	86	96	28	29	22	261
\$10,000-20,000	169	116	66	96	40	487
\$20,000-30,000	211	218	152	134	120	835
\$30,000-40,000	142	298	249	246	221	1,156
\$40,000-50,000	100	304	346	358	258	1,366
\$50,000-60,000	0	272	312	397	284	1,265
\$60,000+	172	995	1,051	1,188	576	3,982
Total	880	2,299	2,204	2,448	1,521	9,352

Owner Households Aged 55-61 Years Five Year Projections - 2014						
	1-Person Household	2-Person Household	3-Person Household	4-Person Household	5+-Person Household	Total
\$0-10,000	104	49	4	5	9	171
\$10,000-20,000	70	85	18	18	3	194
\$20,000-30,000	84	141	24	7	17	273
\$30,000-40,000	32	216	49	6	10	313
\$40,000-50,000	59	240	28	31	5	363
\$50,000-60,000	19	184	66	13	8	290
\$60,000+	56	812	150	96	61	1,175
Total	424	1,727	339	176	113	2,779

Owner Households Aged 62+ Years Five Year Projections - 2014						
	1-Person Household	2-Person Household	3-Person Household	4-Person Household	5+-Person Household	Total
\$0-10,000	443	67	6	0	4	520
\$10,000-20,000	649	385	23	2	2	1,061
\$20,000-30,000	498	673	73	6	6	1,256
\$30,000-40,000	226	670	91	7	8	1,002
\$40,000-50,000	98	484	118	6	15	721
\$50,000-60,000	67	374	137	7	34	619
\$60,000+	382	926	182	26	26	1,542
Total	2,363	3,579	630	54	95	6,721

Renter Households Under Age 55 Years Five Year Projections - 2014						
	1-Person Household	2-Person Household	3-Person Household	4-Person Household	5+-Person Household	Total
\$0-10,000	326	130	99	66	83	704
\$10,000-20,000	397	145	140	85	95	862
\$20,000-30,000	274	177	181	150	65	847
\$30,000-40,000	97	147	123	125	113	605
\$40,000-50,000	42	89	145	92	76	444
\$50,000-60,000	34	112	57	32	58	293
\$60,000+	79	195	132	154	116	676
Total	1,249	995	877	704	606	4,431

Renter Households Aged 55-61 Years <i>Five Year Projections - 2014</i>						
	1-Person Household	2-Person Household	3-Person Household	4-Person Household	5+-Person Household	Total
\$0-10,000	75	22	2	0	0	99
\$10,000-20,000	93	8	6	4	0	111
\$20,000-30,000	27	16	13	0	0	56
\$30,000-40,000	14	4	2	6	6	32
\$40,000-50,000	0	13	5	0	0	18
\$50,000-60,000	0	42	0	0	0	42
\$60,000+	37	23	9	0	10	79
Total	246	128	37	10	16	437

Renter Households Aged 62+ Years <i>Five Year Projections - 2014</i>						
	1-Person Household	2-Person Household	3-Person Household	4-Person Household	5+-Person Household	Total
\$0-10,000	417	34	3	0	0	454
\$10,000-20,000	208	73	3	5	0	289
\$20,000-30,000	93	61	0	0	0	154
\$30,000-40,000	30	40	0	17	4	91
\$40,000-50,000	31	29	21	0	6	87
\$50,000-60,000	19	0	0	0	0	19
\$60,000+	82	28	0	0	0	110
Total	880	265	27	22	10	1,204

HOME OWNERSHIP HOUSING DEMAND ANALYSIS

The purpose of this analysis is to quantify the potential homeownership demand in Downtown Aurora over the next few years. Generally the demand for homeownership in reviving Downtowns follows a period of time in which renter households reestablish the area as a desirable place to live by creating a rental market. Once the area proves itself to be a desirable and safe place to live it attracts households with desire and the ability to make a long-term investment.

In the case of Aurora, the Downtown home ownership market for loft-style condos and townhouses has not yet developed, and may never develop. Some of the things that make home ownership of loft-style condos popular in larger urban communities are not present in smaller communities like Aurora. Larger urban communities generally have a significant number of jobs still within the central business district and a large variety of eating, drinking, and entertainment venues. Aurora also seems to have many affordable single family homes in desirable neighborhoods that would strongly compete with Downtown loft-style condos.

Another factor regarding homeownership demand in Downtown that must be considered is the nationwide downturn in housing, which has adversely affected property values and limited mortgage financing options for prospective homebuyers. For the above reasons no home ownership demand analyses was prepared for Downtown.

MARKET RATE RENTAL HOUSING DEMAND ANALYSIS

The purpose of this analysis is to quantify the potential market rate rental housing demand in Downtown Aurora over the next few years. At the present time it is the opinion of the analyst that additional market rate rental units (new construction or upper floor rehabs) probably would not be economically feasible due to the limited market demand, and the lack of subsidy that could make the repairs and rents affordable. For those reasons no Market Rate Rental Housing Demand Analysis was prepared for Downtown.

AFFORDABLE FAMILY RENTAL HOUSING DEMAND ANALYSIS

The purpose of this analysis is to quantify the potential affordable family rental housing demand in Downtown Aurora over the next few years. In many downtowns in the midst of a revitalization process, rental housing can start the repopulation of the area by offering housing options to the pioneering households. In many unproven markets affordable rental housing is one of the first types of new housing that is developed because the various subsidy programs help to ensure project feasibility in risky markets.

In the case of Aurora, it appears that the market for affordable family units that are not rent subsidized is soft. The addition of more affordable family units would be a risky endeavor and would further weaken the occupancy of the existing affordable housing developments. For that reason no Affordable Family Rental Housing Demand Analysis was prepared for Downtown.

AFFORDABLE SENIOR RENTAL HOUSING DEMAND ANALYSIS

The purpose of this analysis is to quantify the potential affordable senior rental housing demand in Downtown Aurora over the next few years. As noted earlier, in many downtowns in the midst of a revitalization process, rental housing can start the repopulation of the area by offering housing options to the pioneering households. In many unproven markets affordable rental housing is one of the first types of new housing that is developed because the various subsidy programs help to ensure project feasibility in risky markets.

In the case of Aurora, good quality, affordable, senior housing units could complement Downtown revitalization efforts by adding consumers to the market and curing some of the vacant, dilapidated building space in Downtown.

Following is the quantitative analysis of the Affordable Senior Rental Household Demand and an explanation of the process used in the analysis:

Affordable Senior Rental Potential Demand Analysis		
PMA Qualified Household Demand (2009)		1BR/2BR
1	Gross Rent (includes utility costs paid by tenants)	\$ 450
2	Percentage of Income to Housing	50%
3	Minimum Income (Affordability)	\$ 10,800
4	Maximum Income (Tax Credit Limit)	\$ 21,900
5	Appropriate Sized, Income Qualified, Renter Households, Age 62+ (2009)	272
6	Percentage of Existing Senior Renter Households Likely to Move if New Affordable Housing Were Available	10%
7	Number of Existing Senior Renter Households Likely to Move if New Affordable Housing Were Available	27
8	Appropriate Sized, Income Qualified, <u>Owner</u> Households, Age 62+ (2009)	1,229
9	Percentage of Existing Senior <u>Owner</u> Households Likely to Move if New Affordable Rental Housing Were Available	5%
10	Number of Existing Senior <u>Owner</u> Households Likely to Move If New Affordable Rental Housing Were Available	61
11	PMA Qualified Household Demand (2009)	89
12	SMA Qualified Household Demand (2009)	18
13	PMA and SMA Affordable Senior Housing Potential Hsld Demand (2009)	106
PMA Projected Qualified Household Growth 2009-2014		1BR/2BR
14	Gross Rent (includes utility costs paid by tenants)	\$ 497
15	Percentage of Income to Housing	50%
16	Minimum Income (Affordability)	\$ 11,923
17	Maximum Income (Tax Credit Limit)	\$ 24,178
18	Appropriate Sized, Income Qualified, Renter Households, Age 62+ (2014)	293
19	Percentage of Projected Senior Renter Households Likely to Move if New Affordable Housing Were Available	10%
	Number of Projected Senior Renter Households Likely to Move if	

20	New Affordable Housing Were Available	29
21	Appropriate Sized, Income Qualified, <i>Owner Households, Age 62+ (2014)</i>	1,330
22	Percentage of Projected Senior <i>Owner</i> Households Likely to Move if New Affordable Rental Housing Were Available	5%
23	Number of Projected Senior <i>Owner</i> Households Likely to Move If New Affordable Rental Housing Were Available	67
24	PMA Qualified Household Demand (2014)	96
25	SMA Qualified Household Demand (2014)	19
26	PMA and SMA Affordable Senior Housing Potential Hsld Demand (2014)	115
27	PMA and SMA Qualified Household Growth/Decline (2009-2014)	9
28	Aurora Affordable Senior Rental Potential Demand	108
29	Downtown Aurora Market Area Capture Rate	40%
30	Downtown Market Area Affordable Senior Rental Potential Demand	43

Line 11 is a current estimate (2009) of the total number of existing senior households that forms the potential senior rental housing demand from the Primary Market Area. The estimate was determined by considering the gross market rents (including utility costs), the level of income to housing costs, the maximum tax credit income limits, the estimated annual turnover rate of existing senior renter households, estimated interest from senior homeowner households, and the HISTA data.

Line 12 is a current estimate of the total number of existing senior households that form the potential affordable rental housing demand from the Secondary Market Area. The estimate was made by considering that 15% to 20% of the demand for most rental housing developments typically comes from the Secondary Market Area.

Line 13 is an estimate of the potential affordable senior rental housing demand from households in the market areas in 2009.

Line 24 is a projection (2014) of the total number of existing senior households that form the potential senior rental housing demand from the Primary Market Area. The projection was determined by considering the gross market rents (including utility costs), the level of income to housing costs, the maximum tax credit income limits, the estimated annual turnover rate of existing senior renter households, estimated interest from senior homeowner households, and the HISTA data.

Line 25 is a projection of the total number of existing senior households that form the potential affordable rental housing demand from the Secondary Market Area. The projection was made by considering that 15% to 20% of the demand for most rental housing developments typically comes from the Secondary Market Area.

Line 26 is a projection of the potential affordable senior rental housing demand from households in the market areas in 2014.

Line 27 is a projection of qualified household growth/decline between 2009 and 2014.

Line 28 is an annual projection of the number of qualified senior households that are expected to be in the market area between 2009 and 2014 that could be attracted to affordable senior rental units in the Aurora market area.

Line 29 is the estimated capture rate for the Downtown market area. It is an estimate of the percentage of qualified senior households in the market areas that would consider affordable rental units in the Downtown market area by bedroom size. Because the occupancy levels at the existing affordable senior developments in Aurora is strong it is reasonable to assume that any new, high quality senior affordable units that would become available in the Aurora market, and in particular Downtown, should be able to capture a significant portion of the available household demand.

Line 30 is a projection of the number of qualified senior households that are expected to be in the market areas between 2009 and 2014 that could be attracted to affordable senior rental units in Downtown Aurora. This is a point-in-time estimate and could change based on fluctuations in the affordable senior housing supply and demand.

Affordable Senior Rental Housing

<u>Bedroom Size.....</u>	<u>Potential Household Demand</u>
One Bedroom	13
Two Bedrooms	<u>30</u>
Total	43*

The conclusion of the quantitative analyses is that approximately 43 households could conservatively be estimated to form the household demand for new rental units in Downtown for affordable senior housing.

This Page Intentionally Left Blank

SECTION IX

DOWNTOWN RESIDENTIAL IMPLEMENTATION STRATEGY

Strategies and financial programs to consider in order to implementing Downtown residential development include:

- Plan for a multifunctional Downtown in which housing complements other uses, such as employment, shopping, culture, entertainment, government, and possibly tourism.
- Identify and give high priority to catalyst projects that have the ability to energize or raise the awareness level of Downtown.
- In order to development residential momentum in Downtown, early focus should be on the production of quality rental units.
- Identify available building and land space that could accommodate new residential units in Downtown and consult with the owners regarding their plans for the use, improvement, or sale of the building or land. The upper floors of many of the buildings in Downtown Aurora have the potential to be converted into unique rental housing space.
- Identify builders, developers, and investors that would be willing to produce or improve residential space in Downtown. Request developer lists from agencies like Missouri Housing Development Commission. Contact companies in the development industry and make them aware of opportunities that may exist to produce housing in Downtown Aurora.
- Encourage building designs and improvements that are comparable and complimentary to the existing architectural building designs in Downtown.
- Review applicable zoning and building codes to ensure they do not present barriers to Downtown residential development.
- Provide technical assistance and financial incentives where possible to support Downtown residential development. The proposed Downtown revolving loan program to assist owners with repairs to their buildings is a good example of the types of initiatives the community may have to implement to make improvements financially feasible. Consideration should also be given to seeking historic designations to buildings in Downtown whereby much needed historic tax credits would be made available to help finance development costs.
- Identify and try to mitigate all adverse conditions, such as lack of parking, traffic patterns, and vacant feel to buildings that may adversely affect the Downtown residential market.
- Encourage existing property owners in Downtown to properly maintain their property through code enforcement.
- Implement Downtown beautification programs and consider improvements that would help to increase visitor appeal. This could include sidewalk repair, planter boxes, new ornamental street lights, building murals, and decorative trash receptacles.
- Attract commercial businesses to Downtown that serve residents and visitors needs.

In order to fund larger developments or more expensive historic renovation projects it may be necessary to utilize various government subsidy and incentive programs. Financial programs and incentives that could help to produce Downtown residential housing include:

- Historic Federal and State Tax Credit – These are one time federal and state tax credits that help to raise development equity through the sale of the tax credits to investors.
- Federal and State Affordable Housing Tax Credit – These are 10 year federal and state tax credits that help to raise development equity through the sale of tax credits to investors for affordable housing developments.
- Federal and State New Markets Tax Credit – This is a federal and state tax program that was intended to increase businesses and jobs in areas of low income concentration.
- Missouri Housing Development Commission Multifamily Loan Programs – The Commission administers both federal and state funds that can be used as loans or grants for the production of affordable housing.
- Hope VI Main Street Grants – This is a HUD administered grant program specifically designed to foster residential production in Downtown areas. Initial tenants must be low income, but subsequent tenants can be non-low income.
- 353 Property Tax Abatement – This is a 25 year tax abatement program that reduces the property taxes over a 25 year period for developments located in blighted areas.
- Tax Increment Financing – This program allow for the future real property taxes generated by a new development to be used to help to retire the debt required to finance the improvement.
- Brownfield Redevelopment Program – Is intended to provide incentives for the redevelopment of commercial/industrial sites that may have contamination caused by hazardous substances.
- Community Development Block Grant Program (CDBG) – This is a grant program to local communities to improve local facilities and to develop greater capacity for growth.
- Community Development Corporation (CDC) Grant Program – This is a state program where the Department of Economic Development will issue grants to a CDC to cover expenses directly linked to administering neighborhood initiatives.
- Enterprise Zone Tax Benefit – This is a state tax program that is designed to provide tax incentives to businesses that are creating new jobs.
- Industrial Development Bonds – Provides funding through the sale of tax exempt bonds for projects.
- Neighborhood Assistance Program – This is a program administered by Missouri Department of Economic Development that provides state tax credits to donors who make donations to local neighborhood project.

- **MODESA** – This is a program administered by Missouri Department of Economic Development that is intended to help facilitate the redevelopment of Downtown areas by diverting taxes from community projects to help pay for related infrastructure costs.
- **Neighborhood Preservation Act** – This is a state tax credit that is provided to a home owner or developer that either rehabilitates or builds a home that will be located in a distressed community.
- **First Place Loan Program** – This is a low interest loan and down payment assistance program designed for first time homebuyers.
- **HeRO Program** – This is a program administered by Missouri Housing Development Commission that provides home repair grants for owner occupied homes.
- **Missouri Housing Trust Fund** – This is a program administered by MHDC that provides funding for a variety of housing needs, such as homeless prevention, rehab or new construction of rental housing, rental assistance and home repair.
- **Community Improvement Districts** – This is a program that creates special districts that are able to assess special tax assessments to fund infrastructure and other improvements that would benefit the property owners in the district.

This Page Intentionally Left Blank

SECTION X

ASSUMPTIONS AND LIMITING CONDITIONS

1. The area description supplied to the appraiser is assumed to be correct;
2. No survey of the area has been made or reviewed by the appraiser, and no responsibility is assumed in connection with such matters. Illustrative material, including maps and plot plans, utilized in this report are included only to assist the reader in visualizing the property. Area dimensions and sizes are considered to be approximate;
3. No responsibility is assumed for matters of a legal nature affecting title to properties in the area, nor is any opinion of title rendered. Property titles are assumed to be good and merchantable unless otherwise stated;
4. Information furnished by others is believed to be true, correct, and reliable. However, no responsibility for its accuracy is assumed by the appraiser;
5. All mortgages, liens, encumbrances, leases, and servitudes have been disregarded unless so specified within the report. The property in the area is assumed to be under responsible, financially sound ownership and competent management;
6. It is assumed that there are no hidden or unapparent conditions to the subsoil or structures which would render the properties more or less valuable. No responsibility is assumed for such conditions or for arranging for engineering studies which may be required to discover them;
7. Unless otherwise stated in this report, the existence of hazardous material, which may or may not be present in the area, was not observed by the appraiser.

However, the appraiser is not qualified to detect such substances. The presence of substances such as asbestos, urea-formaldehyde foam insulation or other potentially hazardous materials may affect the value of the property. The conclusions in this report are predicated on the assumption that there are no such materials on or in the area that would cause a loss of value. No responsibility is assumed for any such conditions, or for the expertise required to discover them. The client is urged to retain an expert in this field if desired. The analysis and demand conclusions in this report are null and void should any hazardous material be discovered.

8. Unless otherwise stated in this report, no environmental impact studies were either requested or made in conjunction with this report. The appraiser reserves the right to alter, amend, revise, or rescind any opinions of demand based upon any subsequent environmental impact studies, research, or investigation;
9. It is assumed that there is full compliance with all applicable federal, state. And local environmental regulations and laws unless noncompliance is specified, defined, and considered in this report;

10. It is assumed that all applicable zoning and use regulations and restrictions have been complied with, unless non-conformity has been specified, defined and considered in this report;
11. It is assumed that all required licenses, certificates of occupancy, consents, or other legislative or administrative authority from any local, state, or federal governmental or private entity or organization have been or can be obtained or renewed for any use on which the demand estimate is based;
12. The appraiser will not be required to give testimony or appear in court because of having made this report, unless arrangements have previously been made;
13. Possession of this report, or a copy thereof, does not carry with it the right of publication. It may not be used for any purpose by any person other than the intended users without the written consent of the appraiser, and in any event, only with properly written qualification and only in its entirety;
14. The liability of the appraiser is limited to the intended users only. There is no accountability, obligation, or liability to any third party. If this report is placed in the hands of anyone other than the intended users, they shall make such party aware of all limiting conditions and assumptions of the assignment and related discussions;
15. Acceptance and/or use of this report constitutes acceptance of the foregoing assumptions and limiting conditions.

SECTION XI

APPRAISER'S CERTIFICATION

I certify that, to the best of my knowledge and belief:

- The statements of fact contained in this report are true and correct.
- The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and is my personal, impartial, and unbiased professional analyses, opinions, conclusions, and recommendations.
- I have no interest in the market that is the subject of this report, and I have no personal interest with respect to the parties involved.
- I have no bias with respect to any property that is the within the market of this report or to the parties involved with this assignment.
- My engagement in this assignment was not contingent upon developing or reporting predetermined results.
- My compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal consulting assignment.
- My analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the *Uniform Standards of Professional Appraisal Practice*.
- I have made a personal inspection of the market that is the subject of this report.
- No one provided significant real property appraisal or appraisal consulting assistance to the person signing this certification.

By: **Steve Sillimon**-Certified General Real Estate Appraiser # RA003250
Missouri Housing Development Commission
August 28, 2009