
PROJECT PROFILE

0293

PROJECT PROFILE

Project Name Betts-Longworth Historic District Location Cincinnati, Ohio

Owner City of Cincinnati & over 100 other private developers, homeowners & other public agencies

Project Use(s) Residential & commercial

Project Size 8 City blocks (10 acres) Total Development Cost Over \$25 million

Annual Operating Budget (if appropriate) N/A

Date Initiated Planning began in the early 1960's (see attached) Percent Completed, Dec. 30, 1992 85%

Projected Completion Date (if appropriate) 1993 attached
(Attach, if you wish, a list of relevant project dates)

Application submitted by:

Name Mark K. Jones

Title Community Development Analyst

Organization City of Cincinnati, Dept. of Neighborhood Housing & Conservation

Address 415 W. Court St., Cincinnati, Ohio 45203

Telephone (513) 352-1932

All numbers have Area Code 513

Key Participants (Attach an additional sheet if needed)

Organization	Key Person	Telephone
<ul style="list-style-type: none"> Public Agencies <u>City of Cinti/NHC</u> <u>Historic Conservation Bd.</u> 	<ul style="list-style-type: none"> <u>Mark Jones</u> <u>Chris Cain</u> 	<ul style="list-style-type: none"> <u>352-1932</u> <u>352-3263</u>
<ul style="list-style-type: none"> Developer <u>CDP-BL Longworth</u> 	<u>Kathy Gibbons</u>	<u>(616) 291-0220</u>
<ul style="list-style-type: none"> Professional consultants: Architect <u>Wichman-Gunther</u> Landscape architect <u>N/A</u> Urban designer <u>N/A</u> Planner <u>N/A</u> Lawyer <u>Griffin & Fletcher (Phase II)</u> Other <u>Banking: BLHD Bank Loan Consortium</u> 	<ul style="list-style-type: none"> <u>Mark Gunther</u> <u>Mike Fletcher</u> <u>Bob Alexander</u> 	<ul style="list-style-type: none"> <u>241-9933</u> <u>421-1313</u> <u>579-2389</u>
<ul style="list-style-type: none"> Community group(s) <u>Betts-Longworth Historic Group</u> 	<u>Louis Smith</u>	<u>421-7469</u>
<ul style="list-style-type: none"> Sponsor 		

Please indicate how you learned of the Rudy Bruner Award in Urban Excellence.

[] mailing [] media [] previous RBA entrant [] other

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Signature Mark K. Jones City of Cincinnati

ABSTRACT

Project Name: Betts-Longworth Historic District (BLHD)

Location: Cincinnati, Ohio

1. Describe briefly the project's design and implementation.

The Betts-Longworth Historic District (BLHD) is a ten-block subneighborhood of the West End, located just one block north and west of Cincinnati's downtown. Both its historic Italianate and Queen Anne architecture and the neighborhood history make it an extremely important part of Cincinnati's history. Developed in the early 1800's by Revolutionary War veteran William Betts, and Cincinnati's notable Nicholas Longworth, the District contains among its historic buildings: the oldest brick home in Cincinnati (Betts farmhouse, 1804), the home of James Gamble (founder of Procter and Gamble), and the oldest Jewish Cemetery west of the Alleghenies (1819). Home to middle-class merchants and urban workers, the area flourished in the 19th Century. In the 20th Century, this area--known as Queensgate--was part of a thriving Black West End. World Heavyweight Champion Ezzard Charles had his gym there in the 1940's and a broad boulevard is named after him.

The BLHD redevelopment plan sought to create a new mini-neighborhood by preserving the historic buildings, building new homes, and avoiding past mistakes. Its unique aspects were: the Wagon Train/Land Rush rehab program; the public relations campaign; and City-developed new housing.

Under the Wagon Train/Land Rush concept, local banks, redevelopers/investors, and the City joined efforts to preserve and rehab the BLHD's historic buildings. New infill, homeownership townhouses (Longworth Square) were developed by a partnership of Provident Bank, CDP-BL (a nonprofit developer), the Ohio Housing Finance Agency, the Drees Company, and the City. Financed by a tax-free revenue bond, Longworth Square is the first municipally owned, financed, and managed homeownership housing project in Ohio.

Efforts to redevelop the neighborhood struggled against a public perception of failure due to years of unfulfilled redevelopment plans. To reverse this perception, the City took the unusual step of hiring a professional firm to conduct a marketing/public relations campaign to promote the neighborhood and its successes. The resulting media stories, promotional material, and advertising helped change the public image and reinforced development successes. The "Land Rush" was a key aspect of this campaign. The neighborhood was marketed as a scarce, desirable resource, and an "in" place with only a few openings for investors/developers, residents, and homeowners.

A more conventional City contribution was infrastructure improvements--several millions were spent improving streetscapes, replacing utility hookups, and building new parking lots to alleviate a shortage of parking.

Today, the BLHD is becoming downtown Cincinnati's most charming and attractive residential neighborhood. Historic rehab is flourishing; 200 apartments and homes are under construction or completed. Another 100 homes and apartments are being added in 1993. The apartments and homes are renting up and/or selling as fast as they can be completed. Fifty-seven new homes were sold even before they were built. Recognizing this success, the American Society of Interior Designers (ASID) held its fall 1990 Show Home Tour in the BLHD.

2. What local urban issues did this project address? What were its goals? Were there issues that, in your judgement, might have been addressed but were not?

Through the combined efforts of the City, community leaders, and local lenders, the BLHD development has revitalized one of the City's most historic inner-city neighborhoods. In the 1950's and 1960's, Urban Renewal and the construction of an interstate highway devastated this neighborhood. Yet, after millions in public/private investment and years of repeated attempts at redevelopment, Betts-Longworth contained only a handful of rehabbed buildings by the late 1980's.

The major local urban issues addressed were historic preservation, slum and blight removal, revitalization of a dead neighborhood, affordable housing, economic and social integration, and minority involvement in urban revitalization. In the process of restoring historically significant buildings, making apartments and homes available at affordable prices, bringing new residents into a community, and revitalizing a neighborhood, the City had success in involving the City's minorities as developers, homeowners, contractors, and residents in the process. It was not merely gentrification at the expense of someone else. In addition, through gifts of City buildings in BLHD to the local public housing authority, economic diversity was assured through development of scattered site public housing.

A local urban issue not well addressed was fulfillment of the City's initial promise that the Queensgate I and II plans (of which the Betts-Longworth plan is a partial successor) would compensate the West End neighborhood for the destruction of their neighborhood. The construction of the I-75 interstate and Urban Renewal destroyed what was once a vital, although poor, West End. Thousands were relocated and their homes and neighborhood demolished. The revitalization of ten blocks of historic buildings could never compensate for years of unfulfilled City promises to offset for this destruction of 20 years ago. Some past residents are part of today's Betts-Longworth success, and leaders in Betts-Longworth's revitalization. But any benefits available from the revitalization of Betts-Longworth are far too small to compensate for the magnitude of changes in the West End 20 years ago due to Urban Renewal, etc.

3. Describe the financing of the project. Do you think it could be replicated?

Financing:	\$ 3.8 million tax-free City revenue bonds (Longworth Square); bonds backed by Provident Banks and Ohio Housing Finance Agency
	1.8 million Capital Improvement Program (local tax dollars--Longworth Square)
	3.5 million local Bank Loan Consortium loans to developers
	7.0 million local bank/S&L loans to developers
	12.4 million Community Development Block Grant (CDBG) loans/ grants to redevelopers, infrastructure improvements, and misc. City support of project.

\$30 million

The City has committed significant funding for revitalization of BLHD. Through working with developers/investors, local lenders, and other public agencies in a partnership approach, significant other financing was attracted to the project. Though commitment of such significant amounts of CDBG money is probably not reproducible, using the partnership/cooperation model is very transferrable. Other communities may have access to other tax and/or housing dollars. Including all the participants--lenders, public agencies, developers, residents, etc.--on one team working towards common goals significantly increases the prospects for success.

One of the unique aspects of the private financing is the BLHD loan consortium. At the beginning of the Wagon Train Plan, lenders individually were skeptical about BLHD prospects. The City did persuade them to become joined in a loan consortium, and thereby limit each banks exposure on any one loan. The loan consortium then became an integral part of the Wagon Train, enabling the project to move forward with rehab loans.

4. Why does the project merit the Ruby Bruner Award for Excellence in the Urban Environment?

The City of Cincinnati's BLHD redevelopment effort transformed a deteriorated, blighted, and largely vacant neighborhood into a resurgent, livable, historic community. Historic buildings, which were literally falling down from neglect have been preserved. They have become cultural/historical assets and quality housing. Longworth Square is turning underutilized land (formerly noted only for its dilapidated buildings and high weeds) into an outstanding homeownership development.

The past problems were the result of public action--Urban Renewal and repeated failures of City redevelopment efforts in the 1970's and 1980's. It took learning from the mistakes of the past and a partnership or team approach to create success. The City joined all the necessary players--City, lenders, community, development/construction professionals, and investors--on the same partnership. Everyone went forward energized by the same vision that the BLHD contained the raw ingredients (historic buildings, vacant sites, and location) which could be reworked into a unique and charming historic community. Perception is often reality and communicating each small success as it occurred in a professionally conducted public relations campaign reinforced the momentum of success. This created a climate where greater successes became possible.

As part of the predominantly poor and minority West End, the BLHD serves to help economically and socially integrate the neighborhood. The heavy concentration of public housing next to the BLHD had been a negative factor in the public's acceptance of BLHD. But by working with neighborhood leaders and residents, BLHD is successfully coexisting with its West End neighbors.

"Find Your Place in History" was just a marketing slogan for Longworth Square, but it truly communicates the important historical significance and multicultural character and heritage of this neighborhood. The diverse character of BLHD renters and home buyers reflect this.

History of Clark Street of Betts-Longworth

Clark Street, in the heart of the Betts-Longworth Historic District, was named after Elizabeth Clark Betts, mother of William Betts, Sr. (1763-1815), who settled here around 1804 and constructed the 2-story brick farmhouse at 416. The street's history reflects the development of much of the West End.

In the 1830s, following the settlement of Betts' estate, one hundred acres of his property were sold at auction and the remaining eleven acres parceled out among his family. Betts' widow, Phebe, divided the properties on the south side of the street among her daughters and a son, who sold a number of lots.

Isaac Betts (1809-1891) controlled the family property on the north side of the street and began leasing out lots and houses a decade later. Several members of the Betts family also built on the eastern end of the street. In 1848, Isaac built a 3-

story brick house at 412, which was altered with major additions after the turn of the century.

William Betts' house passed to his daughter and her husband. In the late 1870s, they leased a side lot to physician Frederick C. Schmuck, who built a 3-story stone-faced brick dwelling there, 414 Clark, in 1878. Isaac's older brother, Oliver, lived across the street at 419, a 2-story Greek Revival style home built around 1825. Next door at 421 Clark, the 3-story Italianate style house with the carved sandstone doorway was built in 1873 by William F. Doepke, the department store magnate, on land bought from Oliver Betts' daughter.

Across the street, 422 was first rented to James Gamble, who then bought it in 1889. Gamble's daughters lived there until 1921, when the house was sold to the Anshe Shalom Romanian Jewish congregation which added a new facade to the building three years later. After Anshe Shalom moved in 1934, the house was divided into apartments. A brick double home that once stood at 428-430 was designed at mid-century by William Walter, whose father drew plans for St. Peter in Chains Cathedral on Eighth Street. Walter sold the eastern half of the house to downtown jeweler

Frank Herschede in 1883. Sausage maker George Schwein erected 437, another Greek Revival style brick dwelling, in the 1860s.

As the West End became densely built up, the area grew increasingly less attractive to wealthy householders, such as the Betts, the Doepkes, and the Gambles; many sold out to more modest professionals in the 1870s and 1880s. Within a short time they, too, left and were replaced by working-class tenants and owners.

The character of Clark Street changed more slowly than that of the surrounding area. But by the 1920s, Isaac Betts' house at 412 had become a tenement, as had other houses on the street. Even so, a few homes, remained in the hands of owner-occupants and were not as badly abused. As a result, Clark Street looked to be a prime candidate for rehabilitation when the city created the Betts-Longworth Historic District.

By 1988, however, the chances for revitalization appeared bleak. Redevelopment costs had risen steadily, federal funds had dried up, dozens of vacant buildings awaiting renovation had deteriorated so badly that they had to be torn down, and there was a general uncertainty as to whether the city or a Chicago developer would complete projects that had been begun in Betts-Longworth.

On Clark Street, three homes had been restored and were occupied. Isaac Betts' house and the one that William Walter had designed had been torn down. The remaining structures on the street were vacant, windows gaping, steps fallen away, yards overgrown, bricks crumbling. William Betts' house, the oldest house in Cincinnati on its original site seemed beyond repair.

Despite their fine architectural character, proximity to downtown, and significant history, many of the houses on Clark Street were, in the late 1980s, in danger of decaying beyond repair while awaiting renovation.



Betts-Longworth Historic District
Timetable and Uses

	<u>Pre-1989 Phase I</u>	<u>1989-1993 Phase II Wagon Train</u>	<u>1991-1993 Phase III Longworth Square</u>
Site purchased	Acquisition began in mid-1960's		
Planning started	Early 1960's		
Construction started	1982	1/90	5/91
Sales leasing started	1982	8/90	9/91
Final completion date	1989	11/93	4/93

Completion date

Site Size About 10 acres

	<u>Phase I</u>	<u>Phase II</u>	<u>Phase III</u>	<u>Buildout of All Phases</u>
Office uses-- square feet	1,500	3,500	15,000	20,000 office s.f. (all rehab)
Retail uses-- square feet	- 0 -	4,000	- 0 -	4,000 retail s.f. (all rehab)
Residential units				
Single-family	2 (rehab)	15 (rehab & new)	60 (new)	77 single family
Attached/multi- family	70	170 (rehab)	- 0 -	240 apartments
Parking spaces	200	110	60	370 parking spaces
Other uses		one park		One park

PUBLIC AGENCY PERSPECTIVE

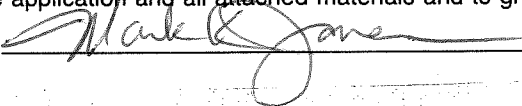
PUBLIC AGENCY PERSPECTIVE

This sheet is to be filled out by staff representative(s) of public agency(ies) who were directly involved in the financing, design review, or public approvals that affected this project.

If possible, answers should be typed directly on this form or a photocopy. If the form is not used and answers are typed on a separate page, each answer must be preceded by the question to which it responds. Please limit answers to the area provided.

Name Mark K. Jones . Title Community Development Analyst
Organization Dept of Neighborhood Housing, City of Cincinnati Telephone (513) 352-1932
Address 415 W. Court, Cincinnati, Ohio 45203

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PUBLIC AGENCY PERSPECTIVE

1. What role did your organization play in the development of this project?

As a result of Urban Renewal and neighborhood planning, the City of Cincinnati acquired the entire Betts-Longworth Historic District (then known as Queensgate II). After two decades of failed City redevelopment plans, the City, in 1988, created a partnership of neighborhood residents/property owners, historic preservationists, local developers/investors, local banks, other public agencies, and nonprofit development corporations to create a development process/system which would redevelop the historic buildings and construct new housing. The slogan "Wagon Train, Land Rush" was coined to describe the effort. The City then led this partnership in revitalizing the neighborhood. As the owner of the land and buildings and the local government, the City contributed funds for public improvements, development/rehab subsidies, and project administration. The City managed the sale and redevelopment process, Ensuring purchasers completed the projects.

2. Describe what requirements were made of this project by your agency (e.g., zoning, public participation, public benefits, impact statements).

Because the project spanned three decades and numerous attempts to revitalized the neighborhood which failed, the requirements of the City changed. The participants learned from these failures and were able to cooperate more fully and focus on real possibilities, rather than dissipating energy on laudable, but unattainable goals.

In the larger public policy sense, the benefits of blight elimination, historic preservation, economic/social integration, improved tax base, affordable housing, and neighborhood revitalization were the goals of City involvement and investment of public dollars. In the more mundane governmental and police powers sense, through zoning/zoning overlays, building permits, and other City requirements, the neighborhood's development was controlled to conform with laws, regulations, and overall policy. The Department of Neighborhood Housing & Conservation (the City's agency for project management) coordinated such activities as design reviews, archeological investigation, geotechnical, environmental assessment, and overall project management.

3. From your perspective, how was this project intended to benefit the urban environment? Describe how, it at all, these intentions changed over the course of the project. What trade-offs and compromises were required? How did you participate in making them? With hindsight, what would you now do differently?

The Betts-Longworth Historic District benefited the urban environment by revitalizing a mostly vacant, blighted, neighborhood. Some of Cincinnati's most significant historic assets were saved from the wrecking ball. Modern apartments with historic charm were created in the Gamble House (19th century home of the founder of Procter and Gamble Company) for example. Trees, brick sidewalks, and boulevard lights replaced dead, empty, cracked sidewalks. Contemporary, but complimentary styled new homes were built where weed-filled lots had attracted trash and pigeons. All of this housing is affordable to moderate-income households. Residents of all ethnic and income groups are filling up these dwelling units as fast as they can be completed. Minority developers, contractors, and workers obtained significant opportunities for investment and jobs in the revitalization of Betts-Longworth.

This progress came as a result of many changes in the original plans for the neighborhood. Through the earliest plan, the City sought to use revitalization of Betts-Longworth (then known as Queensgate II) to compensate the West End neighborhood for its destruction by Urban Renewal and construction of an interstate highway. The historic buildings would be demolished and new low-income

housing built. When the value of these irreplaceable historic buildings became recognized community-wide and required by Federal law, the demolition plan was abandoned. The City next attempted to interest past neighborhood residents (relocated by Urban Renewal) in restoring the empty historic buildings. As owner occupants, with a few exceptions, these past residents were either not interested in returning to Queensgate II (what had become a sea of vacant buildings), unable to afford the very high costs of historic renovation (even with substantial City subsidies), or ill-equipped to manage rehab projects costing hundred of thousands of dollars. Dismal appraisals and insincere commitment by lenders made the situation worse.

The City then opened the neighborhood to non West-End owner-occupants/developers, and then next offering the properties to developer/investors. The City invested millions of dollars in new streetscapes and parking lots to support the redevelopment of the historic buildings. Errors in City management of the redevelopment compounded the other shortcomings.

Few were interested and even fewer succeeded. The few that were rehabbed were masterpieces in a sea of empty, derelict buildings. But those who did make a commitment felt isolated and abandoned. They experienced market resistance when offering their buildings for rent. The financial institutions which had made loans feared the security of these loans in a mostly vacant, deteriorated neighborhood. The City saw too little public benefit for the investment of millions of dollars in infrastructure and rehab subsidies. Despite repeating weatherization, more and more historic buildings had to be demolished as safety hazards.

In the mid-1980's, the City next tried a single developer approach, to be financed through massive state and federal grants. The funding was not approved and the neighborhood continued to languish. Resentment for past and current lack of success festered and the City weighed the fiscal, political, and emotional costs of admitting failure and clearing the whole neighborhood for some other land use. But the City's commitment to pioneer rehabbers and the City's past promises to restore the neighborhood persuaded City leaders to try once more.

In 1988, the Wagon Train partnership was conceived to learn from past mistakes and create an environment for success. Under this partnership approach, the City led the examination of the problems, issues, and goals and created a framework where all partners believed the process served, at the least, their core individual interests. Zoning was adjusted where necessary, development contracts were drafted to ensure redevelopment of buildings and sites fulfilled the neighborhood plan. Neighborhood leaders were involved in the process of crafting a revitalization plan for the neighborhood. Recognition that lenders and developers/investors need a realistic and a "predictable-as-possible-process" which helped assure security and return on investment attracted equity and financing to the project. The process moved forward under a partnership approach.

The program was marketed as a "Land Rush." These relatively few historic buildings were irreplaceable and the historic tax credits and City rehab subsidies were in limited supply was the promotional pitch. Act now on this rare opportunity or be left out in the cold was the message.

With the assistance of hindsight, the investment of much effort and money which went to nought could have been avoided by starting with a partnership of the involved parties and proceeding from there.

4. Describe any data you have that document the impact that this project has had on its surrounding and the people in the project area. Attach supplementary materials as appropriate. What have you observed of the project's impact?

The most dramatic impact of this project has been the physical transformation of the neighborhood as reflected by the following data:

- rehab of about 200 rental dwelling units,
- another 48 rental dwelling units in predevelopment pipeline, underway in 1993,
- new construction of 60 new homes at Longworth Square, 11 occupied, 49 under construction, all to be completed by May, 1993. All sold, and
- another 15 homes (new and rehab) to start construction in 1993.

The fiscal impact has been equally substantial:

- rent-up and/or sales of all units either before completion or upon completion,
- monthly rental rates have met and exceeded expectation of investor/developers, lender appraisers, and lenders; yet remain in the affordable range of \$300-\$750 per month,
- home ownership was offered at affordable prices (\$65,900-\$79,900) and special NO DOWN PAYMENT PLAN permitted households lacking down payments and closing costs to purchase homes,
- tax base has been increased by at least 25 million (although partial tax abatements to encourage development postpones full impact of this in property tax revenue),
- many renters and buyers are relocating from out of City and area thereby increasing City payroll tax revenue, and
- rehab and construction work has been a significant stimulus for local contractors, especially minority firms.

The intangible impact of the neighborhood's success has been reflected in the high morale and neighborhood spirit demonstrated by existing owners and residents and new owners and/or residents. The best salespersons for the neighborhood, apartments for rent, buildings available for rehab, and the new Longworth Square homes have been the Betts-Longworth owners, developers, and residents. Success has reversed the past bad public perceptions and recent media reports have been very favorable.

5. What about this project would be instructive to agencies like yours in other cities?

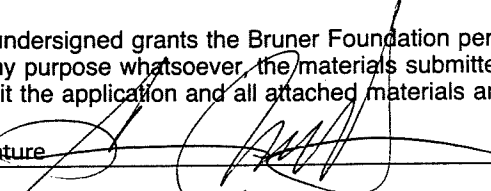
The morals of the Betts-Longworth story are:

- A. Partnerships work. Circle the Wagon Train and move forward with everybody involved on the Wagon Train and participating in the solution to the problems. Build upon the commitment of one group (pioneer rehabbers, new developers, etc.) by interlocking it with the interest of another necessary group (lenders, buyers, etc.) Sometimes it takes failure to convince some parties that everything they want is not possible and realistic goals are the most achievable. Make sure the solution or project concept goes as far as possible to meet the important goals of everybody on the Wagon Train. Recognize and admit to some that not every goal is attainable. This is what the Betts-Longworth Historic District partnership did.
- B. Recognize the importance of public relations and public perception. Betts-Longworth, as most inner-city neighborhoods do, suffered from public perceptions ranging from "where?" to a very negative " 'live,' 'invest,' 'lend,'...there, No Way!!" The few charming and beautiful historic rehabs

OTHER PERSPECTIVE

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1. What role did you play in the development of this project?

I was born and grew up in what today is called the Betts-Longworth Historic District. After the City had bought up the neighborhood in the 1970's, I became interested in returning to my "home" community and making a new home there for myself. I wanted to improve the quality of life as well as become a real estate investor there. As a result of this interest, I was one of the first to purchase a building and complete its rehab in 1982. As a "pioneer" rehabber in Betts-Longworth, I saw the need for organization of the neighborhood. I organized the "Betts-Longworth Historic Group" (BLHG) and became its president. It was composed of property owners, developers, and residents who were concerned with the revitalization of the neighborhood. We decided upon the name of the group and neighborhood name after investigating the history of our community and finding out the William Betts and Nicholas Longworth had been instrumental in starting development in the area.

The City efforts to redevelop Betts-Longworth went through many phases and in the early years did not fulfill the promises which the City had made to us pioneer rehabbers. As president of the BLHG, I had to make sure the City administration and City Council understood that we were counting on their help to get Betts-Longworth completed. We had to work together in peace and in agreement for a true American community, that we wanted "excellence." The BLHG has been working with the City for good living and good housing which benefits BLHD, the West End, and the whole city.

The BLHG has been an integral part of the planning for redevelopment of the neighborhood. The group and I helped plan the streetscapes, parking lots, street lighting, and development concept for the entire district. We stayed closely involved as the City recruited new developers, investors, and lenders to invest and build in Betts-Longworth. Now that we are in the final stages of completion of the neighborhood, our group is more involved in organizing such activities as street clean-ups, management of parking lots, and recruitment of new residents as group members. We are also planning a neighborhood pocket park with a salvaged historic door/archway as a neighborhood symbol.

As an interior designer, my plans and designs were the first approved by the City. Once my building was rehabbed, it became a showplace for the many city officials, media, interested developers, bankers, and others who were investigating the neighborhood's prospects. Many, many times, when success in BLHD seemed impossible to many, I showed these kinds of people through my building and apartment. They saw that the potential for Betts-Longworth was not merely a dream; some of us had already made that

dream real. Their eyes would glow and they would say, "Louie, you're right. This can work." I was able to communicate to them that we needed to work together to complete the redevelopment of the whole neighborhood. Also, what I had created in my building became an example to others on what the real potential was for Betts-Longworth. It also gave others ideas on how to design their buildings.

2. From your perspective, How was the project intended to benefit the urban environment?

I don't think any one real knew at first what kind of benefit the project would have on the urban environment. Despite the many disappointments and setbacks, Betts-Longworth has magnificently improved the urban environment in Cincinnati. Disaster, wasted buildings, and disappointed hopes have become beautiful streets, charming apartments/homes, and affordable rents/home prices. Betts-Longworth is now a positive asset in our city's urban fabric rather than a negative drain and empty area.

After completing the rehab of my building in 1982, there had been many changes in the City staff assigned to this area. Too many never seemed to understand the importance of what we were trying to do. Interested parties toured the neighborhood and we opened our homes to the public many times, but success wasn't occurring. Year after year, the effects of old age and weather caused more historic buildings to be demolished. Despite our warnings to City Council this continued to happen.

The BLHG has been meeting every month for the past nine years with the single purpose of getting the redevelopment of our neighborhood completed. We have steadfastly worked and invested in our area and now the city has a hallmark, revitalized community with an increased tax base to improve the urban environment.

3. Describe the impact that this Project actually had on its surrounding and on the people in the project area, include any data or supplementary materials that support your conclusions?

In the beginning there was a "wait and see" attitude about Betts-Longworth, then known as Queensgate II. "What was the real reason that the City bought up the neighborhood and displaced all those people?" many asked. No one was willing to reinvest until the City offered financing/rehab assistance to qualified persons.

Originally the West End Community Council wanted to be the vehicle to redevelop the neighborhood. They formed their own development company, the West End Development Company (Wedco), to assure West Enders that those who had never owned a home and made \$18,000-\$25,000 per year would be given first chance to participate in redevelopment of the area. Through the news media, the general

population was informed on the plans for the area.

I qualified and was accepted to participate.

Wedco wanted complete control of the project and was given this by City Council. Low income housing was also to be included in the neighborhood. But Wedco was unable to complete the project for various reasons and the project was turned over the City Department of Neighborhood Housing. They needed community input and involvement and they turned to those who had already completed their buildings or those in the process of finishing. This group became the "Betts-Longworth Historic Group," of which I am President.

Under the early City effort, hundreds of applicants signed up to invest in the neighborhood. There was much coverage in the media and I appeared many times in the newspaper and TV as the BLHG President, showing off my building and the neighborhood. We were trying to get investors and developers to join in our program to revitalize the neighborhood. There were many, many changes in City staff during this time.

There was some fear expressed about the safety of our community and we had to get those that wanted to invest with us to overcome that kind of fear. We said we all can live together in peace and it happened.

There are still those who don't agree with what we have done to this day, but it works! We call it, "Community in action; get involved."

4. What trade-offs and compromises were required during the development of the project? Did you participate in making them?

The project went through many changes, but the residents of BLHD worked with the City in keeping the faith in a project that could be completed.

In the beginning we worked through the City Real Estate Department. The program was open only to those who lived or had lived in the West End. You had to qualify to buy the building, pay three to seven thousands dollars for it, get an approved architect to prepared plans, obtain financing. The City would assure that it would help with some sort of grant to complete the building. In the first phase, a few people like me (former West Enders) purchased a building from the City.

But too few community people or former residents qualified. They weren't able to get financing or complete all the steps necessary to get the historic buildings rehabbed. As President of the BLHG, I led the move to get the City to change the qualifications.

Weather and old age was causing demolition of too many historic buildings.

We all agreed that the buildings would be sold for one dollar and more flexibility, time, and City assistance would be given in the matter of plans and financing. There was some process being made under these conditions, but it was still taking too long. So investment in the neighborhood was open up to anyone who wanted to participate--investors, developers, any owner-occupants, etc.. Anyone who could afford to develop could participate. There was also a closer, more cooperative team approach where everyone involved tried to work together more and better. This worked and Betts-Longworth is almost complete revitalized today.

5. What was the least successful aspect of the project? With hindsight, what would you now do differently?

The least successful aspect was getting the original West End community involved and participating in the redevelopment of Betts-Longworth.

In hindsight, we all can see that phase I was not enough of a start. This effort and Wedco itself was an obstacle to successful participation of the West End in this project. For example, when I worked with Wedco on my building, they refused to permit me, an interior designer, to design my floor plans. Wedco insisted that an architect was necessary despite me pointing out that architects design buildings and interior designers planned the insides. We already had existing buildings. The requirement of an architect was a big mistake. Architects added thousands of dollars to the cost of rehab. It is one of the reasons the project didn't work early on and many historic buildings were lost to demolition.

Also many people got turned down for financing and the word got out and the neighborhood got a "black eye". The cry was that the "City was holding back" and the lenders were being insincere. It took too much time to overcome these problems. But with myself and the BLHG working with the City we changed these attitudes. We showed that it could be done and that total community involvement would make it work. One of the things that we got done was demanding that the City weatherize some of the remaining historic buildings.

It was not until the City changed project staff after the early phases did the neighborhood get off the mark. One of the resulting changes was the involvement of the "American Society of Interior Designers"(ASID). They redid some of the apartments under rehab and held a show for the public to see them. I was also presented an ASID Presidential Citation for my work on the show and the design and redevelopment of my building.

6. What can others learn from this project?

This project is an example to others on what can be achieved and done by a Community in action. Work together, get a team together, do it together!! But it must be recognized that restoration of an historic community needs those responsible for the revitalization to have knowledge of rehab, interior design, and how to work with other community people to get them involved.

If, five years, from now, you were to judge that this project was successful, what characteristics would convince you of this fact?

I would want to see that the "people" continued their enthusiasm in their neighborhood and its living conditions. There should be still be opportunity for people to get involved in their community I would look for some continued improvement in buildings and in living together. These were the reasons for their investment and it must persist.

PROFESSIONAL CONSULTANT PERSPECTIVE

PROFESSIONAL CONSULTANT PERSPECTIVE

This sheet is to be filled out by a professional who worked as a consultant on the project, providing design, planning, legal, or other services. Copies may be given to other professionals if desired.

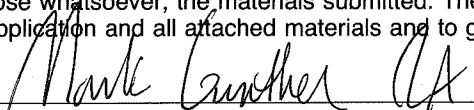
If possible, answers should be typed directly on this form or a photocopy. If the form is not used and answers are typed on a separate page, each answer must be preceded by the question to which it responds. Please limit answers to the area provided.

Name Mark A. Gunther, RA Title Partner

Organization Wichman+Gunther Architects Telephone (513) 241-9933

Address 810 Plum Street; Cincinnati, Ohio 45202

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1. What role did you or your organization play in the development of this project?

The firm of Wichman+Gunther Architects was commissioned by the City of Cincinnati's Dept. of Neighborhood Housing & Conservation to oversee the design and construction (rehab) of twelve buildings containing sixty four apartments. These duties included assistance with schematic design; historic, zoning & building code compliance; cost analysis; construction observation and payment approval. In addition to planning of infill parking and other public amenities, this services package is also being provided to CDPBetts-Longworth (non-profit developer) for the sixty new construction townhouses of Longworth Square.

2. From your perspective, how was the project intended to benefit the urban environment?

The two primary aspects of this project that are beneficial is the retention & renovation of significant historic structures and the introduction of owner-occupied infill construction. The latter not only fills the physical void left by demolition but also replaces the homeowner base that was lost during urban renewal of the early '60's.

3. Describe the project's impact on its surroundings and on the people in the area. Do you have data that document these effects? Attach supplementary material as appropriate.

The BLHD was a literal ghost town in the early 1980's; at one point a fence was placed around a four block area of vacant buildings to discourage vagrants and vandals. The public perception had reached a point where this area was called "Dresden", a reference to the WWII firebombings. Now the area is nearly 100% rehabbed, new construction is viable and most encouraging of all, a budding commercial district on the Eastern edge of the district has taken hold.

4. What trade-offs and compromises were required during the development of the project? How did your organization participate in making them?

The programming for market acceptance has required a consistent size and quality of apartment (multi-bedroom, AC, DW, Decks or WBFP, etc.). Since many buildings had been left open to the weather, only shells remained. Therefore, to make the budgets work the city grant had to be increased in some cases along with a relaxation of historical standards (allowing replacement windows, etc). Fortunately, the only other compromise was time; the use of small contractors often extended construction by three to six months.

5. What was the least successful aspect of the project? With hindsight, what would you now do differently?

The only aspect that I feel was not totally successful dealt with the historic restoration of significant structures in Cincinnati history. Fiscal restraints kept some rehabs from being as faithful as possible and worse yet were some of the unavoidable demolitions that occurred...more infill between existing structures would have probably been preferred by most involved parties.

6. How might this project be instructive to others in your profession?

The "wagon train" approach is a very important feature of this project which we hope to see employed within the adjacent National Register Historic District of Over-the-Rhine. Architects and Developers often are very protective of their "product" fearing the competition of a neighboring project, however, we have learned that there truly is safety in numbers when establishing a foothold within depressed urban areas.

7. If, five years from now, you were to judge that this project was still successful, what characteristics would convince you of that fact?

Pride of ownership...the original owner/developers that have put buildings on line for the last five to ten years are as emotionally attached to their historic structures as the owners are in Longworth Square. These new construction townhouses provide a true downtown neighborhood where all the neighbors own their home and the individual customizing that is now ongoing is a very convincing argument that appearance will only improve with age.

DEVELOPER PERSPECTIVE

DEVELOPER PERSPECTIVE

Kathy Gibbons Title: Assistant Director
Community Development Properties-Betts-Longworth 616-291-0220
E. Fourth
Covington, Ky 41011

Signature Kathy Gibbons

1. What role did you or your organization play in the development of this project? Describe the scope of involvement.

After unsuccessfully attempting to get new construction ownership housing built in the Betts-Longworth District for several years, the City asked CDP-Betts Longworth (an affiliate of the National Development Corporation) to act as the developer of this new housing. CDP became the developer in what ultimately became the partnership of the City, Provident Bank, the Ohio Housing Finance Agency, and the Drees Company (America's Builder of the Year in 1992) to develop Longworth Square. Longworth Square is a new townhouse development of 60 new homes priced between \$65,900-\$79,900. CDP formulated the financing concept, negotiated the financing package, secured Drees as the builder, marketed and sold the townhouses, and contracted for the construction as the developer partner in the above partnership. Because of the flexibility of our organization we also assisted in promoting the entire Betts-Longworth District to the public.

2. What, if any, modifications were made to the original proposal as the project was developed? What trade-offs or compromises were required during the development of the project?

The original concept of affordable townhomes, designed to be complimentary to the historic buildings and high in value for their price remained the same. But in executions hundreds of changes were made to meet one requirement or another. Neighborhood concerns and marketing requirements caused some changes in the homes exterior and interior design. The terms of the financing made us market the homes in a different fashion and at different terms than originally anticipated. Changes in the building code necessitated other changes. Archeological investigations required that we move the building footprints of some of the homes. Stormwater and Sewer Department rules caused changes. Then the lawyers got involved; then it was the bond underwriters.

Everybody wanted some change. It took extremely narrow focused attention to what the partnership was trying to achieve to keep the project feasible. Some of the changes meant the original sale prices of high \$50K to \$60K became ten thousand higher. In mid-excavation of the site work, the dirt was discovered to be inadequate compacted and the City had to contribute another \$400,000 for site costs. We fought to keep the parameters of the project in the feasible range.

3. What, if any, innovative means of financing the project were used?

The project financing package was extremely innovative for the State of Ohio. Longworth Square is the first municipally owned, developed, and managed home ownership development in the State of Ohio. The \$3.8 million City revenue bond is the first issued by a municipality in the State of Ohio. The bond is backed by guarantees from the Ohio Housing Finance Agency and Provident Bank. The City of Cincinnati contributed CDBG funds and general tax dollars. Until recently, general tax monies could not be use for housing because housing was not deemed a public purpose under the Ohio state constitution.

The innovative financing permitted affordable prices and a special NO DOWNPAYMENT PLAN where purchasers could lease/purchase a townhouse. At the end of three years of occupancy, the buyers could buy the home for 95% of original cost--corresponding to a 95% loan to value mortgage--and no closing costs. On a sliding scale, they could purchase before three years if they wished.

4. How did the financial benefits and economic impacts of this project different from other projects? How does the project's quality relate to the financial goals?

It was always a market imperative that the design, construction, and type of product offered at Longworth Square be of the highest quality. Homeownership there would not have sold unless we met these high value conditions. Making this compatible with affordable prices was a constant struggle for this project. The favorable financing package made available by the City, Ohio Housing Finance Agency, and Provident made this possible. After sales started our prior assumptions on the need for very high quality proved to be correct as we experienced great sales results. All the homes sold in four months.

Longworth Square's financial benefits to CDP as a non-profit

developer were solely fees for service. The City remains the project's owner until the homes are deeded over to the purchasers. This is certainly different than the customary developer role where the developer hopes to earn a profit. The City's financial return will be a net loss for the subsidy exceeds the differential between cost of building the units and sales prices.

But the financial benefits and economic impact are significant, although indirect. Longworth Square is a critical element in the revitalization of a historic City neighborhood. Jobs were created, tax base was increased, and new citizens are attracted to the City and downtown.

5. What was the most difficult task in development of this project? What was the least successful aspect? With hindsight would you do anything differently?

The most difficult task was arranging the financing. Municipal revenue bonds for housing are an extremely novel concept in Ohio and in a very fiscally conservative Cincinnati. Getting the City financial officers to accept the concept and then arranging the suitable credit enhancement guarantees was extremely time consuming and difficult. Conflicting state rules and federal regulations on the expenditures of money for housing complicated the process. Finding a bank willing to be part of the partnership was an adventure. We visited many downtown bankers before finding Provident Bank who could see reality in the vision that the Betts-Longworth District was achieving. Hours were consumed in meetings getting the financing arranged and keeping the project marketable within the constraints of the financing parameters.

Getting the City and ourselves as a non-profit developer to understand and prepared to cope with the demands of buyers. People were investing sixty or eighty thousand dollars and they wanted to be satisfied completely. We were experienced as salespersons and we really did not realize what it takes to sell successfully and keep your customers happy after the sale. Longworth Square and Betts Longworth were successfully promoted as very, very special places with high quality, distinctive lifestyles. We had to meet very high customer service expectations. Sales is a special function and we really learned what "The customer is always right," means!

We would engage a firm with professional sales expertise to assist with this if we do this again. The other lessons are the thousand small ones of how to do things better the second and third time after learning through doing.

6. What about this project would be instructive to other developers?

Quality sells. Well designed, conveniently located homes can sell although located in a fringe downtown location. The historic character was also a plus. But don't permit anything to compromise the quality of the product. Buyers start with the house and their estimation of its value and character as they decide whether to buy the Longworth Square/Betts Longworth lifestyle.

Another lesson is that working with the City can be frustrating, but it can work. In this case the City was able to bring together all the players in a partnership which permitted Longworth Square and Betts-Longworth to survive the obstacle course of public processes.

7. If, five years from now, you were to judge that this project was still successful, what characteristics would convince you of that fact?

The kind of characteristics I would look for are:

-continued visible signs of well maintained homes and grounds, i.e. evidence of healthy homeowners association.

-modest, but healthy increases in sales prices as the homes turnover and average or below average periods of offered "for sale".

-development of adjacent underused, vacant, or obsolete land/buildings into compatible uses.

**COMMUNITY
REPRESENTATIVE
PERSPECTIVE**


COMMUNITY REPRESENTATIVE PERSPECTIVE

This sheet is to be filled out by someone who was involved, or represents an organization that was involved, in helping the project respond to neighborhood issues.

If possible, answers should be typed directly on this form or a photocopy. If the form is not used and answers are typed on a separate page, each answer must be preceded by the question to which it responds. Please limit answers to the area provided.

Name Robert A. Alexander Title Vice President
Organization THE PROVIDENT BANK Telephone(513) 579-2389
Address One East Fourth Street, Cincinnati, OH 45202

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Signature 

- =====
- 1. How did you, or the organization you represent, become involved in this project? What role did you play? For example, was there a public review process in which you took part?**

My first involvement in this Project dated back to 1981 when the Federal Home Loan Bank of Cincinnati approached the Southwestern Ohio Savings and Loan League requesting that its members provide financing for rehabilitation of existing units in the Project solely for owner occupation. My former employer, Eagle Savings Association, was asked to take the lead role in organizing the effort. The financing arrangements were provided by creating a Consortium consisting of Savings and Loan Institutions, the Federal National Mortgage Association, and the City. My most recent involvement in the Project began in 1989 when I represented my current employer, The Provident Bank, as a member of a Commercial Bank Consortium organized to grant individual loans to both investors and owner occupants for the purpose of rehabilitating existing units in the Project. In addition, The Provident Bank went beyond its participation in the Consortium and provided a letter of credit to enhance Non-Recourse Housing Revenue Bonds issued by the City for the purpose of financing new construction of the Longworth Square Townhome Community within the Project. The Provident Bank concurrently issued a Project End Loan Commitment to finance individual purchasers of these new Townhome Units. My primary role in all instances was to help structure and approve the financing arrangements.

- 2. From the community's point of view, what were the major issues concerning this project?**

The major issue from my personal perspective was how to provide the Community with quality housing for local residents and general citizenship at affordable prices while maintaining reasonable profit incentives at acceptable risk for the private institutions involved.

3. **What trade-offs and compromises were required during the development of the project? How did your organization participate in making them? With hindsight, what, if anything, would you do differently?**

Repeated requests were made of the City to provide equity funds and other security in the form of grants, capital improvement funds and mortgageable real estate interests to reduce the perceived risk in the transaction to acceptable levels. Each time, the City was more than cooperative in meeting these requests. From hindsight, the Project should have been originally opened to investor purchasers and owner-occupant purchasers to achieve synergy thereby creating a base from which to target efforts in the future. In addition, the construction requirements to realize on historic tax credits made available during the initial stages of the Project were partially responsible for increased rehabilitation cost which drove the price of the product beyond the means of the target owner-occupant market. The taxable income levels of this target market were such that the benefit realized from historic tax credits could not justify the increase in rehabilitation cost. Finally, at the time of conception of the Project in 1981, general economic instability was adversely affecting the local economy in terms of housing funds availability at affordable cost or, for that matter, at any cost. Accordingly, delaying the inception of the Project to a later date may have been advisable at that time due to the particular sensitivity of this sort of affordable housing initiative to general price increases including rising interest rates. As it was, not many proposed owner-occupant purchasers qualified for financing under the earlier program.

4. **How has this project made the community a better place to live? Why should it win this Award? Please be as specific as possible.**

Completion of a substantial number of units in the Project has encouraged additional private investment in the area and curbed, for the most part, the rapid deterioration of existing housing stock, in that local residents have taken more interest and greater pride in their community and private quality investors have been drawn to the area. This Project should win the Award since it is an excellent example of continued commitment on the City's part to make the Project a reality and of what can be accomplished through the good faith, collective efforts of the public and private sectors. In addition, this Project will serve as a model for further upgrading of inner-city and periphery neighborhoods within the City of Cincinnati.

5. If a community group came to you for advice in carrying out a similar project, what would you tell them?

I would request that the Group demonstrate grass root support for the Project and the existence of market demand for the units. If market demand is non-existent or difficult to prove, then I would instruct the Group to develop an advertising and promotional plan and demonstrate acceptability by entering into contracts to purchase units prior to commencement of construction. I would suggest that the Group focus on whether or not the scale of the Project is feasible within the confines of the resources available to the Group and I would recommend that the Group anticipate an allocation of resources for the purpose of covering uncertainties such as extended unit sale or leasing absorption periods and underestimation of cost. I would discuss with the parties comprising the Group whether or not they possess sufficient expertise to organize the Project, and if not, the necessary professionals would have to be employed for this purpose. Finally, I would advise the Group not to have unreasonable expectations or become discouraged with respect to the time period involved in the Project review and approval process by local government and participating private institutions.

6. If five years from now, you were to judge that this project was still successful, what characteristics would convince you of that fact?

Some of the characteristics indicating success of the Project after a five year period would include positive public opinion about the area, evidence that local retail service facilities have been established to support the growing population and are operating without dramatic concern over security issues, well maintained housing stock demonstrating pride in the community, and reasonable housing resales at prices better than the last previous sale of such housing.