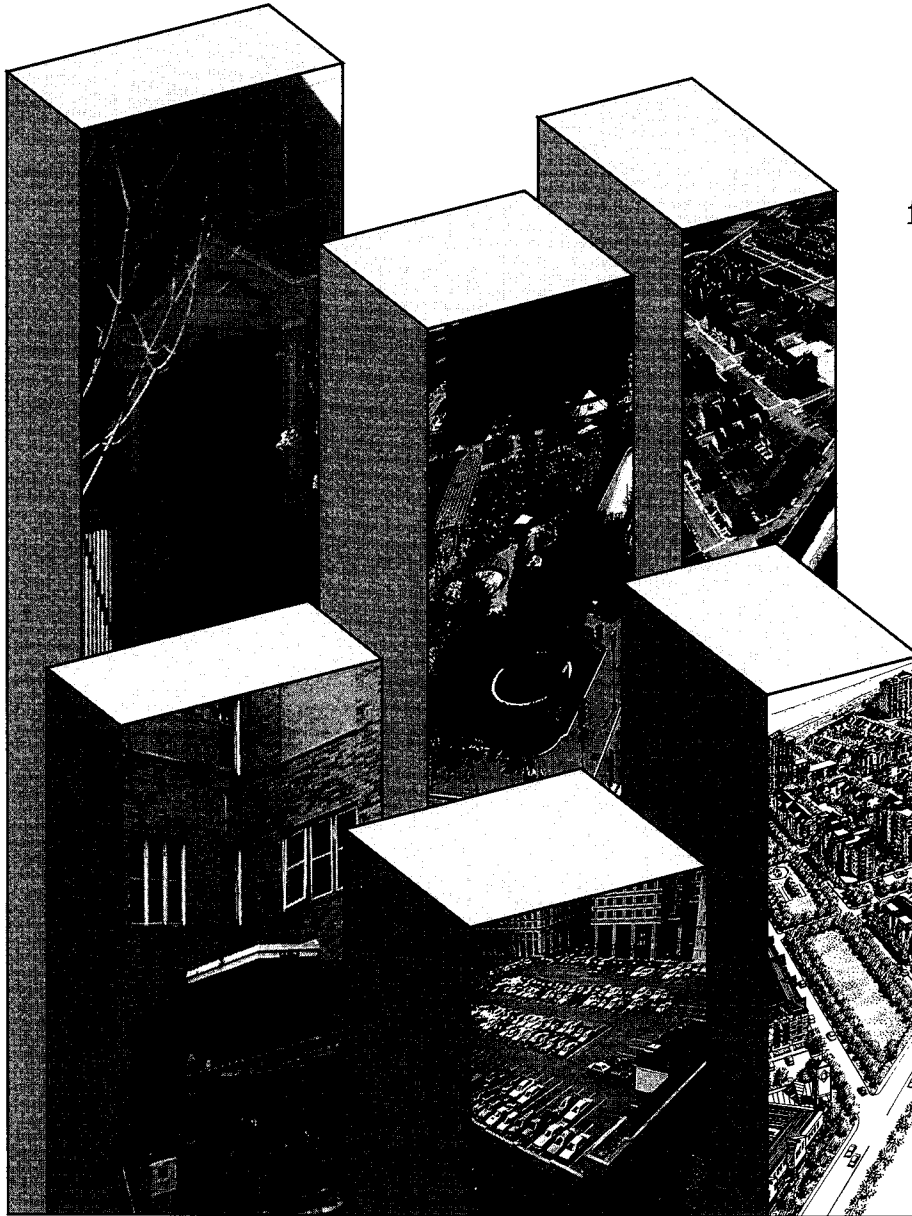


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for Excellence in the Urban Environment

REBUILDING COMMUNITIES: RE-CREATING URBAN EXCELLENCE

Jay Farbstein and Richard Wener



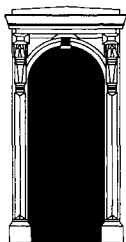
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560 Broadway
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(212) 334-9844

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BETTS-LONGWORTH HISTORIC DISTRICT Cincinnati, Ohio

SUMMARY OF SELECTION COMMITTEE DISCUSSION

Initial Reasons For Including Betts-Longworth as a Finalist

- Preservation of a considerable number of historic buildings.
- Restoration of a unique neighborhood, enriching the whole city.
- Showed persistence in the face of repeated failures.

Selection Committee Concerns and Questions

- What was the process used to create Betts-Longworth?
- Were there prior plans that failed?
- Was it solving problems created earlier by the same agencies?
- What is the cultural/ethnic/income mix, among tenants and developer/contractors?
- Did gentrification occur? Are the residents who had been driven out being served by the renovations?
- Was there a "land rush" atmosphere? Did this cause costs and rents to escalate?
- How was the project financed? Did it use the investment tax credit?
- Have the restored properties made money? If so, for whom?

THE PROJECT AT A GLANCE

What It Is

- Betts-Longworth is a preservation-based redevelopment plan for a downtown "mini-neighborhood" containing some of the oldest homes in Cincinnati.

- The Betts-Longworth plan:

Encouraged small scale private development and participation of minority developers and contractors.

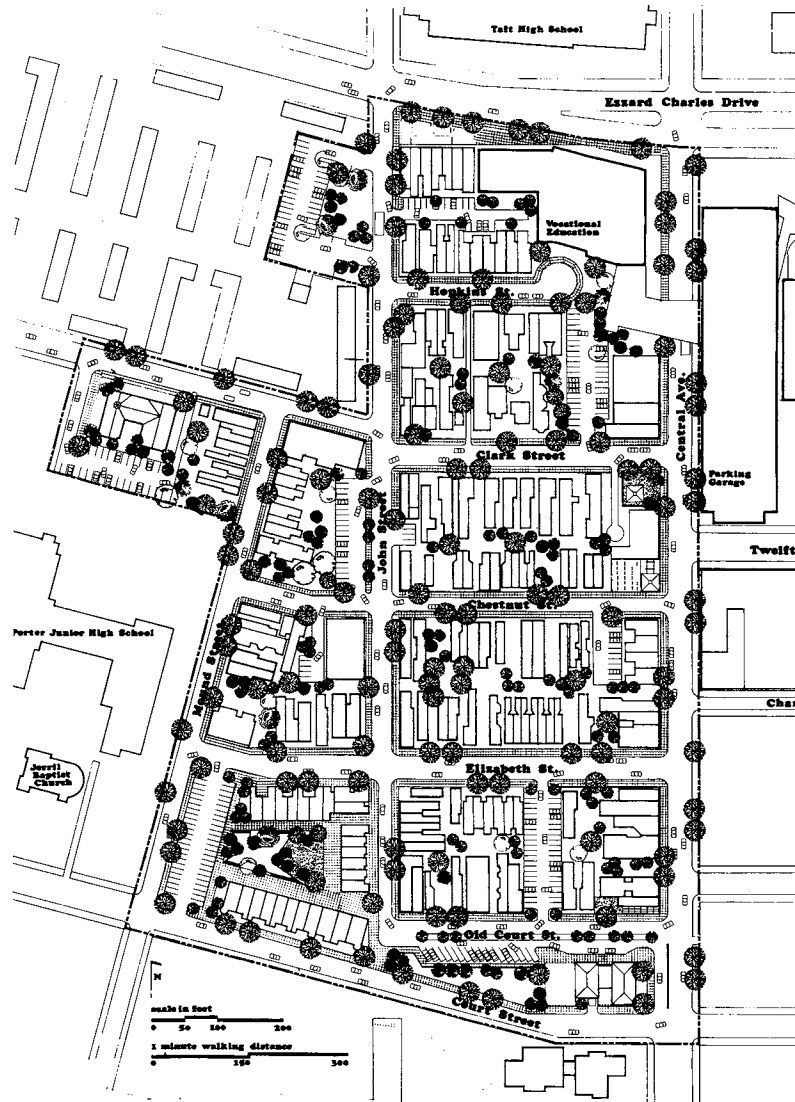
Developed a marketing and public relations strategy which increased demand by presenting the area as a scarce resource.

Reduced risk by creating a five-bank consortium for loans, contributing city infrastructure improvements, and providing subsidies to developers.

- The plan has resulted in the substantial revival of this small neighborhood, including rehabilitation of 200 apartments and homes and building 60 units of new townhouses.

Who Made Submission

- The City of Cincinnati, Department of Neighborhood Housing and Conservation.



1984 Design Plan

Major Goals

- Historic preservation of important buildings.
- Slum and blight removal.
- Revitalization of the Betts-Longworth neighborhood.
- Provide affordable housing with economic and social integration.
- Encourage minority involvement in development and construction.

Accomplishments

- Betts-Longworth is now a viable middle to lower-middle income neighborhood.
- By the end of 1993 they will have created:
 - 240 rehabilitated apartment units.
 - 77 single family homes (mostly new construction).
 - 20,000 square feet of rehabilitated office space.
 - 4,000 square feet of rehabilitated retail space.
 - 370 parking spaces.
 - a park (next to the middle school, co-designed, constructed, and maintained by kids).
- The neighborhood is becoming more economically and racially diverse.
- New restoration and rehabilitation is continuing, even though the city has withdrawn substantial parts of the subsidies. Betts-Longworth has become a “hot address”.
- The city considers the Betts-Longworth plan a success and is using it as a model in another neighborhood

Issues That Could Affect Selection As Winner

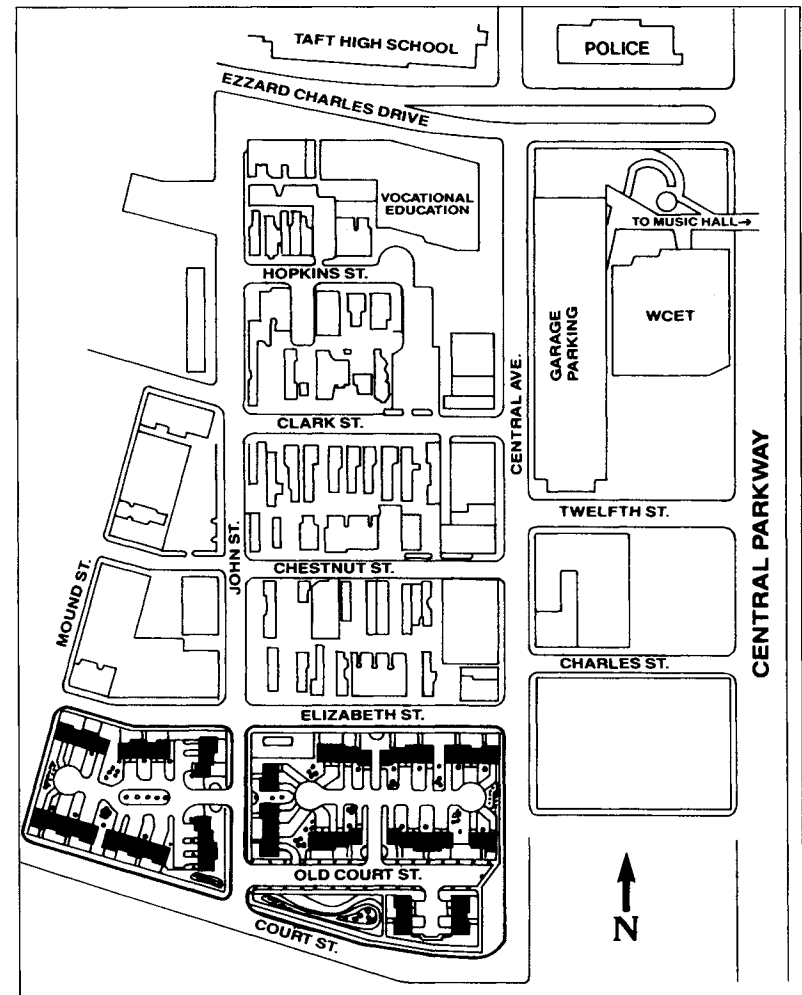
- Betts-Longworth has created a viable neighborhood of affordable housing close to downtown.

- There has been an increase in economic and racial integration of the area.
- A significant number of historic buildings has been saved from destruction and restored to active use.
- Betts-Longworth demonstrated a successful model in which the city supported development in order to “jump start” growth in an area, and then was able to step back in favor of somewhat greater reliance on the market.
- There was an ad hoc quality, both to planning and to the community involvement process. The project was able to proceed because of a truce in the adversarial relations with surrounding community organizations. There was significant involvement of community members in planning and implementation because of the personal commitment and relationships between city planners and area “pioneers”.
- There was no formal “community building” aspect of the plan with respect to the development or enhancement of local community groups. It is not clear whether the local organizations are stronger than the involvement of one or two committed members.
- While Betts-Longworth is not finished (there are still significant gaps in the physical fabric — empty lots and severely deteriorated buildings) all the remaining buildings and lots are either under contract or under negotiation for rehabilitation or development.

PROCESS

Chronology

- 1950s. Construction of I-75 cuts through the West End, demolishing many buildings and splitting the neighborhood.
- 1960s and 1970s. City acquires land in the West End and demolishes more buildings in the name of urban renewal.
- 1970. The Town Center Plan leads to more demolition and construction of several high rise, low income housing towers, a



Longworth Square in context of the neighborhood

large garage, and public radio/TV building all on the edges of Betts-Longworth.

- Early 1980s. A city plan is developed to attract former residents to restore buildings, largely unsuccessfully. City contributes infrastructure improvements to area.



Longworth Square (from promotional brochure)

- 1985. City proposes single developer plan for Betts-Longworth but needed UDAG funds are rejected in Washington. More deteriorating historic buildings are demolished.
- 1987. Policy review initiated, considering options including demolition of the entire district.
- 1989. "Land Rush/Wagon Train" plan initiated.
- 1991-1992. Construction begins on Longworth Square Phase I. By January 1992, all 60 units are sold.
- 1993. Phase I of Longworth Square is complete. Phase II expected to be complete by the end of the year. Contracts are negotiated or let for all historic buildings to be renovated and empty lots to be built out.

Key Participants

(people we interviewed are indicated with an asterisk *)

- City of Cincinnati, Department of Neighborhood Housing and Conservation. Wayne Chapman*, Director; Mark Jones*, project coordinator. Developed the Betts-Longworth plan and coordinated all city activities in the area.
- Community Development Properties-Betts-Longworth. Non-profit developer of Longworth Square; a division of the National Development Council. Kathy Gibbons*, Assistant Director.
- City of Cincinnati, City Planning Department, Office of Historic Conservation. Chris Cain*, Urban Conservator.
- Mark Gunther*, Wichman-Gunther Architects. City-hired design consultant whose services were made available to small scale developers of historic properties.
- Betts-Longworth Loan Consortium (group of 5 banks who pooled resources to share risks for the "wagon train" effort). Bob Alexander*, Provident Bank; Mike Rizer*, PNC Bank.
- Betts-Longworth Historic Group. Several "pioneer" members include Louie Smith*, president (early resident and organizer; worked closely with the city to develop and implement the plan); Dorothy Lewis* and Howard Bond* (developers of the Ezzard Charles Row Houses); Marva Wilson*.
- The Drees Company (builders). Greg Judge*, site superintendent for Longworth Square.

PROJECT DESCRIPTION

Historical Context

The West End of Cincinnati was one of the earliest parts of the city to be settled. It was always an economically mixed community, with elaborate homes of the captains of industry juxtaposed with workers' houses. Its primary positive feature has always been location and the virtue of living within walking distance of work. Once the West End was a very dense area because of the influx of immi-

grants; in the 1870s it had over 30,000 residents. Now only about 8,000 people live there.

The West End is also the home of some of the earliest public housing in America. Laurel Homes, built in the 1930s, borders on Betts-Longworth. While this large low-rise development is viewed locally as a “project”, it seems well managed in comparison to some public housing projects.

“The Victim of Good Intentions”

The West End neighborhood (of which Betts-Longworth is a part) suffered greatly from many of the urban planning initiatives of the past three decades. Councilperson Bobbi Stern says “the area was the victim of the good intentions of every housing program and every poverty program ever conceived.” While it is questionable whether the intentions of these programs were all good, here is a brief history:

- In the 1950s, Interstate Highway 75 was cut through this area, demolishing buildings and fracturing the community.
- In the 1960s and '70s, the city began acquiring land in the area and demolishing older buildings as part of an ambitious urban renewal plan. This was classical “urban removal” as land was cleared for the development of light industry.
- In 1970, the Town Center Plan called for the demolition of many historic buildings. New construction included high-rise subsidized low income housing towers and a large garage with an overpass connecting it to a new building for the public TV and radio station. Parts were build, but the plan died when funding dried up and the neighbors began to express concern for the loss of historic buildings — and the community they housed.
- In the early 1980s, the city tried to attract former residents back to the district. It offered buyers a financial package made up of FNMA bank loans, savings and loan and city loans, with preference given to buyers who had previously lived in the area. The city made infrastructure improvements including gas and electric hook-ups, parking, sidewalks, and lighting.

The program failed in its execution, according to city planning staff. Too many buyers lacked sufficient real estate and rehabilitation

experience, and city support was insufficient to help them through the process. FNMA backed out and several city officials connected to the program were involved in local scandals. Those pioneers who invested time and money in homes felt they were left ““high and dry”. In a gesture of good faith, the city compensated some who had lost their investments.

While the plan resulted in the development of some HUD Section 8 subsidized housing and some infrastructure improvements, overall the residents were left with a sense of frustration. At one point vandalism became so bad a that cyclone fence was built around the entire district to restrict looting of building materials.

In 1985 the city tried again, this time with a single developer and a massive public funding plan. By now Betts-Longworth was listed locally and nationally as a historic district. The city applied for \$21 million in federal UDAG funds, but after considerable time and much lobbying, the funds were denied and the plan died. Skepticism and anger grew and still more buildings deteriorated and were demolished. The area contained 120 buildings in 1970, but only 88 in 1987.

By 1987 Betts-Longworth was on the verge of complete demolition. “The area came fairly close to being obliterated,” says former city manager Scott Johnson. The city, which owned virtually the whole area (90% of the land and buildings), conducted an analysis of a plan to walk-away from the area and level homes for light industrial use. Officials say that they very well might have invoked the plan except for the effort, prodding and commitment of local residents who claimed that the city had a commitment to try again.

The Last Chance

Pushed by the “pioneer” residents, the city decided to try one last time to create movement toward renovation of the area. By this time, many buildings were in an extreme state of deterioration, making rehabilitation more expensive and keeping the possibility of demolition alive as a serious option.

Planning officials reviewed past mistakes and found that problems arose because many owner/developers in previous plans had been chosen more for historic connection to the community than for their ability to complete the job. The city determined that it needed to

*Betts House*

SIMEON BRUNER

provide more support in the form of technical assistance concerning financing, design, construction, and code compliance. It also had to assure that construction financing would be available as needed.

The city concluded that it was crucial to directly attack the problems of creating a demand for land and reducing the risk of investing in what have become a stigmatized community. The plan addressed these issues by:

- Assuring potential developers of the safety of their investment by starting an entire group of projects at the same time. This was the “Wagon Train” strategy, aimed at helping developers feel that they were not working in isolation, and that others would be there “out on the prairie” with them.
- For qualified buyers, buildings were to be made available essentially free (for \$1) with a package of private loans, city grants and tax abatements. The offer was made available only during a one week period, encouraging people to sign up all at one time and, thus, create a critical mass. Frequent tours were made through the homes of “pioneers” in the neighborhood (such as Louie Smith, Dorothy Lewis, and the Wilsons) to show

what could be done through careful rehabilitation and remodeling.

- Providing city support for developers in dealing with regulations and technical problems. The city hired an architect (Mark Gunther) to consult with developers on design, construction and preservation issues. Officials from the Planning Department and the Historic Conservation Board were available to ease the process and help avoid delays. One developer said “I called (the urban conservator) and he came out the next day and had an answer for me that afternoon.” The city created a smooth, predictable regulatory environment in which to work.
- Assuring financing by reducing the risk to any one bank. A loan consortium was arranged among five banks, providing a pool of funds totaling \$3.5 million. Risk to the banks was further reduced through an agreement that any bank could pull out of the pool if 90% of the sites were not sold to qualified developers by an agreed upon deadline.
- Making rehabilitation financially feasible through city subsidies of tax abatements, minimal charges for land and buildings, and providing grants to support construction costs.
- Convincing the public, especially renters, that the community was viable and stable enough to be worth moving into.
- Attempting to create a demand for these buildings through a public relations and marketing campaign called the “Land Rush”. This was aimed at convincing potential investors that a valuable commodity - historic buildings close to downtown - would only be available for a short time. It was a “get ‘em while they last” campaign focusing on the unique character of the district (“find your place in history”), its prime location, and the scarcity of these resources.

The Betts-Longworth Plan

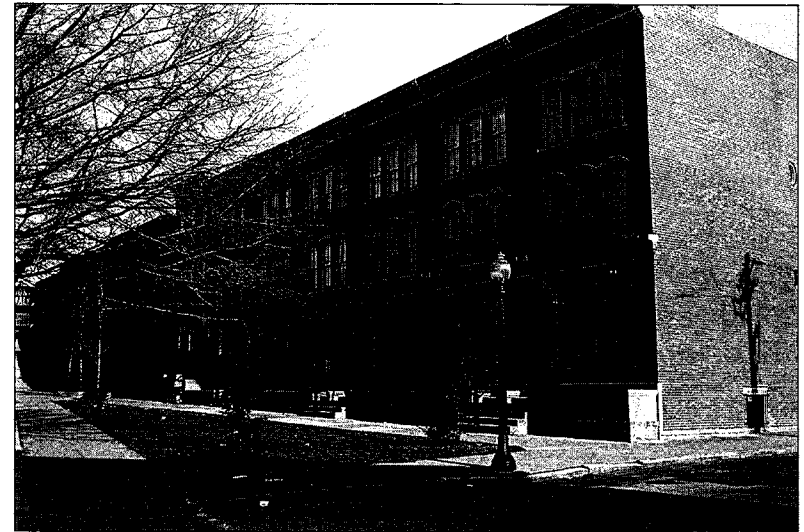
Together, this approach is called the Wagon Train/Land Rush plan. The plan was created by a few people in the Department of Neighborhood Housing and Conservation, but under the prodding and with the support of neighborhood pioneers. Louie Smith told them “if you live up to your commitment, we will help you.”

Other community groups in the neighboring West End were not directly involved in the Betts-Longworth planning. City planners felt the Betts-Longworth project could not succeed if it carried on its back the weight of compensation for past destruction. They were convinced that this extra burden was the downfall of several previous rehabilitation attempts. Local community leaders disagreed. "Betts-Longworth became the vehicle or occasion for expression of this disillusionment or frustration by West End leaders," said Mark Jones.

Past efforts had convinced city officials that these groups "had a serious lack of capacity" in their ability to bring off community development. The West End Development Company (WEDCO) had left several projects in default. "The city poured hundreds of thousands of dollars into WEDCO...and the organization failed in every project. Indeed, some of the properties ended up in the hands of community leaders for their personal gain," said Mark Jones. Rancor was strong. At one point there was a fist fight between a community activist and a council member over these issues.

Resolution came in 1987 with a deal in which the city committed redevelopment funds (over a million dollars with promises of more to come in the future) to other areas of the West End, plus the promise of aiding minority developers/owners/contractors in Betts-Longworth, in exchange for cooperation or at least acquiescence. "The bitterness and anger with the City did not go away, but this deal permitted Betts-Longworth and the West End to move forward" remarked Mark Jones.

A unique element of the Betts-Longworth plan was the degree to which it focused on the need to deal with psychological barriers to redevelopment in a stigmatized community. Rarely had conservative Cincinnati spent taxpayers' money on public relations and marketing. They felt, however, that there was an important and available resource here, in terms of housing stock and prime location, walking distance from downtown offices. The campaign tried (successfully) to attract owners by creating a sense that this was a scarce commodity, through the limited time offer of the Land Rush, and then to assure them through strength in numbers (the Wagon Train). Developer Bob Weatherbie said "I liked the Wagon Train concept...I knew the whole neighborhood would go. Without that I



Ezard Charles Row Houses

SIMEON BRUNER

wouldn't be here. I was convinced the city had its plan together and would put its money where its mouth was."

Similarly, they felt the need to be sure that the new development, Longworth Square, would be successful and attract residents of varying incomes and backgrounds. Sensitive to the stigma of the area, they tried to reduce the risk felt by buyers through several strategies. They brought in the Drees Company, the most respected housing builder in the area, to design and construct the townhomes. Drees felt this project was risky, and was only willing to build on contract. Their presence, however, succeeded in lending credibility to the project for buyers and lenders. It also created a presumption of high quality and (because of the low, subsidized prices) extraordinary value. Buyers at Longworth Square were offered a below cost purchase price as well as the option of leasing to purchase for lower income people who lacked the down payment.

The first phase of Longworth Square (38 townhomes) sold out before construction was complete, as has Phase 2 (22 more townhomes). Many fewer owners chose the lease option than ex-



Rehabed buildings (public housing at far right)

pected. While in retrospect the success suggests that the city subsidy did not need to be so high (units costing \$90,000 to build sold for \$65,000 to \$79,000), the risk at the start seemed significant.

Financing

Total expenses include city infrastructure construction and some private investment prior to inception of the Betts-Longworth plan. Since 1950, the following funds have been expended:

- City investment of \$20 million for infrastructure, demolition, subsidies and project administration.
- Private investment of \$10 million.

Directly related to the recent "Land Rush/Wagon Train" plan:

- \$1.5 million in City expenditures (Community Development Block Grants).
- \$3.5 million in loans from the Bank Consortium.

A typical rehab contained 10% or more equity from the developer, 30% city grant, and 60% mortgage. Most were rehabbed into rental units. Typical one bedroom apartments rent for \$400, 2 bedrooms for \$500 to \$650.

Units in this area fell within the city program which allowed 12 year tax abatements on rehabilitation and 15 year abatements on new construction. The city also sold land and buildings to developers for \$1.

For Longworth Square, the financing included:

- \$3.8 million city tax free bonds (at 7%) backed by the Ohio Housing Finance Administration and Provident Bank.
- \$1.2 million in city capital improvement funds.
- \$0.5 million in Community Development Block Grant funds for soft costs and to build three model homes.
- \$2.25 million in private mortgages (with \$2.25 million more expected on completion of Phase 2).

While the exact funding programs may not be replicable, the amount of city funding per unit was not massive. The key elements of this plan could probably be replicated in many localities.

Design

The Betts-Longworth area consists of mostly three story Italianate and Queen Anne style town houses, constructed in the late 19th century. Some of Cincinnati's oldest and most historic homes are in this neighborhood. Many have been successfully rehabilitated, although there are still large pockets of open land (where demolitions occurred) and deteriorated buildings where rehabilitation has not yet begun. Most of the latter are in an extreme state of disrepair.

411 Clark Street is typical. It is an Italianate style townhouse with broad, ornate cornices at the roof and on the projecting bay. The ashlar limestone facade is highlighted by fluted pilasters which flank the door and window openings and support shallow pediments at the third story windows.

The handsome rowhouses of Ezzard Charles Homes feature a brick facade above a raised limestone basement. Stone trim emphasizes

the round arched window and door openings, which are highlighted by embellished keystones, while continuous band courses unify the facades. Exceptional care was taken in restoring the facade, including removing, repairing and replacing the limestone steps and stoops.

Most of the rehabs are not museum quality, but they show a careful attention to detail and, in general, they are of good quality. They vary in the degree to which they changed structures - most were careful to keep the external façades the same as or at least consistent with the original. Some make radical changes in interior floor plan, others very little.

Longworth Square is a suburban scale townhouse development, with 60 units on a 5 acre site. The homes are three bays wide and two and one-half stories high. They use red-brown brick on the street facades, with light stone trim, raised stoops, cornices and a gable roof. All these elements are suggestive of and harmonious with the character of the historic neighborhood. To save money, the backs of the townhouses are finished in clapboard instead of brick. They look at a broad courtyard which mainly serves as vehicular access to garages and back doors.

Outcomes

Many buildings have been rehabilitated, most quite thoughtfully. At the time the Selection Committee considered the project, thirty-eight new townhouse units had been completed and twenty-two more were pre-sold and under construction (they have subsequently been completed). Other buildings had not been finished, but most vacant land or deteriorated buildings were either under contract or in negotiation for rehabilitation.

While the project required substantial city subsidies, the area is now considered so successful that grants have generally been removed and most new projects proceed with market rate loans from individual banks. Grants are still given where deterioration is so severe that rehabilitation would not otherwise be feasible.

Housing values are increasing and the area is becoming economically and racially mixed (where it had once been almost entirely African-American). There is no plan to avoid gentrification; to a degree, gentrification in the sense of adding middle income resi-



Open space where historic buildings were lost

dents was what the city wanted. This was essentially an empty neighborhood, surrounded by public housing and industry. The goal was to bring in people to live in the neighborhood who would be likely to work in the downtown area.

Improvements may occur in other areas of the West End, as part of the community agreement. Officials say that the renovation of the nearby Union Central Terminal as a home for several museums was helped along by the Betts-Longworth success.

Residents of Laurel Homes public housing to whom we spoke appreciate the changes Betts-Longworth has brought to the area. However, they do not view the new housing as a direct benefit to themselves since rents are too high for them to afford. They may or may not be aware that there is some subsidized public housing within historic buildings in Betts-Longworth.

Several developers were proud of the fact that work in the area was done, to a significant extent, by minority developers and contractors. One said that he took on the project in part to "prove that minority developers and contractors could do a quality job."



Preservation of historic facade with new building

CITY OF CINCINNATI

Mark Jones said "When I was given this job I thought my career was over. Betts-Longworth succeeded beyond my fondest dream." The Department of Neighborhood Housing and Conservation is now moving into another older, deteriorated neighborhood, Mt. Auburn, and is looking to adapt and replicate the Betts-Longworth model there.

Future Plans

The city is negotiating with developers for the renovation of major unfinished pieces of the area, including several large historic properties and empty parcels of land. The largest project is a Queen Anne building (known as the "turret" building). This structure is being renovated into 29 apartments and may be the last to get a city grant to help defray construction costs. In another project, seven narrow row houses are being rehabbed for sale as single family homes. The city is constructing an alley behind this project in a location where it will also provide access to other parcels.

THEMES AND LESSONS

Persistence

Persistence was critical on the part of the pioneers in Betts-Longworth in maintaining their homes and in pressuring the city for support in redevelopment. It was also apparent in the efforts of city planners who at one time were faced with walking away from Betts-Longworth as an easier and more politically saleable choice than continuing to try to rehabilitate it.

Learn From Past Mistakes

An important element in success was the recognition by city planners that mistakes on the part of the city had a major role in past failures. The Betts-Longworth plan resulted from an attempt to understand and remedy those errors.

Reduce the Risk

A major theme in Betts-Longworth was reducing the risk of investment to all parties involved in order to attract developers, renters and bankers. This was done by use of the Wagon Train, the Bank Consortium, the "90% sold or out" option for banks, and the lease-to-buy options.

User Friendly City Government

The commitment, accessibility and cooperation of city officials and agencies was essential to success. Agencies which are often perceived as roadblocks to development, here became part of the team to help developers arrange financing and meet codes (such as historic conservation) without excessive delays and escalating costs.

Focus on Market Psychology

Focusing on the market psychology of development lead to offering several low-cost options which aided the plan. Public relations helped change the perception of the area to one of desirability. The public relations campaign could only succeed, however, with the city commitment to action behind it.

Use of City Resources

The city used its resources to assure success, especially in the early stages. Grants of 30% of cost, along with other subsidies to historic rehabs, the conservative approach to Longworth Square as shown in the low subsidized prices and suburban scale density, led to an early sell out which added to the sense of Betts-Longworth as a "hot" area.

Preservation

Preservation served as an important element of urban regeneration and an attraction for market growth. Along with location, the historic quality of the buildings was an important selling point for many renters and buyers.

Public-Private Partnerships

Close working relationships between city agencies, banks, the non-profit developer and the neighborhood group helped make Betts-Longworth work.

ASSESSING PROJECT SUCCESS...**...BY ITS GOALS****Historic preservation**

This project succeeded in part by taking a "triage" approach. While some historic buildings were lost, it was successful in saving most of them and in preserving the historic character of the area. New townhomes fit the character well.

Slum and blight removal

The area has been converted from one characterized by empty lots and crumbling buildings with a few occasional pockets of livable structures, to an active and growing historic community.

Revitalized neighborhood

The neighborhood is attracting people who would never have lived in the West End, as well as others who have moved back to it. It is

becoming a working and middle class neighborhood with Anglo, African-American and other residents.

Create affordable housing with economic and social integration

The new and rehabilitated housing in Betts-Longworth is, by Cincinnati standards, well within the affordable range. Rehabilitated apartments rent between \$350 and \$400 for 1 bedroom to \$650 for 2 or 3 bedrooms. New units in Longworth Square sold between \$65,000 and \$79,000. Units in other market rate developments now in planning will sell between \$90,000 and \$110,000. Arguably, Longworth Square may have been sold too cheaply.

Minority involvement in development and construction

Many buildings were purchased and rehabilitated by minority developers (some of whom had little or no experience, but gained it on these projects), using minority contractors for the work. The quality of work in the projects we saw seemed very good.

...BY SELECTION COMMITTEE CONCERNS**What was the process used to create Betts-Longworth?**

The plan was created by small group of city planners, who worked in partnership with a few local residents and the banks. There was no formal process (such as a series of open community meetings) to develop the plan, in part because the group of residents in the area who were directly affected was very small. Meetings with the larger community resulted in the agreement between the city and West End organizations, described above.

Was it solving problems created earlier by the same agencies?

Yes. Years of local and federal plans lead to the partial destruction of this area. That is the state in which it was inherited by this group of public servants, bankers, and residents.

Were there prior plans which failed?

There were many failed plans, from the 1950s to the mid-1980s (see the project history, above).



New homes with existing in background

CITY OF CINCINNATI

Did gentrification occur? Are the residents who had been driven out being served?

Gentrification was, in fact, a goal of this plan. The city had tried to bring in former residents as a part of previous plans, and many had failed in their redevelopment attempts. Some past residents were compensated for their losses, but many of those driven out in the past could not be located. Some developers and residents who came in during the current plan had ties with community, but the focus of this plan was to create successful redevelopment. Officials did not feel the plan could succeed if it carried the weight of compensating the community for previous errors.

What is the cultural/ethnic/income mix among tenants, developers and contractors?

The larger West End neighborhood is 99% African-American. Early tenants in Betts-Longworth were largely African-American, but more recent applicants are culturally and racially diverse. New residents range from clerical and blue collar workers to young professionals.

Was there a "land rush" atmosphere? Did this cause costs and rents to escalate?

"Land Rush" was the slogan used to create sufficient interest in the area to achieve a critical mass of rehabilitation. In itself it did not cause prices to increase, though as the area has become more attractive, prices to buy and rent have risen. Rents remain in the affordable range, although there are no programs to assure that they won't rise significantly.

How was this financed? Did it use the investment tax credit?

Only a few projects used the investment tax credit, because of the expense involved in meeting its strict preservation standards. Buildings in the Land Rush were financed at market rates through the bank consortium. More recent projects have used single banks as lenders. Construction of Longworth Square was financed by city bonds.

Have the restored properties made money? If so, for whom?

Most landlords seem satisfied that they are now, or soon will be, profitable. Most could not have done so without the various forms of city financial subsidies.

SELECTION COMMITTEE COMMENTS

The Selection Committee was impressed with the process through which Betts-Longworth was finally turned around into a successful rehabilitation and rebuilding effort. Key ingredients were seen as the persistence of the small remaining core of "pioneers" and the campaigns for helping residents and small developers arrange financing and navigate through the permit process. Getting a consortium of banks to share the initial risk and make capital more readily available at first (so the "wagon train" could go forward) was seen as very helpful. Participation by minority contractors was encouraged, building their capacity for larger projects. A Selection Committee member from Los Angeles felt that several of these elements might be applicable to the rebuilding effort there.

The committee appreciated the design of the newly constructed housing, which fits in well with the area, while not trying to look as if it were historical. The issue of who was to live in this housing (and the renovated historic buildings) was more controversial. Betts-Longworth is in a pivotal position between downtown and massive public housing projects. Some Selection Committee members felt that such a district be a more gradual transition, with more low income and subsidized housing, since its attraction to middle class buyers would inevitably lead to gentrification. Given the massive subsidies from the city (including its purchase and resale of the entire area as well as grants and tax abatements), it was felt by some that more should have been done to retain diversity of income levels and recapture the social investment, perhaps controlling future gains on resale of properties.

While some committee members felt that the city bears responsibility for the considerable deterioration of the district through failed prior policies, others felt that the city's recent approach was justified as part of the price to be paid for reestablishing a neighborhood and saving at least part of its historical heritage — in an area at risk of being completely flattened.

The final concern expressed by the committee was that a comprehensive planning and urban design document was lacking. No design standards were established for rehabilitation or infill projects, which are negotiated on a case-by-case basis (this has countervailing advantages, if it can be controlled). Many "holes" in the physical fabric of the district will be allowed to remain and be used for parking and other functions.

For More Information...

Mark K. Jones
City of Cincinnati
805 Central Avenue
Cincinnati, Ohio 45202
Phone: (513) 352-1932