

# EXECUTIVE SUMMARY

## A. INTRODUCTION

The purpose of this report is to evaluate the potential for residential development in the Village of Crestline, within Crawford County, Ohio. Residential development uses considered in this analysis include the following:

- Market-rate multifamily rental housing
- Affordable multifamily rental housing (Low Income Housing Tax Credit)
- Independent-Living rental housing for senior households
- Assisted-Living rental housing for senior households
- Memory Care rental housing for senior households
- For-sale single-family housing
- For-sale multifamily (condominium) housing

This study analyzes the overall for-sale and rental housing needs for Crestline, and its periphery. No site has been specified for development and our recommendations relate to the potential to develop within the Crestline area, but not for specific sites.

The Crestline study area for rental housing, condominium, and single-family residential includes the Village of Crestline, most of Jackson Township, and a small portion of Jefferson Township.

The Galion/Crestline senior housing study is bounded by State Route 96, County Road 198, and County Road 170 to the north, State Route 314 to the east, Steam Corners Road, County Road 40, County Road 35, State Route 61, County Road 51, and State Route 309 to the south, and State Route 100, Monnett Chapel Road, Shearer Road, State Route 19, and State Route 602 to the west.

Maps illustrating these study areas are illustrated on the following pages:

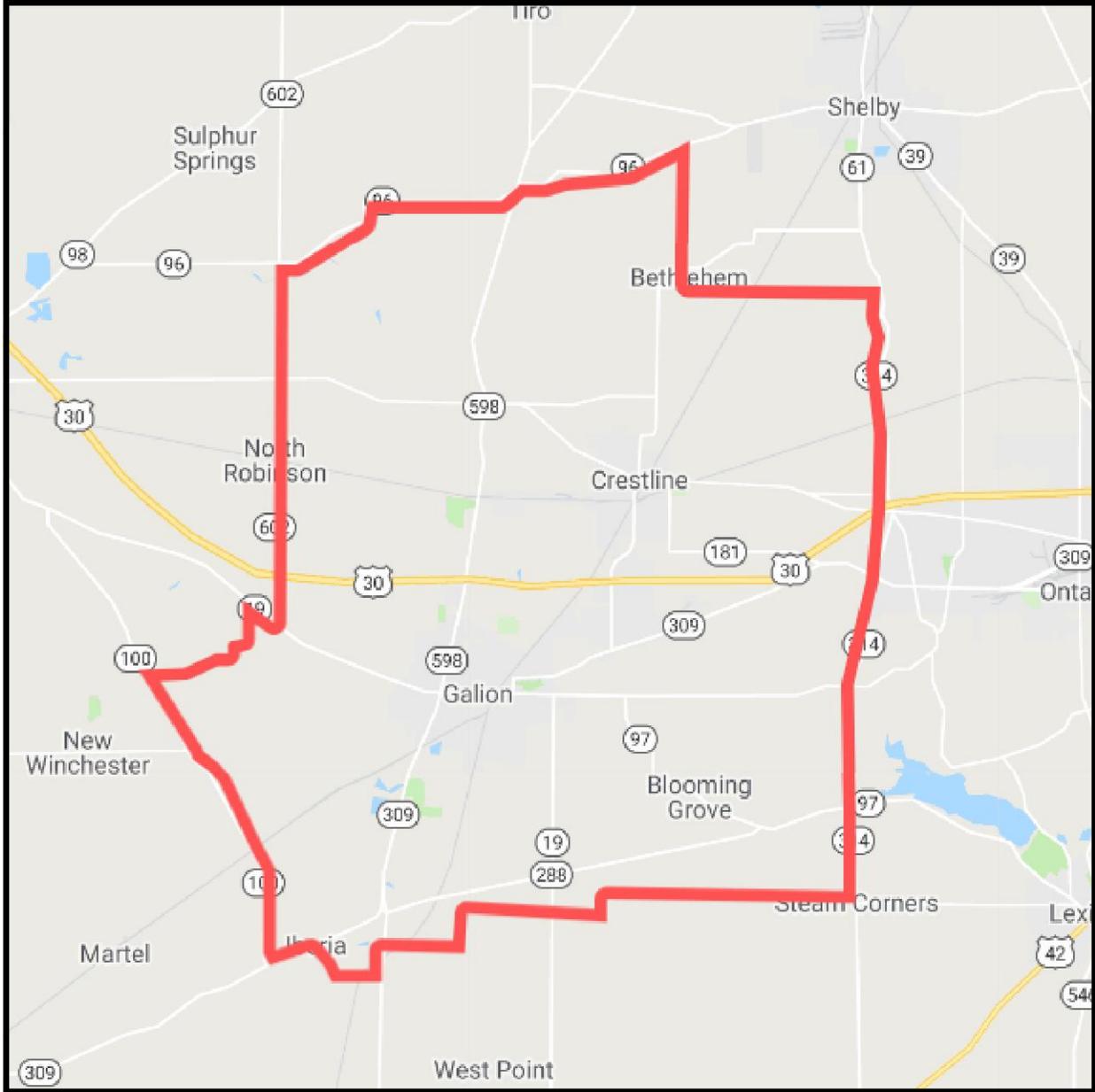
# STUDY AREA MAP



## CRESTLINE, OHIO



# SENIOR HOUSING STUDY AREA



## GALION/CRESTLINE



Given the lack of conventional rental housing in the Crestline study area, we have case studied several “Peer Cities” in the Midwest with well-developed market-rate multifamily rental markets to assist in identifying potential for additional development in each study area.

Based on field surveys of existing rental and for-sale housing development, and a demographic analysis of the Crestline study area, support levels can be established for additional housing development potential within each study area. We have considered the following in our recommendations:

- Analysis of the overall rental and for-sale housing market in each study area
- Historical housing trends
- Current market conditions based on 100% field survey of modern apartments, condominiums, single-family subdivisions, and senior rental housing
- Appropriateness of each study area for additional development
- Current and expected economic and household growth conditions
- Area housing demand factors, including:
  - Income-appropriate renter households
  - Age- and income-appropriate households
  - Support from existing renters (step-up/down support)
  - Case studies of “Peer Cities” with fully developed apartment markets
  - Condominium and single-family support considers optimum capture factors based on income cohorts.

The Crestline study areas does not feature moderate or upscale multifamily rental housing, which is vitally important to supporting multifamily rental growth as well as potential condominium and single-family home ownership. Further, moderate and upscale apartments are critical in attracting new employees to growing companies or businesses new to the market.

## **ECONOMY/EMPLOYMENT**

Crawford County, overall, has a good ratio of jobs to labor force. There has been little change in the ratio of labor force and employment in the past 10 years. However, both the labor force and employment in Crawford County have declined during the same span.

Between 2009 and 2018, employment decreased 6.5%, while the labor force declined more significantly, 16.0% during the same period. Although both have declined in the past 10 years, the ratio has tightened considerable since the economic decline in 2009 when the labor force was 117% of employment. It is currently 106% of employment. Following is a comparison of work force and employment in Crawford County:

A distribution of total employees working in Crawford County and the Crestline study area by category is as follows:

<b>EMPLOYMENT CATEGORY</b>	<b>CRAWFORD COUNTY</b>	<b>CRESTLINE</b>
Forestry, Fishing, Hunting And Agricultural Support	113	20
Mining	0	0
Utilities	17	7
Construction	575	64
Manufacturing	3,948	75
Wholesale Trade	589	65
Retail Trade	1,297	86
Transportation And Warehousing	155	15
Information	238	23
Finance And Insurance	689	27
Real Estate And Rental And Leasing	264	19
Professional, Scientific And Technical Services	567	21
Management Of Companies And Enterprises	75	0
Administrative Support, Waste Management, Remediation Services	328	26
Educational Services	1,420	142
Health Care And Social Assistance	2,021	107
Arts, Entertainment, And Recreation	183	8
Accommodation And Food Services	1,429	71
Other Services (Except Public Administration)	824	105
Public Administration	972	85
Unclassified Establishments	8	0
Total	15,712	967

Total number of employees working in the Crestline study area accounts for 6.2% of the total number of employees working in Crawford County.

Employment categories accounting for the highest share of employees among Crawford County include Manufacturing, Health Care and Social Assistance, Accommodations and Food Services, Education Services, and Retail Trade. These categories account for nearly 65% of the total employees in Crawford County.

## **C. RECOMMENDATIONS**

It is our opinion that a market exists for housing development alternatives in the Crestline study area, including moderate apartments and senior properties with services.

The current recommended demand for additional rental and for-sale housing in the Crestline study area is illustrated as follows. The recommended demand for senior housing was separated from the other housing components. Senior housing generally attracts residents from a greater area than the other housing types studied, resulting in larger study areas. Because Galion and Crestline share a hospital and community services, as well as their proximity to each other, we have considered Crestline and Galion together in a common study area. These recommended unit totals are based on the assumption that each product type would achieve a stabilized absorption within an appropriate timeframe.

<b>CURRENT RENTAL AND FOR-SALE HOUSING DEMAND CRESTLINE (RENTAL) AND CRESTLINE/GALION (SENIOR) STUDY AREAS</b>	
<b>DEVELOPMENT TYPE</b>	<b>CRESTLINE</b>
Upscale Garden	0
Upscale Townhouse	0
Moderate Garden	36
Moderate Ranch	0
Low to Moderate Family Tax Credit	0
Low to Moderate Senior Tax Credit	0
Condominium	0
Single-Family Subdivision	0
Total	36
	<b>GALION/CRESTLINE SENIOR</b>
Senior Independent-Living	60
Senior Assisted-Living	68
Senior Memory Care	40
Total	168

Based on our Tax Credit demand analysis and considering the Ohio Housing and Finance Agency's (OHFA) capture rate threshold of 10%, we determined that demand

exists for 20 additional family Tax Credit units and only 10 age-restricted Tax Credit units within the Crestline study area.

Given the small amount of current demand for both, we would not recommend a new Tax Credit development within this study area at the present time. However, it is our opinion that this market continues to be monitored to determine if additional Tax Credit demand potential exists for future development.

Also, given the lack of demand, it is our opinion that the Crestline study area currently lacks the support for new upscale rental housing development. However, should moderately-priced rental housing be developed in the Crestline study area, opportunity could potentially exist for future upscale rental housing.

The following tables illustrate the recommended developments for the types of units studied:

**MARKET-RATE APARTMENTS**

We recommend market-rate development currently not represented in the market as follows for the Crestline study area:

Moderate Market-Rate Garden Apartments (among two- to three-story buildings)

UNIT DESCRIPTION	NUMBER	SQUARE FEET	CURRENT RENTS
One-Bedroom/1.0 Bath Garden	14	650	\$575
Two-Bedroom/2.0 Bath Garden	22	900	\$735
Total	36		

**LOW-INCOME HOUSING TAX CREDIT APARTMENTS- (FAMILY)**

We do not recommend additional LIHTC family apartments in the Crestline area at this time.

**LOW-INCOME HOUSING TAX CREDIT APARTMENTS- (SENIOR)**

We do not recommend additional LIHTC senior apartments in the Crestline area at this time.



## **FOR-SALE CONDOMINIUMS**

Based on our condominium demand analysis, which accounts for support from both within each study area, as well as support from outside the areas, there is annual demand for only seven new condominium units in the Crestline study area.

Although there were no existing condominium properties in the Crestline study area, annual demand for new condominium development consists of only 7 new units. This lack of demand and the fact that Crestline currently lacks any other support from modern market-rate rental housing, we would not recommend any new condominium development in the area over the next few years.

## **SINGLE-FAMILY SUBDIVISIONS**

Based on our single-family subdivision demand analysis, which accounts for support from both within each study area, as well as support from outside the areas, there is annual demand for 10 new single-family homes in the Crestline study area.

### **Crestline Study Area**

There are 3 unsold single-family lots among the two identified single-family subdivisions, Cedar Mill Estates and Keller Subdivision, in the Crestline study area. However, these lots are not being actively marketed and it is likely that these lots will not ultimately be sold and developed in the near future.

Cedar Mill Estates experienced the last new home sale in December 2013, while the Keller Subdivision had a last home sale in November 2010. More recent sales occurred at the Keller Subdivision, but these consisted of lot sales by individual homeowners who acquired adjacent lots to increase the overall lot with home sizes, with no intention of building another single-family home.

Based on the single-family demand analysis, we determined that the Crestline study area has an overall annual demand for up to 10 new single-family homes; however, half of this demand is in the \$150,000 to \$225,500 price range. Given this limited demand and the fact that there are three remaining lots at the two existing subdivisions, we would not recommend any new single-family subdivision development in this study area over the next few years.

In addition, to the limited demand, the Crestline study area currently lacks any modern market-rate rental housing and without any upscale rental housing or support base, it is difficult for a market to support new for-sale housing.

While we are currently recommending new moderate rental housing in this study area, the area currently lacks any upscale rental housing. Upscale rental housing typically represents a support component for for-sale housing, both single-family and condominium development through the housing continuum concept.

## **SENIOR HOUSING WITH SERVICES**

It is our opinion that support exists for additional senior housing with services in the Galion/Crestline study area. Recommendations for potential developments follow:

### **Galion/Crestline Study Area**

#### Independent-Living

UNIT TYPE	NUMBER OF UNITS/BEDS	BASE RATE*	AVERAGE UNIT SIZE (SQUARE FEET)
<b>Independent-Living</b>			
One-bedroom/1.0 bath	36	\$2,500	750
Two-bedroom/2.0 bath	24	\$3,100	900 -1,000
<i>Independent-living total</i>	60		

#### Assisted-Living

<b>Assisted-Living</b>			
Studio /1.0 bath	22/22	\$3,500	360
One-bedroom/1.0 bath	46/46	\$4,000	600
<i>Assisted-living total</i>	68/68		

#### Memory Care

<b>Memory Care</b>			
Private	12/12	\$5,000	300
Semiprivate	14/28	\$4,500	360
<i>Memory care total</i>	26/40		

The recommended senior units do not represent the full demand for senior housing. We have considered the number of units that the market is likely to successfully absorb over an industry-standard two-year absorption period.

## UNIT AMENITIES

Market-Rate Apartment Unit Amenities:

Each unit in the proposed market-rate product (upscale garden, upscale townhouse, moderate garden, and moderate ranch-style) will include the following amenities:

- Range
- Frost-free refrigerator
- Dishwasher
- Disposal
- Central air conditioning
- Washer/dryer
- Carpet/faux-wood flooring
- Security system
- Balcony/patio
- Carport
- Attached garages (some)
- Ceiling fan
- 9' ceilings
- Window coverings

In addition, upscale properties would have upgraded finishes such as granite/quartz countertops, cabinetry, carpet/faux-wood flooring, stainless-steel appliances, ice-makers, etc.

Competitive features such as room sizes, closets and storage, and entryways are critical in the successful marketing of rental properties. Following are our recommendations for each product.

### Bedroom Sizes

The following table shows the minimum recommended bedroom sizes:

<b>PROJECT TYPE</b>	<b>MASTER BEDROOM</b>	<b>SECOND BEDROOM</b>	<b>THIRD BEDROOM</b>
Moderate-Rate Garden Units	150	140	-

### Closet Space

The following lineal feet of closet space should be achieved:

One-Bedroom	12 to 15 Lineal Feet
Two-Bedroom	18 to 22 Lineal Feet
Three-Bedroom	24 to 28 Lineal Feet

It should be the goal to have the largest closet space in the market. This effectively reduces turnover. Walk-in closets should be included in the master bedroom; however they are not required in the second and third bedroom. Wall closets are considerably

more space efficient. Walk-in closets do provide a “wow” factor, but that can be accomplished in the master bedroom.

Additional storage should be provided wherever possible. The ranch and townhouse units will have additional storage opportunities in the garage. Additional storage can be provided on patios and balconies. Also, additional storage can be provided in special buildings at an additional fee.

### Entry

The entry into the units should be open and airy. Entry should be directly into the great room with a view of the opposing windows if possible.

### Senior Housing Unit Amenities:

Each independent-living unit should include the following amenities:

- Kitchen featuring a refrigerator, dishwasher, sink, range/oven and microwave oven.
- Central air conditioning
- Carpet/floor coverings
- Window mini-blinds
- Pre-wired for cable/satellite television/Internet
- Emergency call system
- Bathroom fitted with safety bars
- Balcony/patio

Each assisted-living unit should include the following amenities:

- Kitchenette including a sink, microwave and refrigerator
- Emergency call system
- Carpet
- Window blinds/drapes
- Air conditioning

Each memory care unit should include the following amenities:

- Carpet
- Emergency call system
- Window blinds/drapes
- Air Conditioning

### **PROJECT AMENITIES**

We recommend a master project amenity facility serving all of the market-rate rental properties.

Market-Rate Project amenities would include the following:

- Community building
- Fitness center
- Business/computer center
- Car wash area
- Picnic area/BBQ area
- Pet friendly
- On-site management

Senior Housing Project Amenities:

- Beauty/barber shop
- Computer center
- Craft/activities room
- Exercise room/fitness center
- Indoor gathering area(s)/lounge(s)
- Wellness/therapy center
- Courtyard
- Formal dining area
- Private family dining room
- Media/TV room
- Library
- Outdoor walking path
- Public Area Wi-Fi
- Laundry room