THE REBIRTH OF PARK DUVALLE

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DreamRooms

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GROOVING AT THE NAPA RIVER GRILL
Once just a modest proposal to replace two crime-riddled public-housing projects, the Park DuValle Revitalization plan has evolved into a super-ambitious redevelopment program that's become a model for cities across the nation.

THE REBIRTH OF

Cotter and Lang Homes before they were razed
Courier-Journal photo
Paranita Bratson can afford to live practically anywhere she wants. That’s why most people are surprised that she wants to live in Park DuValle. Bratton, who currently resides in the Green Spring subdivision near Prospect with her two teenage children—Patrick, 17, and Jessica, 14—is building a two-story home near land that was once part of Cotter and Lang Homes, two of the city’s most notorious housing projects. At first, Bratton says, even her own son was skeptical about the move.

“I have teenagers that have always lived in the suburbs and they don’t know anything about living downtown,” Bratton says. “It’s going to be a transition. But I realized a long time ago that living in the East End with teenagers doesn’t protect you from anything. Especially if they are normal kids.”

Fortunately, she says, both children have grown more excited about the move as they watch construction progress on their new house. By early September the foundation had been poured and the builders were beginning to frame the house. The Brattons expect to move into their new home around the first of the year.

The Park DuValle neighborhood that Bratton’s family will move into is vastly different than it was just four years ago. Before a revitalization program began in 1995, the neighborhood was known as a haven for drugs, crime and poverty. But that began to change when the U.S. Department of Housing and Urban Development (HUD) awarded Louisville more than $10 million to tear down and replace the Cotter and Lang housing projects. That initial grant led to a redevelopment plan that goes far beyond the initial goal of simply replacing one public housing project with another.

That more ambitious plan—called the Park DuValle Revitalization—aims to create a vibrant community that mixes residents of all incomes in single-family homes, townhouses and apartments. In turn, the new residents are supposed to attract stores and businesses to the Park DuValle area. Some civic leaders go so far as to predict that the Park DuValle development will lead to a revitalization of adjacent neighborhoods and

BY MICHAEL L. JONES   PHOTOS BY JOHN NATION
"When I moved to Louisville in 1976 I wanted to live in the
Dr. Paranita Bratton says. . . . "But I think everybody
We can make this neighborhood a positive,

perhaps even to a social and economic turn-
around in long-down trodden sections of
Louisville's West End.

With lofty hopes and large investments
riding on the Park DuValle program —
HUD's initial $31 million grant has been
leveraged into $180 million in public and
private funding — it is no wonder that city
officials in Louisville and across the country
are following the fortunes of this venture
with intense interest.

Cotter and Lang Homes were demol-
ished between 1996 and 1998. The first
phase of the rebuilding project, The Oaks
at Park DuValle, consisting of 100 luxury
apartments and rental townhouses, was
completed in late 1998.

The second phase of the revitalization
plan, called The Villages at Park DuValle, is
now well under way. When finished, it will
contain 213 rental homes and 125 homes
for ownership. The rental units, some of
which have been completed, range from 715
to 1,490 square feet. At full price, these units
will rent for between $425 and $680. The
ownership homes measure 1,160 square feet
and up, and will have a market value of
$75,000 or more.

Bratton's home will cost well over
$100,000. Her decision to invest in Park
DuValle was based not on what the neigh-
borhood used to be, she says, but on what
she knows it can be.

"When I moved to Louisville in 1976 I
wanted to live in the West End, but the
real- tors steered me away," she says. "When
you move to the suburbs, you tend to find a
place where everybody is similar to you. It
isolates you and encourages you to do what
your neighbors do. But I think everybody
can come home at one point to take care
of their own. We can make this neighbor-
hood a positive, upbeat place by the way we
feel about it." Park DuValle has many
advantages for Bratton, whose family med-
ic practice has an office at 32nd Street and
Broadway, about eight blocks from her new
home.

"Both of my children attend (duPont)
Manual High School and I know I'll be run-
ing back and forth to school," Bratton says.
"Also I like that I'll be five minutes away
from work, and the hospitals are not far
away. This location is almost dreamy."

The land that is now Park DuValle was
first settled by African-Americans in the
1880s. It was considered the black sec-
tion of Parkland, then a Louisville suburb,
and was called Little Africa by most people.
Little Africa was razed in the late 1940s and
Cotter Homes, a public-housing project,

named for noted poet and educator Joseph
Cotter Sr., was built on the site in 1953. Lang
Homes was built nearby a few years later.

Cotter and Lang Homes were built dur-
derg a period of "urban renewal," in which
Louisville, like many other cities, was tearing
down older, substandard housing in urban
areas and replacing it with government-subsid-
ized housing projects. Many of the resi-
dents of downtown housing that was razed
were African-Americans who were moved
into West End complexes like Cotter and
Lang. The idea was that the new housing
would provide its residents with temporary
help before they moved into better homes.
But it did not turn out that way. In 1995,
the median income of the 1,100 families
who lived in Cotter and Lang was just
$5,600.

Thus far, more than $180 million has
been committed to the Park DuValle
Revitalization. About half of that amount —
including the original $31 million from
HUD — will come from government
sources; the other half has been pledged by
private lenders.

Andrea Duncan, executive director for the
Housing Authority of Louisville, says the
change that is occurring in Park DuValle was
made possible because the definition of pub-
lc housing has changed in the last decade.
The goal of new government-supported
housing initiatives like Park DuValle is to
"destigmatize" public housing by creating a
neighborhood where low-income families,
young professionals, and older, more estab-
lished residents all live in the same commu-
nity.

"What is happening at the national level
— and we help set the trend for this — is
that everyone is beginning to think of public
housing in a different way," says Duncan.
"From the very beginning we had a vision.
We wanted to not only improve the living
conditions in Park DuValle, but see if we
could get folks who were in an upper-
income bracket. It would not do to put
the same people into new housing."

The revitalization effort extends beyond
bricks-and-mortar projects, says Duncan.
To remove remnants of the old neighborhood, the Housing Authority purchased and demolished a liquor store at the corner of 32nd and Young streets that had been a magnet for drug-dealing and other criminal activity.

And Jefferson County Public Schools plans to spend $16 million on improvements to the DuValle Education Center.

"This is a collaboration like none I've ever seen," says Maria Gerwing, director of the Housing Partnership, Inc., a nonprofit organization that develops affordable housing.

"Can you imagine taking a project this big and running it by committee? If you asked me two years ago I'd tell you it couldn't be done."

The Housing Partnership has a multifaceted role in the Park DuValle project.

"We are sort of the developer of last resort," Gerwing says. "We are able to leverage our relationship with the government and our relationship with banks to deliver affordable housing."

The agency also is helping with the marketing of the Park DuValle homes, which often involves guiding buyers, homebuyers and lenders through the maze of available tax credits and financing options.

The Park DuValle property is owned by the Housing Authority. When someone wants to buy a home there, the Authority must grant permission to build, and the title to the property does not transfer until after the home has been completed.

To start the homebuying ball rolling, the Phase II co-developers built an eight-home "model village" that opened in June 1999. That approach has been successful. The Partnership was given three years to sell lots for 125 homes, and as of late August it already had contracts for 90. More than 30 are under construction, while the rest are awaiting credit approval.

So far, Gerwing says, the mix of buyers has met the project's diverse-income-level goal.

Of the 33 homes being built as of late September, eight have owners with family incomes that are 20 percent or more below the Louisville metropolitan area median income level; 10 earn close to the local median income; and 15 earn at least 15 percent higher than the median, according to Kelly Downard, president and CEO of the Louisville Community Bank.

It seems that the Park DuValle neighborhood has turned out to be an unlikely drawing card, says Gerwing.

"There are people with fond memories of West End, but the realtors steered me away," has to come home at one point to take care of their own. upbeat place by the way we feel about it."
"I want to live in an environment that revolves around family," knew you down the street. We looked out for each other.

Park DuValle," she says. "Especially people who grew up there in the '50s and feel bad about what it became. These are some of the people that we are attracting."

Cash rebates have also helped lure homebuyers to the new Park DuValle homes.

The Louisville Real Estate Development Co., an affiliate of the Louisville Community Bank that is helping provide financing for the homes, is offering incentives for people who decide to build homes in Park DuValle. Some of the early homebuyers will receive as much as $20,000 when their homes are completed. As sales have picked up, the cash incentives have decreased to the point that people buying homes now can expect to receive "around half" as much as the early-birds, says Downard.

"The people that are moving in are risk-takers in a sense," says Kim Bursey, the Louisville Real Estate Development Co.'s executive director. "Our challenge is to make it new and exciting. That always goes back to the core issue of quality. All the people that come here want more out of life than they currently have.

"The early indication is that we are meeting a pent-up level of demand for high-quality housing (in West Louisville). These people are willing to bet their net worth on a neighborhood with decades of bad headlines."

Eight homebuilders were handpicked for this project, based on their track record in constructing affordable homes and their ability to work within the project's design criteria.

The Housing Partnership created a "pattern book" for the builders that dictates construction specifications. For example, homes in Park DuValle are required to have front porches, their ground floors must be elevated a certain distance above grade, and interior rooms must have nine-foot-high ceilings. The selected builders also have to keep costs in the $60- to $80-per-square-foot range.

The purpose of the pattern book is to give a common look and feel to Park DuValle homes. "We don't want people to be able to tell the rental homes from the ownership homes," says Kathy Moorhead, the Housing Partnership's former Park DuValle project manager. "If every home has the same floor-to-ceiling height, it's hard to tell the difference from outside."

"We wanted to build a subdivision that did not fight the neighborhood in its design," Gerving says. "The pattern book allows us to do that. We are asking people to build $200,000 homes next to $80,000 homes. You don't usually see that. The whole idea of what is being called 'New Urbanism' is mixed-income families living in the same..."
The third phase of the revitalization, set to start this fall, will include the construction of a Town Center that will house commercial ventures and the Park DuValle Health Center; an independent-living complex for the elderly; a neighborhood clubhouse; and more rental and ownership homes.

By the time the entire project is finished — in 2004 if all goes according to plan — more than 1,100 new homes, townhouses and apartments will have been built in Park DuValle.

If the Park DuValle Revitalization is successful, it will become the national model for mixed-income communities in the coming decades, says Willie Jones, senior vice president of Community Builders, Inc., a Boston-based nonprofit organization that has served as the master developer of the revitalization project.

Community Builders has construction projects underway in Boston, New Jersey and Pittsburgh, but Jones says none of them have the scope of the Park DuValle project.

"Park DuValle is becoming the poster child of urban revitalization," Jones says. "Sometimes, I feel like a tour guide because so many people from out of town are coming to look at it."

When Community Builders advertised last October that it would begin accepting pre-

of." Jones says. "Use minority businesses' was somewhat of an overarching mantra."

Jones believes that Park DuValle can have a positive economic impact on the community surrounding it by providing construction jobs and attracting other employers such as a pharmacy or a Wal-Mart store.

"If this thing is done right, the neighborhoods adjacent to Park DuValle will get an immediate benefit," Jones says. "We are already seeing some signs of that. People are renovating their houses and nearby homes are selling. These are all signs of economic success in the neighborhood."

Louisville Mayor Dave Armstrong is one of the staunchest supporters of the rebirth of Park DuValle. Although the project started under his predecessor, Jerry Abramson, Armstrong has made urban development one of the main goals of his administration. At his request, $3 million was added to the most recent city budget to stimulate downtown housing construction. And earlier this year, the city, in partnership with a private lender, created a $3.6 million low-interest loan pool for investors planning to build privately owned, unsubsidized housing in downtown Louisville.

Armstrong says he is hoping that the success at Park DuValle leads to similar projects throughout the city.

Priscilla Daniels says. "When I grew up, everybody

That's the kind of environment I want my sons to grow up in."

applications for rental homes, the company hoped to get at least 600 applicants on the first day of sign-ups. Jones recalls. At the end of that day they had received 1,839 pre-applications — about half of them from people who had once lived in Cotter or Lang Homes. (Former Cotter and Lang residents were given priority in the application process.) Since then, the company has received more than 1,000 additional pre-applications for the 213 rental units.

By September 1999, 94 of the units were occupied and another 50 families had signed leases.

"The response has really been off the charts," Jones says.

In keeping with the project's mixed-income goals, the rental fees were set according to family income. Of the first 50 leases, 11 paid full market prices, nine received
"I've always wanted a driveway," says Evie Gill. "I've had That's the first thing I told the builder, and he says

"You can take Park DuValle where it was 10 years ago," Armstrong says. "It was a notorious part of the city. Now it is a model for the rest of the nation. It's like the phoenix rising from the ashes."

Armstrong says he also likes the fact that the Park DuValle development has raised Louisville's national profile. He recently took part in a live teleconference meeting with HUD Secretary Andrew Cuomo and the mayors of several other cities that are considering developments similar to Park DuValle.

But Armstrong says he realizes everyone involved is risking a lot on this project — maybe even more than the $180 million in direct financial investments. If Park DuValle were to fail, he says, it might make similar public and private partnerships less likely in the future.

"The risk is always there whenever you do something of this magnitude," Armstrong says. "Unless you can sell the fact that this is a quality area, people will not come back. It takes faith on the part of the city and the people involved. We are all in this together and working hard. This could be the crowning achievement for a neighborhood that has gone through many changes."

Although the West End still lags behind the rest of the county in new housing starts, there has been some recent home-building activity in the West End outside of Park DuValle. Some new homes have been built in recent years in the Russell neighborhood. And developer David Schank is selling lots in Fontaine Estates, in the Shawnee neighborhood, for homes in the $150,000 to $200,000 price range.

But sales in his development have been fruitful, Schank says. Since he started the project in 1996, he has sold 10 lots — six homes have been completed and four are under construction — and that's with the attraction of the Shawnee Golf Course and the nearby RiverWalk.

If the Park DuValle plan is successful, it will do more than change a neighborhood — it could alter West Louisville as we know it. Former state Sen. Georgia Powers says she believes that the decline of segregation in the 1960s and '70s led to a leadership vacuum in the West End, as many of the community's middle-class, more highly educated African-Americans moved out to the predominantly white suburbs.

Powers was a co-sponsor of the 1968 Kentucky Open Housing Law, which made that kind of migration possible in the first place. She recognizes that such desegregation area of extreme poverty. Although a few white families have moved into the Park DuValle development, the vast majority of the rental applicants and homebuyers have been African-American, who make up 30 percent of Louisville's population. According to an estimate from the state's Data and Statistics Bureau, approximately 75 percent of the city's black population lives in West Louisville. Exact numbers are impossible to come by because no one agrees on the exact boundaries of West Louisville.

But Blaine Hudson, a University of Louisville Pan African Studies professor, says that encouraging African-Americans to move back to Park DuValle inadvertently keeps the majority of Louisville's African-American population in West Louisville.

"Louisville is like a race-and-class crazy quilt," he says. "While you obviously want to improve housing in a community, you also have to look at it as investing in segregation. I think there are some fundamental questions about (the Park DuValle) development that I don't think Louisville has asked itself."

Gerwing, who is white, acknowledges that there is a lack of diversity at Park DuValle,
but she says that a more balanced racial mix will come as the project is more successful. "I think of things economically, not ethnically," she says. "I'm sure there are people of my ethnic heritage who don't know where Park DuValle is. But they will probably go there for parties or for some other reason. Then they will see what is going on, and they will become buyers. I think diversity will happen eventually."

Vicki Stone, a Park DuValle spokesperson, says attracting people with mixed incomes, not racial diversity, has been and still is the development's main goal.

Jeff Segal, an attorney for the Legal Aid Society, is one of the few non-African-Americans who is building a home in the Villages. In fact, Segal, 58, says he specifically searched for a place like Park DuValle.

"I was looking around to buy a house," Segal says. "I was particularly looking to do so in an inner-city neighborhood. It just turned out that this project had nice incentives and offered me the greatest flexibility as far as builders. A further attraction is the cutting-edge aspect of the community."

So far, Segal says, he knows of only one other non-African-American homebuyer.

Evie Gill was about to abandon West Louisville until Park DuValle came along. Gill moved to Louisville in 1964, and for most of that time she's lived in the city's West End. Now Gill says she excited about moving into the Villages.

"I always wanted a driveway," she says. "I've had two cars hit because I had to park on the street. That's the first thing I told the builder, and he says he could do it. . . . I'm just really excited about everything."

Marshall Gazaway has been trying to get people excited about West Louisville for a long time. Gazaway is a member of the Park DuValle Neighborhood Advisory, a group of area residents that has worked closely with the Housing Authority on the revitalization project. Gazaway attended meetings about the project even before the neighborhood group got involved.

"The Housing Authority came by to see what they could do to be a good neighbor," Gazaway says. "Since then I have been keep-

Power Players

The Park DuValle Revitalization effort is being led by a team of public and private entities. Here are thumbnail sketches of some of the key players:

The City of Louisville is manager of the project team and has provided substantial Community Development Block Grant funds for the revitalization effort.

The Housing Authority of Louisville owns the 125 acres that comprise the Park DuValle Revitalization. HAT also provides loans to some participating developers and eligible homebuyers.

National City Community Development Corp. provided more than $800,000 in loans to buy the nine Modal Village homes.

The Park DuValle Neighborhood Advisory Council and the Park DuValle Revitalization Policy Board are community groups that provide support and guidance to the project.

PNC Bank has provided more than $16 million in loans and investment money for the Phase II rental development.

The Community Builders Inc., a nonprofit real-estate-development company, is the master developer for Phases II and III. TCB is building 235 rental homes in Park DuValle and is responsible for the construction of streets and utilities.

The Housing Partnership Inc., a nonprofit agency that promotes construction of affordable housing, is co-developer of the 126 for-sale homes in Phase II, focusing on marketing and construction of the new homes.

Louisville Real Estate Development Co., an affiliate of the Louisville Community Bank, is co-developer of the Phase II for-sale homes, focusing on construction financing and buyer incentives.

U.S. Department of Housing and Urban Development is the sponsoring federal agency for the revitalization project.

"two cars hit because I had to park on the street. he could do it . . . . I'm just really excited about everything."
Park DuValle Phase III Rental Housing

PROJECT OBJECTIVES
This is the third of five phases of the rental-housing program. Phase I consisted of 100 mixed income rental units. Phase 2 included 213 mixed income rental units. Phase III will include approximately 112 units of rental housing. Unlike Phases I and II, Phase III will consist of a 62 unit elderly housing building with commercial and service space on the first floor, an 18 unit family apartment building, and 32 units of family rental housing in buildings similar to Phase II.

The Phase III rental program is designed to develop and finance an elderly component with services that are subsidized by the family housing components. In addition, Phase III will be used to anchor the Town Center by providing scale and massing that depicts a “place.” There will be sufficient commercial space in the Phase III buildings to initiate the Town Center component of the neighborhood revitalization. By initiating the commercial node, we expect to attract other commercial and retail developers to “build-out” the Town Center.

FINANCIAL NOTES
1. Unit Mix, Operating Income And Expenses summary will identify the unit mix, rents, building types, and projected operating expenses for the entire property.
2. Unit Mix, Operating Income And Expenses For Market-Rate Units shows that the market units carry the majority of debt.
3. Sources And Uses Of Funds is a summary of the Total Development Costs and how they are funded.
4. Long Term Operating Proforma is a summary of how the deal is expected to perform after full occupancy is achieved.
5. Project Development Costs is the detailed uses budget.

DISCUSSION ISSUES
A. How does this phase contribute to the overall neighborhood development objectives?
B. Is it appropriate for the multifamily market units to bear the costs of subsidizing services for the elderly?
C. Can this modest amount of commercial space "initiate" future commercial development?
D. Will this model sustain itself?