



MEETING NOTES
Mayor's Housing Advisory Council
MARKET-RATE HOUSING DEVELOPMENT TEAM
October 9, 2012 Meeting

NOTES BY: Jeff Bergman

MEMBERS PRESENT: Jeff Bergman
Jean Donica
Jeff Bush
Susan Fye
Bruce Parkinson
Dave Emmert
Mary Ferdon
Nolan Bingham

MEMBERS ABSENT: Dave Fisher

Jeff Bergman welcomed the attendees and thanked them for their time and commitment to a discussion of housing in Columbus. Jeff also distributed paper copies of the group's work plan and the City's request for proposals seeking a housing consultant.

The group took turns introducing themselves and their interest in market-rate housing in Columbus.

The group then engaged in a general discussion of their perceptions of the current state of market-rate housing in the community.

Jeff Bush expressed support for infill development and for assembling parcels in older neighborhoods for infill and re-development projects. He indicated that the City should work to extend the positive momentum from the downtown re-development into the surrounding neighborhoods. He indicated that the City continuing its outward expansion with little attention given to the core of the community is a concern.

Nolan Bingham noted that quality must be a consideration in infill and re-development projects. He indicated that the City should not tear down homes or other structures of quality design and construction to replace them with something of lesser quality.

Jean Donica indicated that infill and residential re-development is doable, but is also complicated and requires creativity. Jean indicated that her office keeps monthly data on the existing apartment availability in the community as well as demand information from Cummins and Camp Atterbury. Jean indicated that she would be willing to share her information with the chosen housing consultant. Jean reminded the group that Cummins was not the only noteworthy source of demand for market-rate rental housing. Other prominent sources of demand are Sylvania (in Seymour), Camp Atterbury, and IUPUC (student housing).

Jean Donica and Jeff Bush indicated their understanding that Camp Atterbury was currently providing short-term housing for units undergoing training on-base and would be constructing long-term housing on-base in the future.

Bruce Parkinson indicated that Cummins' future hiring is uncertain. He indicated that there are Cummins employees currently living in Greenwood and Indianapolis who would prefer to live in Columbus if additional housing was available. Bruce noted that the annual influx of interns was of particular concern this past summer (2012), with Cummins having between 250 and 300 interns in Columbus.

Jean Donica indicated that the supply of homes for sale was being reduced by those homes instead being the subject of 3-year leases to Camp Atterbury and Cummins contract employees and temporary staff.

Jeff Bush indicated that the lead time required for the construction of new apartment complexes is 2 years. This time is necessary to acquire the property, obtain financing, obtain zoning approval, etc. He indicated that financing was subject to the completion of a satisfactory financial feasibility study that meets the approval of the lending institution. Jeff indicated that many financial institutions view Columbus' housing demand as completely reliant on Cummins – when Cummins is doing well financing for housing seems to be available, when Cummins is not doing well financing seems to be more difficult to obtain. Jeff noted that there are other sources of housing demand in the community, but it is more difficult to demonstrate this demand to potential lenders. Jeff also noted that, until recently, relaxed lending practices allowed many likely apartment dwellers to buy homes instead. He indicated that the current economic conditions and lending practices make it harder for these people to obtain financing for home purchases and increase the demand for apartments.

Jeff Bush indicated that finding an appropriate new apartment complex site, that an owner is willing to sell, is a consideration. He further indicated that the property around a potential site can also be a problem. Poor neighborhood conditions, etc. can make an otherwise good site infeasible due to concerns about being able to sell the new housing product in those poor surroundings.

Jean Donica noted that the key to successful large-scale housing re-development is the successful relocation of any existing residents. Appropriate, affordable new homes must be already available for them.

Susan Fye indicated that there are 8 landlords in Columbus with large inventories of rentals. She indicated that these 8 and others are involved in Sheriff's sales and other means to purchase homes.

Jeff Bush indicated that re-development often involved some improvements to existing infrastructure. He believed that developers would be willing to pay for infrastructure improvements if the City would help to assemble the needed property. Jeff also stressed the importance of open space in multi-family residential developments.

Susan Fye noted that not all of Cummins' recent hires were earning high incomes and this should be a consideration in the discussion.

Jeff Bergman reviewed the work plan for the group. He noted that the next meeting would occur when the chosen housing consultant had a complete draft of a market condition analysis for Columbus. The group's task would be to offer a critical review of the draft to make sure that it accurately represented observed local conditions. Jeff indicated that some group members may be called upon in the meantime to provide data for the consultant. Jeff again thanked the group for their time and interest and the meeting was concluded.