

Evansville Arts Redevelopment District Neighborhood Revitalization Strategy Area Plan Extension Request

In 2011, the Evansville Arts Redevelopment Neighborhood Revitalization Strategy Area was established by the City of Evansville. Listed below are the accomplishments achieved with this designation. The City of Evansville wishes to extend the designation to develop affordable housing and complete some infrastructure improving the flow of traffic entering the area. In 2018, \$100,000 is allocated to the NRSA. No other changes are anticipated at this time.

The Arts District Study Area is bound by Chestnut Street and Cherry Street to the north, Martin Luther King Boulevard, Eighth Street, Garvin Street and Culver Drive to the east, the area between Culver Drive and Veterans Memorial Parkway (I-164) that extends beyond Cass Avenue to the south, and Veterans Memorial Parkway and the Ohio River to the west. (Census Tracts #11, #12, #13, and #17).

The Neighborhood Revitalization Strategy Area located in the Evansville Arts Redevelopment District was established in 2011, and successfully completed a majority of its original performance measures identified in the plan.

Educational Attainment/Basic Employment Skills

Goal 1: To increase the number of persons with Professional and Graduate degrees from 5.63 to 7% by December 30, 2013, with the implementation of a new Bachelor of Fine Arts Program and eventually the implementation of a Master of Fine Arts Program, through collaboration with local universities tied to a sculpture project within the defined proposed NRSA.

- *2013 Contractors License Program – The Building Commission conducted residential and commercial license classes in the NRSA. Four sets of text books were purchased with CDBG funds and rented for \$100, to LMI eligible students. In addition to the purchase of the books, some of the cost of license testing at Ivy Tech Community College was paid by the program. \$6,832.69 CDBG funds were spent on this activity.*
- The six new businesses and two expanded businesses identified in vacant properties created 90 new jobs in the NRSA neighborhood.

Goal 2: To have five additional graduates by December 30, 2012, through the Even Start Program housed in the Culver Family Learning Center. N/A

Public Safety

Goal 1: To install 17 street lights within the area by September 30, 2012, to increase the visibility and overall safety within the area. Since 2012, forty (40) street lights within the NRSA have been installed.

Goal 2: To install 18-20 blocks of new sidewalks within the proposed NRSA to be completed by June 30, 2012.

The City poured approximately 5,250 feet of sidewalk with \$245,000 of both federal and local funds.

Vacant Properties

Goal 1: Incentivize and attract 2-3 new and /or existing businesses per year to the proposed NRSA through monetary incentives with Community Development Block Grant (CDBG) funds as a percentage match to the developer, based on capacity, need of the community, and foundation of the community and the proposal directly correlating with the objectives of the revitalization efforts through arts and cultural development.

Six (6) new businesses and two (2) expanded businesses using CDBG and local funds.

Sixth Street Soapery aka Soap Solution 44 Washington Ave	CDBG	\$16,709
Walton's International Comfort Food 956 Parrett St.	CDBG	\$50,000
Bokeh Lounge 1007 Parrett	CDBG	\$49,650
Sauced Restaurant 1119 Parrett	CDBG	\$37,499
The Dapper Pig 1112 Parrett	Local Funds	\$14,000
Amy's Fountain View Market 37 Adams	Local Funds	\$8,000
Ahead of the Rest Patio Furniture 1008 Parrett	Local Funds	\$5,000
Evansville Brew House 56 Adams	Local Funds	\$25,000

Six (6) Private Developments – All funded with Private funds.

Mo's House 1114 Parrett		
StaD Gallery 416 Washington		
Stef L's Amour 936 Judson		
Emily Gartner Designs 611 Washington		
A McKeeson Specialty Health Office 401 SE Sixth St. - 100 new jobs		

Goal 2: To transfer a vacant, historic, rental property for extensive rehab and re-use to a private developer looking to match the investment with approximately \$1 million of private funds to bring the structure back to a useable state by December 31, 2012.

- The Evansville Land Bank and the Evansville Brownfields Corporation transferred Four (4) new multi-family units for market rate housing, and twenty (20) multi-family units were rehabbed
- May-Belle Montrose -Rehab of 13 mixed-use apts. (acquisition, demolition, and disposition)
1011 SE Second Street CDBG \$559,991
- Liberty Terrace
725 Liberty Way CDBG \$423,850
Low-Income Sr. Hsg. – energy efficiency repairs
- 1882 Owen Block – Rehab 15 market rate apartments Local Funds \$50,000
121-127 Chestnut St.

Goal 3: By July 30, 2012 transfer two vacant, historic, homes, to CHDOs and/or private developers for extensive rehab for homebuyer occupants.

- *The Evansville Land Bank (ELB) and the Evansville Brownfields Corporation transferred within the NRSA two (2) single family homes for rehab and thirty-one (31) parcels for new single family homes.*
- *ELB market rate transfers - Six (6) rehabbed single family units and Four (4) new single family homes, with seven more completed in 2019*
- *HOPE of Evansville, Inc., (CHDO) build the following single family homes in the NRSA*

- 37 E. Blackford HOME \$125,578
- 1167 Parrett St. HOME \$78,000
- 1203 Parrett St. HOME \$100,000
- 908 SE Sixth Street HOME \$207,218

Goal 4: Fifty vacant, blighted houses will be demolished by July 30, 2012

The Evansville Land Bank and the Evansville Brownfields Corporation transferred 107 parcels within the NRSA creating subsidized housing units

- EBC 2012 \$297,000 CDBG
- EBC 2013 \$213,000 CDBG
- EBC 2014 \$150,000 CDBG

Brick and Mortar Development

Goal 1: To have a developer in place, and design specifications for a mixed-use development including restaurant, retail, live-work, and business at the corner of Jefferson Avenue and 2nd Street, in the heart of the proposed NRSA currently referenced as the “Jefferson Project” by December 31, 2012.

22 Jefferson - Rehab and Mixed use art gallery, studio, and living space \$50,000 CDBG

Haynie’s Corner Fountain and Parrett St. Walkway \$10,070 CDBG

Two (2) Parking Lots

- Haynie's Corner Parking Lot- drainage CDBG \$551,227
9 Washington
- Parrett St Parking Lot CDBG \$103,350

Goal 2: To allow for a mixed-income single-family housing project through an existing CDHO, 51% of which will be LMI Single-family housing and 49% of which will allow for "Market Rate" Single-family housing that will create mixed-income neighborhood, with sustainable elements as identified in the other goals listed. The goal is to have construction underway by January 2013.

- 31 Washington Owner-Occupied Rehab 2014 CDBG \$35,712
- 23 Washington Owner-Occupied Rehab 2013 CDBG \$30,875

Demographics

Bowen National Research (BNR) prepared the Housing Needs Assessment for the 2018 Annual Action Plan. BNR reported the following population and household trends in the Arts District Study Area, (ADSA) using data from the 2000 to 2010 Census; ESRI, and Urban Decision Group.

The ADSA population grew from 2010 and 2017 within the NRSA, when the population increased by 80 (2.7%) and households increased by 50 (3.4%). According to BNR, the trends are projected to continue to grow at the same rate from 2017 to 2022, increasing by 47 (1.5%) people and 30 (2.0%) households.

The population and household trends of the Arts District Study Area (ADSA) are illustrated in the table below:

	Total Population		Total Households	
	ADSA	Evansville	ADSA	Evansville
2000 Census	3,514	121,540	1,738	52,249
2010 Census	2,996	117,429	1,459	50,588
Change 2000-2010	-518	-4,111	-279	-1,661
Percent Change 2000-2010	-14.7%	-3.4%	-16.1%	-3.2%
2017 Estimated	3,076	119,600	1,509	51,504
Change 2010-2017	80	2,171	50	916
Percent Change 2010-2017	2.7%	1.8%	3.4%	1.8%
2022 Projected	3,123	121,050	1,539	52,143
Change 2017-2022	47	1,450	30	639
Percent Change 2017-2022	1.5%	1.2%	2.0%	1.2%

Source: 2000, 2010 Census; ESRI; Urban Decision Group; Bowen National Research

In 2017, 55% of the households living in the ADSA were making less than \$35,000 a year. BNR reported that between the years 2017 to 2022 the greatest projected growth will occur among households with an income of \$75,000 or higher, including some growth with incomes below \$15,000. Concluding, the ADSA will likely experience a growing need of affordable housing to low-income households and higher-end market-rate products.

Notable demographic findings included:

1. Approximately 1,015 people of the total population within the Arts District Study Area live in poverty.
2. Approximately 2.7 % of the renter households are living in substandard housing, compared to 4.7% of the overall Public Service Area.
3. An approximate share of 49.1% of the renter household are considered “rent burdened”, representing households that pay 30% or more of their annual income towards rents.

		Households by Income									
		\$15,000 -	\$25,000 -	\$35,000 -	\$50,000 -	\$75,000 -	\$100,000 -				
		<\$15,000	\$24,999	\$34,999	\$49,999	\$74,999	\$99,999	\$149,999	\$150,000+		
ADSA	2017	357 (23.6%)	225 (14.9%)	261 (17.3%)	201 (13.3%)	193 (12.8%)	115 (7.6%)	89 (5.9%)	69 (4.6%)		
	2022	366 (23.7%)	218 (14.1%)	265 (17.2%)	204 (13.2%)	193 (12.5%)	127 (8.2%)	97 (6.3%)	73 (4.7%)		
	Change 2017-2022	9 (2.5%)	-7 (-3.1%)	4 (1.5%)	3 (1.5%)	0 (0.0%)	12 (10.4%)	8 (9.0%)	4 (5.8%)		
Evansville	2017	8,914 (17.3%)	7,298 (14.2%)	7,350 (14.3%)	8,624 (16.7%)	8,956 (17.4%)	4,748 (9.2%)	3,785 (7.3%)	1,832 (3.6%)		
	2022	9,270 (17.8%)	7,298 (14.0%)	7,284 (14.0%)	8,421 (16.1%)	8,552 (16.4%)	5,176 (9.9%)	4,190 (8.0%)	1,957 (3.8%)		
	Change 2017-2022	356 (4.0%)	0 (0.0%)	-66 (-0.9%)	-203 (-2.4%)	-404 (-4.5%)	428 (9.0%)	405 (10.7%)	125 (6.8%)		

Source: 2000 Census; 2010 Census; ESRI; Urban Decision Group; Bowen National Research



As of 2016 the City is working with the Neighborhood Revitalization Group to build 50 more housing developments in the Arts District and a streetscape plan to start in 2018. This includes plans to build a roundabout at the intersections of Jefferson Street, Parrett Street, and Southeast Second Street.

Housing Supply

Rental Housing – Bowen National Research surveyed six (6) multifamily housing projects containing a total of 193 units within the Arts District Study Area. Illustrated below are the results:

Multifamily Rental Housing Supply					
Program Type	Projects Surveyed	Total Units	Vacant Units	Occupancy Rate	
Market-rate	5	153	9	94.1%	
Tax Credit	1	40	0	100.0%	
Total	6	193	9	95.3%	

The Tax Credit project which serves low-income households is fully occupied and maintains a wait list of 12 households. This illustrates the high demand for multifamily rental housing in the ADSA.

For-Sale Housing – Bowen National Research used Multiple Listing Service to evaluate the housing stock in the ADSA.

Available For-Sale Housing							
Total Units	% Share of PSA	Low List Price	High List Price	Average List Price	Median List Price	Average Days On Market	
Arts District Study Area	7	\$24,900	\$399,000	\$170,486	\$149,900	146	
PSA - Evansville	327	\$9,000	\$489,000	\$94,408	\$73,900	132	

The seven homes available for purchase in the Arts District Study Area have a median list price of \$149,900, which is roughly double the overall PSA median list price of \$73,900. When comparing the average number of days on the market for available products in the ADSA as 146, and the PSA as 132, the report demonstrates a strong for-sale market.

Between 2017 and 2022 the ADSA will experience a need for affordable housing to low-income households and higher-end market-rate product. With the many revitalization efforts completed, underway, and planned, the Arts District is expected to experience positive economic and demographic growth.

The City of Evansville, Indiana

Neighborhood Revitalization Strategy Area

Department of Metropolitan Development
Office of Community Development



2011

Contents

Introduction.....3

I. Neighborhood and Demographic Criteria4

 A. Location.....4

 B. Land use.....5

 C. Demographics.....7

 D. Economics.....32

Community Consultation28

Assessment.....30

Economic Opprotunities.....33

Performance Measures35

Introduction

This application is to designate an area of the City of Evansville, Indiana as a Neighborhood Revitalization Strategic Area (NRSA). The application will follow a basic outline of the five identified key items found in Chapter 10.3 of *Basically CDBG*.

The area around the Alhambra Theatre, colloquially referred to as Haynie's Corner, has been the focus of many revitalization efforts. Despite valiant efforts to redevelop, the area remains blighted and property values continue to fall. The decline in property value has numerous causes. Two main causes are a disproportionate number of rental properties that have not been properly maintained for decades and the lack of major reinvestment needed to bring the current housing stock up to standard. Other factors play a role such as poor infrastructure including sidewalks, utilities, alleys and streets.

The greater portion of this area has been designated as the Evansville Arts Redevelopment Area and is now the subject of this NRSA proposal. The boundary of the proposed NRSA is composed of block groups within four (4) census tracts; tract #11, #12, #13, and #17. The boundary was created using the existing Evansville Arts Redevelopment Area Boundary and the census blocks which touched or that are transected by this boundary. The Evansville Arts Redevelopment Area is an effort to connect all past efforts and plans for the purpose of guiding the future of the area and to provide a means to achieve greater reinvestment and revitalization. The Evansville Arts Redevelopment Plan created concepts and goals to usher and allow new investment opportunities into the area. The holistic vision of the plan is to create an aesthetically pleasing urban residential area where property values and economic stability increase over time by increasing neighborhood retail, commercial and business uses in the existing commercial areas, rehabilitation of existing structures (residential and commercial), and the new construction of residential and commercial structures reflective of the existing neighborhood. This revitalization will change the lives of the residents in this area allowing for opportunities including jobs, accessibility, and decent housing. This plan can be achieved by viewing projects holistically, providing incentives for reinvestment using a traditional, new urbanist neighborhood model, establishing creative flexible zoning, and executing the plan over the long term.

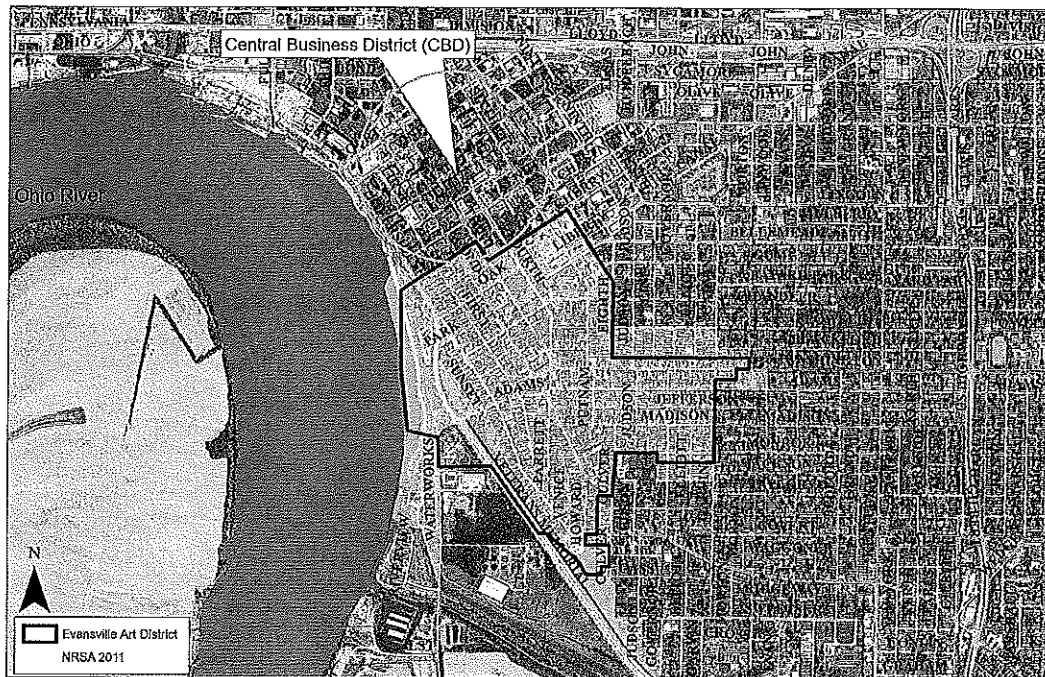
The condition of the proposed NRSA neighborhood reflects the state of many near downtown neighborhoods. These neighborhoods are experiencing declining property values, historic lack of reinvestment and extreme blight. This proposed NRSA neighborhood has been the focus of a comprehensive redevelopment plan with many tools being implemented in one central location. The hope of

the Community Development Office, Department of Metropolitan Development and neighborhood residents increased focus will bring in public and private reinvestment and provide a catalyst for change.

The Neighborhood Revitalization Strategy Area (NRSA) is an additional tool to achieve the goals of the Evansville Arts Redevelopment Plan and help implement the vision of the neighborhood residents. The proposed NRSA will create a basis to focus federal funding and flexibility to provide the needed support to formulate a successful neighborhood revitalization effort.

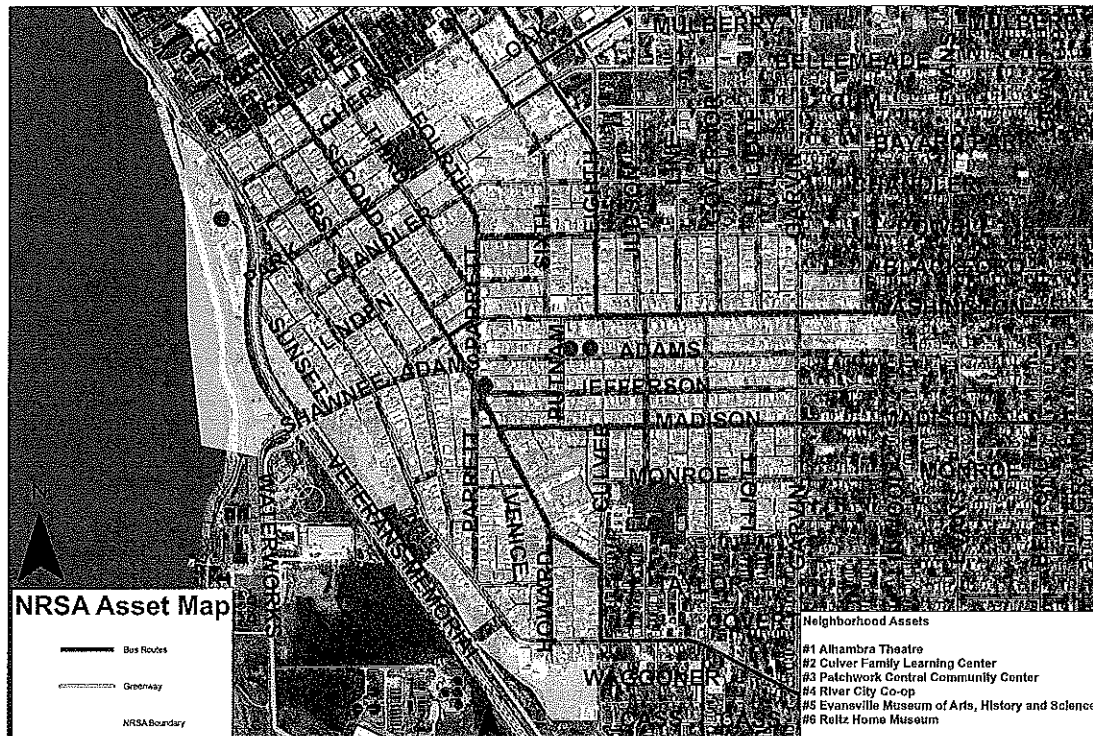
Neighborhood and Demographic Criteria

A. Location



The proposed Neighborhood Revitalization Strategy Area (NRSA) is located in the City of Evansville, immediately south of the City's Central Business District. It is approximately 1784 acres. This area was chosen as the proposed NRSA due to the proximity to downtown and apparent need within the census tracks.

This area has many benefits including the implementation the Evansville Arts Redevelopment Area, which established a mixed use, live/work overlay zone, Tax Increment Financing (TIF) Area and design guidelines for structures within the defined area.



This location was also chosen because of the number of assets located in the area. The NRSA area has many critical and beneficial assets within and near the boundary. The map depicts the number and location of many of the assets such as bus routes, Greenway, Alhambra Theatre, Culver Family Learning Center and Evansville Museum of Arts, History and Science. All of these assets play a critical role in the success of the efforts within the NRSA. They also play a role in attracting new investment to the NRSA.

B. Land use

Overview

The proposed Neighborhood Revitalization Strategy Area (NRSA) is located in the urban core of Evansville. This area is characterized as a Traditional Neighborhood Development (TND) on small parcels with a traditional gridded street pattern and many historic structures in the area. The NRSA also contains three large National Register Historic Districts and one Local Preservation Area. The National Register Districts are the Washington Avenue Historic District, Riverside Historic District and Culver Historic District. The local district is known as the Old Evansville Preservation Area or Original Evansville Preservation Area. All of the districts contain many architecturally significant,

iconic structures and periods of significance that range from 1890's to the 1940's. Some of the homes retain their historic integrity; in direct opposition, many of the structures have fallen into various states of disrepair and demolition by neglect.



The area is also home to the historic Alhambra Theater located in the heart of the Evansville Arts Redevelopment Area and the proposed NRSA area. The core of this neighborhood was a bustling commercial center during the “heyday” of the area. The Alhambra Theater along with the Haynie’s Corner Drug Store were the mainstays of the neighborhood commercial center. Over the years, other businesses such as a doctor’s office, video store and a bar called the corner home. Today, there are six businesses remaining at the corner; two bars, a print shop, catering/event center, convenience store, and an interior design gallery.

Residential

Single family residential parcels of land compose 65% of the total land use and multifamily residential compose 3% of the total land use. Together both of the residential uses compose 68% of the total land use within the proposed NRSA. This area is a compilation of four neighborhoods which all converge at a central commercial point known as Haynie’s Corner. The four neighborhoods contain many historic structures and a pattern of traditional grid streets very conducive for connections to transit, pedestrian orientation and redevelopment of traditional small lot neighborhoods.

Commercial

Retail and commercial uses only contribute 3% to total land use of the proposed NRSA. The majority of retail commercial uses are clustered near the center of the proposed NRSA around a five corner intersection. Traditionally this area was the center of commercial activity hosting many neighborhood-oriented businesses. Currently, this area is predominately vacant with only a few businesses not service oriented or providing essential services for residents of the neighborhoods. By establishing a NRSA, the City of Evansville will secure the basis of federal funding to accommodate Commercial Live/work spaces, construction of additional housing, and the ability to add amenities to the neighborhood such as grocery, retail, and restaurant facilities that will aid in the revitalization efforts and the sustainability of a mixed-income, mixed-use, neighborhood.

Vacant and Exempt

Vacant land makes up 11% of the total land use within the proposed NRSA boundary. Exempt land, which is owned by non-profits, religious organizations or governmental entities, represents 18% of the total land use. Collectively, both uses make up 30% of the total land use. Included in the exempt land are two public parking lots and Goosetown City Park. The parking lots are located within the cluster of commercial use structures and are in the core of the proposed NRSA. The park is located in the first residential block from the commercial center of the NRSA.

C. Demographics

Population Change:

The chart bellow details the changes in population between 2000 and 2010 censuses in the NRSA Block Groups. The total population of the NRSA Block Groups show decline over the ten year period. While some smaller subgroups grew, the majority of racial categories are showing negative population growth. The Hispanic or Latino population experienced the most significant growth in terms of actual additional numbers of people.

Race - Total Population	Census 2000 NRSA Boundary	Census 2010 NRSA Boundary	Percent Change	Real Change
Total:	4412	3500	-26	-912
White alone	2932	2285	-28	-647
Black or African American	1335	996	-34	-339
American Indian and Alaska Native	8	4	-100	-4
Asian alone	20	15	-33	-5
Native Hawaiian and other Pacific Islander	1	2	50	1
Some other race	16	9	-78	-7
Two or more races	100	119	16	19
Hispanic or Latino	48	70	31	22

U.S. Census Bureau

The racial population chart shows that the largest of the racial population categories, White alone and African Americans, lost significant population over the last ten years. This decline may be directly correlated to the increased number of foreclosures and demolition of unsafe structures within the area.

Population below the Poverty Level

Median family income (MFI) serves as one of the most important measures of “need” in Community Development. The MFI acts as a qualifier for public assistance in terms of housing, utility assistance, various social services, and when taken in average serves as a community qualifier, which allows governments and agencies to create areas, like our “focus area,” in which to concentrate services.

It is reasonable to assume that the city, which comprises the largest population center in the Metropolitan Statistical Area (MSA), has seen its MFI grow at roughly the same rate as the region.

2011 HUD INCOME GUIDELINES For the Evansville Metropolitan Statistical Area
Median Income - \$62,900 (As of May 2011 We are awaiting the 60% of Median Information)

Number in Household	30 % of Median (Extremely Low Income)	50% of Median (Very Low Income)	80% of Median (Low Income)
1 Person	\$13,200	\$22,050	\$35,250
2 Persons	\$15,100	\$25,200	\$40,250
3 Persons	\$17,000	\$28,350	\$45,300
4 Persons	\$18,850	\$31,450	\$50,300
5 Persons	\$20,400	\$34,000	\$54,350
6 Persons	\$21,900	\$36,500	\$58,350
7 Persons	\$23,400	\$39,000	\$62,400
8 Persons	\$24,900	\$41,550	\$66,400

The U.S. Department of Housing and Urban Development (HUD) issues their MFI requirements derived from MSA statistics. While this gives HUD a regional standard on which to base their computations of extremely low, low, and moderate incomes; the actual affect of basing MFI off a larger statistical sample is that the measure is inflated when applied to any specific place within the MSA,

instead of the whole. For 2011 HUD calculated the MFI of the Evansville-Henderson MSA at \$62,900. Estimated median household income for the City of Evansville in 2009: \$34,567 (it was \$31,963 in 2000).

Evansville's Estimated per capita income in 2009 was \$21,237, roughly \$12,488 below the state Estimated per capita income in 2009 at \$33,725.

Very Low Income

Based on the 2000 Census, the county's median income for families was \$47,416 and for households, \$36,823. In the city, the median household income was slightly lower at \$31,963, but median income for women was \$21,776 compared to \$30,992 for men (based on year-round full-time work.) The number of people with income below poverty level in the County was 18,414 or 11.2% in 2000, a decrease from 12.5% living below poverty in 1990. Generally, incomes in the urban core were the lowest and were the highest in the transitional and rural areas.

Very Low Income Renter Households-This group represents a substantial housing need in Evansville. According to 2000 census, 9737 Very Low-Income Renter Households comprise 46% of all renter households in Evansville. 70.9% of all very low income households are experiencing a housing cost burden in excess of 30% and 51.5% is experiencing a cost burden in excess of 50%.

Very Low Income Owner Households- This group numbered 5,706 in 2000, comprising 23% of all low income households. A housing cost burden in excess of 30% was experienced by 45.2% of this group. Those households with incomes at or below 30% of median family income have a considerably higher incidence of excessive cost burden than did the households with incomes between 31% and 50%.

Low Income (Incomes between 51% and 80% of median family income)

Low Income Renters- This group numbered 4,654 with 21.7% experiencing a housing cost burden in excess of 30% and only 1.5% burdened with housing costs over 50%.

Low Income Owners- This group totaled 6,119. It is interesting to note that the elderly make up forty-two (42%) of this homeowner category. However, only 14.7% of the elderly low income homeowners are experiencing a housing cost burden of over 30% as compared to the 25% of the non-elderly low income homeowners. Many low income elderly homeowners have paid their mortgages in full, and do not have this as an outstanding debt.

Moderate Income: (Incomes between 81% and 95% median family income)

Moderate Income Renters- This group totaled 6,559 or 31% of the renter population. Comparing the 1990 CHAS figures with only 1,760 renters and the 2000 CHAS data with a total of 6,559 this category has significantly increased. The elderly and large related households are experiencing a housing cost burden in this category.

Moderate Income Owners- This category comprises 62% of all homeowners. Only 2.8% of Elderly persons in this category experience a housing cost burden greater than 30%. Of non-elderly 8.3% report a cost burden in excess of 30%.

Elderly

Very Low Income and Low Income Elderly- Evansville has a very large senior population. Social Security recipients totaled 15,966 in 2000. There are 2,472 Elderly one and two member households and 60.1% of this group is experiencing a cost burden in excess of 30%. Elderly owner households numbering 3,330 comprised 58% of all very low-income owner households in 2000. Of the extremely low-income elderly homeowners, 62.6% experienced a cost burden greater than 30%. Many elderly homeowners have little or no debt on their property because time has allowed them to build equity. So, a substantial portion of the housing cost burden is due to utility costs in Evansville amounting to the third highest in the nation. Very low-income elderly households often defer maintenance and repair due to the lack of income resulting in substandard housing conditions. Rehabilitation programs addressing energy conservation and maintenance are a primary need for elderly households. The Community Action Program of Evansville (CAPE) administers the City of Evansville's Owner Occupied Rehab program utilizing HOME funds. Memorial Community Development Corporation administers the City of Evansville's Emergency Repair Program utilizing CDBG funds to address emergency repairs needed to owner-occupied structures, where the owner is income qualified.

D. Housing

Housing

Single family homes are the predominate type of structure in the proposed NRSA as noted in the Land Use section, 68% of the land use in the area is dedicated to single family residential. Single family homes compose 96% of the total residential uses in the area. Many of the single family residential structures in the area were built prior to 1920 (81%). Due to the size of some of the historic homes, they have been parceled off into multi-unit rental properties; this trend started after World War Two and still exists today. There are very few multifamily structures within the proposed NRSA representing only 3% of the total land use and 4% of the total residential structures within the area. The proposed NRSA has an extremely high disproportion of owner occupied verses rental units. The disproportion of rentals and lack of code enforcement over the past 30-40 years has lead to many of the homes falling below the City of Evansville's Property standards as addressed in the City of Evansville's Property Maintenance Code. Assessor data shows that the condition of a large portion of homes in the area is fair, poor or very poor. Based on housing stock age and assessor data the overall condition description of the proposed NRSA area is declining (66%).

Occupancy and Vacancy

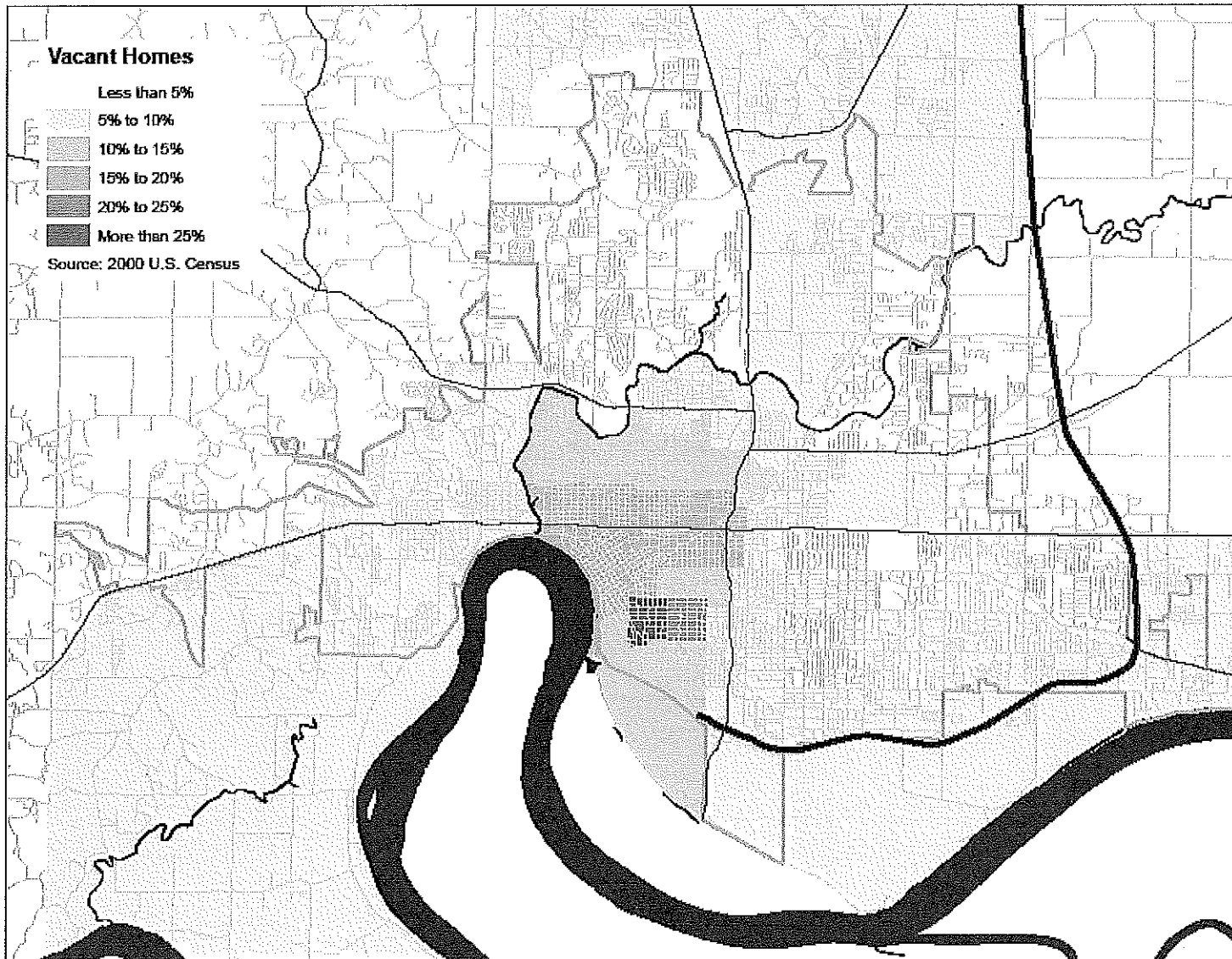
According to the 2010 Census, vacancy in the NRSA census blocks is greater than the vacancy within the City of Evansville as a whole. The 2000 Census showed 29% of the housing units within the proposed NRSA Boundary were vacant. Ten years later the amount of vacancy within the proposed NRSA Boundary had increased to 33% compared to 14% vacancy for the city as a whole. When compared to the entire city, this

information shows the area is in desperate need of revitalization including new construction, rehabilitation of existing structures, and implementation of sustainable elements including retail, neighborhood businesses, and infrastructure improvements. Another factor affecting vacancy within the proposed NRSA is the amount of demolition in the area by the City of Evansville without reinvestment by private developers. Many nuisances and dilapidated homes have been demolished over the last three years which has reduced the number of actual structures within the area affecting the base tax collection currently until reinvestment occurs within the area.

Housing Occupancy and Vacancy	City of Evansville, Indiana 2010	NRSA Boundary 2000	NRSA Boundary 2010
Total:	59256	2620	2174
Occupied	51892	2030	1638
Vacant	7364	590	536
Percent Vacant	14	29	33

U.S. Census Bureau

The map below visually illustrates the percentages of vacancies throughout the entire city. This map was created using 2000 Census data. Based on the information, the census tracks which the proposed NRSA is composed of are some of the highest vacancy percentages in the entire city. The dark brown represents more than 25% vacancy and is predominately found in what represents most of census tracks 12 and 17.



Home Values/Cost and Housing Affordability

Affordability is a main determinant in the choice of where and how one chooses to live. The key to affordability is not only income, which is reflective of wage rates, labor force patterns, unemployment rates, etc.; but also the cost of living and most importantly the cost of housing. Housing affordability varies within Vanderburgh County and surrounding counties, particularly for single family housing.

According to the 2009 Census data, the median home value for all owner-occupied units ranged from \$89,000 in Evansville to \$195,543 in the nearby Town of Darmstadt. That is, the median value of owner-occupied housing in the most expensive place in Vanderburgh County was more than double the median valued unit in Evansville. The median home value for all of Vanderburgh County was \$112,800. The Census did not report this data for the unincorporated county, but it is likely to be similar to the countywide median home value.

The gap in median rental prices was smaller. The highest median rent of \$802 in Darmstadt was \$156 higher than the median rent for Evansville at \$646 and \$129 higher than the Vanderburgh County median rent of \$673. Exhibit II-E shows the median value of owner-occupied units and the median rents in 2000 and 2009 for places in the county, the state, including Indianapolis, and a nearby city, St. Louis, MO and the incomes required to afford them.

Exhibit II - E Median Home Values & Gross Rents, Affordability

Median Home Value & Gross Rent with Income Required for Affordability				
	Median Home Value	Income required to Afford Median Home	Median Gross Rent	Income Required to Afford Median Rent
2000 Census				
City of Evansville	\$69,300	\$20,790	\$454	\$13,620
Town of Darmstadt	\$144,300	\$43,290	\$575	\$17,250
Vanderburgh County	\$81,100	\$24,330	\$458	\$13,740
City of Indianapolis	\$106,584	\$31,975	\$590	\$17,700
St. Louis, MO	\$73,776	\$22,133	\$477	\$14,310
Indiana	\$92,500	\$27,750	\$521	\$15,630

Note: The income needed to afford the median value home is based on the common assumption that an affordable home is three times the annual income of an individual. Source: U.S. Census Bureau www.census.gov

Median Home Value & Gross Rent with Income Required for Affordability				
	Median Home Value	Income required to Afford Median Home	Median Gross Rent	Income Required to Afford Median Rent
2009 Census				
City of Evansville	\$89,000	\$26,700	\$646	\$19,380
Town of Darmstadt	\$195,543	\$58,662	\$802	\$24,060
Vanderburgh County	\$112,800	\$33,840	\$673	\$20,190
City of Indianapolis	\$120,400	\$36,120	\$715	\$21,450
St. Louis, MO	\$121,300	\$36,390	\$655	\$19,650
Indiana	\$123,100	\$36,930	\$687	\$20,610

Source: U.S. Census Bureau www.census.gov

As reflected in Exhibit II-F, over the last several years, the economic downturn reduced housing values across the country. However, in Evansville most housing category values rose slightly between 2007 and 2008. There is a noticeable decline from 2008 to 2009 in nearly all the housing values. A three percent decline occurred in the \$100,000 to \$149,000 value range which is the second largest value range with 14,142 units in 2008 and 12,469 units in 2009. From 2008 to 2009 the one million housing value range increased from zero to 45 units.

Exhibit II –F

Value of Owner Occupied Housing, 2007 – 2009

Value of Owner Occupied Housing	2007	2008	2009
Less than \$50,000	3,844	3,586	3,424
\$50,000 to \$99,999	13,322	14,142	12,469
\$100,000 to \$149,999	6,722	6,772	5,469
\$150,000 to \$199,999	2,796	2,887	2,768
\$200,000 to \$299,999	1,087	1,133	1,678
\$300,000 to \$499,999	307	212	298
\$500,000 to \$999,999	53	296	145
\$1,000,000 or more	37	0	45
Owner Occupied units	28,168	29,028	26,296

Source: U.S. Census Bureau www.census.gov

The initiative of the Evansville Arts District through the implementation of the NRSA, Evansville Arts District Redevelopment Plan, and an Overlay Zone will provide a holistic approach, providing funds to rehab/rebuild, and combines a two-pronged approach that targets existing LMI populations while attracting market rate reinvestment back to the neighborhood. Eight and a half million in grant funds (CDBG, HOME, NSP, ESG, ARRA, INTR) will fund a portion of the initiative over 5-7 years, building or rehabbing as many as 60-75 homes to a high standard for existing and new families within the defined area. In 2011, currently there are federal funds totaling \$7,129,560.80 being utilized for new construction, rehabilitation of historic structures, sidewalks, a Green Alley, lighting, and signage. In addition to the federal funds, local funds totaling \$1,097,025.80 are also being used in these revitalization efforts.

Challenges include overcoming 'upside down' cost of construction vs. sales price, a prevalent negative perception of the area and consuming neglect present over the last 40-60 years.

Partnerships include HOPE of Evansville, ECHO Housing Corporation, Memorial CDC, Evansville Housing Authority, Habitat for Humanity, Aurora, Community Action Program of Evansville (CAPE), United Neighborhoods of Evansville, the Focus Council (LMI Neighborhoods) and over 20 other service and non-profit agencies within the City of Evansville.

Police resources, infrastructure reinvestment in parks, sidewalks, curbs, streets, gutters, hike and bike trails/lanes, signage, connectivity to the riverfront, downtown and new arena, green and sustainable building and an “Eco Depot” facility startup are being developed or implemented. Creation of an arts and cultural district will promote the district nationally through advertising and create a new economic engine for the area and the city. Establishing an NRSA in this area will allow federal funds to be used for this initiative more quickly and with a greater impact on the community.

The property maintenance codes have been strengthened along with hiring two new property inspectors who will help the other property maintenance inspectors perform inspections of every property in the area. The faster noticing, and an increased fine schedule provide for more effective enforcement by Neighborhood Inspection Services. The goal is for properties to be repaired and maintained, allowing for an increase in property values moving towards market rate values.

The establishment of a TIF district will provide funding over time for future improvements within the district. Structural design guidelines for new construction and rehabs will ensure appropriate compatibility with historic design, sustainability efforts, energy efficiency, overall design elements, and the context of the neighborhood. These guidelines will serve as a basis in creating specs for federally funded projects and as a guide to general contractors interested in working in the area.

Ultimately, continuing attention, growing partnerships, community involvement, and expenditures of sufficient resources necessary to make a visible difference will overcome the ravages of years of neglect. The project will address all issues of design, affordability, increasing vs. declining property values, cost of construction, energy costs, transportation and connectivity to work, quality of schools, security, infrastructure, livability, sustainability, attraction and retention of youth, as well as other demographic populations in an attempt to reduce or eliminate brain drain and cultural drain of the City.

Foreclosure

The increase in the rate of foreclosures in the nation is often attributed to rapid population growth, increasing homeownership rates and the growing use of alternative lending products, including subprime loans. According to U.S. Department of Housing and Urban Development (HUD), from January 2007 to June 2008 the City of Evansville had a foreclosure rate of 8.1 percent. The Census Tracts

in the central parts (including the north and south central areas) of the city had higher foreclosure rates than the city overall. This shows the detrimental impact on those areas included in the City of Evansville's 2011 Annual Action Plan titled Jacobsville and Front Door Pride areas (the Evansville Arts District also titled as the Focus Area of the Front Door Pride area).

In 2008, over 31 percent or 5,913 of Evansville homeowners with a mortgage had monthly costs of 30 percent (30%) or higher of their income. That percentage fell to 21 percent (21%) or 3,620 homeowners in 2009. What is not clear is why there was a 10 percent (10%) reduction. It may be due to the fact that Evansville had a reduction in population or the effects of the recent recession and/or an increase in home foreclosures.

E. Educational Attainment

In Evansville 21.39% percent of students completed at least some college. Eleven point one percent of people received a bachelor's degree and about 6.06% received an associate degree. High schools graduates are among six point one five percent of Evansville, Indiana students. The percentage of Evansville, Indiana graduates with a professional degree is five point six three percent.

	Evansville, Indiana	%, Evansville, Indiana	United States
SCHOOL ENROLLMENT			
Population 3 years and over enrolled in school	29,772		76,632,927
Nursery school, preschool	2,110	7.09%	6.47%
Kindergarten	1,709	5.74%	5.43%
Elementary school (grades 1-8)	12,136	40.76%	43.92%
High school (grades 9-12)	5,934	19.93%	21.38%
College or graduate school	7,883	26.48%	22.81%

	Evansville, Indiana	%, Evansville, Indiana	United States
EDUCATIONAL ATTAINMENT			
Population 25 years and over	80,088		182,211,639
Less than 9th grade	4,928	6.15%	7.55%
9th to 12th grade, no diploma	10,539	13.16%	12.05%
High school graduate (includes equivalency)	29,235	36.5%	28.63%
Some college, no degree	17,128	21.39%	21.05%
Associate degree	4,856	6.06%	6.32%
Bachelor's degree	8,897	11.11%	15.54%
Graduate or professional degree	4,505	5.63%	8.86%
Percent high school graduate or higher	80.7		80.4
Percent bachelor's degree or higher	16.7		24.4

Educational Attainment

The following information was compiled using the 2000 Census (SF3) Sample information. The information from the 2000 Census was collected by using long form surveys which are conducted by sampling the population. The information collected by the long form is only available at a census tract level. Therefore, it cannot be compared to the exact boundary of the NRSA but one can infer from the following information the educational attainment of the area in comparison to the entire city as a whole. The NRSA is composed of pieces of four (4) census tracts, Track #11, Track #12, Track #13 and Track #17. The following information is available at the Census.gov website.

Educational Attainment Percentages	Track 11	Track 12	Track 13	Track 17	City of Evansville	United States
Less than 9th grade	8.2	8.6	9.4	7	6.2	7.55
9th to 12th grade, no diploma	17.1	16.1	21.8	18.2	13.2	12.05
High school graduate (includes equivalency)	37.4	37.9	33.2	23	36.5	28.63
Some college, no degree	24.4	21.2	20.1	25.5	21.4	21.05
Associate degree	4.2	3.6	5.1	3.6	6.1	6.32
Bachelor's degree	7.3	8	7.8	12.3	11.1	15.54
Graduate or professional degree	1.3	4.6	2.7	10.3	5.6	8.86
Percent high school graduate or higher	74.7	75.3	68.8	74.4	80.7	80.4
Percent bachelor's degree or higher	74.7	75.3	10.4	22.6	16.7	24.4

U.S. Census Bureau

To increase the level of early childhood education and supportive services, the local school district has implemented a Full Service Community School servicing the defined proposed NRSA. Through the implementation of this type of education, children within the community will have expanded access to services normally out of their reach. With the inclusion of multiple supportive services, including but not limited to GED education for parents, preschool for children, speech, developmental services, reduction of language barriers through interactive interpretation and communication with minority populations, and the implementation of garden programming to teach the families of the community how to grow their own food, prepare healthy meals, and socialization

through participation the community will see a visible shift in the foundation for those preschoolers when they enter kindergarten and for the parents receiving their diploma (high school education) through the Even Start Program as indicated in the table below. This, in turn will affect the number of employable residents within the community allowing for higher incomes and a more stable environment.

8. Adult Learner Attainment

Performance Indicator:

- (1) 45% of adult learners with the goal of advanced education or training will enroll in post-secondary education or a job training/retraining program.
- (2) 40% of adults not employed at enrollment with the goal of employment will obtain unsubsidized employment.
- (3) 62% of adults with a high school completion goal and a pre-test grade equivalent on their lowest subtest of 9.0 or higher on the TABE or a scaled score of 236 or higher on the CASAS will earn a high school diploma or GED.

Total number of adults served during the program year: <u>34</u>						
Number of school-age adults: <u>5</u>			Number of non-school-age adults: <u>29</u>			
Placement in Post-secondary Education or Training			Placement in Unsubsidized Employment			
# with goal	# enrolled	% enrolled	# not employed at enrollment	# with goal of employment	# placed	% placed
5	4	80%	32	10	7	70%
High School Completion (had pretests of at least 9.0 G.E. on the TABE or a 236 S.S. on the CASAS in the fall of this school year)						
Adult Participants	# with goal	# earned diploma	# earned GED	completed diploma or GED		
				#	%	
Age less than 20 (including teen data from next page)	4	-	3 + 1 testing	3		75%
Age 20 and older	10	-	45	45		40% 50%
Total Number of Adults	(10) 14	-	78	78		(70%) 57%

9. Adult Employability Skills

Performance Indicators: Even Start parents enrolled in the ABE/GED or secondary high school programs will increase employability skills as demonstrated by the following:

- (1) 80% of those who have improving computer skills as an employability goal will demonstrate at least a one-level increase on the Computer Skills Competency Checklist.
- (2) 80% of those who have improving employability skills as a goal will document improved employment-related attitude, behaviors and skills on the Employment-related Attitude/Behavior Appraisal or Transferable Employability Skills Checklist.

	# with goal	# achieving	% achieving
# of adults in ABE/GED programs/teen parents who had improving computer skills as an employability goal and demonstrated a one-level or more increase on the <u>Computer Skills Competency Checklist</u> .	10	10	100%
# of adults in ABE/GED programs/teen parents who had improved employability skills as a goal and demonstrated one of the following: <ul style="list-style-type: none"> an ending rating of 7 or higher on the <u>Employability-Related Attitude/Behavior Appraisal</u>, or a 20% or more increase in Total Score on the <u>Transferable Employability Skills Checklist</u> (pre-rating/post-rating). 	12	11	92%

F. Unemployment

The unemployment rate (not seasonally adjusted) in Vanderburgh County was 8.1 percent in August 2009. In 2008 the average annual rate was 5.4 percent. Since 1990, the lowest average unemployment rate occurred in 1999, at 3.2 percent. The rate peaked in 2009 at 8.1 percent. Rates generally declined from 1990 to 1999, when thereafter they began to climb. Vanderburgh County's average unemployment rate has been consistently lower than the state by an average of 0.2 percentage points from 1990 thru 2009, and about 0.6 percentage points lower than the nation. Exhibit A-17 shows unemployment trends for Vanderburgh County, Indiana and the nation from 1990 thru 2009.

Exhibit A-17

Unemployment Rates, Vanderburgh County, Indiana and the United States, 1999 to 2009

Unemployment Rates	Vanderburgh County	Indiana	United States
1990	5.0%	5.0%	5.6%
1991	5.2%	5.6%	6.8%
1992	6.5%	6.1%	7.5%
1993	3.9%	5.0%	6.9%
1994	4.5%	4.5%	6.1%
1995	4.5%	4.3%	5.6%
1996	3.6%	3.9%	5.4%
1997	4.0%	3.3%	4.9%
1998	3.3%	2.9%	4.5%
1999	3.2%	2.9%	4.2%
2000	3.2%	2.9%	4.0%
2001	4.0%	4.2%	4.7%
2002	4.6%	5.2%	5.8%
2003	5.2%	5.3%	6.0%
2004	5.0%	5.3%	5.5%
2005	5.3%	5.4%	5.1%
2006	4.9%	5.0%	4.6%
2007	4.6%	4.6%	4.6%
2008	5.4%	5.8%	5.8%
2009	8.1%	10.1%	9.3%

Note: Unemployment rates are the annual average from 1990 to 2009 and are not seasonally adjusted. Source: Stats Indiana, Bureau of Labor Statistics <http://www.stats.indiana.edu>

G. Employment by Occupation

According to the chart below, the information reflects Evansville, Indiana as somewhat consistent with the U.S. and Indiana statistics. It seems as though the industries that could use a little boost that the proposed NRSA would assist in achieving include: Construction, Professional, Scientific, Management, Administrative, and public administration.

2010 Employment by Industry for Civilian Population (Age 16+)	Evansville, IN		Indiana		United States	
Agriculture, Forestry, Fishing and Hunting, and Mining	167	0.31%	36,244	1.14%	2,134,305	1.49%
Construction	3,251	5.95%	217,784	6.87%	9,982,202	6.97%
Manufacturing	7,505	13.73%	621,768	19.61%	17,078,738	11.93%
Wholesale Trade	1,791	3.28%	94,317	2.97%	4,371,371	3.05%
Retail Trade	6,538	11.96%	321,096	10.13%	14,346,753	10.02%
Transportation and Warehousing, and Utilities	3,430	6.27%	178,345	5.62%	7,992,800	5.58%
Information	1,441	2.64%	64,846	2.04%	4,210,964	2.94%
Finance, Insurance, Real Estate and Rental and Leasing	3,619	6.62%	187,434	5.91%	9,894,999	6.91%
Professional, Scientific, Management, Administrative, etc.	4,321	7.90%	229,692	7.24%	14,935,847	10.43%
Educational, Health and Social Services	12,381	22.65%	699,979	22.07%	31,705,830	22.14%

2010 Employment by Industry for Civilian Population (Age 16+)	Evansville, IN		Indiana		United States	
Arts, Entertainment, Accommodation and Food Services, etc.	5,779	10.57%	250,383	7.90%	12,115,678	8.46%
Other Services	2,941	5.38%	160,238	5.05%	7,373,033	5.15%
Public Administration	1,498	2.74%	109,095	3.44%	7,044,144	4.92%

Employment by Industry: This data represents 2010 employment by industry for the total civilian population.

H. Household Income

According to the *2009 Out of Reach Report*, in Evansville and Vanderburgh County, the 2011 Fair Market Rent (FMR) for a two-bedroom apartment is \$ **\$640**. In order to afford this level of rent and utilities, without paying more than 30% of income on housing, a household must earn \$2,133 monthly or \$25,600 annually. Assuming a 40-hour work week, 52 weeks per year, this level of income translates into an hourly wage of \$12.30. In Evansville and Vanderburgh County, a minimum wage worker earns an hourly wage of \$7.25. In 2009, approximately 34.8 percent of households in Evansville had incomes of less than \$25,000 per year or \$12.00 per hour. Evansville's upper quartile is 65.13%. In the proposed NRSA the percent of low to moderate income families is 69.33%. This shows an elevated concentration of low to moderate income families within the proposed NRSA.

I. Community Consultation

The concept of the Evansville Arts District was created in 2003 after many of the neighborhood residents expressed concern about declining properties and increased concern for safety in the neighborhood. This grassroots effort translated into the creation of the Evansville Arts District. Many hours of planning went into the attempt to create the district and the boundaries. One result of the effort was a special use permit allowing in-home art studios for artists known as Special Use 44.

This did not prove to be effective; the Evansville Art District did not have the needed investment to change the plight of the area. In an effort to save the Evansville Arts District and address the needs of the area, the City of Evansville began working with the neighborhood residents to create the Evansville Arts Redevelopment Area. The Evansville Arts Redevelopment Area Plan was

created with significant neighborhood and community input through public meetings and workgroups. The result was a plan which had four pieces to implement; 1) Creation of a redevelopment area, 2) Creation of a TIF (Tax Increment Financing) area, 3) Creation of a live/work overlay zone and 4) Design Guidelines for the overlay zone. As of this point the first two pieces of the plan have been implemented and the last two pieces are moving through approving bodies. In addition we would like to establish an NRSA that will work hand-in-hand with the other elements listed above.

In addition to the Evansville Arts District designation and the Evansville Arts Redevelopment Plan, the citizens of the proposed NRSA expressed a desire to use CDBG funding as a way to address neighborhood problems more comprehensively. Comprehensively addressing the problems will result in a greater impact and will provide a catalyst for change, elevating the neighborhood out of the cycles of decline. The neighborhood residents and the City of Evansville see the NRSA providing the flexibility and greatest opportunity to use CDBG funding for the comprehensive revitalization of the proposed NRSA area. Through the community consultation process many impediments to progress were identified and ideas to address the needs were created. Many of the impediments to housing are contained in the Analysis of Impediments to Fair Housing Choice (AI) required by HUD in order to utilize federal funds to address the communities expressed impediments to Fair Housing.

Evansville Arts Redevelopment Area

Approximately 40 public meetings were held to discuss the vision of the area as part of the Evansville Arts Redevelopment Area which has the same boundaries as the NRSA. These meeting were held at the Central Library downtown and at a City owned building in the neighborhood near the Alhambra Theatre. These were visioning sessions and opportunities for the neighborhood and stakeholders to provide feedback about the redevelopment plan. After compiling many thoughts from the public meetings, a redevelopment plan was drafted which contained four parts; creation of a redevelopment area, creation of a TIF district, an overlay zoning area and design guidelines. All of the pieces of the redevelopment plan have been approved. The NRSA is seen as an additional tool that may play a critical role in accomplishing the vision set forth in the Evansville Arts Redevelopment Area Plan.

Assessments and Recommendations

Housing Conditions summarized

Housing conditions in the proposed NRSA are substandard compared to the City of Evansville as a whole. Over average housing values in this area are below standard as well due to excessive dilapidation and rental units coupled with historic lack of investment in infrastructure and code enforcement. At the turn of the century this area was the bustling heart of the City with the Alhambra Theater and small commercial corridor at the core. The proposed NRSA is predominately composed of pre 1930's constructed homes presenting a host of problems needing to be addressed including but not limited to deferred maintenance, lead contamination, asbestos siding, and other such dated materials being utilized at the time of construction and or improvements to the structures.

Housing Impediments

In 2010 the City of Evansville completed an Analysis of Impediments to Fair Housing (AI) which is submitted to HUD every five (5) years. This analysis was completed in conjunction with the five year Consolidated Plan. A list of the impediments is included in this document but the impediments are much more detailed in the AI which was submitted to HUD in 2010 and is available on the City of Evansville's website.

List of Impediments:

Summary of Impediment:

Cost Burden	More than 30% of income is paid toward rent or mortgage
Descent, Safe, Affordable Housing	The current condition of the city's housing stock is average or below average
Zoning/Public Policies	The current zoning code is outdated and does not allow for certain types of dwellings such as group homes or community residential facility
Access to Credit	Poor credit history and low debt-to-income ratio tended to be the primary reason most home loans were denied across race, gender, loan type, and income categories
Decline in Homeownership	Disproportional rates of homeownership found between certain populations within the lower income census tracks
Lead Based Paint	The age of the housing stock and the concentration of lower income families in the areas of older homes

Racial and Low Income Concentrations	Minority and low income populations remain concentrated in the area near downtown and east of the central city
Affordable Housing Concentration	Vanderburgh County's most affordable housing, especially for the very lowest income groups, is concentrated in the areas near downtown and further east of the central city.
Code Enforcement	Housing condition/code enforcement is an issue that was mentioned by most stakeholders as a major contributing factor to the deteriorating housing stock due to lack of action on the part of landlords and homeowners after citations are issued

All of these impediments exist in the proposed NRSA as it is composed of two of the lowest income census tracts. There may be other perceived impediments not mentioned in the Analysis of Impediments (AI). In this area some of the perceived obstacles for housing are in the form of fear of investing in the urban core. This is mainly perpetuated by crime reports, historic stigmas of the area and traditional views of urban areas. Another example is in order to have more multifamily residential there must be a demand in the area. The new overlay ordinance, which is part of the Evansville Arts District Redevelopment Plan, encourages multifamily units in upper floors of commercial structures within the commercial core of the proposed NRSA. The City has several sites in the proposed area that would be ideal for this type of live/work development. The implementation of the NRSA and the partnership with our Community Based Development Organizations (CBDOs) will allow for the use of CDBG funds to gap-finance projects in mass of this nature on currently vacant land and/or vacant structures, creating jobs, mixed-use development, and overall, a mixed-income, culturally diverse neighborhood.

Housing Opportunities

There are many opportunities that exist in the proposed NRSA for housing including affordable housing for the community through mixed-income development opportunities, also encouraging private developers to reinvest in the area. Over the last three (3) years, the Evansville Brownfield Corporation (EBC) has systematically acquired property throughout the proposed NRSA area. The EBC has acquired both residential and commercial properties of all sizes including, existing residential and commercial structures, individual lots and combined lots of two or more for development in the area. This presents an opportunity to direct infill development into the proposed NRSA to fill vacant and underutilized parcels through incentivized federal funding as gap-financing for larger projects,

and abilities to utilize federal funding for individual and non-for-profit projects in the defined area. Likewise, the commercial space presents an even more distinct opportunity to serve both as an economic engine and residential facility by using a mixed-use approach to commercial structures within the Evansville Arts Overlay Zone, furthering sustainability efforts already implemented through the use of Community Development Block Grant Recovery (CDBG-R) funds for infrastructure improvements within the area including but not limited to sidewalk replacement, a pilot project Green Alley, lighting, and way-finding signage. The new overlay zone allows for standalone commercial structures with residential on the upper floors with the potential of building three stories of mixed use.

Recommendations

By establishing the NRSA the Department of Metropolitan Development through its Community Development section, can administer CDBG funds in coordination with housing development and rehabilitation, job creation through implementation of businesses, and increased infrastructure improvements, furthering sustainability efforts within the NRSA. As stated in the Housing Opportunities section, there is a great opportunity to build mixed-use structures near the commercial core of the proposed NRSA to house LMI individuals and families which will also increase access to job opportunities and economic development. Another recommendation is to continue building homes on vacant lots that are owned by the Evansville Brownfield's Corporation (EBC) and/or the City. Over the past three years the Department of Metropolitan Development through the Community Development section and Community Partners have built seventeen (18) new homes and are in the process of rehabbing an additional home in the proposed NRSA. The Community Development section will make an effort to work with a the Southwestern Indiana Home Builders Association to encourage contractors to build market-rate homes and mixed-use structures on additional EBC owned lots.

Economic Conditions summarized

The economic condition of the proposed NRSA is not as strong as other historic neighborhood business centers. Currently, there are four businesses located in the commercial core of the proposed NRSA. There is potential for new businesses to thrive with the addition of neighborhood residents creating a critical mass of consumers. Through much of the 1970's there was a commercial core in the proposed NRSA with many businesses such as a doctor's office, movie rental store, photography studio, print shop and bar. The residents of the proposed NRSA expressed the need to have some of these neighborhood amenities to return and in increase

within the area. With the return of businesses and the opening of new businesses in addition to increased, maintained housing stock, the area will once again be vibrant and vital to the City of Evansville.

Economic Impediments

The impediments to economic development in the commercial core of the proposed NRSA are the lack of funding, space, and zoning. Funding is a major issue for economic development in this neighborhood. Due to the fact that the area has been neglected for many years it is seen as a place with high crime and dilapidated buildings. Over the last few years much of the crime has been pushed out and many of the dilapidated buildings have been removed. The stigma of the area still remains and there is lack of support in the form of funding for business opportunities as a result. Another major issue is simply the lack of space for commercial/retail or neighborhood oriented businesses. The original commercial core was small and still remains small but there were scattered retail and commercial uses directly around the commercial core. Removing dilapidated structures and repurposing larger older homes will offer the needed space for economic development. Zoning impediments include parking regulations, allowable uses in residential zoning districts and employee restrictions for in-home businesses. Parking restrictions discourage the creation of businesses in the area because of heavy requirements for off-street parking. All of the allowable uses for in-home businesses in the area include very limited professional offices such as lawyers, consultants, accountants and artists. These uses are considered low-impact and do not have a retail component. In addition to the lack of a broader spectrum of in-home business opportunities there is a need for employees to work at those businesses. Currently, an owner must get a special-use permit for an employee and provide an additional off- street parking spot for the employee. In the commercial core of the proposed NRSA the highest commercial zoning had eliminated residential uses completely. This was seen as an impediment to create density and vibrancy in the central core of the proposed NRSA.

Economic Opportunities

Through the community planning process the residents of the proposed NRSA identified a list of opportunities to create new neighborhood oriented businesses. The additional neighborhood oriented businesses were chosen to be added and incentivized as part of an overlay zoning area. The goal of adding these businesses to the already allowable uses found in the current zoning code was to expand live/work and in-home business uses. The area residents believe these additional uses would add to the economic sustainability of the neighborhood and help revitalize the area along with many of the larger historic homes. The Arts Overlay Zone

is a ten block area around the central core and encompasses some residential area along a major east to west corridor. The overlay creates incentives in the form of relaxed zoning codes within the ten block area. Those incentives are by-right non-residential uses in homes, 1-2 full time employees by-right, and waived parking standards for the non-residential uses. The overlay area also offers some expanded commercial zoning to residentially zoned parcels for standalone commercial structures. This additional commercial zoning creates a dual zoning which can be used as either residential, commercial or mixed-use. The expanded commercial areas create opportunities for more neighborhood oriented businesses, creating a walkable, sustainable neighborhood. One additional incentive in the Arts Overlay Zone is the ability to have residential uses on the second floor of all commercial buildings in the central commercial core with a zoning classification of C-4. As previously stated in the impediments section, this classification eliminates all residential uses. The overlay adds residential use and creates the potential for density and new mixed-use structures. Below is a chart of encouraged uses in the Overlay area determined with the input of the community.

Encouraged Uses in the Overlay Area

Art Studio	Art Supply/Crafts Store
Art Gallery	Picture Frame Shop
Art School/Classes	Pottery/Ceramics Shop
Culinary School/Classes	Jewelry Shop
Photographic Studio	Gift Shop
In-home Catering	Seamstress/Tailor Shop
Coffee Shop (outdoor seating allowed)	Tattoo Parlor
Bakery	Barber/Beauty Shop
Restaurant (limited to a total of 30 seats; outdoor seating allowed)	Recorded Media and Musical Instruments Store
Candy Store	Flower Shop
Ice Cream Parlor (outdoor seating allowed)	Book/Video Store
	Computer Store
	Antique Store
	Bed and Breakfast (limited to 3 rental rooms)

Recommendation

In order to maintain existing businesses and help with the creation of new businesses, special programs with grants or low-interest loans will be created. This is especially true in the proposed NRSA, where business development has been slow, or lacking altogether. This initiative involves the provision of financial capital to firms in the target area who commit to create jobs benefiting the area. Providing financial support in the form of grants and/or loans will assist in creating a vibrant, sustainable commercial core for the proposed NRSA and provide economic opportunity for residents within the immediate area.

Performance Measures

This section establishes benchmarks for the goals presented in this application. The following benchmarks are intended to be realistic and measurable.

Educational Attainment/Basic Employment Skills

Goal 1: To increase the number of Professional and Graduate degree population from 5.63% to 7% by December of 2013 with the implementation of a new Bachelor of Fine Arts and eventually implementation of a Master of Fine Arts Program through collaboration with local universities tied to a sculpture project within the defined proposed NRSA.

Goal 2: Through the Even Start Program housed in Culver Family Learning Center, to have 5 additional graduates by December 30, 2012.

Goal 3: To increase awareness of healthy eating and the ability of 170 families in the community to grow their own produce by August 31, 2012.

Public Safety

Goal 1: To install 17 street lights within the area by September 30, 2012 to increase the visibility and overall safety within the area.

Goal 2: To install 18-20 blocks of new sidewalks within the proposed NRSA to be completed by June 30, 2012.

Vacant Properties

Goal 1: Incentivize and attract 2-3 new and/or existing businesses per year to the proposed NRSA through monetary incentives with Community Development Block Grant (CDBG) funds as a percentage match to the developer, based on capacity, need of the community and the foundation of the proposal directly correlating with the objectives of the revitalization efforts through arts and cultural development.

Goal 2: To transfer a vacant, historic, rental property for extensive rehab and re-use to a private developer looking to match the investment with approximately \$1 million of private investment to bring the structure back to a useable state by December 31, 2012.

Goal 3: By July 30, 2012 transfer two vacant, historic, homes, to CHDOs and/or private developers for extensive rehab for homebuyer occupants.

Goal 4: Fifty vacant, blighted houses will be demolished by July 30, 2012.

Bricks and Mortar Development

Goal 1: To have a developer in place, and design specifications for a mixed-use development including, restaurant, retail, live-work, and business at the corner of Jefferson Avenue and 2nd Street, in the heart of the proposed NRSA currently referenced as the "Jefferson project" by December 31, 2012.

Goal 2: To allow for a mixed-income single-family housing project through an existing CHDO, 51% of which will be Low to Moderate Income Single-family housing and 49% of which will allow for "Market Rate" Single-family housing, integrated, creating a mixed-income neighborhood, with sustainable elements as identified in the other goals listed. The goal is to have construction underway by January 2013.