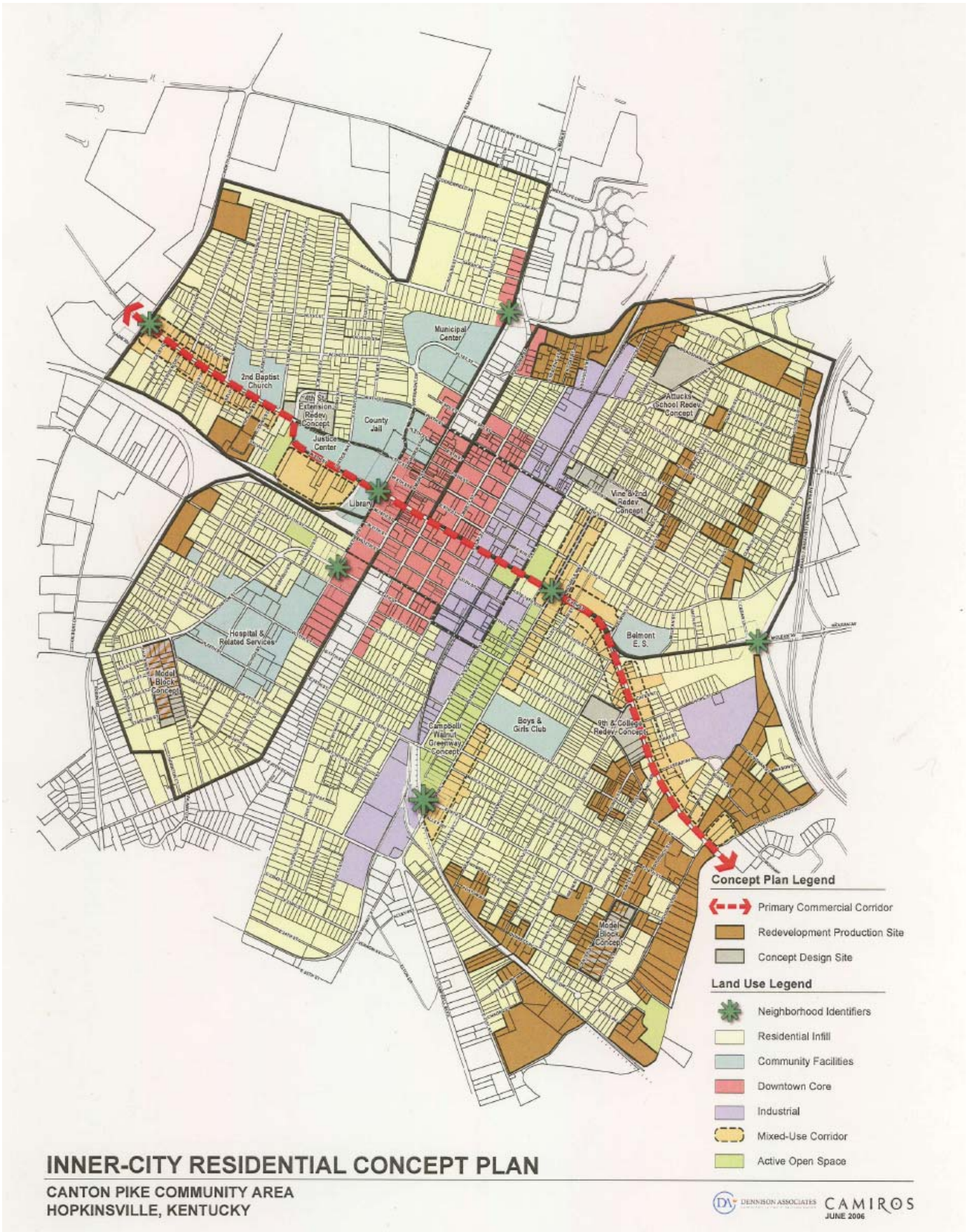
Guide to Implementation of a Neighborhood Revitalization Initiative for the City of Hopkinsville, Kentucky

DENNISON ASSOCIATES
DISTINCTIVE ACTION | DECISIVE IMPACT


Municipal Center
2nd Baptist Church
6th St. Extension Redev. Concept
County Jail
Justice Center
Library
Attucks School Redev. Concept
Vine & 2nd Redev. Concept
Hospital & Related Services
Model Block Concept
Belmont E. S.
Boys & Girls Club
Campbell/ Walnut Greenway Concept
9th & College Redev. Concept
Model Block Concept
Concept Plan Legend
Primary Commercial Corridor
Redevelopment Production Site
Concept Design Site
Land Use Legend
Neighborhood Identifiers
Residential Infill
Community Facilities
Downtown Core
Industrial
Mixed-Use Corridor
Active Open Space
INNER-CITY RESIDENTIAL CONCEPT PLAN
CANTON PIKE COMMUNITY AREA
HOPKINSVILLE, KENTUCKY
DENNISON ASSOCIATES
CAMIROS
JUNE 2006

This project was conducted by Dennison Associates, Inc. in accordance with Cooperative Agreement # DCHM-001-04 with the U.S. Department of Housing and Urban Development, Office of Community Planning and Development, and the HUD Kentucky Field Office.

Dennison Associates, Inc. 1725 K Street NW Suite 611 Washington, DC 20006
Phone: **202/721-9150** ***Fax:*** **202/721-9161** ***Website:*** **www.dennisonassociates.com**

November 30, 2006

Table of Contents

		Page
I.	Acknowledgements	9
II.	Executive Summary	12
	Purpose of the Report	12
	What is Neighborhood Revitalization	13
	Sources of Funds for the Hopkinsville Revitalization Initiative	14
	Recommendations for Implementation of a Neighborhood Revitalization Initiative	14
III.	Background and Scope of the Project	19
I IV.	Neighborhood Revitalization Strategies	24
	A. The Neighborhood Revitalization Process	24
	B. Neighborhood Preferences and Priorities	28
	C. Model Block Concepts	30
	D. Priority Block Selection	34
	E. Urban Design Options	37
V.	New Construction Homeownership	45
	A. Strategic Considerations	45
	B. Financing Programs	46
	C. Management and Administration	47
	D. Program Recommendations	48
	E. Sources of Funds for Public Investment	49
VI.	Residential Rehabilitation and Reconstruction Programs	55
	A. Strategic Dimensions	55
	B. Lead Hazard Elimination Program	55
	C. Eliminating Blight	56
	D. Establish a Rehabilitation / Reconstruction Program for Very Low- and Low-Income Homeowners	58
	E. Establish an Acquisition, Resale and Rehabilitation Program for Deteriorated and Abandoned Houses	59
	F. Assistance to Renter Occupants	59
	G. Facilitate the Development of a Low-Income Housing Tax Credit (LIHTC) Project	59
	H. Recommendation of a Low Density LIHTC Rental Project	60
	I. Provide Modest Assistance to Owners of Rental Property Occupied By Low-Income Families	60
VII.	Comprehensive Neighborhood Revitalization—Tools, Techniques and Model Programs	64

Table of Contents

		Page
VIII.	Leadership, Administration, Community Involvement and Feasibility	65
	A. Leadership	65
	B. Ongoing Community Involvement	66
	C. Coordination of City Services	67
	D. Administration	74
	E. Feasibility	74
IX.	Works Cited	77
X.	Attachments	78

- Resident Preferences, Reactions and Priorities from the June 8, 2006 Neighborhood Planning
- Illustrative drawings highlighting the menu of model block improvements
- Neighborhood Indicators in the Revitalization Target Area
- Neighborhood Planning Charrette (slide presentation) June 8, 2006
- Detailed Agenda and Handouts, Hopkinsville Neighborhood Planning Charrette II, June 29, 2006
- Residential Enhancement Design Concepts (slide presentation) August 17, 2006

DENNISON ASSOCIATES
DISTINCTIVE ACTION | DECISIVE IMPACT

December 6, 2006

To Members of the ICREZ Advisory Committee

Enclosed please find a copy of our "Guide to Implementation of a Neighborhood Revitalization Initiative for the City of Hopkinsville, Kentucky."

Dennison Associates, Inc. and the Hopkinsville Project Team thank you for your support and cooperation over the eleven months of this project. We are especially indebted to you and the members of the ICREZ Advisory Board for your insight and suggestions for the revitalization of the four target neighborhoods.

Our analysis concludes that, with the resources currently committed, the City of Hopkinsville can achieve the focused community development goals recommended in this report and begin the revitalization process. Over the next four years, we look forward to the receipt of good news regarding the City of Hopkinsville's progress and achievements under the leadership of the ICREZ Advisory Committee.

Thanks again for all of your help.

Sincerely,

Dorothy G. Reiser

Dorothy G. Reiser
CDTA Program Manager

John S. Hampton

John S. Hampton
Technical Project Manager

Enclosure:

Dennison Associates, Inc.
Distinctive Action | Decisive Impact
1725 K Street NW Suite 611 Washington, DC 20006 *P:* 202/721-9150 *F:* 202/721-9161
W: www.dennisonassociates.com

I. Acknowledgements

Dennison Associates, Inc. and the Hopkinsville Project Team wish to extend our thanks to the staff of the Hopkinsville – Christian County Planning Commission for their cooperation and support during the course of this study. Special thanks for advice, direction, and logistical support go to HCC Planning Commission Executive Director Steve Bourne, Holly Bradley, Darryl Lynch, Steve Boggess, and Clarise Green. We also thank the many individuals and organizations that participated in the interviews and planning charrettes for this study and/or provided information. Special thanks and appreciation are extended to CD Manager Holly Boggess, who served as the primary point of contact with the HCC Planning Commission. Ms Boggess coordinated the interviews, meetings, and the countless other logistics without which this project would not have been possible. Special thanks and appreciation are extended to Virginia E. Peck, Director of Community Planning and Development in the HUD Kentucky Field Office at Louisville, for her guidance and support over the course of this project.

A partial list of individuals and organizations that participated in the interviews and planning charrettes for this project includes:

1. The Honorable Rich Liebe	Mayor of the City of Hopkinsville
2. James Victor	Inner-City Advisory Board
3. Patricia Bell	City Council Representative
4. T. Frederic May	Inner-City Advisory Board, US Bank
5. Bernard Standard	Inner-City Advisory Board
6. Charles Turner	Inner-City Advisory Board
7. Boyd Clark	Heritage Bank
8. Wally Bryan	Inner-City Advisory Board
9. Wynn Radford	Inner-City Advisory Board
10. David Sturges	Caldwell Banker
11. Linda Wood	City Council Representative
12. Fred Atkins	Inner-City Advisory Board
13. Marby Schlegel	Hopkinsville City Council
14. J. Michael Foster	Co-Chair, Inner-City Advisory Board, Christian County Attorney
15. Ruth Lynch	Co-Chair, Inner-City Advisory Board, Christian County Public Schools
16. Jessie Quarles	Inner-City Advisory Board, Habitat for Humanity
17. Larry Gillette	City Council Member, Mayor Pro-Tem
18. G. Michael Baker	Director, Economic Development Council HCC
19. Kim Schippers	Associate Director, Economic Development Council HCC
20. Henry Snorton, III	Director, Minority Economic Development Initiative (MEDI), HCC Chamber of Commerce

21. Robert "Bob" Cope	Board President, Hopkinsville Local Development Corporation
22. Roy Amerson	Executive Director, Housing Authority of Hopkinsville
23. Suzanne Arnold	Housing Coordinator, Pennyrile Area Development District, Inc.
24. Tammy Stansbury	Director, Housing Finance & Construction, Kentucky Housing Corporation, Frankfort, KY
25. Tiffany Marthaler	Housing Finance & Construction Division, Kentucky Housing Corporation, Frankfort, KY
26. Wesley Grimes	City Council Representative
27. David L. Sturges	Caldwell Banker, MetroNet Realtors
28. Phillip Brooks	City Council Representative
29. David Ptaszek	Inner-City Advisory Board
30. Wally Bryan	Inner-City Advisory Board
31. Linda Wood	City Council Representative
32. Virginia E. Peck	HUD Kentucky Field Office, Louisville, KY
33. Thomas E. Fielder	Rouse & Associates Market Research, Lexington, KY
34. Raymond Gamble	Inner-City Advisory Board
35. Jack Glazier, Ph.D.	Oberlin College, Department of Anthropology
36. Bettye Diuguid	Broker, F.E. Whitney Real Estate Agency, Inc., Hopkinsville, KY

This study focuses on opportunities to revitalize four inner-city neighborhoods in downtown Hopkinsville. The study recommends program options to achieve the city's revitalization goals and strengthen the dynamics of the housing markets in these neighborhoods. These recommendations seek to improve utilization of the city's housing resources, to increase coordination of housing production activities, and to increase resident involvement in the management of their neighborhoods.

The technical assistance team for this project consisted of Dennison Associates, a Washington, D.C-based management firm with experience in housing and community development, and its subcontractor Camiros Ltd., a Chicago-based planning and urban design firm. In a related step, the City also obtained the services of Rouse & Associates, who conducted a study of the city's housing market. Rouse Associates has issued a separate report, *Housing Market Demand Analysis in the Inner City Residential*

Enterprise Zones. Some of the findings from the Rouse & Associates market study are cited and have been incorporated into this implementation guide.

II. Executive Summary

Purpose of this Report

The purpose of this report is to offer guidance to the Inner-City Residential Enterprise Zone (ICREZ) Advisory Committee and the HCC Planning Commission on the development and implementation of a Neighborhood Revitalization Initiative. Over the past eleven months, staff from Dennison Associates, Inc and from Camiros have worked closely with members of the Advisory Committee and the staff of the HCC Planning Commission to examine and develop strategies and financial techniques to help achieve the objectives of the Hopkinsville Neighborhood Revitalization Initiative.

In June 2005, the City of Hopkinsville established the Advisory Committee to address a variety of concerns in the four neighborhoods surrounding the city's historic central business district. The four neighborhoods, which are the target of the revitalization initiative, are Canton, Westside, Attucks, and Durrett. The Committee's objectives were to create improvements over the next five years in four areas:

1. Clean and Safe
2. Housing Stock Revitalization
3. Economic Infrastructure
4. Economic Opportunity

The Neighborhood Revitalization Initiative is directly related to the second objective. To better understand the dynamics of the four target neighborhoods, the Dennison Associates (DA) technical assistance team conducted three Neighborhood Planning Charrettes that actively involved residents in the discussion of their concerns, preferences, and vision for the re-development of their communities. Advisory Committee members, the Hopkinsville real estate and banking community, community-based organizations, and city and state government agencies provided information through interviews and supplemental documents. The DA Project Team also studied strategies for community development finance suitable to Hopkinsville, options for the development or rehabilitation of affordable single-family housing and affordable multifamily housing in the target neighborhoods, and the sources of and possible uses for funds committed to the revitalization effort.

This guide to implementation seeks to present model strategies and recommendations that could further the achievement of the city's objectives. Many of these recommendations reflect the unique history and policy framework of the City of Hopkinsville. Others are based on effective practices that have been used in other cities. While it does not offer guidance on day-to-day management and administration of the revitalization initiative, this report does describe the processes and programs that the ICREZ Advisory Committee, the HCC Planning Commission and others might use to achieve their community development and neighborhood revitalization objectives. The scale and timeframe of the strategies and recommendations takes into consideration the limited amount of funding committed specifically to the revitalization initiative. This report also

seeks to provide practical information for developing partnerships with banks and nonprofit organizations that want to undertake community development activities in the target area.

What is Neighborhood Revitalization?

Within the overall context of community development, "Community or Neighborhood Revitalization" refers to the "comprehensive process of developing and improving housing, jobs, community facilities and services, infrastructure, and the quality of life for all residents of the community."[1] The four primary objectives of the Advisory Committee have the potential to address the root causes of many of the problems affecting the four target neighborhoods. Taken as a whole, efforts to achieve these objectives rise to the level of a comprehensive neighborhood revitalization initiative. This report focuses primarily on physical aspects of the revitalization initiative, and offers specific strategies and recommendations for housing development.

The Hopkinsville Neighborhood Revitalization Initiative will rely on a cumulative development process. The revitalization production goals, proposed for achievement over the next four years, will directly assist approximately 200 units. These four-year production goals are generally focused on 16 priority blocks and include:

- 50 newly constructed single-family homes on vacant lots
- 75 recipients of homebuyer assistance
- 25 formerly vacant single-family homes for acquisition / rehab / reconstruction and resale
- 25 owner-occupied single-family homes for rehabilitation or reconstruction,
- 20 rented single-family homes to be rehabilitated with loans from a rental rehabilitation revolving loan fund
- 24 – 40 unit LIHTC project to be developed outside of the target area
- infrastructure improvements on 16 "priority blocks"

Over the next four years, the funds currently committed to community development activities in the City of Hopkinsville total $5,834,644. Preliminary estimates of the total community development subsidies acquired to achieve these four-year production goals total $4,564,000.

[1] "Developing comprehensive plans for community revitalization" Effective Strategies for Community Development Finance, Office of the Comptroller of the Currency, Administrator of National Banks,

Sources of Funds for the Hopkinsville Revitalization Initiative[2]

Sources of Funds	Annual Commitment	Four Year Total
Community Development Block Grant (CDBG) Program; City of Hopkinsville Entitlement Grant; Citywide	$292,661.00	$1,170,644.00
Kentucky Housing Corporation; Funding of the Hopkinsville Affordable Homeownership Program; Citywide	$375,000.00	$1,500,000.00
Kentucky Housing Corporation; HOME Program; Funding of the Hopkinsville HOME Reconstruction Program; Citywide	$216,000.00	$864,000.00
Federal Home Loan Bank, Citywide	$75,000.00	$300,000.00
City of Hopkinsville; Funding of the ICREZ Initiative	$500,000.00	$2,000,000.00
Totals	$1,458,661.00	$5,834,644.00
City of Hopkinsville Capital Improvement Plan for the ICREZ Infrastructure	To Be Determined	To Be Determined

It is important to note that only a small portion of the community development funds available to the city are to be used solely in support of the revitalization initiative. Utilization of Kentucky Housing Corporation (KHC) funds on a citywide basis may reflect requirements of KHC policy. The Project Team suggests that the city request KHC and the HUD Kentucky Field Office to reconsider these policies and to permit targeting of these funds to the ICREZ target area.

The Hopkinsville Neighborhood Revitalization Project seeks to provide answers to the following critical questions being considered by the City of Hopkinsville, the HCC Planning Commission, and the Inner-City Advisory Committee:

- ✓ How can properties be designed and located to achieve the biggest bang for the buck?

[2] . *Second Year Program Action Plan*, Hopkinsville, KY: Hopkinsville-Christian County Planning Commission, July 1, 2006 – June 30, 2007, page 4.

- ✓ How can the City:

    - Help local LMI families become homeowners?
    - Balance the development strategy against the needs of LMI renters and homebuyers?
    - Leverage the city's $2.5 million, five year commitment?

- ✓ How can the HCC Planning Commission best package its community development programs to achieve:

    - Stable neighborhoods?
    - A better balance between homeowners versus renters?
    - Maximum leverage of other resources? and
    - The most effective roles for its community organizers?

Recommendations – As a partial response to these questions, the Project Team offers the following recommendations:

Recommendations for Implementation of a Neighborhood Revitalization Initiative:

1. **The ICREZ Advisory Committee should continue its efforts to achieve its four primary objectives. Of major importance is Advisory Committee support of efforts to establish Neighborhood Networks. Resident feelings of isolation and a lack of influence over neighborhood-level issues can be overcome in part by regular meetings between the Advisory Committee and the Neighborhood Networks, civic associations, other institutions and residents in the target areas.**

2. **Implement the "Clean/Safe" component of the ICREZ strategy as a precondition for successful redevelopment:**

    - Carry out plans to address issues of blight and deterioration such as dilapidated housing stock, trash and weeds, through fully implementing existing mechanisms such as the trash and weed, housing maintenance code, and abandoned properties ordinances;
    - Assure the visible delivery of quality city services, such as trash collection, code enforcement, police and fire protection, to the target neighborhoods;
    - Target scarce resources to maximize their impact upon comprehensive neighborhood revitalization by concentrating investment in the priority blocks;
    - Continue existing plans for the establishment of the land bank authority;
    - Use appropriate instrumentalities such as the City of Hopkinsville, the Local Development Corporation the Hopkinsville Housing Authority and Habitat for Humanity to purchase or initiate actions to take title to vacant lots and dilapidated and/or abandoned houses as sites and as funding become available. and
    - Plan and coordinate, via the Advisory Committee and the Neighborhood Networks, a series of resident clean-up days in the target areas.

3. **Seek opportunities to positively impact the image and reputation of the four target neighborhoods, example include:**

    - Installing signs identifying the neighborhoods on key neighborhood gateway blocks, the points at which major streets enter the four neighborhoods;
    - Compiling and making available to all residents a list of small contractors and handymen willing and available to assist with repairs and minor renovations to homes in the target neighborhoods;
    - Encouraging residents to landscape their homes and plant flower and vegetable gardens; and
    - Sponsoring an annual neighborhood tour and garden show, with judging and prizes awarded by the ICREZ Advisory Committee.

4. **Develop a final schedule for focused development and revitalization treatment of 16 priority blocks over each of the next four years from the list of priority blocks identified during the August 17, 2006 Neighborhood Planning Charrette, using the priority block selection criteria.**

5. **Organize a Hopkinsville – Christian County interagency governmental task force to coordinate municipal and county services to the four target areas:**

    - Coordinate the schedule for implementation of these capital improvement plans with the schedule for focused development activities on priority blocks;
    - Allocate funding for infrastructure improvements in priority blocks and on key neighborhood gateway blocks over the next four years; and
    - Convene regular meetings between the interagency task force and representatives of the Neighborhood Networks to review and receive feedback on capital improvements and service delivery in the target areas.

6. **Establish a program of modest assistance to low-income owners of rental property who are experiencing difficulty complying with new property maintenance standards:**

    - The program could be structured as a revolving loan program, funded as a CDBG activity, and consist of short-term 0% to 7% loans for up to 50% of the cost of rental rehabilitation;
    - Loan terms would be based on an analysis of rental revenue and expenses;
    - Initially, participation should be limited to rental housing on priority blocks with low- and moderate-income occupants; and
    - To properties whose estimated rehabilitation costs are less than $50,000 per unit.

7. **Develop a capital improvement plan to schedule and finance the following public improvements on the 16 priority blocks over the next four years (all numbers in linear feet):**

	Sidewalks	Street Lighting	Curb & Gutter	Other
Westside 3 priority blocks	**5700**	**3850**	**7700**	**1 non-residential development site**
Canton 3 priority blocks	**7000**	**3500**	**7000**	**2 retention/recreation sites 2 community gardens**
Durrett 7 priority blocks	**18800**	**16050**	**17700**	**3 retention/recreation sites 1 non-residential development site**
Attucks 3 priority blocks	**7600**	**3800**	**7600**	**1 retention/recreation area**

8. Fund and implement the following housing elements of a revitalization strategy:

- Establish a four-year schedule for the implementation of focused housing and community development activities on up to 16 priority blocks;
- Survey all the priority blocks to identify potential sites for new construction and owner-occupied units in need of rehabilitation/reconstruction;
- Establish a lending technical advisory group to identify the full array of mortgage products available to eligible buyers in the target areas;[3]
- Expand and strengthen existing homebuyer counseling programs to carry out a strategy to recruit, train, set up downpayment savings accounts, and clean up the credit histories of potential first time home buyers;
- Establish a post-purchase counseling program for first time home buyers;
- Acquire and redevelop approximately 50 sites for the construction of single-family housing of between 800 and 1200 square feet, to sell at prices from $75,000-$112,000;
- Assist approximately 75 low- and moderate-income households to become homebuyers by purchasing the newly constructed single-family homes with subsidies of up to $40,000 depending on family income and the sales price of the home to be acquired;
- Acquire up to 25 vacant single-family rental properties at a cost of less than $25,000 for an acquisition-rehabilitation-reconstruction-resale program, and assist eligible households to purchase these units for homeownership;
- Subsidize the rehabilitation/reconstruction of up to 25 substandard single family homes owned and occupied by low or very low-income households;

[3] Fielder, Thomas E. *Housing Market Demand Analysis: The Inner City Residential Enterprise Zones, Hopkinsville, Kentucky.* Lexington, KY: Rouse & Associates, November 10, 2006

- Establish a revolving loan fund for rental housing rehabilitation and finance the rehabilitation of approximately 20 rented houses on priority blocks;
- Facilitate the development of a low-income housing tax credit project that is linked to the revitalization initiative. Based on housing demand estimates in the market study, this project should include from 24 to 40 units.[4] This scattered-site project should be located outside the target areas, but target area residents should have priority to lease the units.
- Partner with the Housing Authority of Hopkinsville to coordinate the use Section 8 Housing Choice vouchers together with HOME first-time homebuyer assistance, to assist a limited number of very low-income households to purchase modestly priced housing in the target area.
- Amend the Hopkinsville Consolidated Plan to formally identify the four target neighborhoods as Neighborhood Revitalization Strategy Areas (NRSAs) in accordance with HUD Notice CPD 96-01.

9. Increase the staff of the HCC Planning Commission as necessary to support full implementation of existing ICREZ initiatives including enforcement of City ordinances on trash and weeds, abandoned houses, and the property maintenance code. These new positions should include a City planner to be assigned duties as the "ICREZ Area Manager." The ICREZ Area Manager would coordinate all development activities in the target areas and would work closely with the two community organizers currently funded via the HCC Local Development Corporation.

[4] Fielder, Thomas E. *Housing Market Demand Analysis: The Inner City Residential Enterprise Zones, Hopkinsville, Kentucky.* Lexington, KY: Rouse & Associates, November 10, 2006

III. Background and Scope of the Project

In January 2006, the Kentucky Field Office of the U.S. Department of Housing and Urban Development (HUD) requested that Dennison Associates, Inc. assist the City of Hopkinsville Kentucky in the development of a plan to revitalize four of its inner-City neighborhoods. Dennison Associates (DA) is a Washington, DC based management consulting firm, which supports program initiatives of the HUD Office of Community Planning and Development. To conduct the Hopkinsville Neighborhood Revitalization Project, Dennison Associates assembled the following Project Team:

- Leslie Pollock and Doug Hammel of Camiros Ltd., to work on urban design and land-use planning;
- Dorothy G. Reiser, Peggy S. Sullivan, Ph.D., Justin Masucci, and John Hampton of Dennison Associates, to work on HOME/CDBG program design and management, planning charrette facilitation, and project coordination.

As it plans ahead for the 21st Century, the City of Hopkinsville faces a number of critical realities. In turn, these realities give shape and meaning to the concerns and goals underlying the ICREZ initiative. The southern half of the city is home to a wide variety of businesses and new residential development. The northern section of the city including the central business district (CBD) and its surrounding neighborhoods have been bypassed by this economic activity. Census 2000 indicates that the population of Hopkinsville is approximately 30,089, after losing 0.2% of its population during the 1990s. The neighborhoods surrounding the CBD, which contain the majority of the city's low-income and minority (primarily African American) population, are suffering from extensive blight, deterioration, and disinvestment. Similarly, in the CBD itself, many of the late 19th and early 20th Century commercial buildings stand vacant or under utilized.

The Mayor and City Council look to the HCC Planning Commission and the Local Development Corporation (LDC) to lead efforts to attract business to the CBD. Past efforts, including the allocation of $25,000 of city funds failed to take root. During 2005, the City Council allocated $50,000, which in turn afforded the hiring of a full-time LDC director and the commissioning of a "Market Street Community Vision Plan for Hopkinsville – Christian County, Kentucky." The Market Street Plan for the revitalization of the CBD was developed for the city by Market Street Services, Inc., 730 Peachtree Street, Suite 540, Atlanta, Georgia, 30308. Subsequently, the city committed $2.5 million of local funds for housing/commercial development in the CBD. Coterminous with efforts to revitalize the CBD, the Mayor and City Council began the ICREZ initiative.

The roots of the Hopkinsville Neighborhood Revitalization Project pre-date the April 2005 publication of the city's Land Use Plan Element. In the Land Use Plan, the neighborhoods surrounding the original central business district were deemed "Urban

Sensitive Areas".[5] In planning for the future development in these neighborhoods, the Land Use Plan proposed that special consideration should be given to issues such as:

- The Age of Infrastructure
- The Storm Water and Drainage Infrastructure
- Lot Size (with emphasis on consolidation of multiple lots of record)
- The Maintenance of Vacant Parcels
- The Acquisition of Vacant Parcels
- Housing Quality
- Internal Capital Investment
- Abandoned Alleyways
- Transitional Considerations

The Land Use Plan offered several recommendations regarding future activities in these urban sensitive areas, which are noteworthy in the context of the ICREZ initiative:

- Utilize incentive-based tools, such as an Enterprise Zone, to encourage infill development and housing rehabilitation. Also, target CDBG funded initiatives to strategic areas.

- Obtain out of right-of-way easements to facilitate a master storm water management system, as well as easements for water and sewer infrastructure upgrade.

- Create small area and neighborhood plans that address specific issues and concerns and provide workable solutions to address these concerns at the street and neighborhood level.

- Create neighborhood councils and associations to assist in the identification of concerns and solutions.

In June 2005, the Mayor and City Council kicked off the Inner-City Residential Enterprise Zone (ICREZ) initiative. Their first formal action was the appointment of a twelve-member Inner City Advisory Committee. The Advisory Group is composed of a broad cross-section of committed and credible citizen-leaders in the City of Hopkinsville and surrounding Christian County. The Advisory Committee, a fact-finding body, was to establish formal communications with the residents of the four neighborhoods that were the focus of the revitalization initiative. These neighborhoods include the Canton and Westside neighborhoods to the west of the central business district (CBD) and the Attucks and Durrett neighborhoods to the east. Revitalization efforts in these target neighborhoods are being underwritten by the city's commitment of $2.5 million or $500,000 per year over the next five years.

[5] *Focus on the Future – Hopkinsville-Christian County Comprehensive Plan: Land Use Plan Element.* Hopkinsville, KY: HCC Planning Commission, April 2005, pages 110-113.

Among its responsibilities, the Advisory Committee is to establish a performance-based incentive program, which is to address four major concerns in the target neighborhoods. Over the next five years this Advisory Committee program is to bring about improvements in:

- The number of deteriorated and blighted structures, trash and weed problems, and concerns about crime and criminal activity (Clean and Safe)
- The unmet need for affordable housing neighborhood stability through increased opportunities for homeownership through partnerships among government, NGOs, nonprofits and banks (Housing Stock Revitalization)
- Promotion of downtown Hopkinsville and the attraction of new business activity in the traditional CBD (Economic Infrastructure)
- Creation of jobs and educational opportunities for neighborhood residents, and partnerships between the school system, government, and industry (Economic Opportunity)

During its first year, the Advisory Committee was to focus on three program areas. With support from the HCC Planning Commission, the Advisory Committee was to open a dialogue with residents of the four neighborhoods. This dialogue was to result in the formation of resident bodies that were to be designated as Neighborhood Networks. The Neighborhood Networks were to work closely with the Advisory Committee in addressing the problems of litter and the neglect and abandonment of housing. The importance of the Advisory Committee's role in opening a constructive dialogue between the residents of the Canton, Westside, Attucks, and Durrett neighborhoods cannot be overstated. During the course of the technical assistance project, work by the Advisory Committee and Planning Commission staff to organize the three neighborhood charettes opened new lines of communication to residents and supported efforts to form Neighborhood Networks. The success of the Advisory Committee in increasing the role of residents in neighborhood management will continue to be one of the keys to success in the neighborhood revitalization process.

In late 2005, HCC Planning Commission and the Advisory Committee began a dialogue with the Kentucky Housing Corporation (KHC), the state's community development and housing finance agency. KHC proposed to include the revitalization efforts in its Focus Communities Program and tentatively committed state HOME Program funding of $375,000 to $400,000 annually over the next two to three years for the development of affordable housing. The HCC Planning Commission also contracted for a Hopkinsville housing market strategy analysis to update a 2001 market study and determine housing demand and preferences at various income levels.

The deliberations and recommendations of the Hopkinsville Neighborhood Revitalization Project should be seen as an extension of the Advisory Committees second objective – Housing Stock Revitalization. The public investment in the ground at the end of the day should create a critical mass of new and improved housing which can be the catalyst for continuing redevelopment.

The city has considered the possibility of encouraging the development of mixed income housing, including affordable units, in vacant areas on the city's periphery. Such development, while outside of the target neighborhoods, could provide alternative options for affordable housing to a number of low-income families currently living in the four target neighborhoods. Part of this option could include the creation of affordable homeownership opportunities associated with this new housing. Within the target neighborhoods, the deconcentration of low-income households could be coupled to opportunities to acquire vacant, deteriorated and abandoned housing. Such acquisitions might be appropriate for the proposed Land Bank Authority, and could pave the way for the assembly of larger tracts of vacant land. On such tracts, the city could support new mixed-income, mixed-use development.

IV. Neighborhood Revitalization Strategies

A. The Neighborhood Revitalization Process

The premise underlying the ICREZ initiative, the creation of the Advisory Committee, is that these four target neighborhoods are "unhealthy" and that the factors or criteria associated with this unhealthy state are reversible. At issue here is the identification of the primary criteria associated with unhealthy neighborhoods. Experiences in other cities have demonstrated that a comprehensive development process combined with citizen awareness and involvement, and targeted government action can reverse the direction of neighborhoods. The general consensus in Hopkinsville is that if these policies, programs, and practices were in place, the decline of these four neighborhoods would be reversed.

Experiences in other cities demonstrate that a comprehensive development process that combines community awareness and involvement with targeted government action can reverse the direction of deteriorating neighborhoods. This is the premise that underlies the creation of the ICREZ initiative and the actions of the Advisory Committee. While a large number of citizens agree with this premise, the idea of revitalizing Hopkinsville's inner-city neighborhoods is not universally accepted. Many feel that the decline of these areas is a reflection of the people that live there and that criminal activity, blight and deterioration are inevitable. According to this point of view, the dedication of funds and labor to the ICREZ initiative would be a waste of scarce resources.

Over the years, a huge body of academic literature and practical community development experience offers an alternative view, and repeatedly demonstrates that neighborhood decline can be halted and reversed. In "Neighborhoods of Choice and Connection," Bruce Katz of The Brookings Institution documents the history of urban growth in the U.S. He concludes that neighborhoods with high concentrations of both minority and low-income families have negative consequences not only for the families that live in them, but also for the cities in which they are located.

> . . . concentrated poverty is not an inevitable phenomenon; government policies have helped create it. . . . In place after place, explosive sprawl where farmland once reigned has been matched by decline or slower growth in the central cities and older suburbs. . . . In the midst of these broad decentralizing patterns, most metropolitan areas in the U.S. remain sharply divided along racial, ethnic, and class lines. In many metropolitan areas, African American and Hispanic residents are increasingly living "on the wrong side of the region," away from areas of employment, growth and educational opportunity. . . .
>
> These unbalanced growth patterns, it should be stressed, are not accidental; they have been deeply influenced by the politics of racial and ethnic exclusion that are practices by suburbs throughout the county. These policies exacerbate the concentration of racial and ethnic poverty in central cities . . . and helped construct the metropolitan dividing lines that

> separate areas of wealth and opportunity from areas of poverty and distress. Concentrated poverty should be understood as racial and economic segregation combined. It is the segregation of poor people of colour from opportunity and resources.[6]

Katz goes on to discuss the effects of neighborhoods with high poverty levels on their surrounding cities. "In addition the concentration of poverty generates high costs for local government – for elevated welfare case loads, for high loads of indigents at hospitals and other public health services, for extra policing – that can divert resources from the provision of other public services or raise the tax burdens on local businesses and non-poor residents."[7]

The question facing the City of Hopkinsville is whether to take deliberate action to address the factors associated with the decline of the ICREZ neighborhoods, or to continue past policies with their attendant consequences. At a July 2002 Washington, DC conference on "Promising Strategies for Comprehensive Neighborhood Revitalization," participants focused on the ingredients necessary for successful revitalization. The list of such ingredients included:

- Vision, Planning
- Risk
- Resident Self-Sufficiency
- Linkages
- Connections
- Partnerships
- Champions and Leadership
- Gentrification
- Mixed-Income Neighborhoods of Choice
- The Role of City Government
- Public Housing
- Evaluation

With regard to the risk associated with a revitalization effort, the conference report noted: "All action involves risk, but the greatest risk in the case of disadvantaged neighborhoods is not to act. Every project will make mistakes, overlook information and produce unintended consequences. But reinforcement of the vision, an inclusive planning process, and periodic reevaluation of strategy will correct mistakes and ameliorate any negative effect on the ultimate project outcome."[8]

---

[6] Katz, Bruce. *Neighborhoods of Choice and Connection: The Evolution of American Neighborhood Policy and What It Means for the United Kingdom.* Washington, DC: The Brookings Institution, Metropolitan Policy Program, July 2004, page 5.

[7] Katz, page 7.

[8] Flanagan, Kathleen. *Summary of Promising Strategies and Lessons Learned; Promising Strategies for Comprehensive Neighborhood Revitalization*. Cambridge, MA: Abt Associates, Inc. and the Annie E. Casey Foundation, July 11, 2002, page 20.

The City of Hopkinsville has chosen to re-invest in its inner-city neighborhoods. To assess opportunities for such re-investment in the four Hopkinsville target neighborhoods, the Project Team conducted walking tours of each target area and talked with a cross-section of the residents. The urban design firm of Camiros, Ltd. was engaged to provide land planning and development strategy consultation to the project. Moreover, the Camiros Team was to assess the design and land use options of the four target neighborhoods. The observations and resident feedback were then compared with public data on factors such as changes in median family incomes, percent of owner-occupied versus rental units, property tax assessments, and the degree of housing. The result was a fairly clear picture of the health of the four target neighborhoods.

What are the factors that shape a neighborhood and determine its status as a "healthy" community? The South Side Neighborhood Revitalization Strategy Area Task Force City of Cheyenne, Wyoming faced this exact question and responded by identifying four key factors associated with healthy neighborhoods and the process of neighborhood change.[9] The South Side Neighborhood Revitalization Strategy Area Task Force appears comparable in composition and function to the Hopkinsville Advisory Committee plus the Neighborhood Networks. The four factors that shape the health of a neighborhood are:

A. **Choice** – At any point is time, the health of a neighborhood is reflected in whether or not residents and potential residents are choosing to live and make investments there.

B. **Competition** – With regard to individual choices to invest or not invest, each neighborhood is in competition with other neighborhoods and other forms of investment.

C. **Confidence** – The decision to live and invest in a neighborhood is directly related to the degree of confidence that people have in the neighborhood. Can the neighborhood provide a good quality of life? Is a home or a business in the neighborhood a good investment?

D. **Predictability** – Both residents and potential residents arrive at an opinion about the long-term stability and soundness of the neighborhood and possible threats to their investments. To the extent that the neighborhood indicators support the opinion that things are improving, investments will continue. Where neighborhood indicators support the opinion that the neighborhood is out of control and in decline, then investments will incrementally decrease and eventually stop altogether.

The South Side Neighborhood Revitalization Strategy Area Task Force links these factors to four indicators of neighborhood health, which in turn can be used to evaluate the way a neighborhood perceives itself and responds to challenges and change. These

[9] *Creating a Neighborhood of Choice Through Revitalization.* South Side "Original City" Neighborhood Revitalization Strategy Area Task Force, Housing & Community Development Office, Cheyenne, Wyoming, August 2003.

four indicators, which are the consequences or outcomes of a broad range of activities, include:

- Neighborhood Image
- Housing Market
- Physical Condition
- Neighborhood Management

The recommendations of the Hopkinsville Neighborhood Revitalization Project are based on the premise that the four factors and the four indicators associated with them are subject to influence. By combining citizen awareness and targeted government action, the City of Hopkinsville can reverse the direction of neighborhood disinvestment. In other words, over time the investment trend and "health" of a neighborhood in decline can be managed and changed.

A neighborhood with a positive "image" can attract and retain homeowners, businesses and new investors. Image is to a certain degree associated with the physical appearance of a neighborhood. But a neighborhood's image is also reflected in resident attitudes and feelings. Neighborhood image is directly influenced by resident attitudes about confidence and predictability. A neighborhood's "market dynamic" includes family investments in homes, business and commercial investment, and government funding of public infrastructure and facilities. The decision to invest or not to invest is a direct result of the confidence in both the specific investment and the neighborhood as a whole.

A neighborhood's "physical condition" is the end result of a large number of decisions. To some degree, these decisions involve the investment of money. Other examples of decisions involve the physical condition of a neighborhood that include the investment of pride and hard work in lawn and yard care, the handling of trash and litter, and the parking of automobiles. At issue is whether residents believe that they have the ability to effectively manage the challenges confronting their neighborhoods.

These collective attitudes or perceptions are good indicators of residents' willingness to uphold standards of behavior and join efforts to influence their neighborhood's image, market dynamic and physical condition. Resident involvement in neighborhood management is an outcome of the belief that they have the right and an opportunity to participate in the identification and resolution of neighborhood issues. Conversely, where residents believe that they have little or no influence over the course of events, and where the channels of communication to representative bodies and government agencies are weak or non-existent, neighborhood management does not occur. This feeling of apathy is a common attitude among residents of neighborhoods in decline.

Over the next four years the physical improvements in the priority blocks recommended in this report must be accompanied by a major social reinvestment in the target neighborhoods. Foremost among these reinvestments is governmental support for the Neighborhood Networks and the participation of residents in effective resident management. One of the keys to neighborhood revitalization is the residents' sense of the

opportunity to succeed through participation in the activities of their government. In addition to the Advisory Committee, it is hoped that residents will be able to influence the management of their neighborhoods by their interaction or participation with a variety of other organizations and representatives including:

- The Mayor and Council of the City Hopkinsville
- HCC Planning Commission
- Neighborhood Networks and subsidiary nonprofit corporations
- Existing civic associations in the target neighborhoods
- HCC Local Development Corporation
- Other regional nonprofit community development organizations

B. Neighborhood Preferences and Priorities

As part of the Hopkinsville Neighborhood Revitalization Project, a carefully selected cross-section of residents from the target neighborhoods was invited to participate in a series of three neighborhood planning charrettes. A planning charrette "has come to describe [a] rapid, intensive, and creative work session in which a design team focuses on a particular design problem and arrives at a collaborative solution."[10] The Hopkinsville charrettes sought to maximize resident participation in the evaluation of problems and urban design issues in the target neighborhoods. The objective of this emphasis on citizen participation and input was to ensure that the recommendations were derived from and consistent with resident values and long term vision.

The First Planning Charrette was held on June 8, 2006 in the Hopkinsville City Hall. Approximately 55 residents from the four neighborhoods participated. The participants were representatives of the four neighborhoods, but were divided into three working groups covering the Canton/Westside, Attucks, and Durrett neighborhoods. Residents participated in a "mapping exercise" in which they indicated the locations of problems, such as deteriorated housing, high crime areas, and strengths such as the best block in the neighborhood. Working in neighborhood breakout groups, residents were also asked to share their concerns, preferences and priorities.

Participants were asked to express their opinions regarding the top ranked issues, their perceptions of positive aspects of their neighborhoods, and their vision or possible improvements of the next five years. Analysis of resident opinions gives insights into the general dissatisfaction and negative perceptions of the problems plaguing their neighborhoods. Residents uniformly expressed their feelings of frustration regarding the lack of effective channels for participation in the management of their neighborhoods.

These resident perceptions are consistent with other market and demographic data about these neighborhoods. The four target neighborhoods lag far behind the city as a whole in

[10] *"What is a Charrette?* Schommer, Jeff, Charette Center, Inc., Minneapolis, MN, www.charrettecenter.com

virtually all homeownership indicators. With the exception of the Canton neighborhood, median family or household incomes in the target areas are from a third to a half lower than the city-wide median of $47,800. The percentages of owner-occupied housing range from 40-44%, and lag behind the City-wide owner-occupancy percentage of 57%. It should be noted, however, that owner-occupancy data is also consistent with the nation-wide ownership rates of African-American families, approximately 49% of who own their homes.[11] By comparison, in 2004, 73.3% of all families in the State of Kentucky own their homes.

The second neighborhood planning charrette was held on June 29, 2006 and drew approximately 45 participants. Participants in the second charrette reviewed and commented on a series of maps developed by the Camiros Team, which illustrated the problems and positive features of each neighborhood. The Camiros Team also introduced the "model block" concept and explained the options for housing and infrastructure improvements on a model block in each of the four neighborhoods. Residents also developed lists of their preferences and priorities in three categories: Top Ranked Issues; Positive Aspects of Your Neighborhood; and A Vision of Your Neighborhood in Five Years. Working in three neighborhood breakout groups, residents discussed possible project and programmatic activities. The Project and Programmatic Matrices that resulted from this discussion are included in the Attachments section of this report. Participants also listed things they can do alone without outside help. At the end of the breakout session, everyone was asked to specify what she or he would commit to do to help improve her or his neighborhood.

Resident preferences and priorities in three categories --Top Ranked Issues, Positive Aspects, A Vision of Your Neighborhood in Five Years -- are included in the Attachments section. The design drawings of the four illustrative model blocks are also included in the Attachments. The last category, Your Five Year Vision of Possible Improvements, is especially noteworthy. The resident responses to this question provide clear evidence of widespread commitment to the target neighborhoods and optimism regarding their futures. Over time, the success of neighborhood revitalization can be assured by strengthening and building on this widespread resident commitment.

The general consensus expressed during the first and second planning charrettes was that residents were unhappy about the image and physical condition of their neighborhoods. Moreover, they expressed disappointment and skepticism regarding the willingness of the local city government to note and respond to their complaints. Charrette participants expressed an even greater skepticism about past opportunities to participate in efforts to management their neighborhoods. A common complaint was that past meetings at which residents were invited to share both concerns and positive suggestions had resulted in few if any city responses.

[11] *2004 Homeownership Rates by Race and EthniCity of Householder*; U.S. Statistics – Household and Family Statistics, Census 2000, U.S. Census Bureau

C. Model Block Concepts

Based on resident comments during the first charrette's "mapping exercise," the Camiros Urban Design Team developed renderings illustrating the Inner-City Residential Concept Plan and four illustrative Model Blocks. The Model Blocks illustrated how community development and service activities might be combined to create effective tools for neighborhood revitalization.

The Camiros Team then developed a set of illustrative drawings that include the menu of model block tools that may be applied to priority blocks throughout the four target areas. These illustrative drawings include a framework diagram that identifies proposed model block and action area boundaries, an illustrative redevelopment plan for a target area within the neighborhood, illustrative building prototypes to define development character, and street sections to define key infrastructure layout considerations including green space and small parks.

The key strategies underlying the application of model block tools to the recommended treatments for each block seek a variety of outcome. These desired outcomes include:

- Strengthen the housing stock
- Reclaim vacant properties for use
- Improve public infrastructure
- Increase recreational opportunities
- Create community focal points
- Enhance neighborhood aesthetics
- Encourage outreach by neighborhood institutions
- Enhance transportation and access to services

To achieve these outcomes, the Camiros Team recommended reliance on six sets of tools and related improvements. These "Model Block Tools' are presented in the table below.

MODEL BLOCK TOOLS

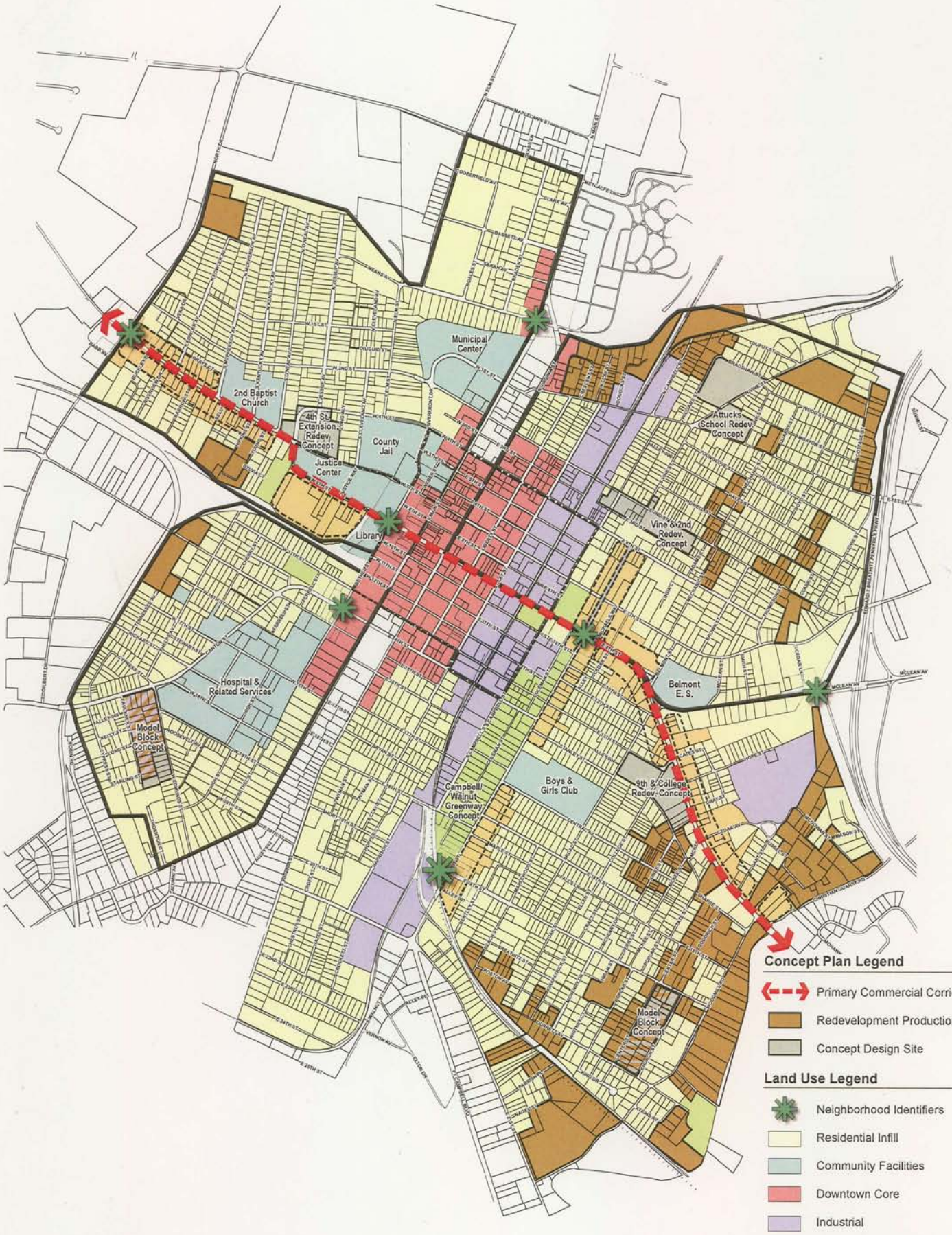
Model Block Tool	Improvement Type
Infrastructure Improvements	Sidewalks
	Street Lighting
	Curb & Gutter Installation
	Storm Water Management
Landscaping	Streetscaping
	Lot Line Buffering
Lot Consolidation	Open Space/Recreation Facilities
	Multi-Family Development
	Community Gardens
	Stormwater Detention
	Other
Housing Stock Enhancement	Remove and Rebuild
	Rehabilitation
	Infill
	Adaptive Reuse
	Mixed-use Development
Enhanced Access	Expanded Street Grid
	Recreational Path System
	Pedestrian Links to Local Services
Aesthetic Enhancements	Residential Maintenance Standards
	Vacant Neighbor Program with Tax Holiday

MODEL BLOCK TOOLS

Neighborhood Revitalization Plan
HOPKINSVILLE, KENTUCKY

DENNISON ASSOCIATES CAMIROS
AUGUST 2006

[This page is intentionally left blank.]



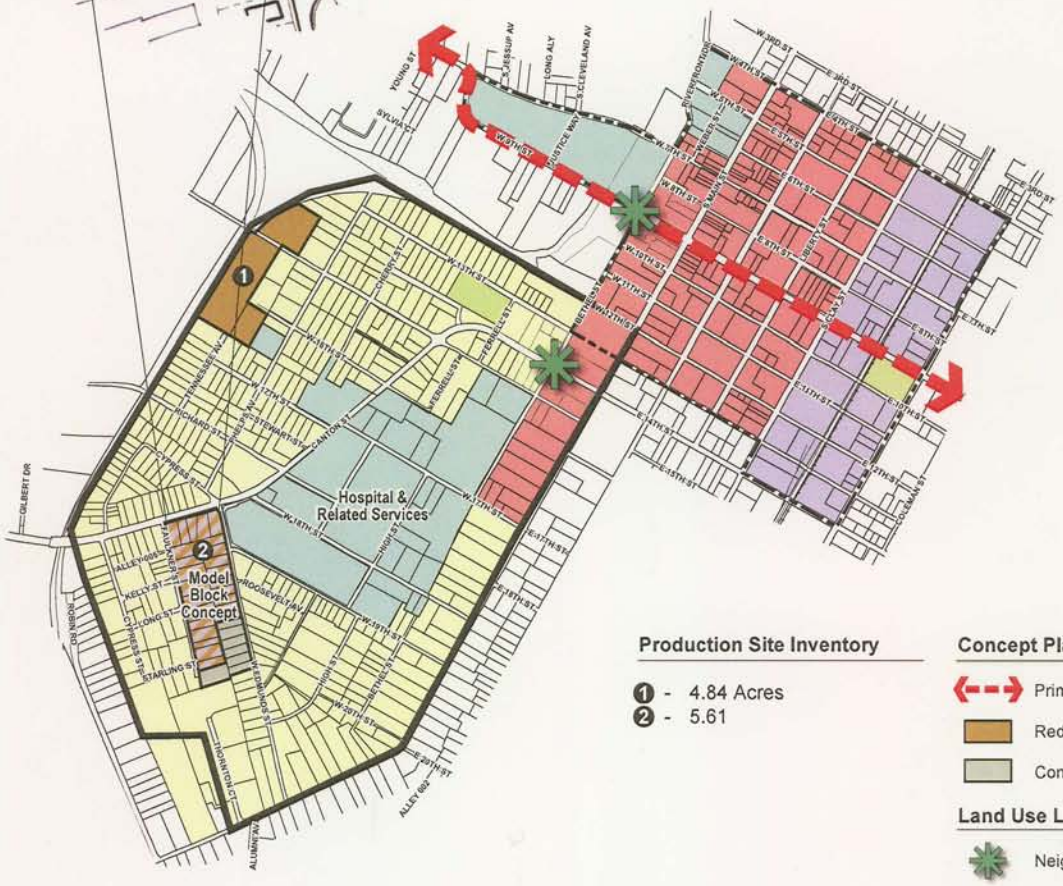
INNER-CITY RESIDENTIAL CONCEPT PLAN

CANTON PIKE COMMUNITY AREA
HOPKINSVILLE, KENTUCKY

DENNISON ASSOCIATES CAMIROS
JUNE 2006

Model Block Concept

- Remove dilapidated housing
- Infill individual lots with appropriate new housing
- Utilize larger available parcels for public use (i.e. pocket parks, community gardens, stormwater runoff)
- Create buffers between properties and uses
- Install infrastructure (i.e. sidewalks, stormwater control, street lighting)
- Expand the transportation network to create neighborhood-scale blocks and connect to surrounding areas
- Reconfigure Roosevelt Road to meet Long Street



Production Site Inventory

1 - 4.84 Acres
2 - 5.61

Concept Plan Legend

- Primary Commercial Corridor
- Redevelopment Production Site
- Concept Design Site

Land Use Legend

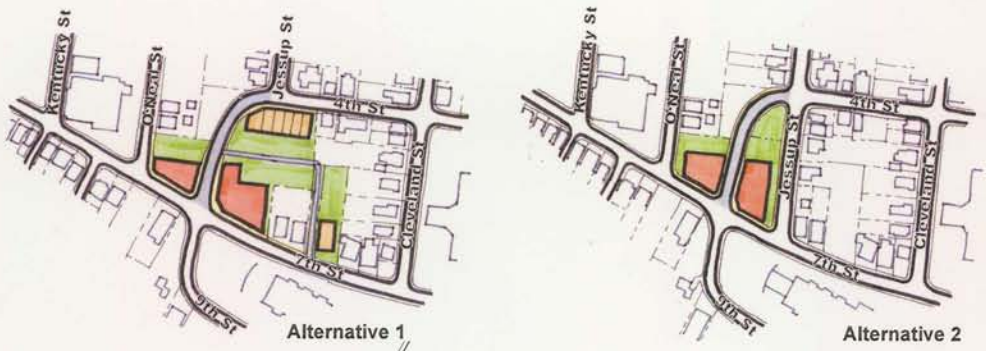
- Neighborhood Identifiers
- Residential Infill
- Community Facilities
- Downtown Core
- Industrial
- Mixed-Use Corridor
- Active Open Space

Feet
0 150 300 600 900

CONCEPT PLAN

CANTON PIKE COMMUNITY AREA
HOPKINSVILLE, KENTUCKY

DENNISON ASSOCIATES CAMIROS
JUNE 2006

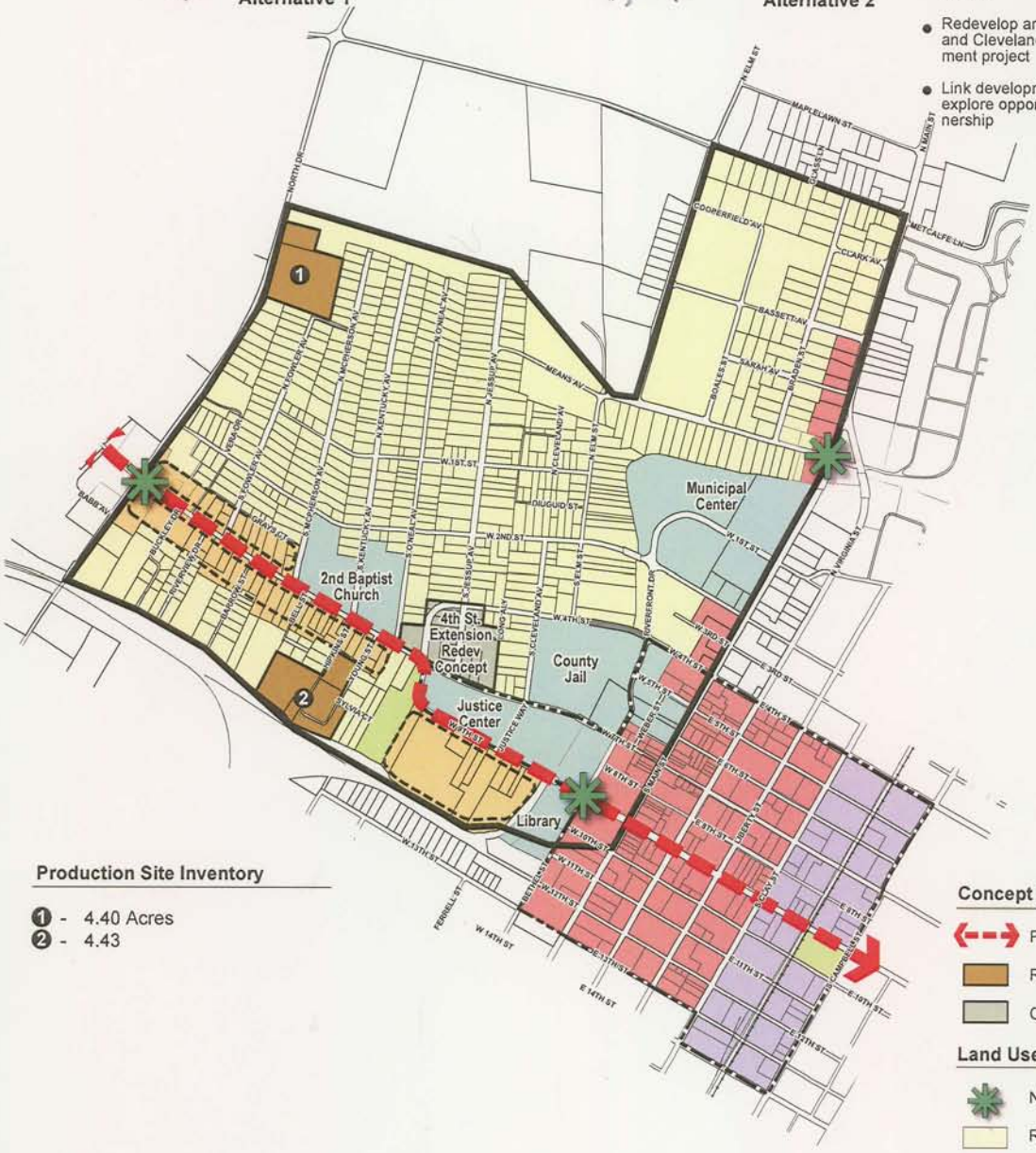


4th Street Extension-Alternative 1

- Extend 4th Street west of Jessup and down to 7th
- Redevelop northwest and northeast quadrants of 4th/7th intersection
- Link development to 2nd Baptist Church and explore opportunities for a development partnership

4th Street Extension-Alternative 2

- Extend 4th Street west of Jessup and down to 7th
- Remove Jessup between 4th St and 7th St
- Redevelop 7th St frontage between 4th and O'Neal
- Redevelop area in the block bound by 4th, 7th, and Cleveland as a comprehensive redevelopment project
- Link development to 2nd Baptist Church and explore opportunities for a development partnership



Production Site Inventory

1 - 4.40 Acres
2 - 4.43

Concept Plan Legend

- Primary Commercial Corridor
- Redevelopment Production Site
- Concept Design Site

Land Use Legend

- Neighborhood Identifiers
- Residential Infill
- Community Facilities
- Downtown Core
- Industrial
- Mixed-Use Corridor
- Active Open Space

Feet
0 150 300 600 900

CONCEPT PLAN

WESTSIDE COMMUNITY AREA
HOPKINSVILLE, KENTUCKY

DENNISON ASSOCIATES CAMIROS
JUNE 2006

Attucks School Reuse Concept

- Preserve the historic portion of the Attucks School building for community use
- Remove the Attucks School addition and redevelop the land as residential
- Utilize the eastern portion of the Bible College site as community open space/stormwater retention area
- Create a link to the Vine/2nd Town Center

Production Site Inventory

1. 10.48 Acres
2. 5.52
3. 10.63
4. 1.35
5. 4.55
6. 2.25
7. 3.57

Vine and 2nd Town Center Concept

- Revive the historic neighborhood commercial activity and Vine and 2nd
- Preserve a portion of the old school facility for community use , and redevelop the remainder of the site as open space or residential
- Strengthen Campbell St as a local commercial corridor and create links to 4th Street and planned greenway
- Create links to downtown and the historic Attucks School

Concept Plan Legend

- Primary Commercial Corridor
- Redevelopment Production Site
- Concept Design Site

Land Use Legend

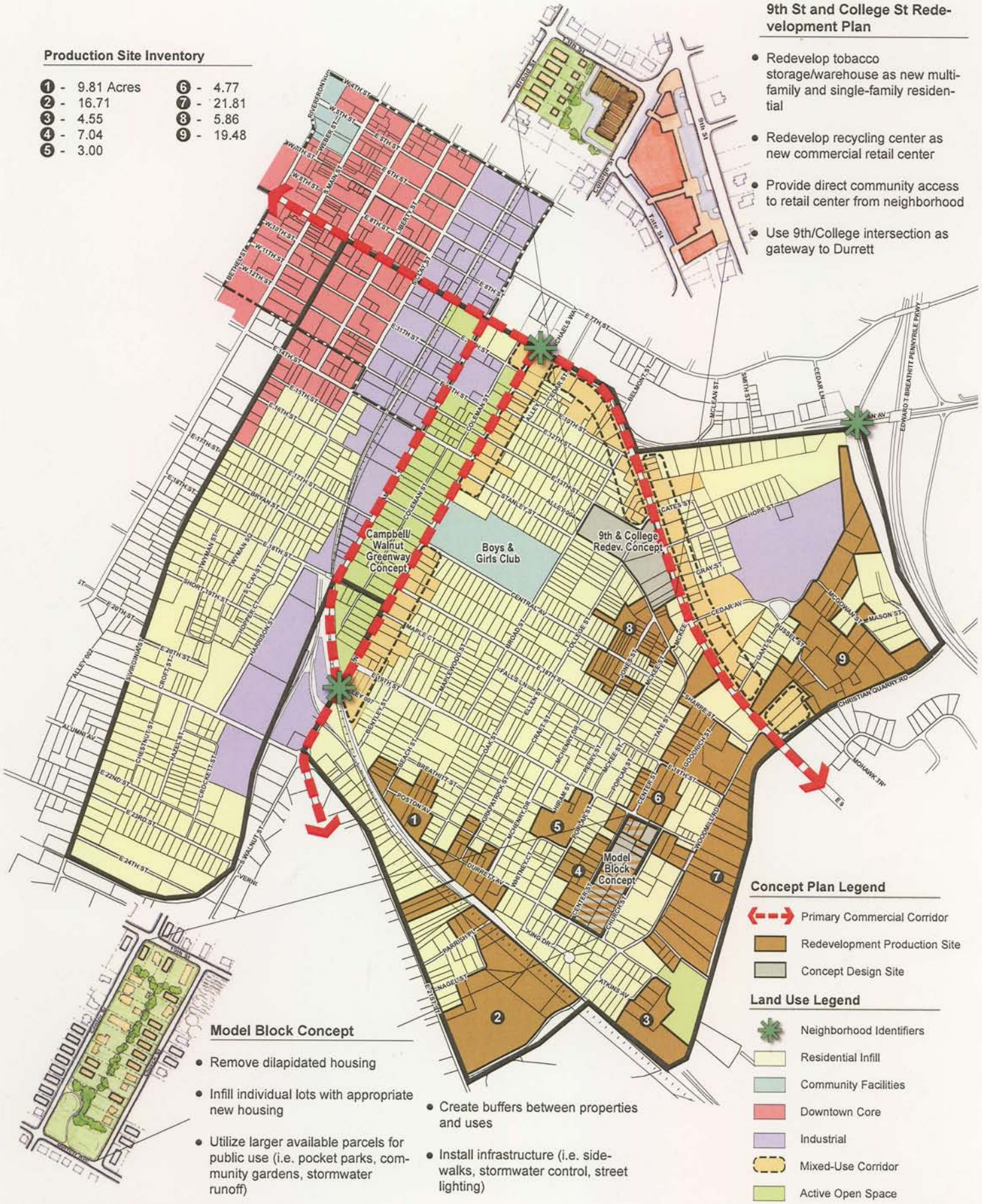
- Neighborhood Identifiers
- Residential Infill
- Community Facilities
- Downtown Core
- Industrial
- Mixed-Use Corridor
- Active Open Space

Feet
0 150 300 600 900

CONCEPT PLAN

ATTUCKS COMMUNITY AREA
HOPKINSVILLE, KENTUCKY

DENNISON ASSOCIATES CAMIROS
JUNE 2006

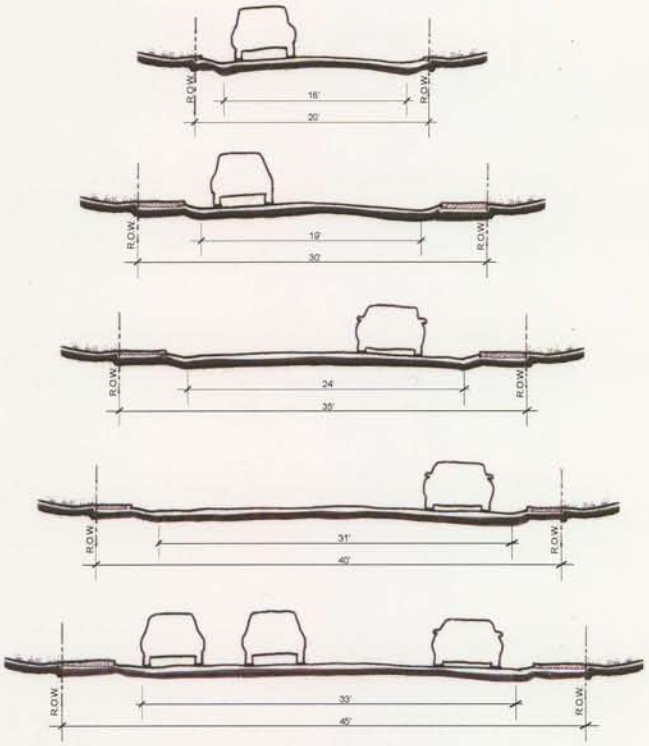


CONCEPT PLAN

DURRETT COMMUNITY AREA
HOPKINSVILLE, KENTUCKY

DENNISON ASSOCIATES CAMIROS
JUNE 2006

Road Profiles



R.O.W. WIDTH	ROAD WIDTH	2-WAY FLOW	SIDE-WALKS	ON-STR PKG	BUFFER
20'	16'	Yes	-	-	-
25'	19'	Yes	1	-	-
30'	19'	Yes	2	-	-
35'	24'	Yes	2	Yes	-
40'	31'	Yes	2	Yes	-
45'	33'	Yes	2	Yes	Yes

Greenway Concept Alternatives

Concept 1

Redevelop 2-block corridor as new park

Create links to downtown on Central and Stanley

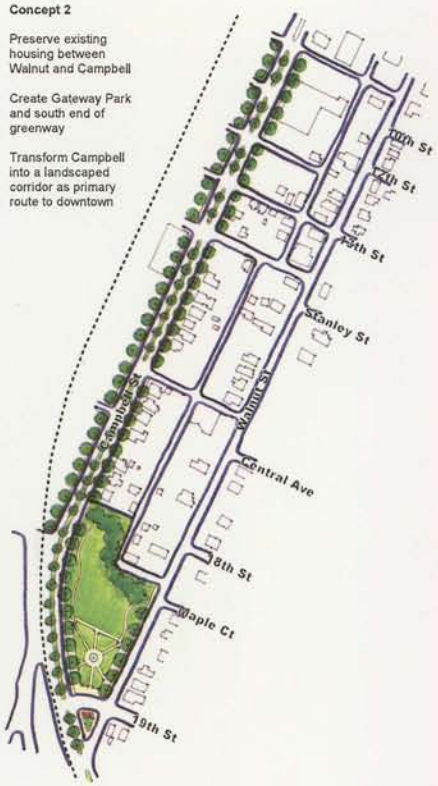
Walnut and Campbell form one-way pair

Concept 2

Preserve existing housing between Walnut and Campbell

Create Gateway Park and south end of greenway

Transform Campbell into a landscaped corridor as primary route to downtown



Concept 3

Redevelop 2-block corridor as new park and housing

Create links to downtown on Central, Stanley and Maple

Create gateway park and south end of greenway

Create primary public park between Central and Stanley

PUBLIC REALM ENHANCEMENTS

CANTON PIKE COMMUNITY AREA
HOPKINSVILLE, KENTUCKY

DENNISON ASSOCIATES CAMIROS
JUNE 2006

[This page is intentionally left blank.]

D. Priority Block Selection

On August 17, 2006, a third neighborhood planning charrette was held during which participants re-evaluated the blocks in their neighborhoods that needed or deserved special attention. The criteria for these designations were blocks that offered opportunities for dramatic improvement following focused community development treatment. Such blocks were either very good blocks that had a few problem houses and/or vacant lots, or blocks with such major deterioration and abandonment that they offered opportunities for substantial amounts of new construction. The term "priority block" refers to a discrete area within a target neighborhood, which is considered appropriate for focused community development or model block treatment. A total of 16 priority blocks were identified. With two exceptions, these blocks did not overlap the original illustrative model blocks.

In the future, the Neighborhood Networks, Advisory Committee and the HCC Planning Commission will have to develop a schedule for community development treatments on these priority blocks. Such treatments will involve the full range of Model Block Tools as applicable to the situation. The following map presents both the four illustrative model blocks (green) and the 16 quantified priority blocks (yellow).

[This page is intentionally left blank.]

MODEL BLOCK PRIORITY MAP

Feet
0 200 400 800 1,200

HOPKINSVILLE COMMUNITY AREAS
HOPKINSVILLE, KENTUCKY

DENNISON ASSOCIATES
DISTINCTIVE ACTION | DECISIVE IMPACT
CAMIROS
AUGUST 2006

[This page is intentionally left blank.]

E. Urban Design Options

These four ICREZ neighborhoods – Canton, Westside, Attucks, and Durrett – are located adjacent to the City's historic downtown and are among the oldest in the city. As such, they are primarily comprised of small, wooden frame, single-family homes, with relatively narrow streets, which frequently lack both sidewalks and storm water run-off sewers or catchments. During the assessment phase, tours of these neighborhoods confirmed significant numbers of vacant lots and deteriorated housing. The Camiros Team developed a series of base maps from data provided by the City, meetings with officials of the HCC Planning Commission, and discussions with residents during three neighborhood planning charrettes. Based on these efforts the Team recommends adoption of four sets of urban design options covering development density, development character, energy efficient construction, and the selection and quantification of priority blocks.

Development Density

The model block plans illustrate a development density that is appropriate with respect to the existing neighborhood, which surrounds it. New houses in the neighborhood are envisioned to be of mixed prototypes in order to accommodate a range of family sizes and lifestyles. New houses may be configured on existing residential lots, typically 50 feet in width, or on consolidated parcels that provide for larger single-family parcels. This housing should be comparable to the mid-size housing being developed in other Hopkinsville neighborhoods, complete with the amenities, in the $90,000-$135,000 range.

Development Character

Development character of new residential construction is envisioned to build upon traditional characteristics of Hopkinsville's neighborhoods. These include intimately-scaled houses that are constructed with traditional shapes, construction details and site amenities highlighted as follows:

- Simple, straightforward rectangular massing oriented along the depth of a lot, instead of along the front of a lot like a ranch house;
- Hipped or gable front roof configurations with pitches that range from 7 to 12 in 12;
- Gabled or arched dormers to introduce light into half-story and attic spaces;
- Multi-pane windows and doors oriented in vertical configurations;
- Architecturally correct, classical details including columns, window and door moldings, corner boards, and other trim composed of wood, composite material, or fiberglass;
- Overhanging eaves in boxed or exposed rafter configurations;
- Useable front porches of 96 square feet or more with traditional trim and railings; back porches are encouraged;
- Brick and/or clapboard siding composed of wood or fiber-cement;

- First floor ceiling heights at 9' minimum;
- Concrete walks to connect porches to sidewalks;
- Foundation plantings around the perimeters of houses with emphasis on front facades;
- One canopy tree between the front facade of residential units and public sidewalks; and
- Wood picket, black metal, brick, or combination fences are encouraged.

Energy Efficient Construction

It is essential that new development in the neighborhood utilize energy efficient construction techniques and materials. Homeowners through lower utility bills can realize annual savings of up to $400. This is money that can be spent in the community instead of being sent away to utility companies. The following simple practices will assure new construction takes advantage of these savings while safeguarding the environment:

- Select light colored roof materials that deflect heat from the sun away from building;
- Reduce air infiltration through "tight construction";
- Install insulation of proper thickness per State energy department recommendations to stabilize interior temperatures and reduce heating and cooling loads;
- Select energy efficient HVAC and water heating equipment;
- Use mastic instead of tape to seal air ducts and eliminate leakage;
- Select Energy Star-rated, high performance doors and windows; and
- Select Energy Star-rated appliances such as refrigerators, dishwashers, washing machines, clothes dryers, and others.

In response to an observation that many residents had taken responsibility for maintaining the vacant lots adjacent to their homes, we recommend adoption of a Vacant Neighbor Program with Tax Holiday. Under this program, vacant and abandoned lots that eventually are deeded to the city or the proposed Land Bank Authority, could be transferred at a minimum cost to the adjacent residents who have been maintaining them. Such a transfer could be accompanied by a tax holiday for a period to be determined.
.
The Hopkinsville Priority Block Improvement Inventory Table, below, summarizes four categories of improvement activity in each of the four neighborhoods. A separate table provides details for each of the 16 priority blocks. This data will be used to estimate the level of funding requirements by various program options.

Priority Block Quantification

Using information from the HCC Planning Commission and information compiled during its neighborhood assessments, the Camiros Team quantified the development needs and opportunities of each priority block. For each block, the team determined the number of vacant lots and the number of linear feet of public infrastructure improvements needed. Based on the number of vacant lots and/or severely dilapidated houses on the block, the

team determined the number of new houses, number of parks, community gardens, or commercial structures that could be built on the block. They estimate these blocks could support the construction of 50 new single-family homes, 6 recreation areas, 2 gardens, and 2 commercial or institutional developments. The tables below present a summary of the combined development opportunities in the ICREZ target areas and specific opportunities and needs in each of the four neighborhoods.

Hopkinsville Priority Block Improvement Inventory

Hopkinsville Priority Block Improvement Inventory

Summary by Neighborhood

Category	Type	Units	Westside	Canton	Durretts	Attucks
Infrastructure*	Sidewalks	Linear ft	5700	7000	18800	7600
	Street Lighting	Linear ft	3850	3500	16050	3800
	Curb & Gutter	Linear ft	7700	7000	17700	7600
Housing	New home construction	res. units	4	12	18	16
Facilities	Recreation/Detention areas	parks/detention areas	0	2	3	1
	Community garden	gardens	0	2	0	0
Other (i.e. commercial or institutional development)			1	0	1	0

Westside

			Priority Block Numbers		
Category	Type	Units	1	2	3
Infrastructure*	Sidewalks	Linear ft	900	1000	3800
	Steet Lighting	Linear ft	1100	500	2250
	Curb & Gutter	Linear ft	2200	1000	4500
Housing	New home construction	res. units	2	1	1
Facilities	Recreation/Detention areas	parks/detention areas			
	Community garden	gardens			
Other (i.e. commercial or institutional development)					1
General Location of Priority Block			7th St and Riverview Dr	2nd St & O'Neal Ave	Jessup Ave between 2nd St and 7th St

Canton

Category	Type	Units	Priority Block Numbers 4	5	6
Infrastructure*	Sidewalks	Linear ft	1800	5200	0
	Steet Lighting	Linear ft	900	2600	0
	Curb & Gutter	Linear ft	1800	5200	0
Housing	New home construction	res. units	7	5	0
Facilities	Recreation/Detention areas	parks/detention areas	1	1	
	Community garden	gardens	1	1	
Other (i.e. commercial or institutional development)					
General Location of Priority Block			Cypress St	Block bound by Canton St, Cypress St, Starling St, and Faulkner St.	18th St & High St

Attucks

Category	Type	Units	Priority Block Numbers 14	15	16
Infrastructure*	Sidewalks	Linear ft	3000	3000	1600
	Steet Lighting	Linear ft	1500	1500	800
	Curb & Gutter	Linear ft	3000	3000	1600
Housing	New home construction	res. units	5	11	0
Facilities	Recreation/Detention areas	parks/detention areas		1	
	Community garden	gardens			
Other (i.e. commercial or institutional development)					
General Location of Priority Block			2nd St & Vine St, including Booker T. Washington School Building	Howell St between Vine St & Mechanic St	1st St and Vine St

Durrett

			Priority Block Numbers						
Category	**Type**	**Units**	**7**	**8**	**9**	**10**	**11**	**12**	**13**
Infrastructure*	Sidewalks	Linear ft	3000	0	1800	5600	4900	2000	1500
	Steet Lighting	Linear ft	1500	450	900	2800	1900	1000	7500
	Curb & Gutter	Linear ft	3000	0	1800	5600	3800	2000	1500
Housing	New home construction	res. units	1	0	4	6	0	6	1
Facilities	Recreation/Detention areas	parks/detention areas			1	1		1	
	Community garden	gardens							
Other (i.e. commercial or institutional development)							1		
General Location of Priority Block			Block bound by Bryan St, Clay St, 18th St, & Virginia St	Central Ave between Walnut St and Broad St	College St and Central Ave	Block bound by Jones St, Central Ave, McKee St, & Falls Ln	Area bound by Sharpe St, Tate St, & 9th St	Wood-mill Rd between 18th St & Durrett Ave	Walnut St between 13th St and 9th St

At the present time, the City of Hopkinsville and the HCC Planning Commission have not developed an infrastructure needs assessment nor a capital improvement plan for the target neighborhoods. Accordingly, the Project Team recommends that the City initiate planning on a much smaller scale with an immediate focus on the priority blocks. Recommendations in support of focused community development treatment on the priority blocks include:

Develop a final schedule for focused development and revitalization treatment of 16 priority blocks over each of the next four years from the list of priority blocks identified during the August 17, 2006 Neighborhood Planning Charrette and using the priority block selection criteria.

Organize a Hopkinsville – Christian County interagency governmental task for the coordination of the municipal and county services to the four target areas:

- Coordinate the schedule for implementation of these capital improvement plans, to the extent feasible, with the schedule for focused development activities on priority blocks;

- Allocate funding for infrastructure improvements in priority blocks and on key neighborhood gateway blocks over the next four years; and
- Convene regular meetings between the interagency task force and representatives of the neighborhood networks to review and receive feedback on capital improvements and service delivery in the target areas.

V. New Construction Homeownership

A. Strategic Considerations

1. Revitalization Goals

The two primary purposes of assisting families to purchase newly constructed homes within the ICREZ neighborhoods are to use new construction to revitalize and upgrade those neighborhoods and to increase the proportion of owner to renter households.

The Project Team is proposing a program under which households with annual income ranging from $15,000 to $38,000 would be assisted to purchase new construction single family homes selling between $75,000 to $112,000. Coupling the downpayment assistance with Section 8 housing choice vouchers would enable assistance to reach a few households with incomes below $15,000.

Based on square foot cost estimates supplied by the Christian County Planning Commission, the design team has estimated the size of assisted houses could range between 800 and 1200 square feet.

The revitalization goal is best served by using this program to upgrade the housing available in the target neighborhoods, which suggests the city's primary focus should be on assisting households with incomes between $22,000-$35,000 to buy homes of at least 1000 square feet. A smaller proportion of assistance should be allocated to assist eligible homebuyers purchase smaller houses.

2. Production Goals

The production goal for the revitalization initiative is 100 units of new or rehabilitated owner-occupied housing over a four year period. Analysis of Hopkinsville data on vacant parcels, or parcels whose existing structures should be demolished, indicates an in-fill new construction potential of about 50 sites on the 16 priority blocks. The number of vacant parcels exceeds the number of new construction sites because the planners are recommending some increases to existing building lots. The analysis of the original model blocks also suggests there is an opportunity/need to rehabilitate at a minimum another 50 units within the pilot blocks.

These production goals are also compatible with the estimates of the Rouse and Associates market study. The study estimates a potential market for 47 homeownership units that current rental Households in the target areas would purchase and an additional market for 24 units from among current home owners in those neighborhoods.[12]

[12] Fielder, Thomas E. *Housing Market Demand Analysis: The Inner City Residential Enterprise Zones, Hopkinsville, Kentucky.* Lexington, KY: Rouse & Associates, November 10, 2006, pages 78, 79, 107, 108, 136, 137, 165, 166.

B. Financing Programs

1. Public Programs

a. HOME Program

The primary source for public subsidies to assist homebuyers is the federal HOME Investment Partnership Program. Hopkinsville accesses HOME dollars through the programs of the Kentucky Housing Corporation (KHC) which administers the program for smaller localities in the state. Hopkinsville has qualified as a KHC HOME Focus Community to which the state agency has committed up to $375,000 per year in HOME funds for homebuyer activities for the next four years. The HOME program can assist income-eligible households (incomes no greater than 80% of Area Median Income adjusted for household size) purchase a home by reducing the amount the household must borrow from a conventional lender. The HOME assistance increases the downpayment of the assisted household.

b. City Bond Proceeds

The City Council has committed $500 million per year in bond proceeds for five years to the ICREZ initiative. Some of these funds may also be used to assist homebuyers to increase their down payments so as to afford newly constructed houses, as well as for other ICREZ projects. These funds are not restricted by state or federal HOME regulations and therefore could be used to assist households who are slightly over-income for HOME assistance.

c. Section 8 Homeownership Housing Choice Vouchers

The Housing Authority operates a homeownership program for participants in the Section 8 Housing Choice Voucher Program. The traditional program provides rental housing assistance to participating low-income families by paying the difference between 30% of their income and the rent of an eligible unit. Under the homeownership option the financial assistance is used to pay part of the monthly debt service on a conventional mortgage. Combining the Section 8 subsidy with down payment assistance from HOME or some other source, makes households with much lower incomes eligible for homeownership than either program could reach when it is the only form of assistance. The Section 8 subsidy, however, is only available to holders of vouchers who must either have been selected off the Housing Authority's waiting list, or be current participants in its rental assistance program.

2. Bank Programs

a. Conventional Loans

Lenders will typically provide loans to credit worthy purchasers of single-family homes that are secured by a mortgage on the property. A mortgage loan gives the lender the

right to sell the property to recapture the outstanding balance on its loan in the event the borrower fails to repay. The amount of the mortgage loan is capped by:

- the monthly debt service that can be supported by household income—usually computed by allowing no more than 28% for housing costs and 35% for all monthly installment debt including housing
- 80-9-0% of the appraised value of the mortgaged property. The gap between the amount of the mortgage and the sales price is filled by the borrower's downpayment.

b. Special mortgage products

The Rouse Associates market study includes a detailed description of a variety of special mortgage lending products and programs available through local banks (pgs. 43-45). The thrust of these products is to increase the number of eligible borrowers of mortgage loans by relaxing some credit requirements, or reducing down payments. Some of these special products carry a higher interest rate than conventional loans.

c. Welcome Home Grants

The Welcome Home Grant of up to $5,000 per eligible family is available through the Federal Home Loan Bank (FHLB) of Cincinnati for eligible borrowers of qualifying mortgages made by its member banks. The city has previously used these grants to supplement its homeownership assistance and they could function similarly in the ICREZ housing initiative.

C. Management and Administration

1. Staffing

The Planning Department includes staff with the experience and skill to manage and administer the homebuyer assistance program, which essentially requires only a tweaking of programs the City already operates. Modifications include:

- Limiting the program to the priority action blocks in order to concentrate program impact
- Coordinating the delivery of housing programs with improvements to public facilities and the coordinated delivery of public services
- Focusing the program on creating a slightly larger and more expensive house for a slightly higher income group
- Managing the program in coordination with the Advisory Committee and the neighborhood networks

2. Technical Financial Work Group

We recommend the Advisory Committee establish a technical financial workgroup consisting of representative of local mortgage lenders, staff from the Planning

Department and the Executive Director of the Housing Authority to review and refine the data both in this report and the market study, and suggest refinements or additions to their recommended subsidy approaches.

3. Neighborhood Concentration

Staff has expressed concern that KHC might resist the targeting of HOME assistance to the priority action blocks because of its impact on the concentration of low-income and minority populations. However to the extent the program attracts or retains residents, who while income-eligible have incomes higher than the neighborhood median, it will actually contribute to poverty de-concentration. If nothing is done to upgrade these neighborhoods the poverty concentration will increase, as higher income households move to more stable neighborhoods.

D. Program Recommendations

1. Assistance

a. Provide downpayment assistance, either as a soft second mortgage or a principle reduction grant, of up to $40,000 to HOME-eligible buyers purchasing on the applicable priority action blocks selected for improvement in the current program year
b. Cap such assistance at 50% of the sales price
c. Provide closing cost assistance of up to $2,000, depending on the income of the purchasing household
d. The amount of assistance an individual household may receive is computed by calculating the gap between the size of the mortgage for which the household has qualified and the sales price of the eligible property, plus any closing cost assistance for which the household qualifies. The total of assistance to any individual household may not exceed $40,000 and 50% of the sales price.
e. The HOME resale/recapture requirements as defined by the KHC apply to any assisted unit that does not remain the principle residence of an assisted homebuyer throughout the HOME affordability period.

2. Borrowers

a. Must be income-eligible for the HOME program as defined by KHC
b. Must qualify for a mortgage loan for at least 50% of the sales price, or provide 50% of the sales price from other resources
c. Must have savings of at least $2,000
d. $1,000 to contribute towards closing costs
e. $1,000 for unexpected maintenance or increases in the costs of ownership
f. Priority for existing residents of the ICREZ
g. First-time home buyers must complete homeownership counseling and/or training programs

3. **Property**

a. Must be located in a priority block selected by the Advisory Committee for treatment in the applicable program year
b. Must comply with applicable design and energy efficiency standards
c. Preference for homes of at least 1,000 square feet

4. Immediate Action Steps

a. Establish a technical financing working group to refine estimates as to:
    1. Total development costs of homes of different sizes;
    2. Obtainable sales price;
    3. Typical closing costs;
    4. Typical monthly installment debt;
    5. Terms and interest rates of locally available mortgage products; and
    6. Underwriting criteria for mortgage loans.
b. Begin the process of recruiting potentials buyers and provide quality housing counseling to potential first-time homebuyers. Experience indicates a 10 to 1 ratio between households who initially express an interest in homeownership, and those who actually buy. The biggest problem for potentials purchasers is to clean up their credit history and reduce non-housing installment debt. It often takers a substantial period of time to resolve these issues.
c. Use surveys, focus groups, or other technique to identify the housing product preferences of potential buyers.
d. Establish design and energy efficiency standards for assisting housing in the target neighborhoods.
e. Impose existing historic preservation design standards to appropriate individual priority action blocks.
f. Coordinate with the housing authority to estimate the number of transactions that will combine downpayment assistance with Section 8 Housing Choice Homeownership Vouchers.
g. Select the priority action blocks for treatment within the applicable program year and develop a subsidy budget based on their development opportunities.
h. Incorporate program and budget decisions into the city's Annual Action Plan, following the HUD required procedures for citizen input and public hearings.

D. Establishing the Budget for a Homebuyer Assistance Program: The Subsidy Allocation Model

1. Premises and Assumptions Underlying the Subsidy Allocation Model

The model illustrates how public subsidies from the State HOME program, city bond proceeds and FHLB Welcome Home grants, could be distributed to reach the 100 unit production goal. The model also can be used to analyze the impact of variations on this homeownership subsidy allocation plan and budget based upon alternate choices as to

whom to assist, or updated data on housing cost, interest rates, typical installment debt or other variables.

2. The Fannie Mae Worksheet

The computations and assumptions as to amounts needed for insurance, taxes and closing costs are based on a worksheet developed by Fannie Mae, the leading purchaser of mortgages in the secondary housing mortgage market. Most conventional lenders anticipate selling a substantial number of the mortgage loans they originate to Fannie Mae and therefore establish underwriting criteria that are compatible with Fannie Mae requirements. Fannie Mae developed this worksheet and made it accessible on the Internet to help a family interested in homeownership and figure out the size of a mortgage for which it could qualify. Some of the cost assumptions that underlie the Fannie Mae worksheet may differ from those laid out in the Rouse Associates market study. The Fannie Mae worksheet can be found at:
http://www.mortgagecontent.net/scApplication/fanniemae/specificPaymentDispatcher.do

The subsidy allocation model is set up as an excel spread sheet, and can be used to explore several " what-if " scenarios, such as what if 100% of the assisted houses were cost $90,000, or what if the 1,000 square foot house really costs $103,000, etc.

These calculations are for general planning purposes; they are not intended to apply to any specific household.

The technical financial group should review the assumptions on the Fannie Mae work sheet and revise them to reflect local lending criteria. For purposes of this general planning exercise, the model assumes monthly non-housing installment debt of $500 for all households. The technical financial work group may revise this number based on its experience of the typical monthly installment debt of Hopkinsville households.

3. Income Assumptions

The model displays outcomes if incomes of assisted households range from $15,000-to $38,000. This figure of $38,000 is roughly HUD's current income eligibility ceiling. The model assumes a few of the households assisted will have annual incomes as low as $15,000-$20,000, but conventional wisdom is that households with incomes of at least 60% of the area median, have the best chance of succeeding as homeowners. For Hopkinsville that income level is about $28,000. So the model assumes that the bulk of buyers will have incomes ranging from $22,000 to $38,000. Even buyers at the top of the eligible income level need assistance to be able to purchase any house larger than 1,000 square feet. The model does not expand the analysis to look at buyers with incomes between 81%-110% of median, but national experience indicates most buyers in this group also would need assistance to buy any but the smaller houses. Should the City decide to assist buyers in this income group to purchase in the target neighborhoods, the

assistance would have to come from bond proceeds since these purchasers could not be eligible for assistance from the HOME Program.

4. Housing Product Assumptions

The model assumes the City will offer three housing products, and that the bulk of the buyers will choose houses in the $90,000-$112,000 cost range. The cost figures are based on the city's estimate of square foot development costs. The allocation plan illustrated in the model reflects the recommendation of the consultant team that larger, more expensive house will have a greater impact on neighborhood revitalization. It differs from the market study that assumes the typical house product will sell for $75,000.

Subsidy Allocation Model -- Based on Fannie Mae Mortgage Calculator

Assumptions

30 year mortgages at 6.25% interest

Subsidy can be up to $40,000 per household; cannot exceed 50% of sales price

Half the units are new construction, half are rehab

Budget/Leverage Implications

Purchase Price and No. Square Feet	Income	Mortgage	Gap	Closing Assistance	Total Subsidy	Annual Unit Distribtuion	Public Investment	Private Investment	HUD Median Income Data	
$75,000	$15,000	$39,000	$36,000	$2,000	$38,000	2	$76,000	$78,000		
	$22,000	$58,404	$16,596	$2,000	$18,596	1	$18,596	$58,404	MEDIAN	$ 47,800
850 Sq feet	$30,000	$79,147	($4,147)		0	0			60%	$ 28,680
									65%	$ 31,070
									70%	$ 33,460
$90,000	$15,000	$39,000	$51,000	$2,000	$53,000	0	$0	$ -	80%	$ 38,240
	$22,000	$58,404	$31,596	$2,000	$33,596	7	$235,172	$ 408,828		
1000 Sq feet	$30,000	$79,147	$10,853	$1,500	$12,353	3	$37,059	$ 237,441		
	$35,000	$100,887	($10,887)		0	0	$0	$ -		
							$0	$ -		
$112,500	$22,000	$58,404	$54,096	$2,000	$56,096	0	$0	$ -		
	$30,000	$79,147	$33,353	$1,500	$34,853	9	$313,677	$ 712,323		
1250 sq feet	$35,000	$100,887	$11,613	$500	$12,113	2	$24,226	$ 201,774		
	$38,000	$102,382	$10,118	$500	$10,618	1	$10,618	$ 102,382		
					90					
Totals Annual						25	$715,348	$ 1,799,152		
Totals 4 Years						100	$2,861,392	$ 7,196,608		
Income Ceiling	$38,000	$102,382								

Explanation of calculations

Column A: Housing product assumptions—sales price, and size
Column B: Annual income
Column C: Fannie Mae calculation as to the amount of a mortgage loan for which a household at the specified income level could qualify
Column D: Gap -- The difference between sales price (A) and the mortgage amount (C), if the household were to purchase a house at the price specified in column A. Public funds may be used to fill the gap enabling the household to purchase a home.
Column E: Closing Cost Assistance -- Assumes typical closing costs of $3,000 and a sliding scale of assistance that varies with income and cost of purchased home.. Even the lowest income household is expected to contribute $1000 towards these costs, with a subsidy of $2,000, households between $25,000 and $30,000 would pay $1500 of these costs, and households between $35,000 and $38, 000 might receive up to $500 in assistance, if they were purchasing the more expensive house..
Column F: Total Subsidy—Sum of D and E
Column G: Unit Distribution--Possible distribution of assistance among various income levels showing the number of households within a given income range that would be assisted each year, (or the number of transactions or the number of units). Annual total number of assisted housing units is 25; in four years the City would have reached its goal of 100 new or rehabilitated units. Assumes same level of production every year, although in actuality, there may be a start-up year in which fewer units are produced and some catch-up years where production can exceed 25.
Column H: Public Investment-- Column G (number of transactions) multiplied by Column F (public subsidy cost per transaction) to compute total public investment per income level.
Column I: Private Investment--Column G (number of transactions) multiplied by Column C—(mortgage loans), to compute total private investment per income level.

E. Sources of Funds for Public Investment

$500,000 a year for 4 years	City bond proceeds
$375,000 a year for 4 years	State HOME award
$ 75,000 a year for 4 years	Welcome Home Grants FHLB

The estimated annual total of available for public investment is $950,000. HOME and FHLB funds must be used for housing development. City bond proceeds can be used for both housing and non-housing projects. This particular model leaves $210,000 of city bond proceeds available for non-housing uses.

Annual production is constrained by number of available sites, number of new units in the target neighborhoods the market can absorb, and available funds.

This model illustrates just one of many possibilities for allocating resources and can be used to generate a number of different budget/allocation plans. By varying the number of annual transactions per income group and housing type, the format will generate various estimates of total project costs some of which would reduce the total required public investment.

VI. Residential Rehabilitation and Reconstruction Programs

A. Strategic Dimensions

Residential rehabilitation and reconstruction programs support a number of neighborhood revitalization strategies including:

- Assistance to very- and low-income homeowners in remaining in improved neighborhoods
- Elimination of blight and deterioration
- Increasing the proportion of owner-occupied to. rental units
- Improving overall physical condition
- Enhancing the neighborhood's image
- Strengthen the housing market through re-investment

As part of the revitalization strategy, the Advisory Committee and HCC Planning Commission should seek to involve banks and other financial institutions in efforts to support residential rehabilitation or reconstruction. For very-low-income families, the city may be forced to finance 100% of the cost of rehabbing their homes. As the incomes of participating families increase towards the limit at 80% of AMI, banks should be willing to make loans covering a major portion of the cost of rehabilitation or reconstruction.

B. Lead Hazard Elimination Program

The HCC Planning Commission has not undertaken any single-family rehabilitation projects since the effective date of HUD Lead-Based Paint Regulations at 24 CFR Part 35. [13] Instead, HCCPC has undertaken single-family reconstruction. Reconstruction is the demolition of an existing structure and the reconstruction of a similar size structure on the same site. For badly deteriorated houses, the cost of reconstruction is often less than the cost of substantial rehabilitation.

The City of Hopkinsville has adopted policies, which give preference to the reconstruction of badly deteriorated houses. There are two reasons for this. First, the Hopkinsville City Council has established restriction on rehabilitation of pre-1978 houses that require the elimination of hazards associated with lead-based paint. Second, city policy required that the post-rehab appraised value of the house exceed the cost of rehabilitation. The HCC Planning Commission interpretation of this policy requires:

1. Rehabilitation costs must be less than $25,000 per unit;

[13] Due to such a lack of interest in lead-based paint certifications on the part of the current contractors utilized in the rehabilitation programs, all work on pre-1978 homes had virtually stopped. Without adequate personnel, rehabilitation work could not be performed in compliance with the new regulation. Reconstruction was included as an option available for pre-1978 homes and is anticipated to become the primary use of rehabilitation funds as no rehabilitation contracts have been signed since the regulation went into effect. *Second Year Program Action Plan*, Hopkinsville, KY: Hopkinsville-Christian County Planning Commission, July 1, 2006 – June 30, 2007, page 14

2. If rehabilitation costs exceed $25,000, the HCC Planning Commission is authorized to reconstruction the home; provided
3. The post rehabilitation appraised value of the single-family house is greater than the cost of rehab.

The net effect of the city's response to HUD Lead-Based Paint Regulations has been to end all rehabilitation activity, including emergency repairs and the installation of accessibility ramps for the disabled. The unwillingness of contractors to participate in HUD and EPA sponsored training on the elimination of lead-paint hazards, was given as the reason by the city could neither comply with the HUD regulations at 24 CFR Part 35, Subpart J and nor undertake rehabilitation in pre-1978 houses. The Project Team recommends that the City make a concerted effort to find a way to comply with 24 CFR Part 35 and to re-open its housing rehabilitation programs. We recommend that the city explore the recruitment of other small contractors and businesses who might be interested in obtaining various lead abatement and interim control training and certifications. The identification and training of a new group of contractors might allow the city to re-open the Hopkinsville Home Improvement Program, fulfill its Section 3 goals, create new economic opportunity for ICREZ residents, and create a new source of maintenance and repair contractors in the target areas.

C. Eliminating Blight

Rehabilitation has an obvious and direct impact on the elimination of blight on a priority block. The first priority in the selection and sequencing of rehabilitation projects should be to eliminate conditions detrimental to health and safety. The second priority should be for locations adjacent to other rehabilitation projects, new construction sites, or new public facilities such as parks and recreation areas. The city should utilize the full range of programs and policies available to it. In such an effort, the city should emphasis program intervention for properties that are:

- Occupied by an eligible low-income owner
- Available for acquisition if vacant
- Located on a priority block selected for treatment during the current program year by the Neighborhood Networks and the ICREZ Advisory Committee
- Need rehabilitation whose costs fallswithin the city's existing guidelines for rehabilitation or reconstruction
- Are not delinquent with respect to payment of property taxes or other liens

D. Establish a Rehabilitation / Reconstruction Program for Very Low- and Low-Income Homeowners

The city should provide rehabilitation/reconstruction assistance to very low-income homeowners who are living in substandard units that require rehabilitation or reconstruction. Such assistance would provide a direct and immediate benefit to existing homeowners who have remained in the ICREZ neighborhoods even as they have deteriorated over time. Funding constraints will limit

the number of very low-income homeowners the city will be able to assist to approximately 25 homes. But the more generous terms of its rehabilitation assistance programs can reach deep into the low-income population. During the four initial program years rehabilitation/reconstruction assistance should be targeted to the priority blocks scheduled for focused community development treatment.

Rehabilitation /Reconstruction Program Cost Experiences – Since 2001, the HCC Planning Commission has developed a significant amount of experience with the cost of reconstruction in inner-city neighborhoods:

Demolition costs	$6,000 to $8000 per structure
Land Cost w/ same owner	$0.00
Average Size	1,040 to 1,100 sq ft
Construction Costs	$65 – 70/ sq ft
Cost Range	$67,600 to $77,000

In spite of the soft real estate market in these neighborhoods, the post rehabilitation appraised value enables the Planning Commission to undertake reconstruction rather than rehabilitation, since. post-reconstruction appraised value has generally equaled or exceeded the cost of reconstruction.

Subsidy Policies for Very Low-Income Owner-Occupants:

1) For households with incomes below 50 % of adjusted area median income (AMI), which is approximately $24,000 in Hopkinsville, existing city policies, which provide up to 100 % of the cost of rehabilitation or reconstruction should apply.

2) HOME program rules do not require any affordability period for owner-occupied rehabilitation, but we recommend the city establish a five-year affordability period during which the assisted homeowner would have to repay rehabilitation assistance if the unit is sold. The five-year limitation on resale would discourage windfall profiteering and churning of assisted properties in the target neighborhoods.

Subsidy Policies for Low and Moderate Income Owner-Occupants:

3) For households with incomes between 51% AND 80% of AMI, which is $24,000-$37,500, subsidy policies should mirror those of the Hopkinsville Affordable Homeownership Program.

4) Assistance to these families could include funds from the KHC Focus Communities Program in which case the total eligible subsidy is set by the KHC HOME Program Assistance is limited to 50% of acquisition costs, and requires borrowers to pay a percentage of closing costs from their own resources.

3) Rehabilitation/reconstruction assistance is capped at $40,000 per unit and 50 % of total costs. The gap would be computed by comparing the cost of rehab/reconstruction with the amount of a home equity loan or home repair loan from a conventional lender for which the household would qualify. The interest rate conventional lenders charge for a home equity or home repair loan is higher than for a purchase mortgage. The city should consult with local lenders to establish typical interest rates and other underwriting criteria.

E. Establish an Acquisition, Resale and Rehabilitation Program for Deteriorated and Abandoned Houses

Rationale -- Currently the ratio of renters to owners in the ICREZ target neighborhoods is approximately 60/40—i.e. 60% of the residents are renters and 40% of the residents are owner occupants. During the Neighborhood Planning Charrettes and other discussions with city representatives there was a general consensus in support of increasing the percentage of owner occupants in the target neighborhoods and decreasing the percentage of renters. To achieve this goal, the city should aggressively pursue a program of acquisition, rehabilitation and resale of vacant lots and deteriorated houses, especially vacant rental houses. A variety of entities might pursue such acquisitions including the Local Development Corporation, the Housing Authority of Hopkinsville, Habitat for Humanity and other non-profit housing developers, and, following final adoption, the new land bank authority. Such entities could retain ownership of the lots and houses through the construction, reconstruction or rehabilitation phase until they are sold. Alternatively the land bank authority could acquire the units and subsequently transfer them to a nonprofit which could own the property during the rehabilitation process. The city could also assist individual purchasers to acquire these properties and then provide them with rehabilitation assistance.

Subsidy Policies -- The subsidy for these units should be computed by comparing the after-rehabilitation sales price with the amount of a mortgage for which the purchaser can qualify. The requirements the city has established to assist homebuyers would apply (subsidy capped at $40,000 and at 50 % of the sales price). KHC HOME resale/recapture rules apply to homebuyer assistance.

The city could provide interim rehabilitation assistance of up to $25,000. The city could either recapture the rehabilitation subsidy from the sales proceeds or at its option; forgive all or part of its rehabilitation assistance, leaving it as a permanent subsidy to the project.

Acquisition, rehabilitation and resale should be limited to properties where the cost of rehabilitation does not exceed $25,000. Vacant houses with rehabilitation costs in excess of $25,000 should be acquired and demolished so the sites can be used either for new residential construction or land-banked for an alternate future use. The goal is to take vacant rental units out of the rental market inventory.

F. Assistance to Renter Occupants

Overall Strategy

Currently the ratio of renters to owners in the ICREZ target neighborhoods is approximately 60/40—i.e. 60% of the residents are renters and 40% of the residents are owner occupants. For the city as a whole the numbers reverse—57% of the residents are owner occupants and 43% are renters. One overall goal of the ICREZ initiative is to increase the percentage of owner occupants in the target neighborhoods and decrease the percentage of renters. Given the limitations of available financial resources, it makes sense for the city to allocate the bulk of its housing assistance towards increasing homeownership. Nevertheless, the city cannot achieve its revitalization goals if it fails to address the needs of its low-income renter families. Therefore the technical assistance team recommends two small initiatives to provide limited assistance to renters and/or to improve the quality of the existing rental stock.

G. Facilitate the Development of a Low-Income Housing Tax Credit (LIHTC) Project

1. Background

The LIHTC Program offers the city an opportunity to facilitate the development new rental housing while minimizing the use of its scarce community development resources. In a LIHTC project, the primary development subsidy comes from syndicating the sale of the tax credits available to owners of such housing, to taxable entities interested in reducing their overall tax burden, who purchase minority ownership shares of the project. In return for the right to receive tax credits, owners have to agree to rent units to income-eligible households at restricted rents. There is now a well-developed industry of tax credit developers and financial service entities that manage the syndication sale of Low-Income Housing Tax Credits.

Facilitating a LIHTC project would involve assisting experienced developers to identify suitable sites, linking a developer to neighborhood networks that could assist in marketing the project and expediting local approvals required for a tax credit project.

The LIHTC Program is managed by the Kentucky Housing Corporation (KHC) who each year operates a competition to select projects that will receive the credits. KHC is also responsible for supervising the operation of tax credit projects over their 15-30 year compliance period. In order to continue receiving the credit, the project must pass an inspection for compliance with HUD's Housing Quality Standards (HQS), and annually document that tax credit units are occupied by income-eligible households with rents that do not exceed program ceilings. Annual oversight of these projects by KHC helps ensure project upkeep and maintenance.

The city has considered the development of mixed income housing in areas on the city's periphery as an adjunct to the Neighborhood Revitalization Initiative Tax credits can be used to develop projects in which only some of the units receive credits and the remainder can be rented to higher income households at market rents. Such development, outside of the target neighborhoods, could provide alternative options for affordable housing to a number of low-income families currently living in the four target neighborhoods.

2. Program Constraints

Limited supply of credits -- The amount of tax credits available in each state each year is capped by federal statute. Typically the number of projects seeking tax credits exceeds the annual state allocation, with the result being intense competition among projects.

Limited market -- There is a relatively narrow segment of the population that are both income eligible to occupy a tax credit unit and that can afford tax credit rents. Household incomes are capped at either 60% or 50% of Area Median Income. (AMI) While there are a substantial number of income eligible households, only those at the higher end of the eligibility range can afford tax credit rents. The Rouse & Associates market study calculates the number of households in each target neighborhood who are both income eligible and who can afford tax credit rents for one, two and three bedroom units.[14] The totals for all neighborhoods are:

Number of households who are both income eligible and who can afford tax credit rents, by bedroom size	One bedroom units	Two Bedroom units	Three bedroom units	Total HH Demand
Number of qualified Households	48	115	19	182

H. Recommendation of a Low Density LIHTC Rental Project

Accordingly, the Project Team recommends that the city solicit and work with an experienced developer who would draft and submit a proposal to the KHC for low density LIHTC rental project.

Size 24 - 40 rental units -- We assume no more than 25% of income qualified households would actually end up moving into a new rental project. Tenants might come from both inside the target neighborhoods and from other areas in the city. The size of the project also will be limited by the size of available sites and the number of tax credit units KHC allocates.

Location -- Locating such a scattered site project outside the target area supports the de-concentration of low-income populations in the four ICREZ neighborhoods and creates an opportunity to pursue a mixed-income development strategy.

I. Provide Modest Assistance to Owners of Rental Property Occupied by Low- Income Families

Participants at the November 16th public meeting on the ICREZ drew attention to the problems low-income property owners face in complying with the city's new property maintenance requirements. The city could respond to this need through a rental rehabilitation revolving loan program with the following terms:

[14] Fielder, Thomas E. *Housing Market Demand Analysis: The Inner City Residential Enterprise Zones, Hopkinsville, Kentucky.* Lexington, KY: Rouse & Associates, November 10, 2006, pages 76, 105, 134, 163.

- Eligible borrowers would be owners of rental property in which eligible low-income renters reside and that is located on priority block scheduled for treatmentin the applicable program year
- Eligible properties would be those that needed rehabilitation/reconstruction to comply with city property maintenance ordinance;
- The city loan would be capped at 50% of total rehabilitation costs and the borrower would be required to match this amount;
- Total rehabilitation costs to be assisted under this program would be capped at $50,000 per unit, and the borrower would agree to cover 50% of the rehabilitation cost in return for a loan to cover the remainder;
- Low-income rental property owners could be allowed to borrow up to $25,000 without the required match;
- At the time of the loan closing, the borrower would be required to deposit the matching rehab costs in an escrow account;
- Assistance would consist of a repayable 0% to 7% short-term interest loan amortized over a 5 to 10 year period;
- The terms of the loan would be based on a pro-forma analysis of the property with re-payment criteria set by the city;
- Borrowers would execute and comply with an affordability agreement; and
- Participating units would be subject an annual housing code inspection and compliance with the city property maintenance ordinance.

The city should initially limit the program eligibility to properties located on the 16 priority action blocks within the four target areas. The estimated annual budget for such a rental rehabilitation loan program is $125,000, covering approximately 5 houses. The schedule for executing these rental rehabilitation loans should, to the extent practicable, coincide with the schedule for focused development activities on priority blocks. CDBG or city bond proceeds could provide initial financing of the program. Loan repayments should be channeled into a revolving fund that over time would absorb the cost of the program.

The size of the program would be limited by the number of properties with relatively moderate rehabilitation needs, and the number of eligible borrowers willing and able to cover their 50% share of the rehabilitation costs and comply with the city's repayment requirements. The goal is to create a revolving loan program from which any landlord in the target area could receive a loan. The maximum loan from the city would be $25,000. The total rehab cost eligible for funding under the program is capped at $50,000. The net effect of this program is to encourage landlords to re-invest in their properties. At the time of the loan closing, the borrower would be required to deposit the matching rehab costs in a two-party escrow account; with the city being the second party. The objective is not to reward past neglect, but to create an incentive for future re-investment.

Under this concept, the city would meet the credit needs of the rental industry on a relatively competitive basis. The revolving loan program should be designed to offer investment owners terms more favorable that those available from commercial banks and other financial institutions. It is expected, however, that the repayment terms of the loans based on actual analysis of revenue and expenses will substantially reduce the number of participants. The terms of the rental rehabilitation loans would be capped between 0% and 7% and repaid over 5-10 years, based on

underwriting and loan repayment criteria established by the city and the projected revenue, expenses, net income before debt service and the debt coverage ratio of the property. Most commercial banks require a minimum debt coverage ratio of 1.3 (net operating income or NOI / total debt service payments $\geq$ 1.3) to ensure loan payments and sufficient reserved funds. Such a revolving loan program should generate program income.

For low-income owners, who are augmenting their incomes with rental revenue and who have limited access to capital, the interest might be 0%; they still would have to match rehabilitation costs on a one-to-one basis, and repay the loans. In the case of a retiree with a rental property, such an owner might have to borrow the matching amount from a bank or other source. An alternative is to allow low-income landlords to borrow up to $25,000 without a match, and set the repayment terms based on cash flow.

The goals of the rental rehabilitation revolving loan program are: (1) help revitalize the target neighborhoods; (2) improve the quality of affordable rental housing; and (3) increase the value of the investments in the target areas.

VII. Comprehensive Neighborhood Revitalization—Tools, Techniques and Model Programs

The DA Project Team has assembled information about just a few of the tools and techniques other localities have used to operate successful home ownership programs and/or comprehensive neighborhood revitalization initiatives. The literature on such programs is extensive.

Location	Description	Contact
Roanoke Rapids, NC	Successful comprehensive neighborhood revitalization project, initial emphasis was on creating clean and safe environment.	Phyllis P. Lee City Manager City of Roanoke Rapids, NC PLee@roanokerapidsnc.com.
Henderson, NC	"Clean-up Henderson!" Citizen task force began with resident clean-up days and encouraging city's demolition of abandoned properties; public focus on neighborhood conditions led to Mayor appointing a Housing Task Force which is now designing a home ownership program on its first target blocks	Lynn Harper, Chair Mayor's Task Force on Housing, Fmr. Chair," Clean-up Henderson" Henderson, NC lynnhharper@nc.rr.com
Arkadelphia AR	Attracting developers to create in-fill residential new construction in a downtown neighborhood heavily impacted by a tornado	Richard Wilson Fmr. Executive Director Arkadelphia 2025 Commission
Nassau/Suffolk Counties, New York	Section 8 home ownership housing choice vouchers combined with down payment assistance	Liz Plouff Community Development Corporation of Long Island lplouff@cdcli.org
HSBC Mortgage Company	Special mortgage products for lower income homebuyers, special home down payment savings accounts in which HSBC provides a partial match to the deposits of the low income saver	Lynn Tollett Assistance Vice President of Branch and Community Development Lynn.Tollett@us.hbc.com

VIII. Leadership, Administration, Community Involvement and Feasibility

A. Leadership

Implementation of the ICREZ neighborhood revitalization initiative involves a complex network of traditional public and semi-public entities plus a number of newly established or soon to be established private organizations. Since June 2005, the neighborhood revitalization initiative has been carried out under the leadership of the ICREZ Advisory Board. On a day-to-day basis, the director and staff of the HCC Planning Commission have played a pivotal role in determining the scale, pace and timeframe of the initiative. Other traditional public and semi-public entities involved in the initiative include the HCC Local Development Corporation and the Housing Authority of Hopkinsville. The newly established entities include the ICREZ Advisory Committee and the Neighborhood Network. It is important to note that in several target neighborhoods long standing organizations and institutions are expected to play a future role in support of the initiative. As originally conceived, the Neighborhood Networks would eventually lead to the formation of neighborhood-based development corporations that could play a role in a range of community development activities. Establishment of a key entity, the land bank authority, is pending approval by the Council and Mayor of the City of Hopkinsville.

A July 2002 conference organized by Abt Associates in Washington, D.C. called "Promising Strategies for Comprehensive Neighborhood Revitalization", identified two of the key elements necessary for successful revitalization as the identification of a champion and the creation of meaningful roles for residents. The current mission of the Advisory Committee has established some of the pre-conditions necessary for meaningful resident participation. In this regard, the key responsibilities of the Advisory Committee include:

- Conducting public meetings in the inner-city neighborhoods to obtain input and support from the residents in identifying means of addressing problems;
- Monthly meetings should be held until a plan is developed for addressing inner-city needs and should involve the following:
    - Scoping threats and obstacles to inner city development;
    - Brainstorming and researching creative initiatives; and
    - Recommending specific program and policies to City Council.[15]

At issue is the role for residents, and whether residents will deem this pattern of interactions with the Advisory Committee meaningful. The Project Team recommends that the Advisory Committee develop its own concept of neighborhood management. The standard for gauging resident – Advisory Committee interactions should be whether such interactions are seem by the residents as a governance structure through which they can have input and influence both the decision making and implementation of the revitalization initiative.

Such a governance structure must involve and interact with established arms of government, such as:

[15] Inner City Initiatives, Hopkinsville, KY: ICREZ Advisory Committee, July 21, 2005.

The Hopkinsville-Christian County Planning Commission
Staff of the HCC Planning Commission
The Board of Directors of the HCC Local Development Corporation
Departments and Agencies of the City of Hopkinsville and Christian County
The Mayor and Council of the City of Hopkinsville

The Advisory Committee initiates overall redevelopment policies, while day-to-day management of the initiative is in the hands of senior staff at the Planning Commission. At the present time, the role and function of the neighborhood networks appears to be still evolving and to require additional clarification, particularly in terms of establishing a relationship with the Advisory Committee. All of these players need to have a clear understanding of their roles and responsibilities and how they interact. This understanding needs to be communicated to residents and stakeholders in the target neighborhoods and the city at large.

The final report from the conference on "Promising Strategies for Comprehensive Neighborhood Revitalization" offered the following comment on the role and importance of the "champion:"

> Leadership structures may vary in revitalization efforts, but the required elements include the involvement of a "champion" and meaningful roles for residents. The champion is an individual who is able and willing to provide leadership for the number of years required to get the project firmly established. The champion will help to mobilize resources from many sectors and will exhibit the patience, persistence and passion necessary to get the vision implemented. Further, although an initiative may have a prominent champion it is also important to under stand that the revitalization effort will require leadership from each of the sectors that are involved – public, nonprofit and private. As a number of [conference] speakers noted, it is also crucial for residents to be part of the initiative's governance by developing a resident leadership structure that provides them with a significant decision-making role.[16]

At this point in the history of the ICREZ revitalization initiative, the individual who seems tp fulfills the role of "champion" is former Mayor Wally Bryan. As the Neighborhood Networks take form it is hoped that resident leaders will emerge and join the former Mayor in championing the revitalization of these inner-city neighborhoods and the city's historic central business district.

B. Ongoing Community Involvement

Sustaining community involvement over the long-term is a challenge common to most comprehensive neighborhood revitalization efforts. The Hopkinsville ICREZ faces particular challenges in this regard because its scope is broad, yet available resources will have to be narrowly targeted to maximize their impact. This means that residents and stakeholders outside

[16] Flanagan, Kathleen. *Summary of Promising Strategies and Lessons Learned; Promising Strategies for Comprehensive Neighborhood Revitalization*. Cambridge, MA: Abt Associates, Inc. and the Annie E. Casey Foundation, July 11, 2002, page 22.

of the targeted priority blocks may easily be discouraged and disillusioned about the potential of the initiative.

The neighborhood planning charrettes the city convened over the summer involved a significant number of neighborhood residents and the development of neighborhood networks may help to sustain that involvement. Some initiatives to consider might be neighborhood-led cleanup days, tours for neighborhood residents of new construction model homes, and some type of regular interaction between the Advisory Committee and the neighborhood networks. The advisory committee also should consider convening neighborhood meetings once or twice a year in a "town meeting" format, to report on the status of the initiative and to provide a setting in which residents can communicate their concerns and priorities.

C. Coordination of City Services

Improving both the delivery of city services and neighborhood perception of these services is another precondition for the success of the ICREZ initiative. The coordination and visibility of city services is necessary to implement the "Clean and Safe" component of the ICREZ. The Project Team recommends the city establish an inter-departmental task force that meets at least twice a month to plan and coordinate both routine service delivery and special projects in the ICREZ target neighborhoods. We suggest that among its first order of business, the inter-departmental task force review the project and programmatic recommendations from the June 29, 2006 planning charrette and as appropriate incorporate these suggestions into their departmental activities. , Such an inter-departmental task force could provide feedback to area residents regarding the disposition of their concerns and suggestions through the Advisory Committee and the Neighborhood Networks.

The inter-departmental task force should participate on a regular basis in Neighborhood Network meetings. The purpose of such participation is to obtain resident input and feedback on service delivery needs, communicate news about service enhancements or initiatives such as new sidewalks or street lights, and plan and coordinate special neighborhood activities like resident clean-up drives or street festivals. This kind of two-way communication and interaction lies at the heart of creating opportunities for resident participation that would be deemed meaningful. Moreover, such interaction can not only help to improve the delivery of governmental services, but can also strengthen neighborhood perceptions of the city's commitment to resident participation in neighborhood management. Special events such as resident clean-up days provide temporary energy to the revitalization effort. But without the day-to-day delivery of quality routine city services that energy quickly dissipates and the long-term outcome of the special event is to feed apathy and cynicism among residents.

During the second planning charrette, residents expressed a wide range of suggested projects and programmatic actions to be taken in their neighborhoods. These project and programmatic suggestions have been divided into eight strategy focus areas including:

- Strengthening the Housing Stock
- Reclaiming Vacant Properties for Use
- Improving Public Infrastructure

- Increasing Recreational Opportunities
- Creating Community Focal Points
- Enhancing Neighborhood Aesthetics
- Encouraging Outreach by Neighborhood Institutions
- Enhancing Transportation and Access to Services

Project and Programmatic Matrices from the June 29, 2006 Neighborhood Planning Charrette is presented on the following pages.

Project Matrix

Strategy	Durrett	Attucks	Canton	Westside
Strengthen the Housing Stock	• Identify infill parcels • Identify housing production blocks • Identify redevelopment sites (change use) - 9th / College Redevelopment - Vacated school site (Poplar & 19th) • Identify residential development partners	• Identify infill parcels • Identify housing production blocks • Identify redevelopment sites (change use) - Part of Attucks School site	• Identify infill parcels • Identify housing production blocks • Identify redevelopment sites (change use)	• Identify infill parcels • Identify housing production blocks • Identify redevelopment sites (change use) - Part of 4th / 7th redevelopment site
Reclaim Vacant Properties for Use	• "Vacant Neighbors" title transfer program • Residential infill on individual parcels • Amass several residential parcels for public use: - Play lots - Gardens - Community gathering space - Runoff retention	• "Vacant Neighbors" title transfer program • Residential infill on individual parcels • Amass several residential parcels for public use: - Play lots - Gardens - Community gathering space - Runoff retention	• "Vacant Neighbors" title transfer program • Residential infill on individual parcels • Amass several residential parcels for public use: - Play lots - Gardens - Community gathering space - Runoff retention	• "Vacant Neighbors" title transfer program • Residential infill on individual parcels • Amass several residential parcels for public use: - Play lots - Gardens - Community gathering space - Runoff retention
Improve Public Infrastructure	• Expand sidewalk network • Install street lighting • Address stormwater drainage issues - Curbside gutters - Local retention areas on vacant blocks	• Expand sidewalk network • Install street lighting • Address stormwater drainage issues - Curbside gutters - Local retention areas on vacant blocks	• Expand sidewalk network • Install street lighting	• Expand sidewalk network • Install street lighting
Increase Recreational	• Local parks on residential blocks	• Local parks on residential blocks	• Local parks on residential blocks	• Local parks on residential blocks

Strategy	Durrett	Attucks	Canton	Westside
Opportunities	• Re-use vacated school grounds	• Re-use vacated school grounds		• Expand opportunities at 2nd Baptist Church
Create Community Focal Points	• Expand services at the Boys & Girls Club • Re-use vacate school (Poplar & 9th)	• Re-use Attucks School • 2nd / Vine "Town Center"	• Identify area near hospital for local retail/community center	• 2nd Baptist Church campus / 4th St. & 7th St.
Enhance Neighborhood Aesthetics	• Residential maintenance standards • Expand sidewalks & street lighting network • Encourage public/private property line delineation	• Residential maintenance standards • Expand sidewalks & street lighting network • Encourage public/private property line delineation	• Residential maintenance standards • Expand sidewalks & street lighting network • Encourage public/private property line delineation	• Residential maintenance standards • Expand sidewalks & street lighting network • Encourage public/private property line delineation
Encourage Outreach by Institutions	• Team with churches to provide youth services & family support • Expand programs at Boys & Girls Clubs	• Team with churches to provide youth services & family support • Belmont E.S. → host youth activities	• Team with churches to provide youth services & family support • Hospital district – health fairs, fitness programs - Develop housing	• Team with churches to provide youth services & family support • 2nd Baptist Church – family programming - Develop housing
Enhance Transportation and Access to Services	• Campbell/Walnut Greenway • Mitigate traffic & noise impact of rail line	• Mitigate traffic & noise impact of rail line • N. Walnut extension to 4th St.	• Mitigate traffic & noise impact of rail line	• Mitigate traffic & noise impact of rail line • 4th St. extension to 7th & 9th

Programmatic Matrix

Strategy	Durrett	Attucks	Canton/ Westside	[space for your notes]
Strengthen the Housing Stock	• Homeowner Rehab Program • Homebuyer Assistance Program (e.g., support increased percentage of homeownership) • Rental Rehab Program coupled with Housing Code Enforcement • New Construction of Affordable Housing • Acquire Rental Housing for Conversion to Owner Occupancy	• Homeowner Rehab Program • Homebuyer Assistance Program • Rental Rehab Program coupled with Housing Code Enforcement (e.g., housing for young adults) • New Construction of Affordable Housing • Acquire Rental Housing for Conversion to Owner Occupancy	• Homeowner Rehab Program • Homebuyer Assistance Program • Rental Rehab Program coupled with Housing Code Enforcement	
Reclaim Vacant Properties for Use	• Durretts Avenue School – decide use and rehab • Fund Community Land Trust • Acquire Vacant Parcels for New Housing Construction • Acquire Vacant Parcels for Playgrounds and Athletic Fields • Assign "Abandoned Properties" to Custodial Organizations for a Fixed Period (e.g. 3 years) •	• Attucks School – decide use and rehab • Fund Community Land Trust • Acquire Vacant Parcels for New Housing Construction • Acquire Other Parcels for New Housing Construction (stock yard?) • Acquire Vacant Parcels for Playgrounds and Athletic Fields • Assign "Abandoned Properties" to Custodial Organizations for a Fixed Period (e.g. 3 years)	• Acquire Vacant Parcels for Playgrounds and Athletic Fields	
Improve Public Infrastructure	• Increase Police Presence (e.g., drug dealing, need more police, public safety) • Improve Police-Community	• Increase Police Presence (e.g., youth gangs, drugs and related crime, daily patrols) • Improve Police-Community	• Increase Police Presence (e.g., crime, drug use, loud music, parking on sidewalks) • Improve Police-Community	

Strategy	Durrett	Attucks	Canton/ Westside	[space for your notes]
	Relations • Improve City Services (e.g., flooding and sewage problems, street repaving, trash collection, traffic control and parking) • Install New Infrastructure (e.g., storm water drainage, sidewalks, curbs) • Housing Code Enforcement plus Rehab Assistance Programs (e.g., vacant lots, rental owners, junk in yards, abandoned vehicles, burned-out houses) • Survey Social Service Needs and Compare to Existing City/County/Private Programs (e.g., early child education and day care, lack of cultural facilities, church involvement, no shopping in area)	Relations • Improve City Services (e.g., street repair, street lighting, trash and litter collection, weeds in vacant lots, speeding and traffic control) • Install New Infrastructure (e.g., storm water drainage, swimming pool) • Housing Code Enforcement plus Rehab Assistance Programs (absentee landlords, vacant lots, odor and nuisance control) • Survey Social Service Needs and Compare to Existing City/County/Private Programs (e.g., jobs, employment training)	Relations • Improve City Services (e.g., street repair, parks, trash collection, traffic control and parking) • Install New Infrastructure (e.g., lack of playgrounds, street lighting,) • Housing Code Enforcement plus Rehab Assistance Programs (e.g., rental maintenance, home maintenance, yard care and trash removal, handling) • Survey Social Service Needs and Compare to Existing City/County/Private Programs (e.g., idle youth, lack of jobs and activities)	
Increase Recreational Opportunities	• Strengthen City Recreational Programs	• Strengthen City Recreational Programs	• Strengthen City Recreational Programs (e.g., idle teens)	
Create Community Focal Points	• Survey historic structures, institutions, and landmarks in the neighborhood (e.g., parks, homes, cemeteries, schools, churches) • Seek public and private funds for historic preservation • Establish local historic	• Survey historic structures, institutions, and landmarks in the neighborhood (e.g., parks, homes, cemeteries, schools, churches) • Seek public and private funds for historic preservation • Establish local historic	• Evaluate location of jail and its impact on the neighborhood	

Strategy	Durrett	Attucks	Canton/ Westside	[space for your notes]
	structure/landmark designation • Seek designation as State or National Historic structure/landmark	structure/landmark designation • Seek designation as State or National Historic structure/landmark		
Enhance Neighborhood Aesthetics	• Research options for reducing railroad traffic • Foster neighborhood clean-up and beautification campaign (e.g., contests, prizes) • Map historic structures and landmarks in the neighborhood	• Research options for reducing railroad traffic • Foster neighborhood clean-up and beautification campaign (e.g., contests, prizes) • Map historic structures and landmarks in the neighborhood (e.g., historic cemeteries)	• Research options for reducing railroad traffic • Foster neighborhood clean-up and beautification campaign (e.g., contests, prizes) • Map historic structures and landmarks in the neighborhood	
Encourage Outreach by Institutions	• Strengthen existing civic association • Establish Neighborhood Network • Support volunteer involvement in neighborhood and city • Identify intermediary organizations for job training and employment • Identify intermediary organizations for economic development	• Establish Neighborhood Network • Support volunteer involvement in neighborhood activities (e.g., beautification campaign) • Identify intermediary organizations for job training and employment • Identify intermediary organizations for economic development	• Strengthen existing civic association • Establish Neighborhood Network • Support volunteer involvement in neighborhood and city • Identify intermediary organizations for job training and employment • Identify intermediary organizations for economic development	
Enhance Transportation and Access to Services	• Research relationships between jobs in city and county and neighborhood transportation needs (e.g., access to hospital slowed by trains, lack of public transportation)	• Research relationships between jobs in city and county and neighborhood transportation needs	• Research relationships between jobs in city and county and neighborhood transportation needs	

D. Administration

The Advisory Committee, the staff of the HCC Planning Commission and the City Council have made substantial progress towards designing key components of a revitalization strategy and enacting legislation to support code enforcement and property maintenance. However, implementation of these initiatives requires staff support and it appears that existing staff at the Planning Department is stretched to the limit. Due to budget restrictions the HCC Planning Commission cannot hire the additional staff needed to fully implement the ICREZ ordinances and other initiatives. The Trash and Weed Ordinance is underway, although at a level substantially below the level of need. During August 2006, the Planning Commission contracted with the Local Development Corporation to bring on board two community organizers to implement the Neighborhood Networks Ordinance. Unfortunately other ICREZ ordinances such as the property maintenance, abandoned property tax ordinances are not being fully implemented.

Accordingly, the Project Team recommends that the City of Hopkinsville allocate funding to increase the staff of the HCC Planning Commission as necessary to support full implementation of existing ICREZ initiatives including enforcement of city ordinances on trash and weeds, abandoned houses, and the property maintenance code. These new positions should include a city planner to be assigned duties as the "ICREZ Area Manager." The ICREZ Area Manager would coordinate all development activities in the target areas and would work closely with the two community organizers currently funded via the HCC Local Development Corporation.

E. Feasibility

This report recommends that the city initiate a series of focused community development activities designed to generate immediate improvements on priority blocks in the target neighborhoods. The goal of these development activities is direct assistance to approximately 200 units of housing over the next four years. A critical issue is whether the public funds currently committed to the ICREZ neighborhood revitalization initiative are sufficient to achieve these four-year development goals. An analysis of the sources and proposed uses of community development funds indicates that the answer is positive. The following table shows that both on an annual and a cumulative basis, the propose use of funds is substantially less that the total community development funds currently committed to the City of Hopkinsville.

Accordingly, the Project Team concludes that the ICREZ neighborhood revitalization initiative as discussed in this guide is feasible within the current resources available.

Hopkinsville Sources and Uses of Funds

Sources of Funds	Annual Funds	Four Year Total
Community Development Block Grant (CDBG) Program -- City of Hopkinsville Entitlement Grant	$292,661.00	$1,170,644.00
Funding of ICREZ -- City of Hopkinsville	$500,000.00	$2,000,000.00
Kentucky Housing Corporation -- Focus Communities Program	$375,000.00	$1,500,000.00
Kentucky Housing Corporation -- HOME Program	$216,000.00	$864,000.00
Federal Home Loan Bank	$75,000.00	$300,000.00
Totals	$1,458,661.00	$5,834,644.00

Uses of Public Funds in Support of the Revitalization Initiative	Annual Funds	Total Units	Four Year Total	Maximum Per Unit Public Subsidy
12.5 new S-F homes construction on vacant lots on priority blocks	private developer financed	50		
18.5 families receiving homebuyer assistance	$740,000.00	75	$2,960,000.00	40,000.00
6 vacant units for acquisition/rehab/reconstruction/resale as S-F homes	private develop financed	25		
3 very low-income owner-occupied homes for rehab or reconstruction	$201,000.00	12.5	$804,000.00	67,000.00
3 low-income owner-occupied homes for rehab or reconstruction	$75,000.00	12.5	$300,000.00	25,000.00
5 rental rehab revolving loans on priority blocks	$125,000.00	20	$500,000.00	25,000.00
Totals	$1,141,000.00	195	$4,564,000.00	
Use of Public Funds (Over)/**Under** Funds Committed	**$317,661.00**		**$1,270,644.00**	
24 – 40 unit LIHTC project outside of the target area	To Be Determined		To Be Determined	
infrastructure improvements in up to 16 priority blocks	To Be Determined		To Be Determined	

IX. Works Cited

"Developing comprehensive plans for community revitalization," *Effective Strategies for Community Development Finance*, Washington, DC: Office of the Comptroller of the Currency, Administrator of National Banks, 1998.

Second Year Program Action Plan, Hopkinsville, KY: Hopkinsville-Christian County Planning Commission, July 1, 2006 – June 30, 2007.

Fielder, Thomas E. *Housing Market Demand Analysis: The Inner City Residential Enterprise Zones, Hopkinsville, Kentucky*. Lexington, KY: Rouse & Associates, November 10, 2006

Focus on the Future – Hopkinsville-Christian County Comprehensive Plan: Land Use Plan Element. Hopkinsville, KY: HCC Planning Commission, April 2005.

Katz, Bruce. *Neighborhoods of Choice and Connection: The Evolution of American Neighborhood Policy and What It Means for the United Kingdom.* Washington, DC: The Brookings Institution, Metropolitan Policy Program, July 2004.

Flanagan, Kathleen. *Summary of Promising Strategies and Lessons Learned; Promising Strategies for Comprehensive Neighborhood Revitalization*. Cambridge, MA: Abt Associates, Inc. and the Annie E. Casey Foundation, July 11, 2002.

Creating a Neighborhood of Choice Through Revitalization. South Side "Original City" Cheyenne, WY: Neighborhood Revitalization Strategy Area Task Force, Housing & Community Development Office, August 2003.

"What is a Charrette? Schommer, Jeff. Charrette Center, Inc., Minneapolis, MN: www.charrettecenter.com

2004 Homeownership Rates by Race and Ethnicity of Householder; U.S. Statistics – Household and Family Statistics, Census 2000, Washington, DC: U.S. Census Bureau.

Inner City Initiatives, Hopkinsville, KY: ICREZ Advisory Committee, July 21, 2005.

X. Attachments

- **Charrette Illustrative drawings highlighting the menu of model block improvements.**
- **Neighborhood Indicators in the Revitalization Target Area**
- **Neighborhood Planning Charrette (slide presentation) June 8, 2006**
- **Detailed Agenda and Handouts, Hopkinsville Neighborhood Planning Charrette II, June 29, 2006**
- **Residential Enhancement Design Concepts (slide presentation) August 17, 2006**

Illustrative Drawings Highlighting
The Menu of Model Block Improvements

Canton Model Block

Westside Model Block

Attucks Model Block

Durrett Model Block

Neighborhood Indicators in the Revitalization Target Area

Indicators and where available the Hopkinsville median or average	**Canton CT**	**Westside CT**	**Attucks CT**	**Durrett CT**
Median household income $47,800[17]	$29,489	$21,771	$ 18,000	$20,634
% of owner-occupied 57.9%[18]	40%[19]	44%	41%	43%
% of Vacant Lots/Parcels	10%	4%	33%	20%
Average assessed value $73,400[20]	$26,310.65	$27,406.71	$21,342.23	$22,278.79
Total number of parcels (Tax Table)[21]	288	547	568	980
Units in each quartile of assessed properties (Tax Table)	72	136.75	142	245
Assessed value by quartile (Tax Table)	**Q1- $ 9,435.81 Q2- $20,073.36 Q3- $28,752.33 Q4- $45,884.72**	**Q1- $11,468.08 Q2- $22,195.70 Q3- $29,679.99 Q4- $45,681.81**	**Q1- $ 5,481.49 Q2- $12,868.42 Q3- $22,261.70 Q4- $43.554.93**	**Q1- $ 6,652.62 Q2- $14,022.95 Q3- $22,939.57 Q4- $44,863.49**
Acquisition dates 2006	9	2	14	15
Acquisition dates 2005	11	36	25	55
Acquisition dates 2004	11	18	13	39
Acquisition dates 2003	12	15	12	36
Acquisition dates 2002	12	28	18	28
Acquisition dates 2001	6	23	18	17
Acquisition dates 2000	7	19	23	32
Total Acquisitions 2000 -- 2006	68 24%	141 25%	123 22%	222 23%

[17] HUD estimated 2006 Median Family Income, Clarksville, TN-KY MSA, FFIEC Census And HUD Estimated MSA/MD Median Family Incomes For 2006 CRA/HMDA Reports, Federal Financial Institutions Examination Council (FFIEC), 2006
[18] HUD estimated 2006 Median Family Income, Clarksville, TN-KY MSA,
[19] Homeownership Rates by Neighborhood; Five Year Consolidated Plan, Hopkinsville – Christian County Planning Commission, 2005
[20] ICREZ Single-Family Residential Property Tax Assessments, Hopkinsville – Christian County Planning Commission, 2005
[21] ICREZ Single-Family Residential Property Tax Assessments.

MODEL BLOCK TOOLS

Model Block Tool	Improvement Type
Infrastructure Improvements	Sidewalks
	Street Lighting
	Curb & Gutter Installation
	Storm Water Management
Landscaping	Streetscaping
	Lot Line Buffering
Lot Consolidation	Open Space/Recreation Facilities
	Multi-Family Development
	Community Gardens
	Stormwater Detention
	Other
Housing Stock Enhancement	Remove and Rebuild
	Rehabilitation
	Infill
	Adaptive Reuse
	Mixed-use Development
Enhanced Access	Expanded Street Grid
	Recreational Path System
	Pedestrian Links to Local Services
Aesthetic Enhancements	Residential Maintenance Standards
	Vacant Neighbor Program with Tax Holiday

MODEL BLOCK TOOLS

Neighborhood Revitalization Plan
HOPKINSVILLE, KENTUCKY

DENNISON ASSOCIATES CAMIROS
AUGUST 2006

VACANT LAND STRATEGIES

Proposed Use of Vacant Land	Size Requirement			Recommended Use (based on # of contiguous vacant lots on one residential block)									
	Min. # of Typ. Res. Lots	Approx. Sq. Ft.	Approx. Acreage	1	2	3	4	5	6	7	8	9	10+
Adjacent Neighbor Acquisition	1	7,500	0.17	X	X								
Single-lot SF Infill	1	7,500	0.17	X									
Double-lot SF Infill	2	15,000	0.34		X								
Community Garden	2	15,000	0.34		X	X	X						
Play Lot	3	22,500	0.52			X	X	X	X				
Public/Institutional Dedication	6	18,750	0.43						X	X	X	X	X
Production Housing	10	75,000	1.72										X
Urban Agriculture Use	10	75,000	1.72										X
Campus Park	12	90,000	2.07										X
Neighborhood Park	18	135,000	3.10										X

VACANT LAND STRATEGIES MATRIX

Neighborhood Revitalization Plan
HOPKINSVILLE, KENTUCKY

DENNISON ASSOCIATES CAMIROS
AUGUST 2006