

**Background/Need**

I. Current environment.

A. Threats

- (1) Marked decrease in housing construction from previous years.
- (2) Preponderance of older housing stock in town (over 50% built before 1940)
- (3) Continued population loss.
- (4) Dwindling availability of marketable lots.

B. Opportunities

- (1) Mortgage Interest rates at historical lows.
- (2) County and City (.05 using old assessment formula) taxes are decreasing.
- (3) Home ownership has increased in last 10 years.
- (4) Increased removal of old housing stock.

II. Current incentives available for new construction.

- (a) Developmental Rights and Responsibilities Agreement.
- (b) Turano Property Annexation Agreement providing tax abatements for new development.
- (c) Incentives for manufacturing/commercial in Enterprise zones.

III. Current Problems

- (a) Need for a more transparent, fair, and 'fiscally neutral' system for awarding incentives than what is outlined in current 'Developmental Rights and Responsibilities Agreement' language.
- (b) Density of built-up areas is decreasing.
- (c) Existing programs (e.g., STAR) target renovations and homeownership (e.g., NHS) for existing housing units.
- (d) Large number of "sub-standard" (and soon to be blighted) properties.
- (e) Current programs are inadequate to promote new infill housing.

**Table 1. Number (and value) of Residential Construction Permits issued, 1996-2002.**

	#	Total Value	Average Value per House
1996	8	\$1,110,595	\$138,824
1997	6	\$667,000	\$111,167
1998	8	\$957,328	\$119,666
1999	4	\$749,000	\$187,000
2000	1	\$136,000	\$136,000
2001	3	\$350,000	\$116,666
2002 (exp.)	5	\$1,065,000	\$213,000
Total	35	\$5,034,923	—
Average	5	—	\$143,855

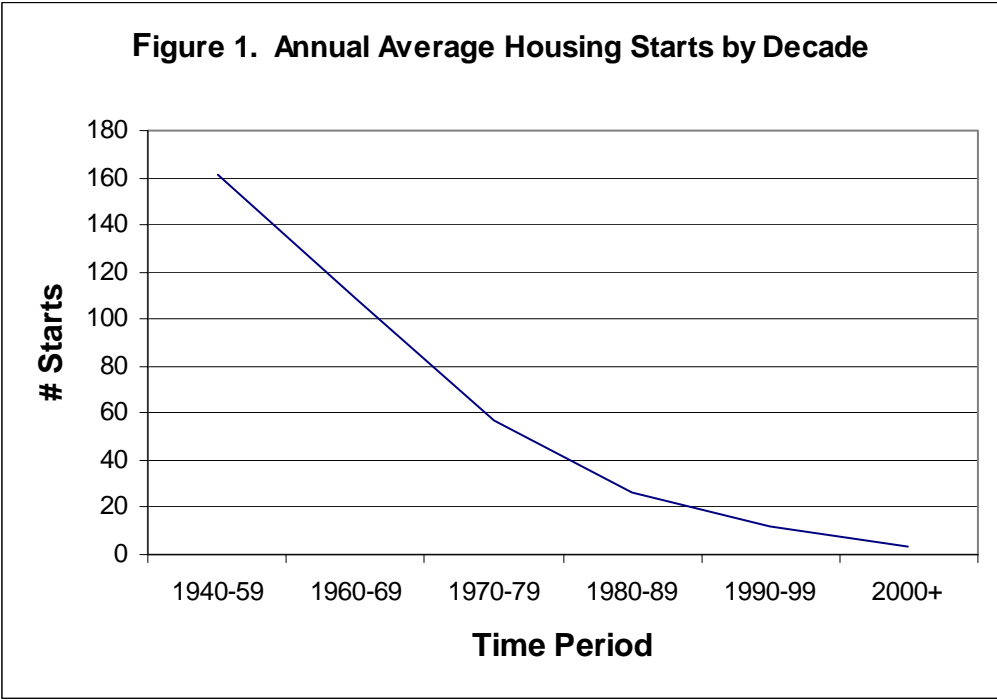
Source: City of Cumberland, Community Development Office

Median home value according to U.S. Census is \$60,600

**Table 2. Age of Housing Units, 2000 Census.**

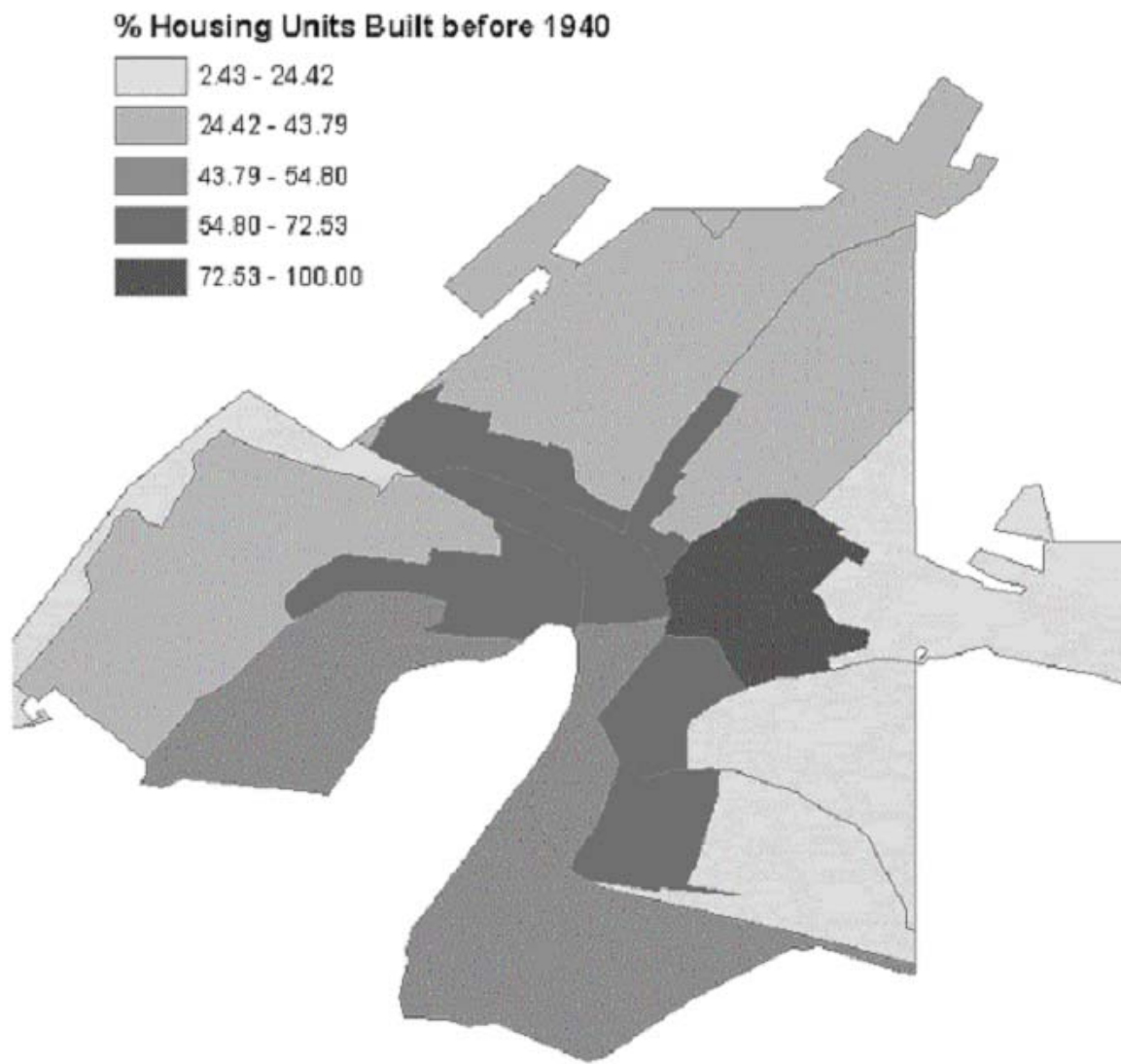
Period	# Housing Units	% of Total	Avg. # Annual Starts	Population Change
1999 to March 2000	10	0.1	5	
1995 to 1998	33	0.3	8	
1990 to 1994	83	0.7	17	-9.3% (1990s)
1980 to 1989	259	2.3	26	-8.5%
1970 to 1979	567	5.1	57	-12.8%
1960 to 1969	1,091	9.8	109	-11.0
1940 to 1959	3,215	28.8	161	-11.3 (1950s)
1939 or earlier	5,896	52.9	88	
Total	11,154	100.0		

Source: U.S. Census Bureau, 2000.



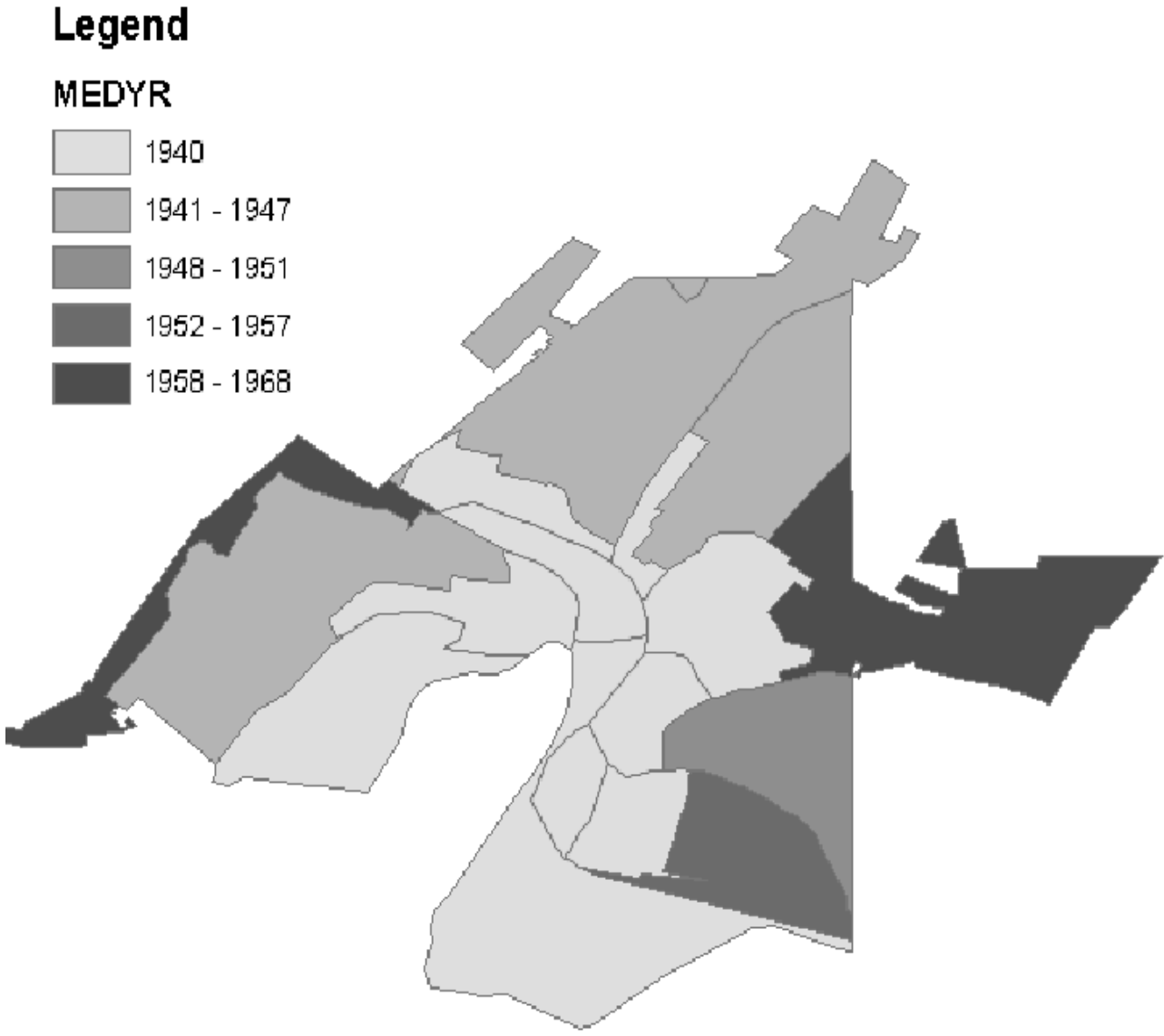
Source: U.S. Census Bureau (based on housing stock age) and City of Cumberland, Community Development Department.

**FIGURE 2. Percentage of Housing Units Built Before 1940 by Census Block Group, 2000.**



Source: U.S. Census Bureau, 2000.

**FIGURE 3. Median Housing Unit Age by Census Block Group, 2000**



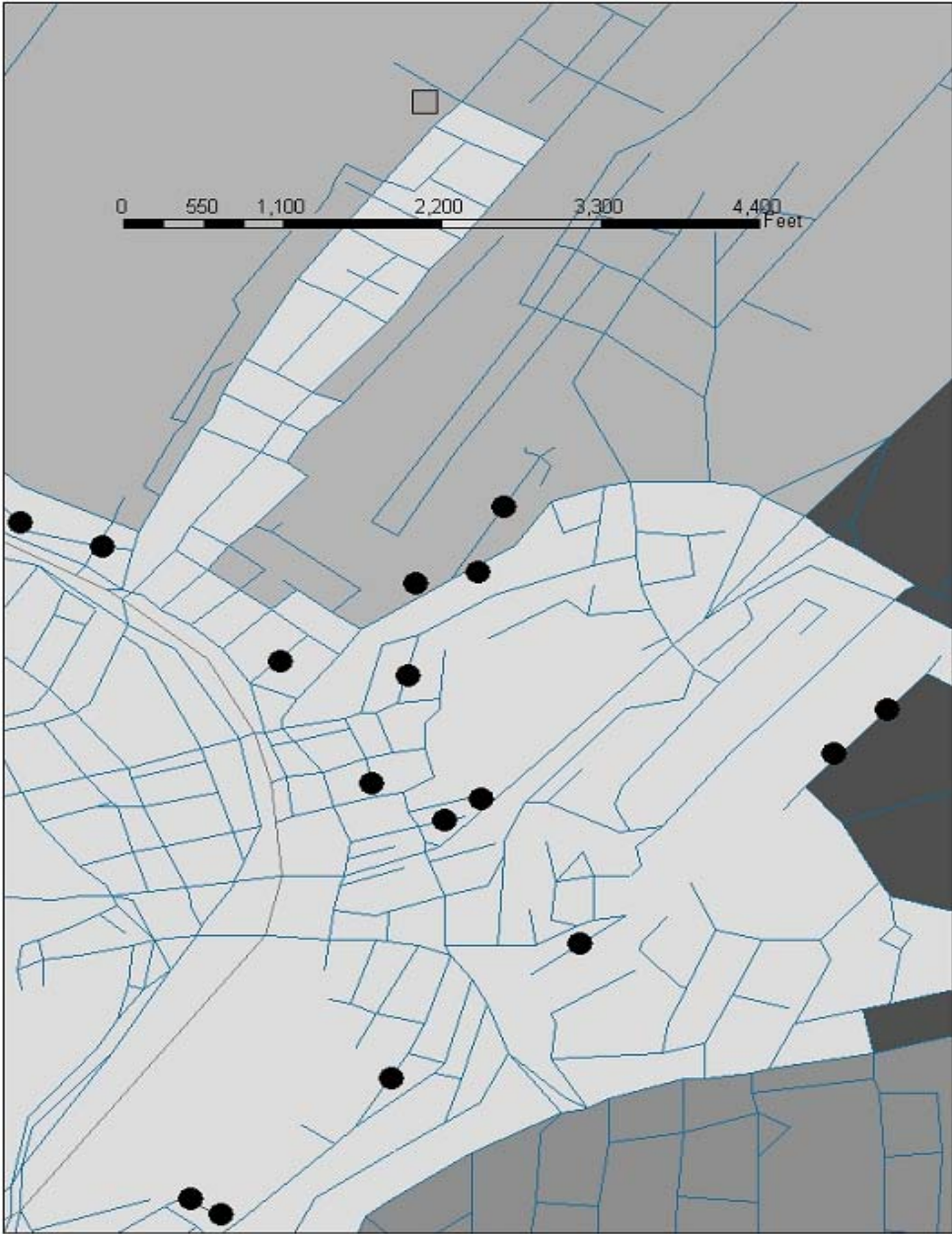
Source: U.S. Census Bureau (2000)

**FIGURE 4. Blight Removal (circles) and New Housing Construction (squares) with Census Block Median Housing Unit Age Overlay**

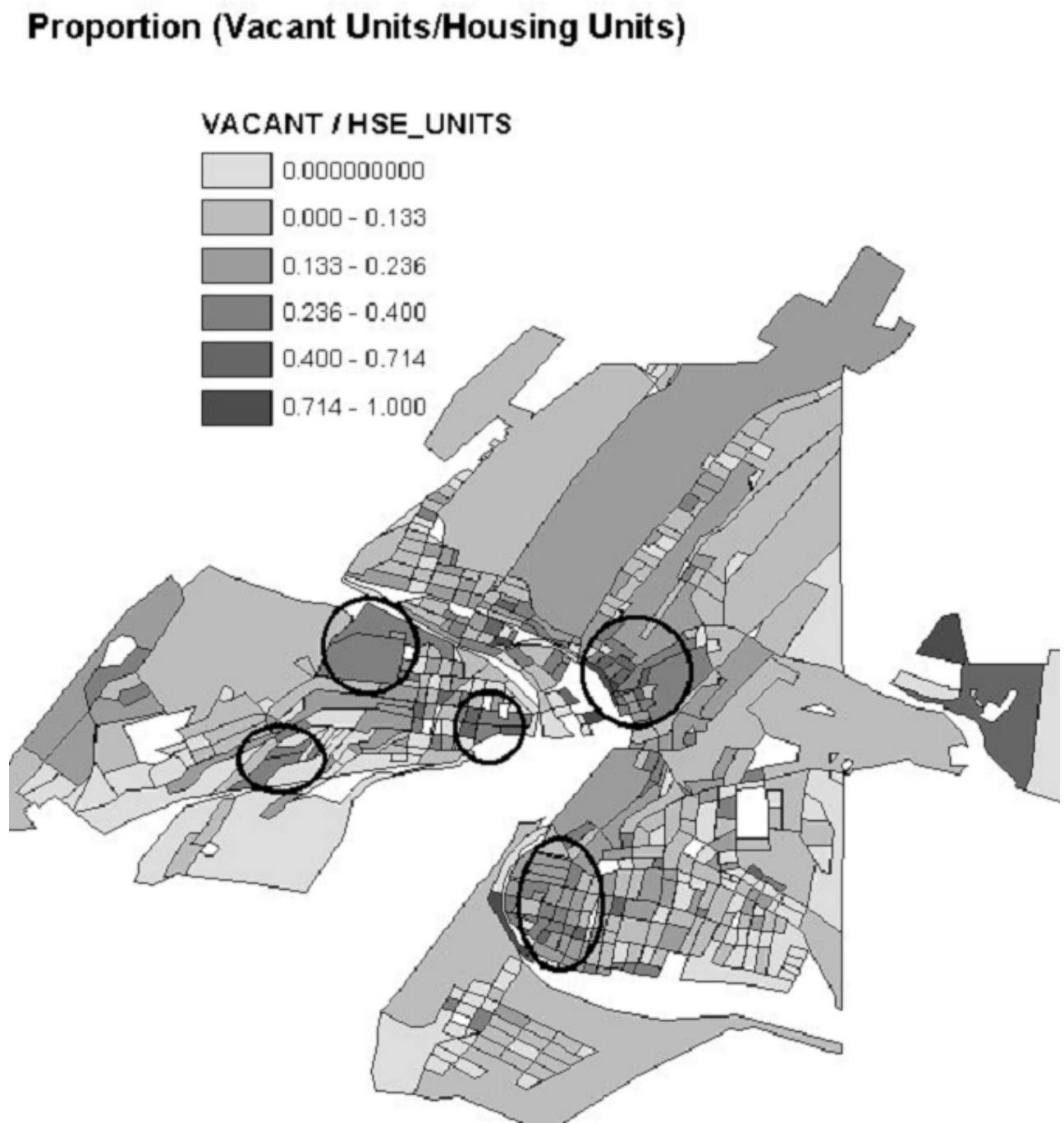


Source: U.S. Census Bureau (2000) and City of Cumberland, Community Development Department

**FIGURE 5. Blight Removal Closeup.**



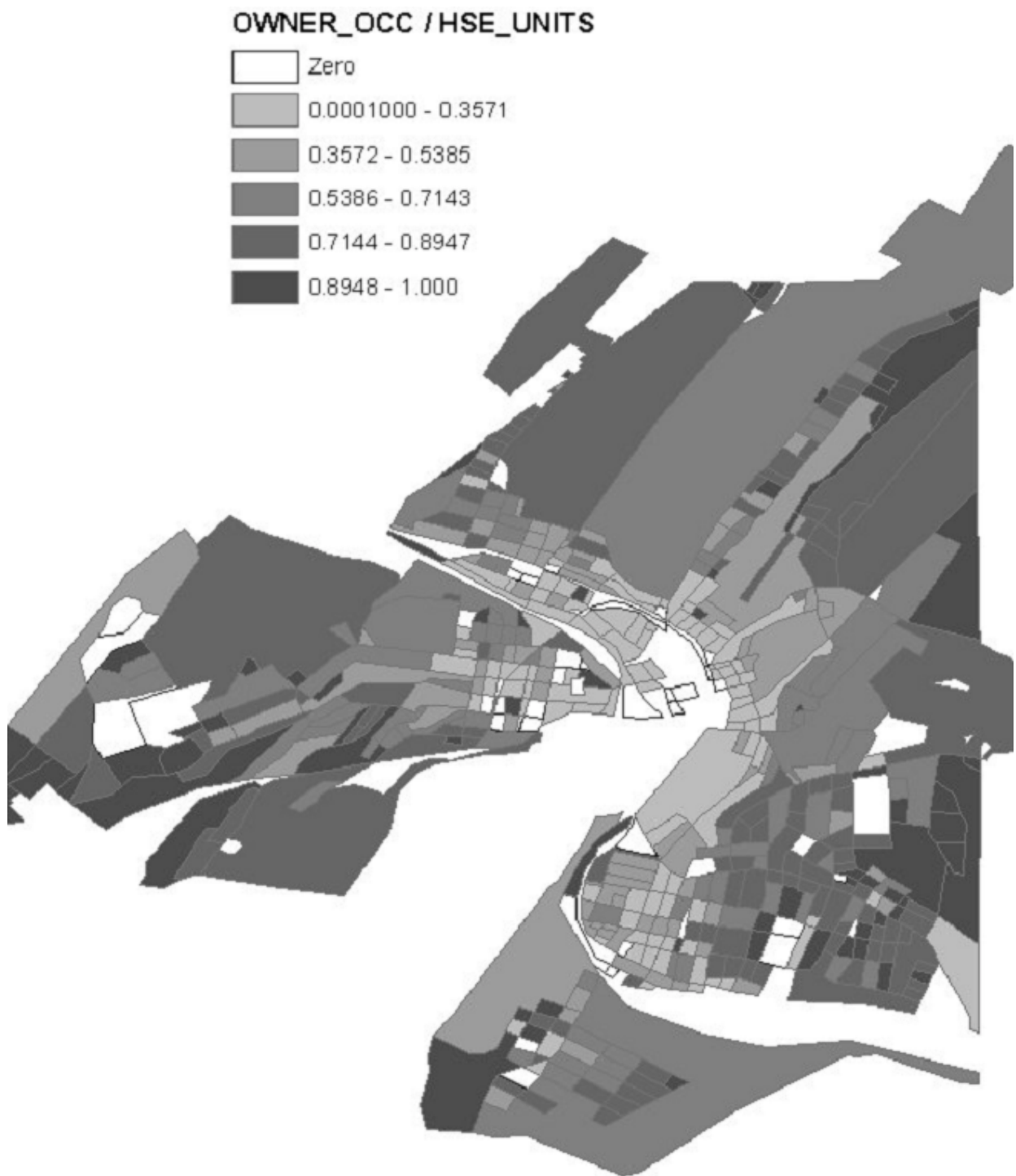
**FIGURE 6. Vacant Housing Units Proportion by Census Block with Problem Areas Circled.**



Source: U.S. Census Bureau, 2000.

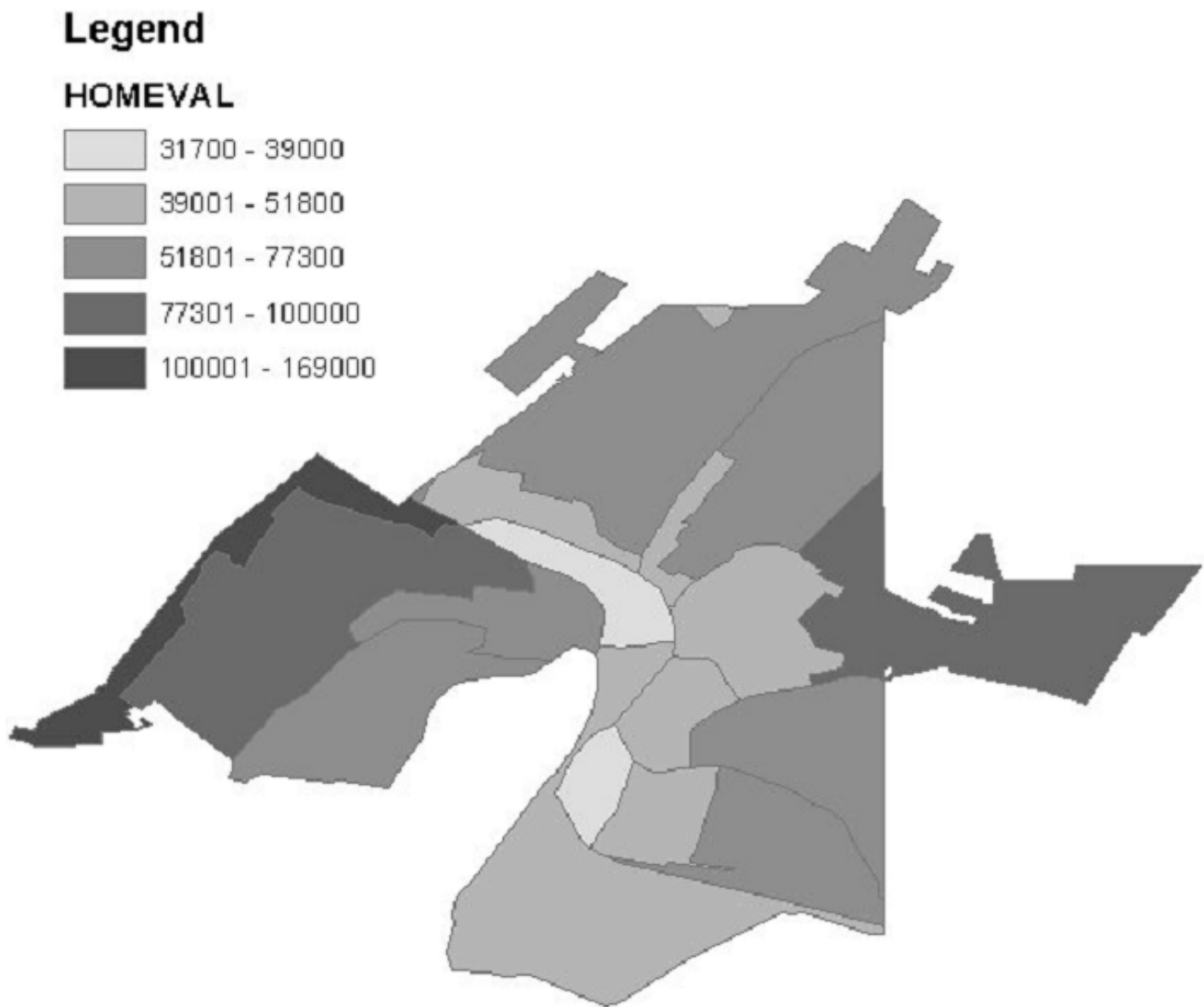


**FIGURE 7. Owner-Occupancy Proportion by Census Block.**



Source: U.S. Census Bureau, 2000.

**FIGURE 8. Median Home Value by Census Block Group.**



Source: U.S. Census Bureau, 2000.

**FIGURE 9. Family Income by Census Block Group.**



Source: U.S. Census Bureau, 2000.

## **Possible Components of Infill Development Plan**

- (1) Include 'Infill' Goal in next Comprehensive Plan and draft new ordinance (Goal: March 2003).
- (2) Make City construction fees uniform with county.
  - (a) Construction fee based on square footage at same rate as County.
  - (b) Updating and benchmarking of other fees could easily fill any revenue gaps.
- (3) Offer New Construction Incentives (tweak parameters as needed)
  - (a) Fee Waivers
    - Building Permit Fees (\$4/1,000 estimated cost —
    - Water and Sewer Tap Fees (\$1,800 – \$2,350)
    - Demolition Fees (\$50)
    - Others (variances, other reviews)
  - (b) Property tax abatements and freezes
    - 10 year property tax abatements and/or freeze for eligible areas
  - (c) Surplus lot availability and prices (remove bidding process and offer set price to speed marketing and disposal of properties).
  - (d) Participate in off-site improvements (e.g., road, lighting) but only if gap financing is needed. Criteria should be reasonably transparent and replicable.
  - (e) Attempt to control blight in vicinity of new infill development sites (funded through current programs).
  - (f) Incentives offered would depend on various parameters
    - (i) Proposed infill development must fall into designated 'infill zone.'
    - (ii) Subdivisions greater than XX homes would not qualify for the program.
    - (iii) Amount of incentive would depend on zone (i.e., more distressed neighborhoods would be eligible for larger incentives). Zones could be designated after receiving results from Housing Study in November.
- (4) Design/Construction/Occupancy Requirements
  - (a) Must be owner-occupied.
  - (b) Minimum space requirements. Space 2 bedroom units, 1,100 sq. ft. with 1-1/2 baths, 3 bedroom units, 1,300 sq. ft. with 1-1/2 baths, 4 bedroom units, 1,600 sq. ft. with 2 full baths
  - (c) Front yard landscaping
  - (d) Common front exterior façade for units in specified areas (e.g., historically designated neighborhoods).
  - (e) Other criteria: must be within X feet of existing development, must be in x feet of water and sewer system, must have street access, etc.
- (5) Grant Fund Utilization (CDBG, Legacy) and Non-profit collaboration.
  - (a) Offer \$5k or less (from CDBG funds) to subsidize closing costs/down-payment for low/moderate income families.
  - (b) Collaborate more closely with non-profit providers in grant fund coordination and encourage marketing of 'new construction alternative.'
  - (c) Infill grants could be delivered/administered by non-profits instead of City.
  - (d) Encourage Vo-tech student projects by donating land, fee waivers, and other

assistance.

(6) Improved Marketing.

(a) Piece of literature (brochure) describing program (see attached sample).

(i) Describe program.

(ii) Comparative cost of taxes/services with outlying areas.

(b) Webpage inventory of vacant lots and blighted houses obtained by tax sale. Photo inventory would be uploaded to website with other relevant data on the properties (location, assessed value, folio number, etc.)

(c) Coordination with Homebuilders, Real Estate Agencies, Banks, homebuyers representatives.

(d) Presentation and regional homebuilders' conferences, Pace Plus, etc.

(e) Rapid response information/assistance to fire/natural disaster victims.

(7) Create a City In-Fill Development Team.

(a) The team would expedite infill projects and advise on changes to program

(b) The team would consist of several members including:

City Representative

Member of Blight Team

Non-profit home ownership representative (e.g., NHS, HRDC, Interfaith Housing)

Home Builder

Realty

Banking

Other (Average Homeowner/Resident)

(8) Coordinate Infill Housing Program with Blighted Property Committee Efforts

(a) Prioritize blighted but 'marketable properties' for blight removal.

(b) Replace 'nearest neighbor' surplus property sale with infill marketing priority.

(c) Surplus Property banking where appropriate.

(9) Upgrade our GIS capabilities in Community Development/Engineering to be better able to track vacant lots, blighted properties, etc.

## **Program Motivation**

### **Goals**

- (1) Neighborhood Stabilization and Revitalization.
- (2) Improve Neighborhood Streetscape.
- (3) Encourage development of vacant or underutilized land.
- (4) Diversify our housing stock and increase availability of newer housing stock.
- (5) Stimulate construction sector and construction jobs.
- (6) Improve energy efficiency and fire-safety of City housing stock.
- (7) Increase tax-base. 'Fiscally neutral' incentives formula would be necessary. Program should not have negative effect on budget. Grant-based incentives would not need to pass the same fiscal test.

**Objective:** At least 10 new housing units per year. Goal is at least 100 owner-occupied infill units between 2003 and 2012.