

Hilltop Homes project renovating historic houses for apartment units

But some question cost, benefits

*Credit: Parker Michels-Boyce
The Lynchburg News & Advance
October 4, 2010*



Doug Boyd saws a piece of OSB board for renovation of the house at 2011 Grace St. in Lynchburg on Sept. 22. Built in 1916, the house is being converted into apartments by the Lynchburg Neighborhood Development Foundation.

Time doesn't heal all wounds; for some houses in Lynchburg's inner city, it only brings more blight as the homes fail to attract investors and residents.

A Lynchburg nonprofit is trying to turn back the clock for 13 homes in neighborhoods near downtown. Lynchburg Neighborhood Development Foundation has started turning the homes into 24 apartments for low-income residents.

Hilltop Homes, LNDF's latest renovation project, is restoring 13 homes in areas including College Hill and White Rock Hill. The homes have a combined assessed value of \$253,000, and LNDF is spending about \$3 million to renovate the homes, plus about \$2 million in administrative, legal, and development costs.

All but one of the homes on the list are more than 100 years old; the oldest is 150 years old, according to city records. Some are "problem houses" with long records of building code violations.

In less than a year, Executive Director Laura Dupuy wants to see the vacant buildings turned into beautiful, occupied homes reminiscent of how they appeared when they were first built. That could be a step toward bringing more improvement to surrounding properties.

"The neighborhoods need investments ... I think there's a huge economic lift to have present use of these old buildings," Dupuy said. "It makes for a better neighborhood, and it uses the buildings in a way that is positive for the neighborhood."

LNDF is a nonprofit that provides affordable rental and home ownership programs. In the past 12 years, its College Hill Homes and Central City Homes projects renovated 24 buildings to create 65 apartments with below-market rents.

Those projects have maintained high occupancy rates and Dupuy calls each a success, but the expensive renovations have prompted questions about the best ways to use public dollars to help the poor.

The Hilltop Homes project is being paid for with \$3 million in low-income tax credits, long-term financing and \$120,000 in federal HOME money, which was awarded by City Council after recommendations from a citizens advisory committee.

The costs of the program sparked concerns from Walter Fore, a member of the advisory committee. He said LNDF has done good work, including some homes on his street, but he wonders whether the renovations are the best use of money.

“I don’t know whether it’s ... in the best interest of the entire community,” he said. Fore questioned whether new rental properties are necessary before existing low-income projects fill up. He also felt that too much money was being poured into renovations. “If you’re going to spend \$195,000 in repair work, why don’t you tear it down and build it new from the ground up?” said Fore.

Dupuy said that LNDF paid for a market study to see if the city has a demand for more low-income housing. That was a requirement for receiving low-income housing tax credits.

The market study reported that there is a demand for more low-income housing in the downtown area. “We don’t do this just because we think it’s a good idea. We’ve got to back it up,” Dupuy said.

As for the costs of the renovations, Dupuy said there has to be a judgment call. LNDF chooses homes with historic value that are worth preserving, she said.

“I’m just not going to tear down a house that’s worthwhile,” she said. “I think there’s just too many other opportunities.”

The type of new construction that would be less expensive than renovation would lack the historical character that defines the older neighborhoods in Lynchburg, she said. “You cannot build those buildings anymore. They’re worth preserving.”

LNDF also hopes historic renovations attract private investments into depressed areas around downtown Lynchburg. Economics students at Randolph College have looked for those kinds of ripple effects, and they may have found them, said professor John Abell. After a few homes in a neighborhood are renovated, the value of surrounding homes tends to rise, he said. That seems to be true in the older neighborhoods where LNDF and other organizations have restored homes, he said.

“My sense from having driven that neighborhood is that there are a lot of ... fine old homes that were really done right back in the day,” he said. “I see a lot of them in various stages of renovation.”

As more people start living in those areas, it could create stronger demand for local businesses, such as grocery stores, that would improve the quality of life more, Abell said. “The hope is that these multiplier effects will go far beyond single-family homes.”