Murphy Park

St. Louis, Missouri

Project Type: **Residential**

Subcategory: **Housing—Multifamily**

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PROJECT TYPE

Murphy Park is a 413-unit apartment complex located north of downtown St. Louis, Missouri. Developed by McCormack Baron Salazar, Inc., this mixed-income community provides housing for people in a wide range of income groups—from those on public assistance to those earning six figures. Its mix of two-, three-, and four-bedroom units are clustered in triplexes and quadplexes designed to resemble single-family homes. Replacing a high-rise public housing project, Murphy Park was constructed under a demonstration program to show how federal funds can be used to leverage private financing and create mixed-income housing.

LOCATION

Inner City

SITE SIZE

28.15 acres/11.39 hectares

LAND USES

Mixed-income housing, Apartments, Affordable housing

KEYWORDS/SPECIAL FEATURES

- Infill Development
- Public/Private Partnership
- Pedestrian-Friendly Design
- For-Profit Affordable Housing
- Public School Rehabilitation

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GENERAL DESCRIPTION

Located just north of downtown St. Louis, Missouri, Murphy Park provides residential options to some of the city's lowest-income families. A mixed-income housing project, Murphy Park offers tenants three levels of affordability. The 413-unit complex consists of two-, three-, and four-bedroom apartments built on the site of a 1960s-era high-rise public housing project. To create the illusion of low density, triplex and quadraplex buildings are disguised as large single-family homes.

THE SITE

Decades of out-migration, industrial decline, and slum clearance programs have led to a high level of disinvestment in the area north of downtown St. Louis. During the 1950s and 1960s, the area was targeted for urban renewal, with entire city blocks demolished and consolidated into large parcels. Several high-rise public housing projects were built in the area. Among these was the George L. Vaughn Family Apartments, a ten-story, brick masonry structure that housed 656 families. Located just blocks from the infamous Pruitt-Igoe projects, the Vaughn apartments were poorly designed with dangerous interior halls, small windows, unappealing aesthetics, and a site plan that physically separated the project from the rest of the neighborhood. The Vaughn towers had been cordoned off from the neighborhood by fences and a sea of parking. Named for George L. Vaughn, an African American attorney who won a U.S. Supreme Court case that lifted race-based restrictions on property ownership, the towers housed the residents of a predominantly black neighborhood that was demolished to build a highway. Like many dense public housing projects from that time period, the Vaughn apartments degenerated into a center of dilapidation, crime, and destitution.

Acting as the owner-operator, the St. Louis Housing Authority targeted the towers for demolition and redevelopment. An important part of the development plan was to restore the prevailing street grid so that Murphy Park would be seamlessly integrated with the surrounding area. At the southern end of the development, Phase I of Murphy Park sits on six new blocks created by running new streets through the old parcel. Later phases incorporated land acquired by the city, and lie at the northern end of the development. Located in between are the Jefferson School and the project's namesake, Murphy Park—a neighborhood green space with a tot lot. Buildings on each block are arranged in a ring, with central parking courtyards and green spaces. The front of each building faces outward onto a street. The last remaining Vaughn tower stands in the center of the property. Though currently providing public housing for seniors, it is targeted for demolition in coming years.

The neighborhood surrounding Murphy Park is largely working class. Historic structures are juxtaposed with newer ones. Grand turn-of-the-century churches and mixed-use buildings with retail at street level and flex space above it are intermixed with several mid-rise apartment complexes. The redevelopment of the Vaughn towers is having an impact on the entire neighborhood, as lower crime rates and an increase in the number of residents have motivated retail establishments to return to the area.

DEVELOPMENT PROCESS

Murphy Park was built by St. Louis–based McCormack Baron Salazar (MBS), a for-profit firm specializing in the development of economically integrated urban neighborhoods. Since 1973, it has developed more than 11,500 units of affordable and market-rate housing in 100 developments in 24 cities across the United States, and it has constructed 16 projects in St. Louis alone. With assistance from local, state, and federal government agencies, the firm strives to revitalize entire neighborhoods by creating mixed- or low-income developments that are intended to act as catalysts for reinvestment.

At the time MBS was planning Murphy Park, most U.S. Department of Housing and Urban Development (HUD) housing programs required that one affordable unit be built for every unit torn down. This requirement was intended to limit displacement of low-income families. However, compliance proved very challenging when it came to replacing very high-density urban public housing such as the Vaughn apartments. McCormack Baron and former St. Louis Mayor Freeman Bosley approached their U.S. Senator, Kit Bond, to remedy the situation. Bond helped introduce wording in the Cranston-Gonzalez National Affordable Housing Act of 1992 that eased the replacement ratio to one new unit for every two units demolished. This made replacement of the Vaughn apartments more feasible. The Cranston-Gonzalez Act also contained a special earmark for a demonstration affordable housing project. This earmark provided $20 million in public funding to leverage private investment in Murphy Park.

HUD approved the changes to Vaughn towers as required by regulations on affordable housing. This allowed the St. Louis Housing Authority to lease the land to MBS. Although this measure did not result in a change of ownership, it removed financing and regulatory roadblocks to redevelopment. The housing authority then demolished the towers and leased the property to McCormack Baron. Additional land needed for later phases was taken by eminent domain by the St. Louis Redevelopment Authority, transferred to the housing authority, and subsequently leased to MBS.

SCHOOLS

Early in the development process, it became clear to McCormack Baron Salazar CEO Richard Baron that resurrecting the distressed area north of downtown St. Louis meant more than simply constructing new housing. With no air conditioning or functioning computers, schools in the area were in very poor condition. Acknowledging that public school quality can be a major factor influencing where people choose to live, MBS sought to improve the conditions at the schools near Murphy Park.

Prior to 1998, few neighborhood children attended the local Jefferson Elementary School. Due to court-ordered public school desegregation, the approximately 750 school-aged children in the area were bussed to 60 different schools in St. Louis County. Working with Mr. Baron, the St. Louis Board of Education converted the elementary school into a neighborhood school, serving children in the surrounding community. A new principal was hired, and she brought a new and innovative curriculum with her.

Further, Mr. Baron agreed to raise the funds needed to upgrade the school and train new teachers. Other members of the private sector also played a significant role in the reconstruction of the Jefferson School. Southwestern Bell, for example, made a $762,500 commitment to the school, including wiring the entire building for Internet access and underwriting the cost of the University of Missouri's Center for Technology Innovations in Education to assist with the integration of technology into the curriculum. The Danforth Foundation contributed $300,000 toward the professional development of new faculty, allowing teachers to hone their skills as educators and integrate technology into their classes. Corporate and nonprofit contributions to upgrade, equip, and staff the school totaled over $4 million.

St. Louis residents and educators lauded the new Jefferson Elementary School, which is now considered one of the best in the St. Louis County School District. Nearly 70 percent of the students at Jefferson come from the surrounding neighborhood. Parents who had enrolled their children in magnet schools withdrew them so they could attend Jefferson. The school has proven to be a powerful tool to attract higher-income families to Murphy Park and other adjacent housing developments.

Given the success that Jefferson Elementary has had in the community, the St. Louis Public School District has committed to enhancing the middle and high schools that serve the area. The brand-new Vashon High School, located about a mile (1.6 kilometers) from Murphy Park, was recently completed at a cost of $40 million. Upgrades are underway on Gateway Middle School. In time, students living in Murphy Park will be able to attend all three of these neighborhood schools.

FINANCING

As mentioned earlier, federal funds for demolishing the Vaughn public housing complex and creating a demonstration housing program were earmarked in the Cranston-Gonzalez National Affordable Housing Act. Funding for construction of Murphy Park was provided by HUD in a "pass through" arrangement with the St. Louis Housing Authority. The goal of the demonstration housing program stipulated in the act was to show developers and local jurisdictions how federal funds could be used to leverage private investment. This mixed-finance approach to affordable housing funding would later serve as the prototype for the HOPE VI program administered by HUD.

Financing for the project came from a variety of sources. The Missouri Housing Development Commission supplied the project's first mortgage of $7.2 million. Private tax credit equity raised $15.4 million. Corporate donations to the project totaled $4 million, including $3.5 million donated by the community through COVAM, a not-for-profit community development corporation made up of stakeholders with interests in the vicinity of Murphy Park. COVAM is an acronym of the names of four local housing developments: Carr Square, O'Fallon, Vaughn, and Murphy Park.

MBS also received $15.4 million in equity from the sale of low-income housing tax credits (LIHTCs), which the federal government allocates to the states. States, in turn, allocate LIHTCs to specific developers. The tax credits are sold to private sector companies that desire a tax shelter, and the proceeds are given in a lump sum to the developer to build the project. In exchange for receiving tax credit–raised funding, the developer agrees to keep a certain number of units affordable to low-income people for a specific time period, usually 40 years.

PLANNING AND DESIGN

It was important to the development team that the design of Murphy Park be very different from that of the Vaughn towers. Designed with the intention of enhancing the area's pedestrian-friendly atmosphere and sense of community, the land plan for the project began with the addition of streets to restore the existing street grid and provide for better connections with the surrounding community. Three new streets were constructed to divide the old "superblock" site of the Vaughn towers. The property was split into six blocks of roughly equal size, with each block comparable to those in the historical street grid, helping to link Murphy Park to the surrounding community. Each new unit faces an existing or new street and is set back 15 to 20 feet (4.5 to 6.1 meters) from the public right-of-way. Further, all of the streets running through the development have sidewalks. Parking is placed behind buildings and supplemented by limited on-street parking.

The density of the project is disguised through the use of design techniques that build on a human scale. Each structure contains two to four units, each of which has its own exterior entrance. Semi-private yards, porches, landscaping, and green space help to make the development seem less dense. Each building is designed to be slightly different than the next. Bay windows, brickwork, porches, columns, and turret-style sitting rooms are found in varying configurations. The architectural variety is intended to reinforce the notion that Murphy Park is not a solely low-income, public housing development.

Murphy Park was developed in three phases, the first opening in 1996 and the last in 2003. Apartments are available in townhouse or garden-style configurations with two-, three-, and four-bedroom floor plans. Lease-up for each phase took less than two months, and today Murphy Park maintains 98 percent occupancy.

TENANTS AND AFFORDABILITY

The mixed-income character of Murphy Park is attributable to its ability to attract families willing to pay market-rate rents. Its proximity to downtown and the quality of the nearby public schools are powerful attractors for middle- and high-income households. In 2004, 110 families with an annual household income greater than $30,000 leased market-rate apartments, including 15 making more than $60,000. Middle- and upper-income people reside among neighbors on public assistance in apartments that cannot be distinguished from each other.

Murphy Park has a three-tiered rent structure: market rate, tax credit, and public housing. Rents range from $150 a month for a two-bedroom public housing unit to $775 per month for a four-bedroom townhouse. The difference between market-rate rent and tax-credit rent is relatively small—only about $80 a month. This is a reflection of the weak apartment rental market in St. Louis. In other cities served by McCormack Baron, market-rate rents are often double the tax-credit rate.

Thirty-two percent of the complex (132 units) is rented to households paying market-rate rent. Households making less than 80 percent of the area median income (AMI) of $60,400 are eligible for public housing units, although most of the residents living in the public housing units earn between 15 and 20 percent of the AMI. The rent amount paid by the public housing tenants varies by government program, family size, and level of need. Units reserved for households on public assistance make up 54 percent of Murphy Park (223 units). The remaining 14 percent (56 units) are reserved for households making less than 60 percent of the AMI. These units are kept at affordable rates because MBS receives equity from the sale of low-income housing tax credits.

Murphy Park's affordability restrictions are not tied to individual units. Only the ratio of market-rate/tax-credit/public units is maintained. As such, a household on public assistance that experiences a rise in income can stay in the same unit and begin paying market-rate rent.

MANAGEMENT

Murphy Park's properties are managed by McCormack Baron Ragan, a sister company of the developer. To help ensure a stable community, each applicant for housing is carefully vetted for credit problems and criminal history. McCormack Baron Ragan also helps connect residents with social services provided by local charities and government programs. Many social services including youth programs, on-site child care, job training, and health services workshops are offered through COVAM.

Marketing of Murphy Park is done mostly through word of mouth. Public service announcements and occasional newspaper advertisements inform people of apartment openings. Many families are referred to the project by city agencies.

EXPERIENCE GAINED

- Investing time and money in school improvement efforts can pay off for the developer in numerous ways. Good schools can help to attract middle- and upper-income people to mixed-income communities.
- Affordability within a mixed-income development does not have to be tied to a particular unit. By "floating" the affordable designation, families whose income rises above affordability levels can stay in their unit and begin paying market-rate rent.
- Connecting residents to social services and job education programs can benefit developers and management companies seeking to create mixed-income communities.
- When unattractive, dysfunctional public housing projects are removed and replaced with high-quality, livable places, inner cities can be revitalized and become viable places for residents.

PROJECT DATA

LAND USE INFORMATION

Site area (acres/hectares): 28.2/11.4

GROSS BUILDING AREA

Use	Gross Area (Square Feet/Square Meters)
Residential	478,452/44,449
Management office/daycare facility	8,000/743.2

LAND USE PLAN

Type	Area (Square Feet/Square Meters)	Units	Percentage of Site
Residential	239,226/22,224	123	19.4
Parking	206,460/19,180	620	16.8
Institutional	8,000/743	1	0.6
Open space/park/roads	774,706/71,972	N/A	63.1
Total	1,228,392/114,121		

RESIDENTIAL INFORMATION

Unit	Floor Area (Square Feet/Square Meters)	Number Built	Market-Rate Rent	Tax-Credit Rent
Two-bedroom flat	850/79	50	$575–$625	$503–$560
Two-bedroom townhouse	966/89.7	109	$605–$650	$550–$570
Three-bedroom flat	1,141/106	18	$710	$610
Three-bedroom townhouse	1,340/124.5	198	$680–$710	$585–$610
Four-bedroom townhouse	1,600/148.6	28	$745–$775	$660

AFFORDABLE HOUSING

Rental Type	Number of Units	Percentage of Units	Percentage of AMI Required
Market rate	132	32	N/A
Public housing	223	54	80
Tax credit	56	14	60

DEVELOPMENT COST INFORMATION

Site Acquisition Cost: $0

Site Improvement Costs: $13,000,000

Construction Costs: $37,625,000

Soft Costs: $9,375,000

Total Development Cost: $60,000,000

Public Investment: $33,050,000
Cranston-Gonzalez National Affordable Housing Act earmark: $20,000,000
St. Louis Housing Authority Public Housing Development Capital Funds: $8,400,000
City of St. Louis public infrastructure improvements: $4,650,000

Private Investment: $26,950,000
Low-income housing tax credit equity: $15,400,000
Corporate donations: $4,000,000

Mortgage financing: $7,550,000
DEVELOPMENT SCHEDULE
Planning started: January 1995 Land improvement started: July 1995 Construction started: March 1996 Phase I completed: November 1997 Phase II completed: November 1999 Phase III completed: January 2003