

DOWNTOWN
REVITALIZATION &
ECONOMIC
ASSISTANCE FOR
MISSOURI

Farmington, Missouri

RESIDENTIAL DEMAND ANALYSIS

DOWNTOWN
MARKET AREA

ST. FRANCOIS
COUNTY
SEPTEMBER, 2011



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ACKNOWLEDGMENTS



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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 intended use of this report is to assist Farmington 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 Farmington, St. Francois County, Missouri and parties interested in development of residential housing units in Downtown Farmington, 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 Farmington that could complement Downtown revitalization efforts.

IDENTIFICATION OF THE SUBJECT AREA

The subject of this report is the DREAM Downtown market area of the City of Farmington, within the specific geographic boundaries as described within this report.

EFFECTIVE DATE OF THE REPORT

The effective date of the report is April 13, 2011.

EXTRAORDINARY ASSUMPTIONS

In preparing this report the appraiser has relied on physical, economic, demographic data and information from various sources, including market studies submitted to MHDC from other analysts, and believes the information 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

Following is the scope of work that was performed to complete this report.

- 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;
- Review of general and historical information about the market;
- Review of housing related studies prepared for the market;
- Review of current information regarding activities in the market that could affect the marketability of housing;
- Analysis of demographic information for the primary and secondary market areas;
- Estimate of the current and future household demand in the primary and secondary market areas that could be attracted to housing options in the Downtown market area;
- Quantitative market analysis for affordable, market rate, and for-sale housing in the primary market area for family and senior households, if applicable.

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.

SECTION I

CONCLUSIONS AND RECOMMENDATIONS

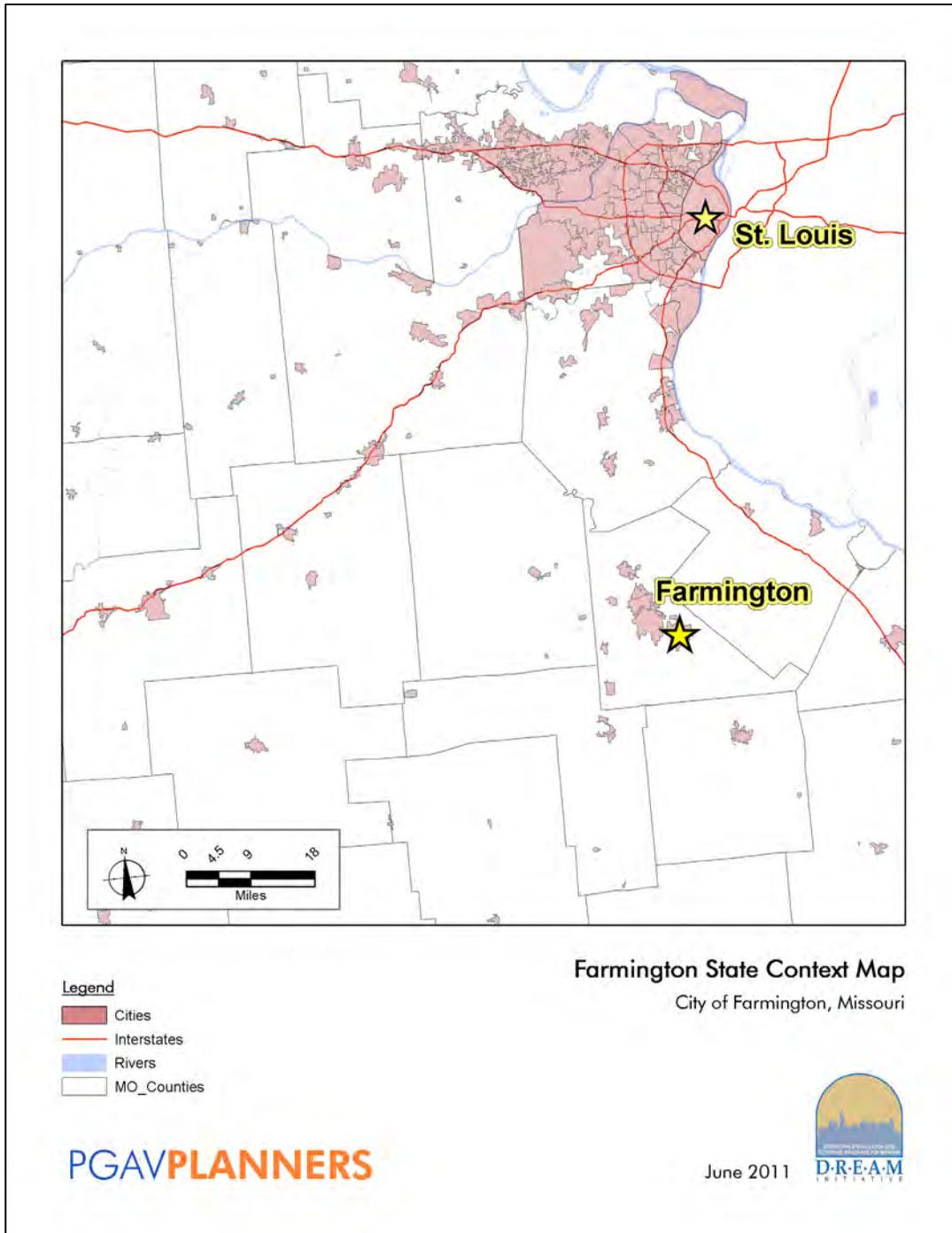
- A baseline assessment of current Downtown residential uses concluded there is a variety of housing uses in Downtown that includes single family homes, apartments, and upper floor units above Downtown commercial space.
- Unlike other communities around the state, Downtown Farmington does not appear to be in steep decline due to a loss of economic activity to other parts of the City. Although some vacancies were noted in Downtown commercial space, the area appeared to be active with businesses and local consumers.
- Demographic data indicates that between 2000 and 2010 the number of households in Farmington increased by approximately 874 new households, with the total population growth over the same period increasing by about 4,100 people. Considering average number of persons per household was 2.25 persons, it can be assumed that approximately half of the new population growth was in family households and the other half was individuals in group housing or facilities.
- Two of the largest employment fields in the Farmington market are healthcare and correctional facilities; which are generally resistant to overall economic declines.
- Downtown Farmington is centrally located in the community and has a significant amount of daily vehicular traffic. This level of traffic in Downtown indicates an opportunity for Downtown to capitalize on consumer and household needs of these routine visitors.
- The level of traffic in Downtown Farmington, coupled with a lack of traffic signals and easy pedestrian crossings, hurts efforts to market Downtown as a residential area. Most successful downtowns are very pedestrian friendly; whereas the traffic situation in Farmington discourages pedestrian use.
- A dynamic and economically sound Farmington includes a substantial residential base. Such a residential base located nearby Downtown provides a twenty-four hour presence that will have a positive effect on the retail climate. An inhabited downtown is an exciting place to live and promotes a positive pedestrian atmosphere. Downtown residents provide a consumer market for Downtown businesses and restaurants, and a vibrant, attractive area to which visitors are drawn.
- A quantitative analysis was prepared that concluded that there could be a demand from approximately 115 households for market rate rental housing in Downtown. These would generally be small households with either no children or very few children.
- A quantitative analysis was prepared that concluded that over the next few years, potential residential demand for affordable senior households in Downtown Farmington could be generated by approximately 48 additional households. These households may appeal to market segments such as empty nesters that are looking for housing more suitable for their needs at this stage in their lives.

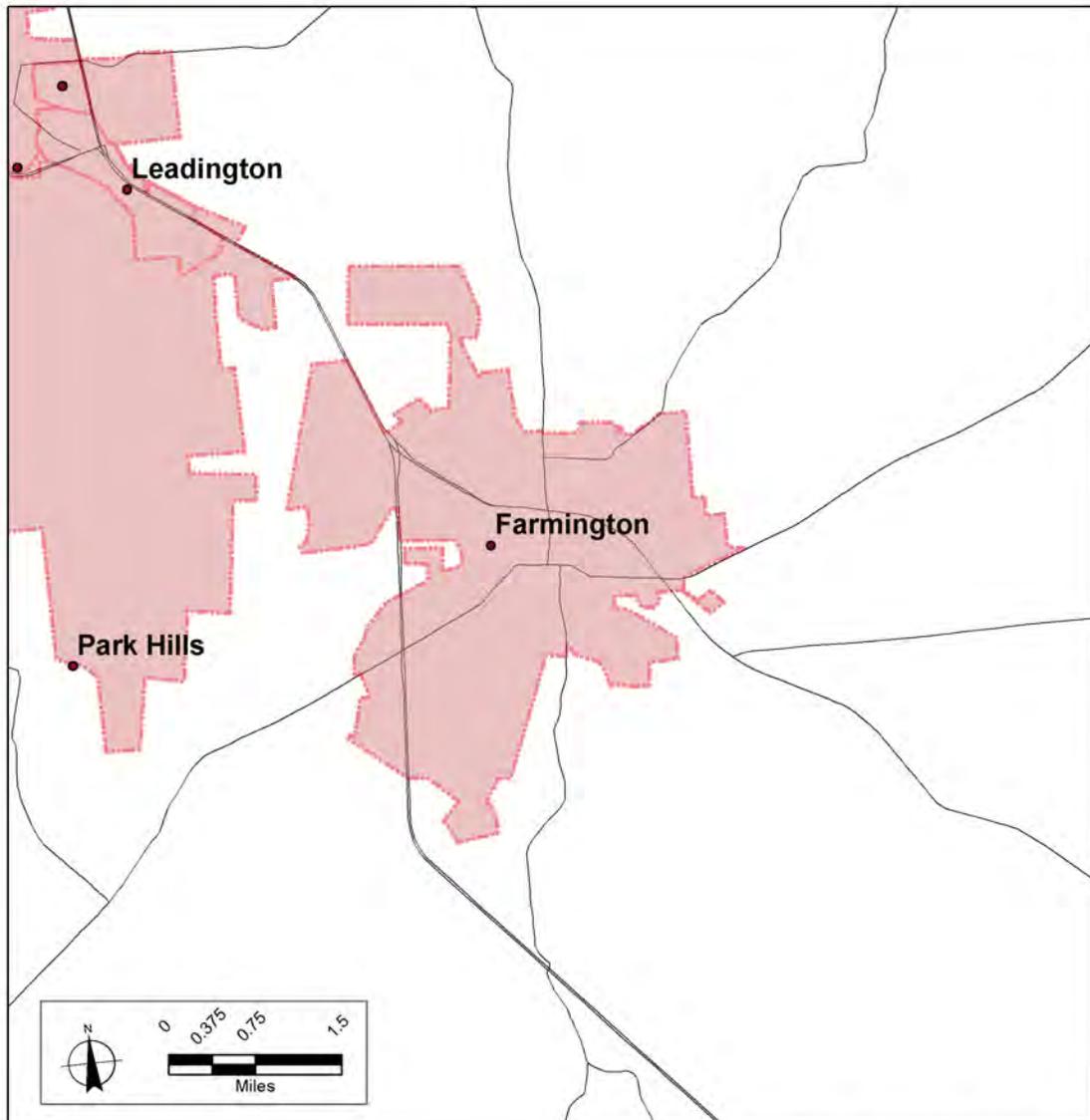
- A quantitative analysis was prepared that concluded that over the next few years, potential residential demand for affordable family households in Downtown Farmington could be generated by about 50 additional households. Generally, Downtown is not a good fit for family households with children, but it may be possible for Farmington to develop this housing in some of the neighborhoods adjacent to Downtown.
- Existing vacant land and underutilized building space in Downtown Farmington could be used to expand housing opportunities. There are some buildings in which the upper floor space could be converted into residential uses.
- Farmington appears to have a number of residential builders and developers that are very active in the local housing market. The City should create incentives to encourage these builders and attract new developers to Downtown. Programs such as low-interest loans, grants, tax abatement, and assistance with land assembly should be considered.
- The City should consider adopting local policy or regulations to require that owners of vacant commercial buildings provide window restoration and treatment to street level and upper floor windows. This activity will help to diminish any adverse effects that the vacant building has on the marketability of surrounding properties.
- Steps that Downtown Farmington can take to encourage residential development and existing rehabilitation include streamlining development permitting and development processes, identification of possible sites, removal of barriers to high-quality residential development, and consideration of financial programs when necessary.

SECTION II

MARKET AREA DESCRIPTION

The area of study is Downtown Farmington, in St. Francois County, Missouri. The following maps show the location of the City within the State of Missouri, the Farmington City limit boundary and major traffic arteries through the City, and the DREAM Study Area that is the subject of this report.





Farmington City Boundaries Map

City of Farmington, Missouri

- Legend**
- City_Labels
 - ▭ Cities
 - ST_Highways
 - Interstates
 - ▭ Rivers

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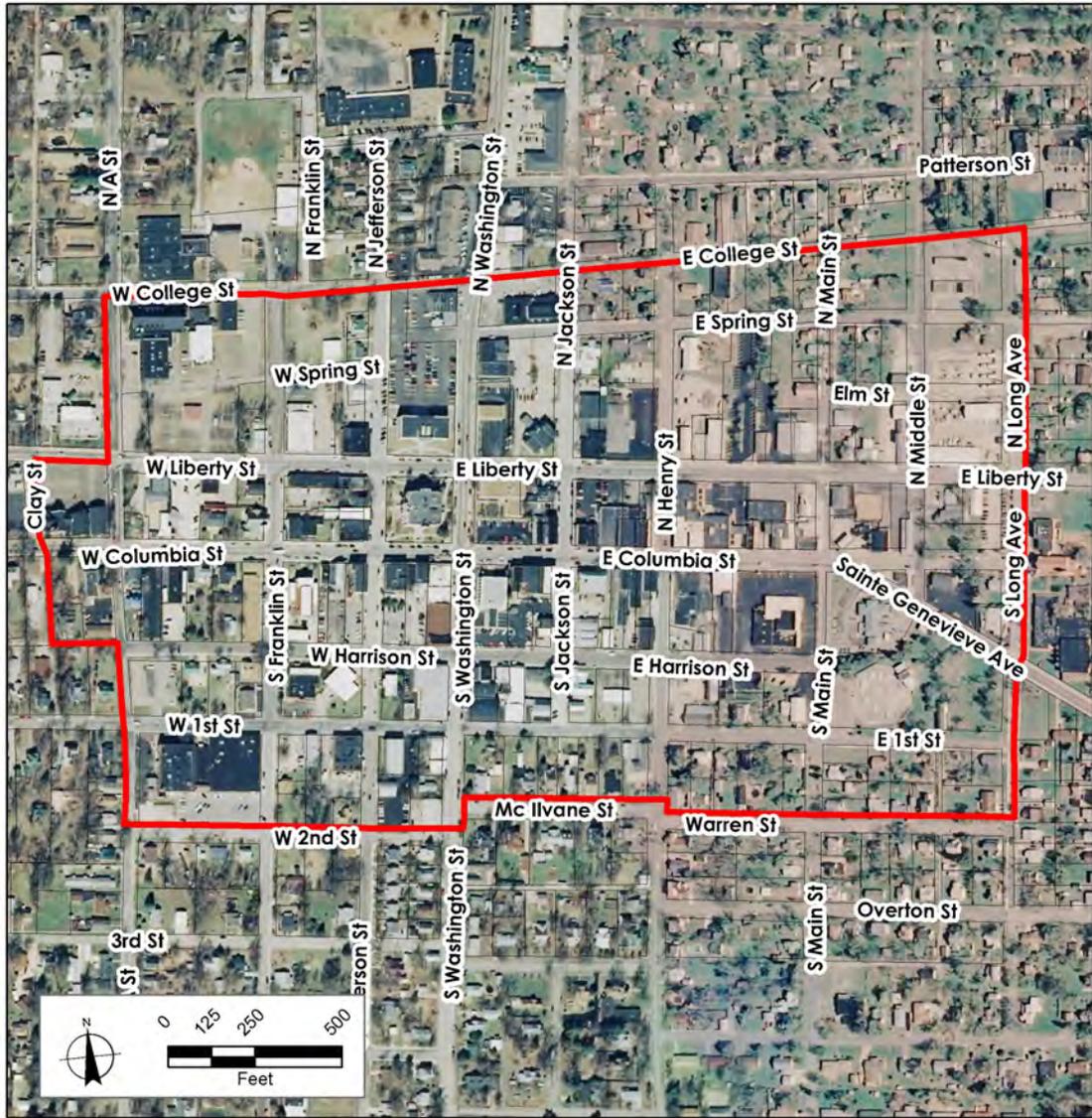


Exhibit 1
DREAM Boundary Map
Downtown Study Area
City of Farmington, Missouri

Legend
Study Area

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OVERVIEW

Farmington was incorporated in 1836 and is the county seat and largest community in St. Francois County, Missouri. The City is located along U.S. Highway 67, approximately 70 miles south of St. Louis, Missouri.

In the mid-1800's, Farmington enjoyed growth and economic well-being through the building of the historic Plank Road, which stretched from Pilot Knob to Ste. Genevieve. The road was built to transport supplies from the shipping facilities located along the river to the mines and to move the mine's iron ore to the shipping facilities. The route was soon taken over by the St. Louis and Iron Mountain Railroad. Today, Farmington is a regional hub for employment, shopping, healthcare, and business to the residents of smaller, surrounding communities.

Downtown Farmington is located in the south/central area of the community, approximately a quarter of a mile south of Karsch Boulevard; the primary east/west traffic artery through the community. The general boundaries of the DREAM Study Area are College Street to the north, 2nd, McIlvane, and Warren Streets to the south, "A" and Clay Streets to the east, and Long Avenue to the west.

Downtown Farmington serves as the center of local government, with the St. Francois County Courthouse, located at 1 N. Washington Street, and Farmington City Hall, located at 110 W. Columbia Street. The Farmington Police and Fire Departments are also located in Downtown. Larger regional governmental uses, such as the Farmington Correctional Center and the Southeast Missouri Mental Health Center, are located in close proximity to Downtown.

Downtown Farmington also provides a public library, places of worship, a variety of small businesses and neighborhood services, and some low density residential uses. Many Downtown Farmington businesses are concentrated along Columbia and Liberty Streets. Downtown has retained most of its original buildings and they appear to be in fair condition. The majority of Downtown buildings are occupied, but there are a small number of commercial vacancies on the street level.

There are examples of Downtown improvements that include the Courthouse Annex, City Hall rehabilitation, Columbia Street streetscape, new police and fire department buildings, a skate park, and some commercial buildings and rehabilitations.

Farmington has two historic districts and three historically designated buildings located in Downtown. The historic districts are known as the Courthouse Square Historic District and the East Columbia Historic District. The historically designated properties are the Presbyterian Orphanage of Missouri, St. Francois County Jail and Sheriff's residence, and the McCormick James Robinson House.

Residential properties in Downtown Farmington are primarily single family and small multi-family units that appear to be in fair condition. There are a small number of residential units on the upper floors of some of Downtown commercial buildings located on Columbia Street and on Jefferson Street, south of the Courthouse.

TRAFFIC ARTERIES

Washington Street is the primary north/south traffic artery through Downtown Farmington. Columbia and Liberty Streets provide the primary east/west traffic arteries, with Columbia being

one-way eastbound through Downtown and Liberty one-way westbound through Downtown. State Highway 67 also runs along Columbia and Liberty Streets and brings heavy traffic through Downtown. This traffic situation is further compounded at regular daily intervals during the school year when parents are picking up and dropping off students.

EXISTING LAND USES

The DREAM Study Area contains a mix of commercial service, retail, and a small amount of residential uses. There is also land in the Study Area that is improved with government buildings, libraries, churches, and parking surfaces. A relatively small amount of land in the DREAM Study Area is vacant. Land uses adjacent to the DREAM Study Area are predominantly residential.

PARKING

Downtown has a steady flow of vehicular traffic during weekdays; to the point that parking near some businesses and buildings could be limited and pedestrian activity discouraged. The City has established some public parking lots to help ease this situation.

RETAIL SHOPPING

Downtown Farmington retail shopping is limited. Existing retailers include a liquor store, hardware store, jeweler, gift shop, florist, meat market, health food store, and music store. The lack of a grocer located in, or close to, Downtown limits housing marketability.

ENTERTAINMENT

Entertainment areas noted in Downtown include the City-owned Skate Park and a few eating and drinking establishments. There are few evening entertainment options that appeal to younger households and empty nesters. These residential markets are attracted to the energy that vibrant evening activity generates.

DINING ESTABLISHMENTS

Downtown Farmington has a few local dining establishments and a coffee shop. Adding more options that are open in the evening will help to establish Downtown as a destination for visitors.

PARKS AND RECREATION

Long Park adjoins the City-owned Skate Park and is located at East 1st Street and Long Avenue.

SCHOOLS

Farmington's public elementary, middle, and high schools are located near Downtown. Much of the Downtown traffic issue is due to the vehicular activity to and from these schools.

HISTORIC DESIGNATIONS

Farmington has two designated historic districts and three individually designated properties located in Downtown. The districts are the Courthouse Square Historic District and the East Columbia Historic District. The individually designated properties include McCormick James Robinson House, St. Francois County Jail and Sheriff's Residence, and the Presbyterian Orphanage of Missouri.

PUBLIC TRANSPORTATION

The City of Farmington is served by Southeast Missouri Transportation Services, Inc. The closest Amtrak train station is located 70 miles north of Farmington in St. Louis, Missouri. The community of Farmington has a small airport.

DOWNTOWN AREA STRENGTHS AND WEAKNESSES

From a residential market perspective, Downtown has some positive attributes that include:

- **Government Center:** Downtown Farmington serves as the center of local government, with the St. Francois County Courthouse, located at 1 N. Washington Street, and Farmington City Hall, located at 110 W. Columbia Street. The Farmington Police and Fire Departments are also located in Downtown. Larger regional governmental uses, such as the Farmington Correctional Center and the Southeast Missouri Mental Health Center, are located in close proximity to Downtown. These activities bring employees and other potential consumers to Downtown on a regular basis.
- **Active Commercial District:** Downtown Farmington has a significant amount of vehicular traffic, providing high visibility for existing businesses.
- **Existing Residential Market:** Downtown Farmington has some housing units that are both owner and tenant occupied, providing a mix of residential uses.
- **Potential Development Space:** Downtown Farmington has vacant land and building space that has potential to be used for housing. Vacant building space is primarily on the upper floors of buildings, which can provide consumers for businesses if developed into housing.
- **Eating/Drinking Establishments:** Downtown Farmington has a few popular eating and drinking establishments that serve local residents and attract visitors.
- **Momentum:** Downtown Farmington seems to be stable and improving. Several projects that demonstrate both public and private investment were noted during the residential demand analysis. Examples of public projects include the St. Francois County Annex, City Hall rehabilitation, new fire station, Long Park, and the skate park. Private investment was evident primarily in the form of existing building rehabilitation and business occupancy.

From a residential market perspective, Downtown has some weaknesses that include:

- **Pedestrian Unfriendly:** The significant volume of vehicle traffic, lack of traffic signals, and easy pedestrian crossings make it difficult for pedestrians to comfortably walk in Downtown.
- **Lack of Options:** The lack of an option for buying groceries and small restaurant variety limits the marketability of Downtown as a residential center. The lack of other evening entertainment options limits the marketability of Downtown to potential residents that are seeking a more exciting and vibrant, urban style neighborhood.
- **Diverse Residential Choices:** The City of Farmington has a variety of available housing options that may compete for residents with new Downtown housing.
- **Barriers to Development:** Some DREAM Focus Group comments indicate that City building and zoning codes may be limiting residential development in Downtown.

SECTION III

REVIEW OF PREVIOUS DOWNTOWN HOUSING MARKET STUDIES

The City of Farmington has a *Downtown Revitalization Report* from December of 2001. Recommendations from the report that complement Downtown revitalization efforts include:

- “Begin the development of the second-floor areas within the Downtown district.”
- “Residential facilities should be added in situations such as block three, but also as loft spaces above existing stores. These infill residences will bring not only extra revenue to the Downtown, but will enhance the atmosphere and excitement of Downtown life.”
- “Another area where the City must be proactive is in zoning. A mixed residential and commercial zone Downtown will allow businesses to operate on the main floors while also allowing residents to live in loft apartment above the stores. Property owners will then be able to maximize their profits by unitizing all available space for use as apartments or additional Downtown office space.”
- “For any long-term revitalization of Downtown Farmington to become a reality, creating sustained, permanent living quarters must occur. What would be most beneficial would be one or two bedroom apartments.”

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SECTION IV

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 Farmington Chamber of Commerce.

Major Employers

Major Employers - Farmington, Missouri Area		
Employers	Type of Business	Employees
Workforce, Inc.	Employment Agency	3,500
Farmington Correctional Facility	Correctional Facility	740
Accent Marketing Services	Marketing	650
SEMO Mental Health Center	Mental Health Facility	650
Mineral Area Regional Medical Center	Hospital	550
Farmington R-7 School	Public School	510
Wal-Mart Supercenter	Big Box Retail	475
Parkland Health Center	Health Center	450
Mineral Area College	Higher Education	275
Missouri Natural Gas Co.	Natural Gas Distribution	150
J.C. Penney Co., Inc.	Retail	145

Source: Farmington Chamber of Commerce

In addition to the jobs within the community, Farmington is located close to the major metropolitan area of St. Louis, Missouri. Some residents of Farmington commute to St. Louis for employment.

Employment Categories and Wages

Average Employment and Wages - St. Francois County, Missouri								
Industry	2008*		2007		2006		2005	
	Average Employment	Avg. Mthly. Wages						
11 - Agriculture, Etc.	26	\$1,756	24	\$1,723	22	\$1,784	33	\$1,987
21 - Mining	133	\$3,422	120	\$3,252	113	\$3,130	73	\$3,037
22 - Utilities	143	\$4,103	136	\$3,872	140	\$3,837	140	\$3,656
23 - Construction	1,254	\$3,228	1,262	\$3,108	1,225	\$2,771	1,169	\$2,667
31 - Manufacturing	2,299	\$2,742	2,208	\$2,679	2,125	\$2,649	2,155	\$2,491
42 - Wholesale trade	697	\$3,109	661	\$3,104	699	\$3,076	677	\$2,949
44 - Retail Trade	3,122	\$1,864	3,452	\$1,874	3,436	\$1,833	3,217	\$1,764
48 - Transportation and warehousing	464	\$2,284	451	\$2,275	369	\$2,191	360	\$2,116
51 - Information	237	\$1,893	234	\$2,154	227	\$2,041	230	\$2,013
52 - Finance & Ins.	791	\$2,800	710	\$2,717	650	\$2,557	550	\$2,456
53 - Real estate	240	\$2,134	243	\$2,058	244	\$2,099	260	\$2,121
54 - Professional and technical services	1,694	\$2,646	1,368	\$2,540	1,223	\$2,593	297	\$2,786
55 - Mgmt. (companies)	31	\$4,831	30	\$4,583	27	\$4,364	23	\$4,368
56 - Administrative, etc.	1,295	\$1,764	1,305	\$1,723	933	\$1,970	957	\$2,079
61 - Educational	2,072	\$2,734	2,027	\$2,643	1,990	\$2,555	1,935	\$2,461
62 - Health care, social	5,198	\$2,451	5,029	\$2,455	4,984	\$2,310	4,783	\$2,176
71 - Arts, etc.	243	\$1,645	236	\$1,599	226	\$1,590	256	\$1,514
72 - Accommodations & food services	2,041	\$1,051	1,986	\$1,033	1,939	\$1,013	1,861	\$989
81 - Other services	799	\$1,483	752	\$1,481	722	\$1,505	696	\$1,422
Public Administration	2,527	\$2,713	2,479	\$2,614	2,497	\$2,504	2,498	\$2,381

*Information available to date

Source: U.S. Census Bureau

The largest employment trades in St. Francois County, by average number of employees are currently Healthcare (5,198), Retail Trade (3,122), Manufacturing (2,299), Public Administration (2,527), Educational (2,072) and Accommodations & Food Services (2,041).

Labor Force and Unemployment

Local Area Employment - St. Francois County					
Year	Labor Force	Employment	Unemployment	Unemployment Rate	Missouri Unemployment Rate
2009	30,509	27,133	3,376	11.1%	9.3%
2008	30,324	28,194	2,130	7.0%	6.1%
2007	29,493	27,782	1,711	5.8%	5.1%
2006	28,408	26,749	1,659	5.8%	4.8%
2005	28,051	26,197	1,854	6.6%	5.4%
2004	27,736	25,798	1,938	7.0%	5.8%

Source: Missouri Department of Economic Development

The unemployment rate for St. Francois County was higher than that of 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%
St. Francois	21,908	6,110	27.9%	24.0%	1,875	3.9%
Jefferson	98,030	63,699	65.0%	66.7%	9,844	(1.8)%
Washington	8,526	4,403	51.6%	51.1%	968	0.5%
Iron	4,075	1,686	41.4%	29.8%	587	11.5%
Madison	4,745	1,924	40.5%	27.2%	819	13.4%
Ste. Genevieve	8,343	3,421	41.0%	37.4%	761	3.6%
Perry	8,954	2,085	23.3%	25.4%	167	(2.1)%

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

The table indicates that as of year 2000 approximately 28% of the residents of St. Francois County commuted outside of the County for employment. That was an increase of 4% from 1990. This commuter rate is lower than all the surrounding counties, except for Perry County.

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SECTION V

DEMOGRAPHIC PROFILE

Population

Total Population						
Year	Farmington	Change %	St. Francois County	Change %	Missouri	Annual Change %
2000	13,924		55,641		5,596,684	
2010	18,029	29.5%	65,359	17.5%	5,988,927	7.0%
2015	19,418	7.7%	67,776	3.7%	6,053,252	1.1%

Source: Claritas, MHDC, U.S. Census Bureau

The information in the table above shows that the populations of Farmington and St. Francois County increased significantly from 2000 to 2010 and are projected to continue increasing through 2015 at a slower rate.

The actual population of Farmington is somewhat lower than the total shown in the table due to a number of people incarcerated (housed in non-family housing) at the nearby correctional facilities.

Population by Age

Population By Age Group						
Farmington, Missouri						
Age Cohort	2000	Percent	2010	Percent	2015	Percent
0-20	3,266	24%	3,569	20%	3,896	20%
21-24	831	6%	1,000	6%	1,097	6%
25-34	2,278	16%	3,739	21%	3,715	19%
35-44	2,391	17%	3,072	17%	3,427	18%
45-54	1,715	12%	2,246	13%	2,378	12%
55-64	1,067	8%	1,536	9%	1,815	9%
65-74	1,048	8%	1,143	6%	1,212	6%
75-84	928	7%	1,062	6%	1,120	6%
85+	400	3%	662	4%	758	4%

Source: Claritas, MHDC

The table above shows that between 2010 and 2015 the age cohorts between 21 and 34, which represents the largest segment of the rental market nationwide, is expected to increase slightly.

Average Age of Population

Total Population Average Age	
Farmington, Missouri	
Year	
2000	39.6
2010	40.1
2015	40.4

Source: Claritas

The table illustrates that the average age of the population in Farmington is increasing slightly.

Population by Gender

Population By Gender						
Farmington, Missouri						
Gender	2000	Percent	2010	Percent	2015	Percent
Male	7,904	57%	11,055	61%	11,978	62%
Female	6,020	43%	6,974	39%	7,440	38%

Source: Claritas, MHDC

The table illustrates that the percentage of males is increasing and the percentage of females is decreasing. Between 2000 and 2015 both male and female populations are estimated to change by 5%. This may be due to the large number of male inmates currently incarcerated at the correctional facility in Farmington.

Educational Attainment

2010 Estimated Population Age 25+ Educational Attainment		
Farmington, Missouri		
Type	Population	Percentage
Less than 9th grade	1,181	9%
Some High School, no diploma	1,885	14%
High School Graduate (or GED)	4,337	32%
Some College, no degree	2,644	20%
Associate Degree	1,149	9%
Bachelor's Degree	1,313	10%
Master's Degree	695	5%
Professional School Degree	178	1%
Doctorate Degree	78	1%

Source: Claritas

Marital Status

2010 Estimated Population Age 15+ by Marital Status		
Farmington, Missouri		
Type	Population	Percentage
Total, Never Married	4,624	23%
Married, Spouse present	5,503	27%
Married, Spouse absent	1,584	8%
Widowed	1,168	6%
Divorced	2,778	14%
Males, Never Married	3,627	18%
Females, Never Married	997	5%

Source: Claritas

Total Households

Total Households				
Farmington, Missouri				
Year	Farmington	Change %	St. Francois County	Change %
2000	4,647		20,793	
2010	5,521	18.8%	23,690	13.9%
2015	5,925	7.3%	25,074	5.8%

Source: Claritas, MHDC

The number of households in Farmington increased by almost 19% between 2000 and 2010 and is expected to grow by another 7% between 2010 and 2015.

Average Household Size

Average Household Size	
Farmington, Missouri	
Year	Average Persons per Household
2000	2.28
2010	2.25
2015	2.23

Source: Claritas

As noted, there is a portion of the Farmington population located at the nearby correctional facilities. This segment of the population is housed in non-family housing and not calculated in the average household size.

Households by Age of Householder

Households by Age of Householder						
Farmington, Missouri						
Age Cohort	2000	Percent	2010	Percent	2015	Percent
Under 25	308	7%	296	5%	324	5%
25-34	747	16%	1,044	19%	992	17%
35-44	886	19%	1,003	18%	1,142	19%
45-54	802	17%	941	17%	989	17%
55-64	544	12%	750	14%	882	15%
65-74	629	14%	654	12%	690	12%
75-84	582	13%	615	11%	649	11%
85+	149	3%	218	4%	257	4%

Source: Claritas, MHDC

Households by Size

Households By Size						
Farmington, Missouri						
Household Size	2000		2010		2015	
	Number	Percent	Number	Percent	Number	Percent
1 Person	1,509	32.5%	1,825	33.1%	1,985	33.5%
2 Persons	1,597	34.4%	1,906	34.5%	2,040	34.4%
3 Persons	695	15.0%	834	15.1%	895	15.1%
4 Persons	554	11.9%	631	11.4%	667	11.3%
5 Persons	206	4.4%	232	4.2%	245	4.1%
6 Persons	70	1.5%	77	1.4%	79	1.3%
7+ Persons	16	0.3%	16	0.3%	14	0.2%
Total	4,647	100%	5,521	100%	5,925	100%

Source: Claritas, MHDC

Household Type and Presence of Own Children

2010 Estimated Household Type Presence of Own Children		
Farmington, Missouri		
Type	Households	Percentage
Married-Couple Family, with children	1,134	32%
Married-Couple Family, no children	1,684	48%
Male Householder, with children	81	2%
Male Householder, no children	98	3%
Female Householder, with children	394	11%
Female Householder, no children	146	4%

Source: Claritas

Hispanic Households

Hispanic Households Farmington, Missouri	
Year	Number
2010	58
2015	76

Source: Claritas

Tenure By Occupancy of Housing Units

Tenure by Occupancy of Housing Units Farmington, Missouri				
Bedrooms	2000	%	2010	%
Owner Occupied	2,912	63%	3,608	65%
Renter Occupied	1,735	37%	1,913	35%

Source: Claritas

Tenure by Bedroom Size (Owner Occupied)

Tenure By Bedrooms (2000) Owner Occupied Farmington, Missouri		
Bedrooms	Households	Percentage
No bedrooms (studio-type)	-	0.0%
1	22	0.8%
2	726	25.2%
3	1,558	54.1%
4	534	18.5%
5 or more	41	1.4%

Source: U.S. Census Bureau

Tenure by Household Size (Renter Occupied)

Tenure By Bedrooms (2000) Renter Occupied Farmington, Missouri		
Bedrooms	Households	Percentage
No bedrooms (studio-type)	47	2.7%
1	604	34.6%
2	832	47.7%
3	220	12.6%
4	41	2.4%
5 or more	-	0.0%

Source: U.S. Census Bureau

Households by Income Distribution

Households by Household Income						
Farmington, Missouri						
Income Cohort	2000		2010		2015	
	Number	Percent	Number	Percent	Number	Percent
< than \$15,000	1,133	24.4%	1,082	19.6%	1,094	18.5%
\$15,000-\$24,999	846	18.2%	885	16.0%	909	15.3%
\$25,000-\$34,999	686	14.8%	768	13.9%	820	13.8%
\$35,000-\$49,999	796	17.1%	949	17.2%	994	16.8%
\$50,000-\$74,999	727	15.6%	998	18.1%	1,090	18.4%
\$75,000-\$99,999	232	5.0%	405	7.3%	475	8.0%
\$100,000-\$149,999	161	3.5%	336	6.1%	398	6.7%
\$150,000-\$249,999	55	1.2%	36	0.7%	72	1.2%
\$250,000-\$499,999	11	0.2%	56	1.0%	63	1.1%
\$500,000 +	0	0.0%	6	0.1%	10	0.2%
Total	4,647	100.0%	5,521	100.0%	5,853	100.0%

Source: Claritas, MHDC

The table indicates that in 2010 approximately 85% of the households in Farmington were estimated to have household incomes of less than \$75,000.

Gross Rent as a % of Monthly Household Income

Gross Rent as % of Monthly HH Income (1999)		
Farmington, Missouri		
Status	Number	Percentage
Less than 15 percent	356	21%
15 to 19 percent	290	17%
20 to 24 percent	219	13%
25 to 29 percent	216	12%
30 to 34 percent	127	7%
35 percent or more	452	26%
Not computed	73	4%

Source: U.S. Census Bureau

Approximately 33% of renter households in Farmington have a gross rent (rent + utilities) that exceeds 30% of their monthly household income.

Area Maximum Affordable Housing Income and Rents

Maximum Income and Rents for HOME and Housing Tax Credit Programs for St. Francois County											
Income %	Maximum Incomes						Maximum HOME/LIHTC Rents				
	Persons in Household						Bedroom Sizes				
	1	2	3	4	5	6	0Br	1Br	2Br	3Br	4Br
50%	16,750	19,150	21,550	23,900	25,850	27,750	418	448	538	621	693
60%	20,100	22,980	25,860	28,680	31,020	33,300	449	452	543	758	789
							HUD Fair Market Rents				
							449	452	543	758	789

Source: HUD, U.S. Internal Revenue Service, MHDC

Cost Burdened Households

Cost Burdened Households (2000) - Missouri			
	Renter	Owner	Total
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

Cost Burdened Households (2000) - Farmington, Missouri			
	Renter	Owner	Total
Total	1,754	2,898	4,652
Cost Burdened >30%	31.2%	14.5%	20.8%
Severely Cost Burdened >50%	14.1%	4.3%	8.0%
Elderly 1 & 2 Person Households	384	1,085	1,469
Cost Burdened >30%	40.1%	10.1%	17.9%
Severely Cost Burdened >50%	15.4%	3.7%	6.8%
Single Person Non-Elderly Households	645	345	990
Cost Burdened >30%	26.4%	26.1%	26.3%
Severely Cost Burdened >50%	14.0%	10.1%	12.6%
Small Family, 2-4 Person Households	605	1,283	1,888
Cost Burdened >30%	33.6%	13.2%	19.7%
Severely Cost Burdened >50%	12.9%	1.5%	5.2%
Large Family, 5+ Person Households	120	185	305
Cost Burdened >30%	16.7%	27.0%	22.9%
Severely Cost Burdened >50%	16.7%	16.2%	16.4%

Source: 2000 Chas Data

The Cost Burdened table for Farmington indicates that for the year 2000, approximately 14% of all renter households in Farmington were severely cost (rent) burdened. The severely rent burdened rate for all renter households in Missouri for the same period was slightly higher at 15%. The most severely cost burdened household group in Farmington appears to be large family renter households at nearly 17%.

Migration Patterns

Following are tables that show the migration patterns into and out of St. Francois County and the net migration totals between 2005 and 2008.

Gross Annual Household In-Migration								
St. Francois County, Missouri								
County of Origin	2008		2007		2006		2005	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Total In-Migration	1,418	100%	1,367	100%	1,421	100%	1,360	100%
Total In-Migration Same State	1,085	77%	1,030	75%	1,096	77%	1,065	78%
Total In-Migration Out of State	333	23%	337	25%	325	23%	295	22%
Jefferson County	214	15%	233	17%	250	18%	257	19%
Washington County	141	10%	133	10%	154	11%	161	12%
St. Louis County	129	9%	110	8%	136	10%	114	8%
Iron County	106	7%	69	5%	71	5%	80	6%
Madison County	88	6%	65	5%	63	4%	65	5%
Ste. Genevieve County	86	6%	80	6%	67	5%	88	6%
St. Louis City	43	3%	48	4%	55	4%	38	3%
Cape Girardeau County	36	3%	22	2%	23	2%	22	2%
St. Charles County	34	2%	36	3%	23	2%	30	2%
All Other Counties	541	38%	571	42%	579	41%	505	37%

Source: U.S. Internal Revenue Service

Gross Annual Household Out-Migration								
St. Francois County, Missouri								
Destination County	2008		2007		2006		2005	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Total Out-Migration	1,310	100%	1,231	100%	1,236	100%	1,120	100%
Total Out-Migration Same State	991	76%	898	73%	927	75%	831	74%
Total Out-Migration Out of State	319	24%	333	27%	309	25%	289	26%
Jefferson County	203	15%	171	14%	181	15%	171	15%
Washington County	132	10%	112	9%	110	9%	114	10%
St. Louis County	119	9%	102	8%	113	9%	82	7%
Iron County	68	5%	48	4%	60	5%	58	5%
Madison County	65	5%	64	5%	73	6%	72	6%
Ste. Genevieve County	68	5%	73	6%	64	5%	51	5%
St. Louis City	32	2%	42	3%	38	3%	34	3%
Cape Girardeau County	29	2%	26	2%	27	2%	36	3%
St. Charles County	33	3%	30	2%	30	2%	18	2%
All Other Counties	561	43%	563	46%	540	44%	484	43%

Source: U.S. Internal Revenue Service

Net Annual Household Migration				
St. Francois County, Missouri				
County	2008	2007	2006	2005
	Number	Number	Number	Number
Jefferson County	11	62	69	86
Washington County	9	21	44	47
St. Louis County	10	8	23	32
Iron County	38	21	11	22
Madison County	23	1	-10	-7
Ste. Genevieve County	18	7	3	37
St. Louis City	11	6	17	4
Cape Girardeau County	7	-4	-4	-14
St. Charles County	1	6	-7	12
All Other Counties	-20	8	39	21
Net Migration	108	136	185	240

Source: U.S. Internal Revenue Service

The migration tables indicate that from 2005 to 2008 St. Francois County had a positive net migration record with most of its surrounding counties.

Units in Structure

Units in Structure (2000)		
Farmington, Missouri		
Type	Number	Percentage
1, detached	3,312	66.3%
1, attached	99	2.0%
2	163	3.3%
3 or 4	336	6.7%
5 to 9	204	4.1%
10 to 19	271	5.4%
20 or more	226	4.5%
Mobile Home	386	7.7%
Total	4,997	100.0%

Source: U.S. Census Bureau

Year Structure Built

Year Structure Built (2000)		
Farmington, Missouri		
Year	Number	Percentage
1999 to March 2000	128	2.6%
1995 to 1998	504	10.1%
1990 to 1994	398	8.0%
1980 to 1989	855	17.1%
1970 to 1979	887	17.8%
1960 to 1969	565	11.3%
1950 to 1959	1,050	21.0%
1939 or earlier	610	12.2%

Source: U.S. Census Bureau

Building Permits

Building Permits - Farmington, Missouri				
Units in Bldg.	Units			
	2009	2008	2007	2006
1	33	31	76	56
2	96	20	2	6
3 to 4	0	0	0	3
5 +	112	60	14	103
Total	241	111	92	168

Source: U.S. Census Bureau

After decreasing from 2006 to 2007, building permits began to increase again in 2008 and surpassed previous levels by a considerable amount in 2009. Most of the increase in permits was for duplex units and multi-family developments of 5 or more units.

SECTION VI

EXISTING HOUSING

DOWNTOWN HOUSING

Existing Downtown Farmington Housing is comprised of a small number of single family homes and a few residential units on the upper floors of commercial buildings. Local sources report that some of the upper floor units are rentals and a few are occupied by the owners of the ground floor businesses. The upper floor units are primarily located along Columbia Street, with a few buildings along Liberty and Jefferson Streets. The single family homes are generally located near the perimeter of the DREAM Study Area.

Participants of the Farmington DREAM Focus Groups indicated there may be demand for more upper floor residential space and that potential markets for this space may include empty nesters and young professionals. Some Focus Group members also noted that current Farmington zoning regulations and building codes may make such development cost prohibitive.

It is the opinion of the market analyst that the lack of traffic signals and pedestrian crossings in Downtown, coupled with the sizeable amount of vehicular traffic, creates an obstacle for pedestrians. This makes Downtown a difficult area to walk and limits the marketability of Downtown as a residential option.

Following are examples of existing Downtown commercial buildings that appear to have, or have the potential for, residential units on the upper floors.





SINGLE FAMILY HOUSING

Presently the single family housing market in Farmington is slow, which is similar to markets in other parts of Missouri and the United States.

There are currently 341 single family properties listed for sale on the Farmington Area www.realtor.com website. Listing prices for these properties range from \$25,000 to \$990,000, indicating a wide variety of home styles and conditions is available. Single family homes in and around Downtown tend to range from \$50,000 to \$120,000.

Farmington has several newer subdivisions with home styles that include villas catering to empty nester households, starter homes for young and newly forming households, and more luxurious homes for households looking to move up in housing quality. Several of the newer subdivisions are somewhat dormant in terms of current construction and there are many vacant lots for sale. A few subdivisions do have current building activity. Most of the newer subdivisions are located on the south side of the City along Missouri Route "H" and the north side of the City along Hillsboro Road.

MARKET RATE RENTAL HOUSING

Following are examples of existing market rate rental units found in and around Downtown Farmington:



**Apartments at
308 S. Washington Street**

**Duplex Units at
607-609 E. Liberty Street**



**Brookside Apartments
215 Hyler Drive**

**Cedar brook Apartments
W. Columbia Street**





Deer Park Apartments
21 Ste. Francois Avenue



Fox Ridge Apartments
601 Wallace Road



Gifford Apartments
500 E. College Street

Glen Cove Apartments
201 Hyler Drive





Ken-Mar Apartments
403 N. Carleton Street

Mill Springs Townhouses
1550 N. Washington Street



Duplexes on
Abigail and Josie Lane

Norvi Apartments
101 E. College Street





Pang Apartments
400 Maple Valley Drive

Trails West Apartments
121 Westmount Drive



Westmount Apartments
Westmount Drive

Westmount Townhouses
Westmount Drive





Whispering Pines Apartments
1502 N. Washington Street

Woodchase Townhouses
6 Woodchase Drive



Applewood Senior Apartments
(Independent Senior Units)
834 Electric Street

Butterfield Village
(Independent Senior Units)
801 Weber Street



Typical Rent Range

The rent for market rate rental units ranges from approximately \$300 to \$1,000. As is typical of rental markets, the lower rents tend to be representative of smaller units and units demonstrating physical or functional obsolescence and the higher rents are generally newer units with more modern amenities.

Occupancy

The overall occupancy rate for the market rate residential units is good.

Under Construction/Consideration

The analyst is not aware of any new market rate rental developments under construction or consideration in Farmington.

AFFORDABLE SENIOR RENTAL HOUSING

Affordable housing is defined as residential developments that have income restrictions and rent limitations and are wholly or partially financed with Federal, State, or Local rent subsidies.

A survey of affordable senior rental housing options in Farmington provided development examples that include:



**Farm Villa Apartments
739 Hillsboro Road**

**Farmington Senior Apartments
605 Chadwick Court**





Heritage Meadows
601 Heritage Meadows



Ben-Nor Senior Citizen Apartments
800 East Liberty

Parkland Senior Apartments
412 West Liberty



Typical Rent Range

Rents for affordable senior units in Farmington range from about \$270 to \$460. Some developments provide units that are occupied by residents with rent subsidy.

Occupancy

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

Under Construction/Consideration

The analyst is not aware of any new affordable senior housing developments under construction or consideration in Farmington.

Senior Affordable Housing Supply and Demand

The full occupancy and waiting lists of existing developments may be an indicator of unmet residential demand for affordable senior housing units.

AFFORDABLE FAMILY RENTAL HOUSING

A survey of affordable family rental housing options in Farmington provided a few development examples, including:



**Orchard View I and II
1300 Hazel Lane**

Orchard View is a relatively new development with reportedly good occupancy and a total of 96 two and three bedroom units that rent within a range of about \$440 to \$550.



**Plum Tree
1-57 Plum Tree Park**

Plum Tree development was recently approved for Low Income Housing Tax Credits and will be restricted to low-income family occupancy. The 56 two-bedroom units in the development are expected to rent for approximately \$432.

Under Construction/Consideration

The analyst is not aware of any new affordable family housing developments under construction or consideration in Farmington.

Affordable Family Housing Supply and Demand

The affordable housing family demand in Farmington is currently being met by the two developments surveyed above and other market rate apartment and lower rent single family rentals in the community. In a growing community the size of Farmington, it is likely that there is additional demand for affordable rental housing.

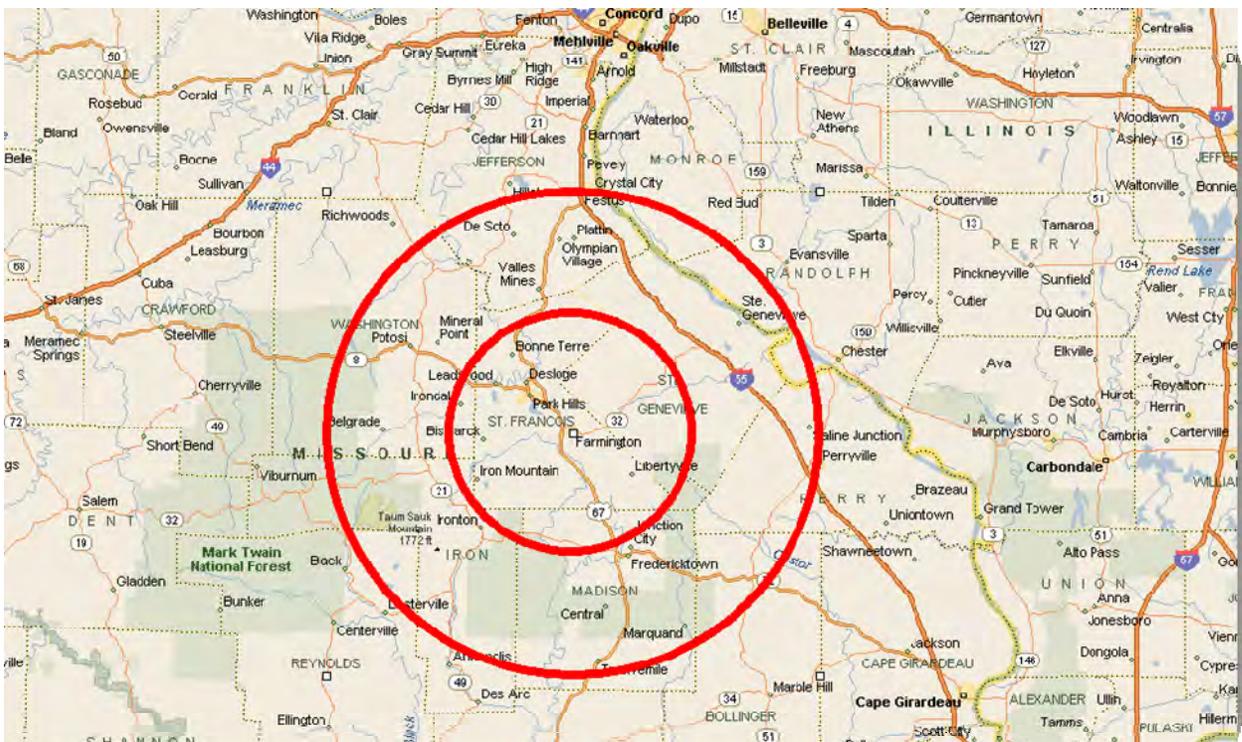
SECTION VII

IDENTIFICATION OF PRIMARY AND SECONDARY RESIDENTIAL MARKET AREAS

The Primary Residential Market Area is the area from which the majority of market demand for Downtown housing in Farmington 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 Farmington. 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 Farmington Downtown Housing Market is all of the City of Farmington and an area that extends approximately 15 miles around the City.

The Secondary Residential Market Area is the area surrounding the Primary Residential Market Area from which a small percentage of housing market demand is demonstrated. The Secondary Market Area for purposes of this study is considered to be a concentric ring that extends approximately 15 miles outside of the Primary Market Area boundary, or a radius of 30 miles around the City of Farmington.

The following illustration shows the Primary Market Area (inner ring) and Secondary Market Area (outer ring) for the Downtown Farmington housing market.



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SECTION VIII

POTENTIAL DOWNTOWN RESIDENTIAL DEMAND

OVERVIEW

The purpose of this study is to determine if additional residential development would benefit Downtown Farmington revitalization efforts. Aspect of residential demand, such as the types of households that would likely comprise any emerging Downtown housing market, types of housing that could be in demand, and estimated households from the overall market that could be captured by Downtown residential units, are considered.

Farmington seems to have fared a little better than many communities regarding shifting demographic trends and overall vitality. There are some vacant buildings in Downtown, but most are occupied and the area has a lot of economic activity. Most of this activity is concentrated on Columbia and Liberty Streets.

Would additional residential units complement the efforts to revitalize Downtown?

In many communities across the country, downtown revitalization has involved an increase in the population of permanent residents. Permanent residents provide a neighborhood energy that has many positive social and economic benefits. Higher population density can promote greater human interaction as people take advantage of the public spaces that downtown have to offer. Downtown can also provide a quality of life not found in other areas of the community, especially if downtown contains a mix of dining, entertainment, and retail venues. An increase in the population of a downtown will provide a customer base for businesses and have a positive impact on real estate values. A brisk real estate market can cure and prevent vacant or deteriorated building conditions by motivating property owners to improve their property.

Farmington 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.

An early morning weekday survey was made of traffic in Downtown Farmington during rush hour. A conclusion of that survey was that, due to Downtown's central location in the community, rush hour traffic flowing through Downtown is very busy and dense. This situation is a positive for Downtown revitalization efforts, but may limit the marketability of the area for residential use as the amount of traffic is discouraging to pedestrians.

What types of housing should be considered in the Farmington 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; young individuals and couples that have recently left home to start their adult lives. This group demands low frills and low cost rental housing in single family units or apartments.

- 25-34: Includes mostly young, married households with no children. This segment typically demands single family or apartment rental housing units with some amenities.
- 35-54: Encompasses new and growing families desiring to upgrade their housing situation. This segment typically demands owner-occupied, single family housing options and larger, higher-quality single family units, based on their income level.
- 55 and older: Includes older residents with no children and a changing housing situation. This group typically demands owner-occupied, single family housing units that are smaller in size. Demand can include apartments or condominiums, depending on income level.

Housing units that should complement Downtown Farmington revitalization efforts include units that will be marketable to households with no children. Downtown is typically not attractive to families with children because of high vehicle traffic, evening pedestrians, and limited yard and play areas. Generally, young individuals, young couples, and older adults looking for low or no maintenance housing will create most of the demand for Downtown housing. The majority of this demand will likely include demand for attached units with garages or carports, or loft-style rental or condo units. Initially, rental units should be considered as a catalyst to Downtown residential development that could motivate residential ownership options.

Another type of housing that could be marketable Downtown is live/work space. There are a few existing loft-style upper floor units in Downtown that are owner occupied. These types of employment and housing arrangements should continue to grow in appeal as property owners recognize the appeal and financial benefits. There appear to be some buildings along Columbia and Jefferson Streets with vacant upper floors that could be improved for residential space.

There are a few vacant and underutilized land parcels in Downtown Farmington that could be used for residential development. These parcels may be recommended as potential residential sites in the Farmington DREAM Downtown Strategic Plan, and include:

- The southwest corner of 2nd and Jefferson Streets.
- The north side of W. 1st Street, between Franklin and "A" Streets.
- The southeast corner of N. Franklin and W. College Streets.
- The north side of E. Spring Street, between N. Main and N. Henry Streets.
- Lots at the intersection of 2nd and Franklin Streets.
- The southwest corner of E. Spring and N. Main Streets.
- The southeast corner of Columbia and Henry Streets.
- A large lot just south of the First Baptist Church at N. "A" and W. Spring Streets.

The City should also give consideration to attracting in-fill residential development in existing neighborhoods that adjoin Downtown. Housing in these neighborhoods may be marketable to households with children that find Downtown housing unappealing. New housing in the adjacent neighborhoods can still provide an indirect benefit to Downtown revitalization efforts and provide a market for existing Downtown businesses.

Where are the households that form the potential market for housing in the Farmington 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 the unique housing options in Downtown Farmington.

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

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

Nielsen 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 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 tables for the Farmington Primary Residential Market Area. As previously noted, the Primary Residential Market Area is considered to be a radius of approximately 15 miles around the City of Farmington.

Owner and Renter Households 2010

Owner Households Under Age 55 Years Current Year Estimates - 2010						
	1-Person Household	2-Person Household	3-Person Household	4-Person Household	5+-Person Household	Total
\$0-10,000	270	121	94	63	40	588
\$10,000-20,000	286	185	188	138	74	871
\$20,000-30,000	256	294	274	204	181	1,209
\$30,000-40,000	222	421	372	231	224	1,470
\$40,000-50,000	178	384	551	570	301	1,984
\$50,000-60,000	93	299	546	489	194	1,621
\$60,000+	164	1,267	1,302	1,447	858	5,038
Total	1,469	2,971	3,327	3,142	1,872	12,781

Owner Households Aged 55-61 Years Current Year Estimates - 2010						
	1-Person Household	2-Person Household	3-Person Household	4-Person Household	5+-Person Household	Total
\$0-10,000	175	74	8	3	0	260
\$10,000-20,000	128	116	36	2	8	290
\$20,000-30,000	143	208	35	12	5	403
\$30,000-40,000	88	177	47	27	6	345
\$40,000-50,000	11	214	32	39	24	320
\$50,000-60,000	23	113	18	52	6	212
\$60,000+	40	691	164	133	34	1,062
Total	608	1,593	340	268	83	2,892

Owner Households Aged 62+ Years Current Year Estimates - 2010						
	1-Person Household	2-Person Household	3-Person Household	4-Person Household	5+-Person Household	Total
\$0-10,000	631	74	9	2	0	716
\$10,000-20,000	708	563	9	11	17	1,308
\$20,000-30,000	360	888	84	25	38	1,395
\$30,000-40,000	175	675	139	12	0	1,001
\$40,000-50,000	48	538	85	41	19	731
\$50,000-60,000	34	357	124	16	0	531
\$60,000+	99	686	158	57	46	1,046
Total	2,055	3,781	608	164	120	6,728

Renter Households Under Age 55 Years Current Year Estimates - 2010						
	1-Person Household	2-Person Household	3-Person Household	4-Person Household	5+-Person Household	Total
\$0-10,000	540	156	165	91	52	1,004
\$10,000-20,000	435	293	261	141	75	1,205
\$20,000-30,000	316	297	228	130	125	1,096
\$30,000-40,000	231	222	88	191	88	820
\$40,000-50,000	109	133	104	147	48	541
\$50,000-60,000	42	53	94	147	87	423
\$60,000+	125	138	249	119	42	673
Total	1,798	1,292	1,189	966	517	5,762

Renter Households Aged 55-61 Years Current Year Estimates - 2010						
	1-Person Household	2-Person Household	3-Person Household	4-Person Household	5+-Person Household	Total
\$0-10,000	97	28	14	0	0	139
\$10,000-20,000	160	48	11	0	0	219
\$20,000-30,000	15	6	0	0	0	21
\$30,000-40,000	10	21	4	0	29	64
\$40,000-50,000	6	4	0	0	0	10
\$50,000-60,000	2	40	2	2	2	48
\$60,000+	0	39	11	0	0	50
Total	290	186	42	2	31	551

Renter Households Aged 62+ Years Current Year Estimates - 2010						
	1-Person Household	2-Person Household	3-Person Household	4-Person Household	5+-Person Household	Total
\$0-10,000	502	38	0	0	7	547
\$10,000-20,000	363	118	13	0	0	494
\$20,000-30,000	132	31	45	7	6	221
\$30,000-40,000	42	35	6	0	0	83
\$40,000-50,000	21	25	17	0	0	63
\$50,000-60,000	14	22	0	12	0	48
\$60,000+	51	21	0	26	0	98
Total	1,125	290	81	45	13	1,554

Owner and Renter Households 2015

Owner Households Under Age 55 Years Five Year Projections - 2015						
	1-Person	2-Person	3-Person	4-Person	5+-Person	
	Household	Household	Household	Household	Household	Total
\$0-10,000	235	97	78	53	33	496
\$10,000-20,000	253	144	156	119	63	735
\$20,000-30,000	232	243	235	182	157	1,049
\$30,000-40,000	206	358	335	207	197	1,303
\$40,000-50,000	159	313	475	492	252	1,691
\$50,000-60,000	102	297	587	502	208	1,696
\$60,000+	192	1,372	1,482	1,669	999	5,714
Total	1,379	2,824	3,348	3,224	1,909	12,684

Owner Households Aged 55-61 Years Five Year Projections - 2015						
	1-Person	2-Person	3-Person	4-Person	5+-Person	
	Household	Household	Household	Household	Household	Total
\$0-10,000	188	69	7	2	0	266
\$10,000-20,000	127	110	37	1	8	283
\$20,000-30,000	181	221	41	14	5	462
\$30,000-40,000	95	176	48	24	8	351
\$40,000-50,000	17	261	45	47	33	403
\$50,000-60,000	26	116	25	57	9	233
\$60,000+	56	841	203	182	39	1,321
Total	690	1,794	406	327	102	3,319

Owner Households Aged 62+ Years Five Year Projections - 2015						
	1-Person	2-Person	3-Person	4-Person	5+-Person	
	Household	Household	Household	Household	Household	Total
\$0-10,000	635	68	9	2	0	714
\$10,000-20,000	706	511	10	11	14	1,252
\$20,000-30,000	412	939	93	27	46	1,517
\$30,000-40,000	216	742	154	20	0	1,132
\$40,000-50,000	63	616	103	50	27	859
\$50,000-60,000	41	388	139	16	0	584
\$60,000+	145	895	219	72	66	1,397
Total	2,218	4,159	727	198	153	7,455

Renter Households Under Age 55 Years Five Year Projections - 2015						
	1-Person	2-Person	3-Person	4-Person	5+-Person	
	Household	Household	Household	Household	Household	Total
\$0-10,000	544	140	156	85	48	973
\$10,000-20,000	440	266	246	136	71	1,159
\$20,000-30,000	336	275	226	129	122	1,088
\$30,000-40,000	252	215	89	200	91	847
\$40,000-50,000	131	136	98	149	53	567
\$50,000-60,000	50	57	106	168	97	478
\$60,000+	168	165	331	159	55	878
Total	1,921	1,254	1,252	1,026	537	5,990

Renter Households Aged 55-61 Years Five Year Projections - 2015						
	1-Person	2-Person	3-Person	4-Person	5+-Person	
	Household	Household	Household	Household	Household	Total
\$0-10,000	119	31	15	0	0	165
\$10,000-20,000	186	51	14	0	0	251
\$20,000-30,000	19	6	0	0	0	25
\$30,000-40,000	11	29	6	0	38	84
\$40,000-50,000	5	5	0	0	0	10
\$50,000-60,000	4	45	4	4	3	60
\$60,000+	0	50	16	0	0	66
Total	344	217	55	4	41	661

Renter Households Aged 62+ Years Five Year Projections - 2015						
	1-Person	2-Person	3-Person	4-Person	5+-Person	
	Household	Household	Household	Household	Household	Total
\$0-10,000	555	41	0	0	8	604
\$10,000-20,000	410	123	14	0	0	547
\$20,000-30,000	164	37	55	10	6	272
\$30,000-40,000	48	43	10	0	0	101
\$40,000-50,000	28	37	24	0	0	89
\$50,000-60,000	22	23	0	14	0	59
\$60,000+	87	29	0	44	0	160
Total	1,314	333	103	68	14	1,832

MARKET RATE RENTAL HOUSING DEMAND ANALYSIS

The purpose of this analysis is to quantify the potential market rate rental housing demand in Downtown Farmington over the next few years. The analysis considers typical rents, the number of households that can create market rate rental housing demand, and the number or percentage of households in the Farmington market that could reasonably be expected to create demand for new market rate rental housing in Downtown.

Following is the quantitative analysis and an explanation of the process used in the analysis:

Market Rate Family Rental Potential Demand Analysis				
PMA Qualified Household Demand (2010)				
		1BR	2BR	3BR
1	Gross Rent (includes utility costs paid by tenants)	\$ 550	\$ 650	\$ 850
2	Percentage of Income to Housing	25%	25%	25%
3	Minimum Income (Affordability)	\$ 26,400	\$ 31,200	\$ 40,800
4	Appropriate Sized (1-5 Person HH) , Income Qualified, Renter HH, Age 18-61 (2010)	1,021	851	578
5	Percentage of Annual Turnover of Existing HH	25%	25%	25%
	Number of Renter HH Turnover	255	213	145
6	Number of Non-Head of Household Potential Tenants	77	64	43
7	PMA Qualified Household Demand (2010)	332	277	188
8	SMA Qualified Household Demand (2010)	66	55	38
9	PMA and SMA Market Rate Rental Potential Household Demand (2010)	398	332	225
PMA Qualified Households (2015)				
		1BR	2BR	3BR
10	Gross Rent (includes utility costs paid by tenants)	\$ 605	\$ 715	\$ 935
11	Percentage of Income to Housing	25%	25%	25%
12	Minimum Income (Affordability)	\$ 29,040	\$ 34,320	\$ 44,880
13	Appropriate Sized (1-5 Person HH) , Income Qualified, Renter HH, Age 18-61 (2015)	1,022	908	589
14	Percentage of Annual Turnover of Existing HH	25%	25%	25%
15	Number of Renter HH Turnover	256	227	147

16	Number of Non-Head of Household Potential Tenants	77	68	44
17	PMA Qualified Household Demand (2015)	332	295	191
18	SMA Qualified Household Demand (2015)	66	59	38
19	PMA and SMA Market Rate Rental Potential Household Demand (2015)	399	354	230
20	PMA and SMA Qualified Household Growth/Decline (2010-2015)	0	22	4
21	PMA and SMA Average Annual Potential Demand (2010-2015)	398	336	226
22	DMA Capture Rates	15%	15%	2%
		1BR	2BR	3BR
23	DMA Annual Market Rate Family Rental Potential Demand (2010-2015)	60	50	5

Line 7 is a current estimate (2010) of the total number of existing households that form the potential market rate 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, estimated annual turnover rate of renter households, estimated interest from non-head of household seniors, and the HISTA data.

Line 8 is a current estimate of the total number of households that form the potential market rate 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 9 is an estimate of the potential market rate rental housing demand from households from the primary and secondary market areas in 2010.

Line 17 is a projection (2015) of the total number of households that form the potential market rate 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, estimated annual turnover rate of renter households, estimated interest from non-head of household individuals, and the HISTA data.

Line 18 is a projection of the total number of households that form the potential market rate 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 19 is a projection of the potential market rate rental housing demand from households from the primary and secondary market areas in 2015.

Line 20 is a projection of qualified household growth/decline between 2010 and 2015 and is calculated by subtracting the 2015 household demand projection from the 2010 estimate.

Line 21 is the average annual potential demand that is calculated by considering the current demand in 2010 and the annual growth or decline between 2010 and 2015.

Line 22 is the estimated capture rates for the Downtown market area. It is an estimate of the percentages of qualified households in the primary and secondary market areas that would consider market rate rental units in the Downtown market area by bedroom size.

Line 23 is an annual projection of the number of qualified households that could be expected in the primary and secondary market areas between 2010 and 2015 that could be attracted to market rate rental units in the Downtown market area. This is an estimate of the total number of households on an annual basis that could provide the potential market demand for a market rate family rental development in the Downtown market area. This is a point in time estimate and could change based on changes in supply and demand between this point in time and 2015.

Potential Market Rate Rental Housing Demand (over the next 5 years):

One Bedroom Units	60
Two Bedroom Units	50
Three Bedroom Units.....	5
Total	119

AFFORDABLE SENIOR RENTAL HOUSING DEMAND ANALYSIS

The purpose of this analysis is to quantify the potential affordable senior rental housing demand in Downtown Farmington over the next few years. The analysis considers typical rents, the number of households that can create affordable senior rental housing demand, and the number or percentage of households in the Farmington market that could reasonably be expected to create demand for new affordable senior rental housing 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 (2010)		
		1BR/2BR
1	Gross Rent (includes utility costs paid by tenants)	\$ 550
2	Percentage of Income to Housing	50%
3	Minimum Income (Affordability)	\$ 13,200
4	Maximum Income (Tax Credit Limit)	\$ 22,980
5	Appropriate Sized, Income Qualified, Renter Households, Age 62+ (2010)	376
6	Percentage of Existing Senior Renter Households Likely to Move if New Affordable Housing Were Available	15%
7	Number of Existing Senior Renter Households Likely to Move if New Affordable Housing Were Available	56

8	Appropriate Sized, Income Qualified, <u>Owner Households, Age 62+ (2010)</u>	1,238
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	62
11	Number of Existing Senior Non-Head of Households Likely to Move If New Affordable Rental Housing Were Available	12
12	PMA Qualified Household Demand (2010)	130
13	SMA Qualified Household Demand (2010)	26
14	PMA and SMA Affordable Senior Housing Potential Hsld Demand (2010)	156
	PMA Projected Qualified Household Growth 2010-2015	1BR/2BR
15	Gross Rent (includes utility costs paid by tenants)	\$ 607
16	Percentage of Income to Housing	50%
17	Minimum Income (Affordability)	\$ 14,573
18	Maximum Income (Tax Credit Limit)	\$ 25,278
19	Appropriate Sized, Income Qualified, Renter Households, Age 62+ (2015)	394
20	Percentage of Projected Senior Renter Households Likely to Move if New Affordable Housing Were Available	15%
21	Number of Projected Senior Renter Households Likely to Move if New Affordable Housing Were Available	59
22	Appropriate Sized, Income Qualified, <u>Owner Households, Age 62+ (2015)</u>	1,373
23	Percentage of Projected Senior <u>Owner</u> Households Likely to Move if New Affordable Rental Housing Were Available	5%
24	Number of Projected Senior <u>Owner</u> Households Likely to Move If New Affordable Rental Housing Were Available	69
	Number of Projected Senior Non-Head of Households Likely to Move	

	If New Affordable Rental Housing Were Available	13
25	PMA Qualified Household Demand (2015)	141
26	SMA Qualified Household Demand (2015)	28
27	PMA and SMA Affordable Senior Housing Potential Hsld Demand (2015)	169
28	PMA and SMA Qualified Household Growth/Decline (2010-2015)	12
29	PMA and SMA Average Annual Potential Demand (2010-2015)	159
30	DMA Capture Rate	30%
31	DMA Annual Affordable Senior Rental Potential Demand (2010-2015)	48

Line 12 is a current estimate (2010) 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, estimated annual turnover rate of existing senior renter households, estimated interest from senior homeowner households, estimated interest from non-head of household seniors, and the HISTA data.

Line 13 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 14 is an estimate of the potential affordable senior rental housing demand from households from the primary and secondary market area in 2010.

Line 25 is a projection (2015) 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, estimated annual turnover rate of existing senior renter households, estimated interest from senior homeowner households, estimated interest from non-head of household seniors, and the HISTA data.

Line 26 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 27 is a projection of the potential affordable senior rental housing demand from households from the primary and secondary market areas in 2015.

Line 28 is a projection of qualified household growth/decline between 2010 and 2015 and is calculated by subtracting the 2015 household demand projection from the 2010 estimate.

Line 29 is the average annual potential demand that is calculated by considering the current demand in 2010 and the annual growth or decline between 2010 and 2015.

Line 30 is the estimated capture rate for the Downtown market area. It is an estimate of the percentage of qualified households in the primary and secondary market areas that would consider affordable senior rental units in the Downtown market area.

Line 31 is an annual projection of the number of qualified households that could be expected in the primary and secondary market areas between 2010 and 2015 that could be attracted to affordable senior rental units in the Downtown market area. This is an estimate of the total number of senior households on an annual basis that could provide the potential market demand for an affordable senior development in the Downtown market area. This is a point in time estimate and could change based on changes in supply and demand between this point in time and 2015.

Potential Affordable Senior Rental housing (over the next 5 years):

One Bedroom Units	18
Two Bedroom Units	30
Total	48

AFFORDABLE FAMILY RENTAL HOUSING DEMAND ANALYSIS

The purpose of this analysis is to quantify the potential affordable family rental housing demand in Downtown Farmington over the next few years. The analysis considers typical rents, the number of households that can create affordable family rental housing demand, and the number or percentage of households in the Farmington market that could reasonably be expected to create demand for new affordable family rental housing in Downtown.

Following is the quantitative analysis of the affordable family rental household demand and an explanation of the process used in the analysis:

Affordable Family Rental Potential Demand Analysis				
<u>PMA Qualified Household Demand (2010)</u>				
		1BR	2BR	3BR
1	Gross Rent (includes utility costs paid by tenants)	\$ 450	\$ 550	\$ 725
2	Percentage of Income to Housing	35%	35%	35%
3	Minimum Income (Affordability)	\$ 15,429	\$ 18,857	\$ 24,857
4	Maximum Income (Tax Credit Limits)	\$ 22,980	\$ 25,860	\$ 31,020
5	Appropriate Sized (1-5 Person HH) , Income Qualified, Renter HH, Age 18-61 (2010)	463	274	158
6	Percentage of Annual Turnover of Existing HH	<u>25%</u>	<u>25%</u>	<u>25%</u>
7	Number of Renter HH Turnover	116	69	40
		-	-	-

8	Number of Non-Head of Household Potential Tenants	35	21	12
9	PMA Qualified Household Demand (2010)	150	89	51
10	SMA Qualified Household Demand (2010)	30	18	10
11	PMA and SMA Affordable Family Rental Potential Hshld Demand (2010)	181	107	62
	PMA Qualified Household Demand (2015)	1BR	2BR	3BR
12	Gross Rent (includes utility costs paid by tenants)	\$ 485	\$ 580	\$ 675
13	Percentage of Income to Housing	35%	35%	35%
14	Minimum Income (Affordability)	\$ 16,629	\$ 19,886	\$ 23,143
15	Maximum Income (Tax Credit Limits)	\$ 25,370	\$ 28,549	\$ 34,246
16	Appropriate Sized (1-5 Person HH) , Income Qualified, Renter HH, Age 18-61 (2015)	535	315	165
17	Percentage of Annual Turnover of Existing HH	<u>25%</u>	<u>25%</u>	<u>25%</u>
18	Number of Renter HH Turnover	134	79	41
19	Number of Non-Head of Household Potential Tenants	40	24	12
20	PMA Qualified Household Demand (2015)	174	102	54
21	SMA Qualified Household Demand (2015)	35	20	11
22	PMA and SMA Affordable Family Rental Potential Hshld Demand (2015)	209	123	64
23	PMA and SMA Qualified Household Growth/Decline (2010-2015)	28	16	3
24	PMA and SMA Average Annual Potential Demand (2010-2015)	186	110	62
25	DMA Capture Rates	15%	15%	10%
		1BR	2BR	3BR
26	DMA Annual Affordable Family Rental Potential Demand (2010-2015)	28	17	6

Line 9 is a current estimate (2010) of the total number of existing limited income households that form the potential affordable 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, estimated annual turnover rate of renter households, estimated interest from non-head of household individuals, and the HISTA data.

Line 10 is a current estimate of the total number of limited income households that form the potential affordable 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 11 is an estimate of the potential affordable housing demand from households from the primary and secondary market area in 2010.

Line 20 is a projection (2015) of the total number of limited income households that form the potential affordable 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, estimated annual turnover rate of renter households, estimated interest from non-head of household individuals, and the HISTA data.

Line 21 is a projection of the total number of limited income households that form the potential affordable 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 22 is a projection of the potential affordable housing demand from households from the primary and secondary market areas in 2015.

Line 23 is a projection of qualified household growth/decline between 2010 and 2015 and is calculated by subtracting the 2015 household demand projection from the 2010 estimate.

Line 24 is the average annual potential demand that is calculated by considering the current demand in 2010 and the annual growth or decline between 2010 and 2015.

Line 25 is the estimated capture rates for the Downtown market area. It is an estimate of the percentages of qualified households in the primary and secondary market areas that would consider affordable rental units in the Downtown market area by bedroom size.

Line 26 is an annual projection of the number of qualified households that could be expected in the primary and secondary market areas between 2010 and 2015 that could be attracted to affordable rental units in the Downtown market area. This is a point in time estimate and could change based on changes in supply and demand between this point in time and 2015.

Potential Affordable Family Rental Housing Demand (over the next 5 years):

One Bedroom Units	28
Two Bedroom Units	17
Three Bedroom Units.....	6
Total	51

Although there could be demand for affordable housing for families in Downtown, it is not considered to be an ideal location for households with children because of the high density of vehicular traffic in the area. Affordable family housing could be developed in some of the existing neighborhoods around Downtown, which would still have possibly have a positive effect on the Downtown revitalization efforts.

CONCLUSIONS

Downtown Farmington is an active area of the City that has retained much of its charm and functionality. Most Downtown buildings are occupied with businesses that serve the local residents, but there are some vacancies on the ground floor and upper floors. Ideally, the vacant street level space would be occupied by new retail businesses and the upper floor space used to create new residential opportunities. The analyst also noted numerous vacant and underutilized tracts of land in Downtown that have the potential for new residential development.

The revitalization of most downtowns begins with an increase in the number of people using the area. People can be employees of businesses, tourists, city residents, or permanent downtown residents. More permanent residents increase the 24-hour people presence and help to establish the downtown as a relevant, safe, and vibrant mixed-use neighborhood. The DREAM Residential Demand Analysis focuses on the role that housing for permanent residents can play in the Downtown revitalization process.

A survey of Downtown Farmington indicates there is already some residential land use in various structures, including single family homes, traditional apartments, and units on the upper floors of commercial buildings. Downtown Farmington can benefit revitalization efforts if additional residential units are developed. The DREAM Residential Demand Analysis shows that, within the next five years, Downtown Farmington has an opportunity to meet demand for about 218 housing units. About 99 of these units could serve affordable senior and family rental households, while 119 could meet market rate rental needs. This housing could be developed in or nearby Downtown. While family housing is typically not compatible with Downtown living, Farmington has options that are very near to Downtown where family units could be better situated and still provide a consumer market for Downtown shops and businesses.

SECTION IX

DOWNTOWN RESIDENTIAL IMPLEMENTATION

Strategies and financial programs to encourage Downtown housing 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 living.
- 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 some of the buildings in Downtown Farmington have the potential to be converted into unique rental housing.
- 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 Farmington.
- Review applicable zoning and building codes to ensure they do not present barriers to Downtown residential development.
- Obtain new historic designations for buildings in Downtown so that historic tax credits can be considered to help finance development costs, where applicable.
- 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. Through active code enforcement, require that property owners maintain their properties.
- Implement Downtown beautification programs and maintain streetscape improvements in top condition. Replacement or repairs of sidewalks, planters, decorative lighting, street art, pavement, benches, and trash receptacles is critical to maintain visitor appeal.

In order to fund larger developments or more expensive historic rehabilitation projects, it may be necessary to use various public subsidy and incentive programs. Some financial mechanisms that could help to produce Downtown housing include:

- Historic 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.
- Affordable Housing Tax Credit – Up to 10 year federal and state tax credits that help raise project equity through the sale of tax credits to investors for affordable housing.
- 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 local program allows for future property or sales taxes to be used to help make infrastructure improvements in the TIF District.
- 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 – Provide funding by 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 provided to a home owner or developer to rehabilitate or build a home 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 to provide home repair grants for eligible 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.
- Tax Increment Financing – This local program allows for future property or sales taxes to be used to help make infrastructure improvements in the TIF District.
- Community Improvement Districts – This local program creates a special district to assess property tax, sales tax, or fees to fund infrastructure and other improvements in the district.

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
April 13, 2011