

# Live Towerview

Building a Neighborhood of Choice

**Michael Schubert**

Community Development Strategies

**Rachel Westergren**

Neighborhood Housing Services  
of Southeast Wisconsin, Inc

August, 2008



**TOP LEFT** – 16th Street; **BOTTOM LEFT** – A courtyard on Main Street; **RIGHT** – A crowd gathers to enjoy a Second Saturday concert in Racine’s downtown Monument Square. Many Towerview neighbors take advantage of the many events Downtown Racine has to offer; First Friday, Gallery Night, Second Saturday, Music on the Monument, Racine Fourth Fest, Market on the Square, Fiesta Mexicana, Italian Fest, Party on the Pavement and many more fun activities within walking distance of the neighborhood.

**ON THE COVER:**

**LEFT** – The 1100 Block of Park Avenue; **TOP RIGHT** – A Dutch Colonial on the 1700 Block of Park Avenue Make Over Contestant; **BOTTOM RIGHT** – The 1500 Block of Grand Avenue facing St. Richards Catholic Church.

## Table of Contents

- Introduction . . . . . 2
- Neighborhood Assessment . . . . . 3
- The Healthy Neighborhoods Approach . . . . . 6
- Outcomes and Measures . . . . . 8
- Strategies . . . . . 10
  - Improve the overall image of Towerview . . . . . 10
  - Market Towerview to attract home buyers. . . . . 11
  - Use lending products to raise standards and incent purchase-rehab. . . . . 13
  - Enhance code enforcement . . . . . 15
  - Promote green neighborhood revitalization . . . . . 16
  - Engage residents in positive activities . . . . . 17
  - Focus activities around areas of strength to create impact . . . . . 18
- Partnership Roles. . . . . 20
- Conclusion . . . . . 22
- Appendix . . . . . 24
  - 1 Housing Rehabilitation Standards . . . . . 24
  - 2 Racine Strategic Loan Fund . . . . . 27
  - 3 Neighborhood Confidence Survey . . . . . 30

# Introduction

There are a number of neighborhoods in Racine that are fundamentally sound. They have significant rates of homeownership, generally-good quality housing stock, and committed residents. But, as these neighborhoods age, they begin to lose their competitive advantage as places they can attract and retain residents. More homes need repair, more properties transition to rental, and the connections between neighbors begin to weaken. These neighborhoods and their long term health are important to Racine, and its growth as a city they need attention.

Southside Racine is an extremely diverse neighborhood in terms of people, household income level, and housing type. Many of the people who have chosen the neighborhood as their home like this diversity and want to see it maintained.

At the same time, they recognize the issues that make the neighborhood vulnerable and want to see it progress in a positive direction.

Neighborhood Housing Services of Southeastern Wisconsin (NHS) has twenty-five years of experience in community development in this region. Initially working in Kenosha, NHS expanded into Racine in 2001, focusing on the neighborhood just south of downtown. The mission of NHS is to renew pride, restore confidence, promote reinvestment, and revitalize the NHS neighborhoods through the efforts of local residents acting in concert with financial institutions, corporate enterprise, the business community, foundations, and local government.

The Healthy Neighborhoods Approach is a way of intervening in older middle-market neighborhoods that addresses

four areas: neighborhood image, the local real estate market, physical conditions, and how the neighborhood is managed by residents. At the core of the Approach is the idea that neighborhoods are healthy when they make economic sense for the investment of time, energy, and resources and when neighbors have the capacity to manage day to day issues.

Efforts to improve neighborhoods need to begin with the neighborhood and how it is working, not just the deployment of certain programs. In developing this plan, input was gathered from neighborhood residents, business people, and public officials through a series of individual meetings and a large community meeting held on May 15, 2008. This input helped shape an understanding of how the neighborhood is working and what residents and other key partners see as a positive future. There is a strong connection between what people talked about wanting to see in their neighborhoods and the elements of the Healthy Neighborhoods Approach.

The purpose of this plan is to provide guidance to all those concerned about neighborhood revitalization in Racine around the most effective alignment of strategies to outcomes and how resources can best be allocated to maximize neighborhood impact.

This report will begin with an assessment of existing conditions on the Southside, drawn from the individual meetings and from the community meeting. It will then describe the Healthy Neighborhoods Approach and why such an approach makes sense for Racine and for the Southside neighborhood.



City officials and neighbors witness the inauguration the newest Community Oriented Policing House.

# Neighborhood Assessment

The subject neighborhood is located on the south side of Racine, an area roughly bounded by Ninth Street on the north, the city limits on the south, Lake Michigan on the east, and Racine Street/Washington Avenue on the west.

The neighborhood has significant locational advantages. From the farthest point on the western edge, Lake Michigan is only about a mile away. The neighborhood is linked to the Lake Michigan Pathway, a nine-mile cycling and walking path along the lakeshore. It is also within walking distance of Racine's improving downtown and the various festivals that are held there. It is also adjacent on the west to the Uptown Arts District that is currently being developed.

Southside Racine is an extremely diverse neighborhood on many levels. It has some of the highest-cost housing in Racine in magnificently restored properties within the Southside Historic District. There are examples of Victorian, Italianate, and Federal style homes in this district and also throughout the neighborhood. In the western part of the neighborhood the houses become smaller, yet many are still architecturally interesting.

This diversity extends beyond the housing stock. The neighborhood is very diverse both economically and ethnically. It is home to white, African-American, and most recently, Hispanic households. The neighborhood has business executives, college professors, and blue collar workers.

## Image

Despite its locational advantages and diversity, the area suffers from a negative image. While physical conditions in the eastern part of the neighborhood and on certain blocks throughout the neighborhood are strong, there are many homes that are under-maintained and blocks that look unmanaged. Even though there are crime watch and community policing efforts in place that have lowered crime, the image of the neighborhood as a dangerous place persists.

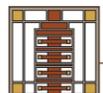
Like many other older neighborhoods, image is often set and fixed by those not familiar with the neighborhood and often no intentional strategy exists to change that image. A negative image leads to poor treatment of the neighborhood by key public and private decision makers.

Activities that would not be tolerated in other neighborhoods are allowed. The investor that wants to add an illegal unit is not sanctioned. Negative behaviors are tolerated and expectations are lowered. Tolerance of negative activities is not lost on neighborhood residents. As they see conditions around them slip, their expectations slowly erode and a self-fulfilling prophecy of decline comes into full force and effect.

While there are real problems within the neighborhood, a focus solely on highlighting these problems can often define the neighborhood by its negatives and reinforce a negative image. Efforts at revitalization have to recognize and build around strengths and assets and be intentional around changing image.



One of many well maintained historic homes in the Towerview neighborhood.



Such an approach will emphasize things like block projects that engage neighbors in positive activities and de-emphasize activities focused on discussing crime.

## The Real Estate Market

The real estate market is a defining element in neighborhood health. In this neighborhood, every year approximately 100 properties change hands. How they transition is critical to the future of the neighborhood.

Over a four-year period, sales prices in all of Racine were fairly stable with only a modest decline in prices (-.54%) while the subject neighborhood showed a net appreciation (7.3%) over the same period. The table below compares the median sales prices for Racine with the sales prices in the Southside neighborhood.

Year	Racine	Southside
2004	\$ 139,000	\$ 76,400
2005	\$ 141,000	\$ 85,000
2006	\$ 141,000	\$ 95,000
2007	\$ 138,250	\$ 82,000

In terms of how properties are transitioning, an analysis of real estate sales transactions over the period 2004-2007 shows that of the 407 transactions listed:

- 133 (32.7%) were from homeowners to new home buyers;
- 89 (21.9%) were from investors to homeowners, a positive sign;
- 54 (13.3%) were from homeowners to investors, representing a loss of homeowner occupied units;
- 131 (32.2%) were from investor owners to investor owners, representing a fairly significant number of properties staying in the investor inventory.

In other words, while 222 properties transitioned to owners, a fairly large number, 185, remained or came into the investor inventory over this period.

## Physical Conditions

Residents in the interviews and focus groups recognized the strengths of the

neighborhood's architecture and special features like wide streets, street trees, certain brick paved streets, and front porches. But they also recognized the number of poorly-maintained homes, particularly those owned by investors, contributing to a feeling that certain blocks seem out of control.

Residents recognized the parks as significant assets. Some acknowledged that social conditions around Hamilton Park had improved. At the same time, both Hamilton Park and West Park lack an identity as special places. Both parks lack visible signage and appear under-maintained.

While neighbors saw the wide streets as a positive, they also recognized that speeding cars were all too frequent and created a safety hazard.

## Neighborhood Management / Social Connections

It was clear through all the interactions with neighbors and other stakeholders that there was tremendous pride and loyalty to the neighborhood. There were active crime watch groups in the neighborhood and these groups had a significant measure of success in reducing crime.

There is a strong presence of various institutions and major employers in the

neighborhood, representing a resource that has yet to be fully tapped.

The outreach efforts conducted in the preparation of this plan found a few people who were willing to take on some leadership roles — at least to the extent of pulling together some of their neighbors for a block meeting. This is a positive sign that suggests that the more outreach there is to neighbors, the more likely additional people interested in improving their blocks will emerge.

At the same time people acknowledged the need for a broader, more organized voice for the neighborhood that was focused on positive activities for the neighborhood. They acknowledged that while the Hispanic population was increasing, this group is disconnected from the neighborhood and there was a need to get more Hispanic families involved in neighborhood activities.



**BOTTOM LEFT** – Donnie Snow and Bill; **BOTTOM RIGHT** – Kandy and daughter Milan; **TOP RIGHT** – Theron, Rachel Westergren (NHS), Annette and Diane all participating in the Towerview Community Focus Group.

	What's Working	What's Not Working
<b>Image</b>	Great location, close to lake Mature trees and open spaces Proximity to downtown Ethnic and economic diversity Presence of stable institutions like Saint Catherine's and SC Johnson	Suffers from a negative perception from people outside the neighborhood Criminal activity and unruly behavior on certain blocks Realtors have a negative perception, often not showing homes here to prospective purchasers
<b>Market</b>	High standard homes in the Historic District and those built by NHS Generally affordable prices Steady movement of properties from investors to homeowners Has attracted buyers with choices from outside Racine Provides homeownership opportunities for many income levels A number of local employees live in the neighborhood	Substantial number of landlord owned properties Investor-to-investor transactions are a high percentage of the transactions in the market Concentration of Section 8 rental units have encouraged landlord purchases and conversion to multiple units Increasing rates of foreclosure Slow rates of appreciation, 11% in 2005 and 2006, but a 14% decline in 2007 in median sales prices
<b>Physical Conditions</b>	New construction and rehab by NHS sets a high standard Many examples of well maintained homes, including modest homes Presence of parks and open spaces Wide streets	Substantial number of poorly maintained homes Speeding traffic on wide streets West Park and Hamilton Park need improvement Uneven standards of property maintenance and improvement
<b>Neighborhood Management</b>	High levels of pride and loyalty Informal activities among neighbors in parts of neighborhood Active crime watch groups Institutional fabric of schools, churches, employers that have a stake in the neighborhood People with leadership potential	Lack of organized groups of neighbors working on positive activities Organized activities primarily focused on crime Hispanic population may be disconnected from community Need for greater institutional involvement

To summarize the findings and lessons from the interviews and community meetings:

**1** The neighborhood has tremendous locational advantages that need to be recognized as outweighing its disadvantages in building a more positive image.

**2** The neighborhood needs more homeowners — particularly those who have the capacity to make improvements in older homes — putting their stake in the ground as committed to the neighborhood's future.

**3** The fact that the neighborhood has some of these homeowners now — including people who have moved

here from outside Racine and who work locally — suggests that these market segments can be expanded upon to attract people to the neighborhood.

**4** There is a standard that defines what a house in the neighborhood should look like that is already in place to a degree. More properties need to move toward that standard and program tools need to provide incentives for homeowners and investors to meet that standard.

**5** While it may not be feasible at this time to build a neighborhood-wide organization, there are substantial

untapped opportunities to engage neighbors in small-scale block projects that enhance neighborhood pride, strengthen social connections, and build leadership capacity.

**6** There is tremendous pride and loyalty for this neighborhood, but people recognize the neighborhood has a "stigma". It is perceived as second class and a problem. People felt the rules were not being fully enforced to maintain standards and that landlords could get away with poorer maintenance, bringing down neighborhood conditions.

People's sense of neighborhood conditions and what was desired in terms of change suggest that the Healthy Neighborhoods Approach might provide a good fit as a framework for intervening in this neighborhood.

The next section of this plan will describe some of the basic ideas that are part of the Healthy Neighborhoods Approach and then the focus will shift to how this approach can be implemented.

# The Healthy Neighborhoods Approach

**U**nderpinning the Healthy Neighborhoods Approach is a simple Theory of Change:

#### Neighborhoods are healthy when:

- 1** They have a positive identity and image that attracts investment;
- 2** They have a real estate market where values are improving and homeownership is stable and predictable;
- 3** Physical conditions reflect pride of ownership and improvements raise the overall standards in the neighborhood;
- 4** There is a strong level of social connection and neighbors have the capacity to manage day-to-day issues.

#### Interventions to improve neighborhoods:

- 1** Encourage people to invest in home improvement;
- 2** Attract home buyers with choices to the neighborhood;
- 3** Engage neighbors in grass roots activities to improve their block and the neighborhood;
- 4** Are intentional about improving neighborhood image and identity.

Much of the work of community development, including work in Racine, has focused on supporting groups to do isolated housing “projects” versus supporting strategies aimed at strengthening neighborhoods. Success is all too often measured by how much subsidy is used, ignoring whether these projects actually have a positive impact on neighborhoods. Several residents interviewed pointed out that buildings that had been acquired by a non-profit for affordable housing had become the problem building on the block.

Often loans are made to individual borrowers that achieve only minimum standards of rehab. The goal is to make as many loans as possible instead of treating each house as a billboard that can signal real improvement to neighbors and stimulate more work. Money is spent, loans are made — but impact is hard to discern.

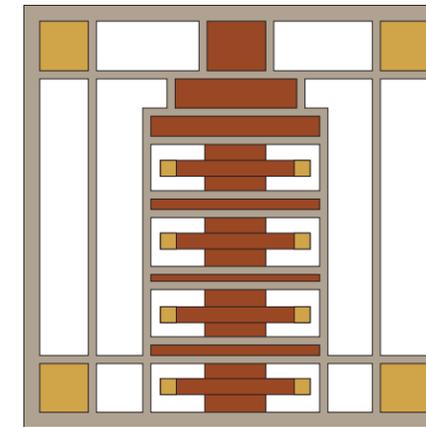
Too often interventions are isolated and disconnected to a more comprehensive strategy for neighborhood change. This often winds up hurting rather than helping neighborhoods. The City may make 10 loans in a neighborhood, but if those loans result in chain link fences, poorly redone porches, or no landscaping, a message is sent to other owners that it is not worth making a significant investment in their properties, serving to reduce people’s expectations about the future of the neighborhood.

The Healthy Neighborhoods Approach is a different way of intervening in neighborhoods. It is proactive, allocating resources not just to programs, but to achieve revitalization outcomes. It values the homeowner and not the non-profit as the key decision maker and focuses on encouraging decisions that benefit both the individual and the neighborhood. Rather than focusing all resident activities on solving problems, the Healthy Neighborhoods Approach builds around strengths and engages neighbors in positive activities that help build a stronger image for the neighborhood.

In cities like Racine, it is important to position older neighborhoods as places of choice. Since neighborhoods are always changing — people are always moving in and out — neighborhoods need to attract solid home buyers who have the capacity to invest in upkeep and improvement if they are going to be stable, improving places. Marketing neighborhoods to attract people who will play a positive role with their neighbors is an important component of the approach.

#### Naming Towerview

In order to give this part of the neighborhood a greater identity as a special place, NHS began referring to a section of the Southside as Towerview.



## Towerview

Deriving from the shared view neighbors have of the SC Johnson Tower designed by Frank Lloyd Wright, the name links the neighborhood to its historic past and a unique feature.

Naming Towerview is an important first step in creating a more positive image for this part of Racine. It links the neighborhood to a highly identifiable asset and connotes the specialness of the place. The success of this image building effort is driven by the continuing use of the name until the neighborhood is referred to consistently as Towerview by city officials, realtors, and neighborhood residents.



The Frank Lloyd Wright designed SC Johnson Administration Building was built in the 1930's and is now a National Historic Landmark. SC Johnson offers tours of the great room each Friday.



# Outcomes and Measures



A beautiful courtyard on Main Street.

**O**utcomes define the end state toward which the work of neighborhood revitalization is directed. They provide a vehicle for “beginning with the end in mind.” Effective interventions are closely aligned with achieving outcomes.

The following set of outcomes provides the framework for intervention in Towerview.

## Outcomes

**By 2012, the neighborhoods of Towerview will be perceived as improving neighborhoods of choice. Towerview will be commonly used as a name for the neighborhood.**

This outcome relates to the image of Towerview and how it is perceived within Racine. One key marker of success is the use of the name Towerview in real estate ads and other mentions of the neighborhood.

**By 2012 the homeownership rate will increase by 15%. The percentage of sales from investors to homeowners will show a steady increase each year, moving from 55% in 2007 to 60% by 2012. Property values will reflect an increase equal to or greater than that of the city of Racine as a whole.**

This is a critical outcome for success. Right now the real estate market has strong participation from investor owners converting properties from owner occupied to rental, including the conversion to multiple units. If

the market was improving, there would be less conversion to rental and more homeowner purchases. It is difficult to set up specific value appreciation goals in the current market climate, but a positive outcome would be an appreciation level at or above that for the city as a whole.

**Towerview will be a respected neighborhood within the City of Racine. It will receive its fair share of improvements and city services from the City and will not be a place where subsidized rental housing is concentrated.**

It was clear from the interviews and public meetings that residents often feel the neighborhood is treated as less than a stable, healthy place. Residents raised a concern that Section 8 rental housing is concentrated in the neighborhood and that code enforcement has been less than effective in dealing with absentee landlords. Success would be a reduction in Section 8 units, achieved in part through attracting more owner-occupants to the neighborhood, and a much higher level of accountability with code enforcement.

**At the end of the four-year period, the level of expectations about the neighborhood will be higher. Higher standards of maintenance will be the norm rather than the exception, and there will be higher standards for public behavior. At the same time, residents will expect better code enforcement, better maintenance of public spaces by the City, and more neighbors will**

**invest time and energy in various neighborhood activities.**

Higher expectations are a critical component in healthy neighborhoods. When neighborhoods are weak, expectations about public and private reinvestment are low. When they are healthy, people expect certain things. They expect when a house goes up for sale it will be purchased by a homeowner, they expect problem behaviors will be sanctioned, and they expect the neighborhood will be treated fairly by the City. People are confident that the neighborhood will get better and their actions reflect that confidence. They will invest time and energy in neighborhood activities if they think something positive will occur and feel others will be involved as well.

**Physical conditions will reflect pride of ownership and high standards of upkeep and improvement.**

Currently, many homes in Towerview, if they have been improved, were done to a low standard, often diminishing the historic integrity of the property. Items like installation of chain link fences, inappropriate porch repairs, and altered window openings not only reduce the value of the house, they make the block look chaotic and unpredictable. Higher standards, applied more uniformly, will provide a greater sense of order and predictability.

**Over the four-year period, positive neighboring behaviors will predominate over negative behaviors. More neighbors will be engaged in activities that improve the neighborhood. There will be a significant number of both formal and informal groups carrying out improvement activities on their blocks and in the neighborhood.**

A key component in a healthy neighborhood is a stronger capacity on the part of neighbors to manage the day-to-day issues that arise on their block and in the neighborhood. Neighborhoods are never problem free and successful neighborhoods have enough resiliency to come back if problems arise. At the same time, healthy neighborhoods have stronger social connections and a greater sense of neighborliness.



A front yard on the 1700 Block of Park. The second place winner of 2007 Park Avenue Front Yard Make Over Contest.

## Measures

The following measures reflect progress toward achieving these outcomes.

- Increased use of the Towerview name by the City, local realtors in listing notices, and residents, measured by a neighborhood confidence survey.
- Increased levels of confidence in the neighborhood as measured by a neighborhood confidence survey.
- Increased number of positive media articles about Towerview.
- Greater number of grassroots improvement activity, suggesting higher levels of perceived stability, confidence, and stronger social connections.
- Number and dollar value of investment activities by residents and other partners indicating growing stability and confidence.
- Increase in residential sales to owner-occupants and a complementary decrease in sales to investors.
- Average home sale prices in the \$100,000 – \$150,000 range, with a level of appreciation equal to or greater than the City of Racine.
- Increased deconversion to single-family or original number of units with a complementary absence of illegal conversion.
- Greater market participation by competent investors in either maintaining quality rental housing or developing properties for resale to owner occupancy.
- Reduced time on market for all for-sale properties including those developed by NHS.
- Increased number of local employees becoming homeowners.
- A decline in the number of Section 8 rental units and higher physical standards of maintenance on remaining Section 8 units.
- Positive outcomes on 70% of the problem properties identified by residents in 2008.
- Public investment in parks and infrastructure equal to or greater than public investment in other parts of the city.
- An increased number of home improvement loans as an indication of greater investment choices.
- An increase in the number of standard-setting properties.
- A high number of loans originated by NHS and/or the City of Racine that achieve high standards of exterior treatment.
- Reduction in criminal activities as measured by police records.
- Higher levels of code compliance as measured by municipal records.
- Increased numbers of resident activities to improve their blocks or the neighborhood.
- An increase in the number of core neighborhood leaders to 50.



# Strategies



The beautifully cared for 1600 Block of Park.

The following strategies are designed to achieve the revitalization outcomes. Each contributes in some way to building a more positive image for Towerview, strengthening the neighborhood real estate market, raising physical standards, and strengthening social connections and neighborhood management capacity.

## Strategy: Improve the Overall Image of Towerview

The desired image of Towerview is one of a healthy, improving neighborhood and it is recognized as such by realtors, city government and new home buyers. It welcomes diversity and provides a place for a wide range of households to live in safety and security.

### Identity and Signage

- Create signage at neighborhood gateways featuring the neighborhood logo.
- Produce house banners or flags with the neighborhood name and logo. These flags can be sold to neighbors at a modest price and/or given to new home buyers and loan customers. As an alternative to flags, address plates can be ordered and sold with the name of the neighborhood.
- The use of flags/banners/plaques and a signage is a media event and should receive coverage by the local press.
- Develop a system by which old banners are replaced with new ones.

### Neighborhood Brochure

A well-designed, colorful brochure about the neighborhood can help form an image and an identity. The brochure should feature pictures of standard-setting homes and it should profile people who model the diversity of the neighborhood and tell why they like being there.

The brochure goes to realtors, major employers, key institutions, the Chamber of Commerce, and the City of Racine.

### Work with Realtors

Realtors need to receive more positive information about Towerview, but have been some-what resistant to work as partners in the revitalization of Towerview. As a first step, one of the lending institutions should invite a group of realtors to a reception when the neighborhood logo and brochure are complete. The realtors will be asked to include the brochure in the listing packets they distribute. This reception should include neighbors who like living in Towerview to give testimony and can provide a forum to discuss future opportunities to work together.

It is unrealistic to think an interaction like this will convert all realtors to embrace a more positive view of the neighborhood. But it may encourage a few to recognize positive aspects of Towerview that they previously ignored.

## Strategy: Market Towerview to Attract Home buyers

In the current real estate environment, home buyer demand is softening. The number of sales in Racine has been dropping, going from 410 in the fourth quarter of 2007 to 55 in the first quarter of 2008. In previous years, normal market functioning would provide home buyers for Towerview. But, as the overall market softens, it will be necessary to proactively market Towerview to attract more home buyers — if the desired outcome is to strengthen overall patterns of home-ownership and keep the neighborhood competitive for home buyer demand.

The goal is to attract a steady stream of home buyers, particularly those with the financial capacity to improve and maintain an older home. If the home-ownership rate is going to increase, the neighborhood needs 65-75 new homeowners a year.



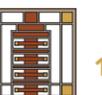
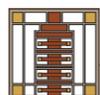
NeighborWorks Week 2007 neighbors organized an exclusive open house and planted flowers along the block.

## Identity Market Segments

Market Segment	Characteristics	Where to Reach Them
Friends and family of existing homeowners	Diverse incomes and ethnic background Already have some attachment to neighborhood	Through existing relationship with neighbors
Artists / Self-employed	May have higher tolerance for risk Less security to live near work Need workspace in home	Chicago Artist Coalition Milwaukee arts groups Chicago Reader Weekly Shepherd
Chicago / Kenosha / NE Illinois / SE Wisconsin / Milwaukee tenants seeking home-ownership opportunities	Looking for affordable home-ownership No pre-conditioned negatives about the neighborhood	Local newspapers Chicago Reader Weekly Shepherd
School parents	Already in the neighborhood Participating in schools already May have a reason to be close to school	Local school
Local employees	May prefer living close to work	SC Johnson Gateway College City of Racine employees
Social workers	May have a higher acceptance of living in a diverse neighborhood	Social services agencies Networks of social workers

A few comments on this chart:

- The net for potential home buyers needs to be cast beyond Racine. Towerview needs to be seen as a regional choice neighborhood — one that can compete with a range of neighborhoods in Milwaukee, Chicago, and Kenosha as well as areas in northeastern Illinois. Marketing to buyers that live in another city has been pioneered by Baltimore in its advertising to Washington, DC residents — based on price differential and location. While Racine and surrounding cities do not enjoy the transportation linkage of Baltimore and Washington, there are growing numbers of people who do not need to live close to a job and could be attracted to a place with greater housing value.
- Neighborhoods attract buyers through word of mouth. The challenge is to develop a first group of buyers who will create some momentum to attract new buyers. At some point, there will be enough momentum to move the neighborhood toward a tipping point that will establish Towerview as a good choice.
- These target markets were chosen because there are already people in the neighborhood drawn from these groups. The challenge will be to expand rather than initiate their participation in the housing market.





Midwest Dragon Boat Race observers at 16th and Main Street. More than 50 Teams participate in the Rotary Club fundraiser for community projects.

### Marketing Messages

- Towerview is an exciting, up and coming neighborhood for people who appreciate urban living close to downtown.
- Towerview has spacious, affordable homes.
- Special financing and technical assistance is available to make your home perfect for you.
- The neighbors of Towerview are diverse in income, ethnicity, age, profession. We have families with kids, empty nesters, and young couples and singles.
- Planned improvements make Towerview a great investment.
- From Towerview you can walk downtown and along the Lake.

### Marketing Strategies

Establish a neighborhood marketing committee to oversee the development of marketing materials and make presentations to local employers, institutions, and realtors. This committee should include employers of these major employers and may grow to include a local realtor.

Create a small incentive (\$500) for neighbor referrals of home buyers to NHS houses and other featured houses for sale.

Develop and run a series of ads for Towerview that feature certain key for-sale properties in the Chicago Reader, the

Milwaukee Weekly Shepherd, and other papers that reach the Kenosha, Southeast Wisconsin, and Northeast Illinois market. This strategy should be tested through five placements (one weekly five times) to determine if the results justify cost.

For example, the Chicago Reader is a free weekly that has a circulation of 135,000 in Chicago and is distributed at 1,400 locations:

- 74% of its readers are between the age of 18-40 with a median income of \$57,000;
- 70% are single and 84% live in households with no children;
- 54% are renters and, of those, 31% plan to move in the next year. Of those, about one-third have not made a commitment to locate in Chicago (approximately 23,000 people);
- A one-sixth page ad run five times would cost \$438 each time or \$2,190 for five times.

There are several options for response to these ads. If properties are listed, respondents can call realtors directly, although this may not guarantee people will be shown houses in Towerview. A second option is to have respondents call one selected realtor who could show several properties in Towerview. A third option for respondents is to sign up for a monthly tour of homes and an orientation to Towerview.

Host at least one meeting a year, at a quality new or rehabbed home, for the Rotary, Jaycees, and other appropriate groups. The purpose of this is to bring these groups into the neighborhood and into an actual quality house.

Host open houses in NHS properties for local employees for example; city employees, employees of SC Johnson, and Gateway, and local schools.

Create sales bonuses for realtors who sell homes in Towerview. Modeled after a successful program in Milwaukee, real estate agents receive a bonus for a sale to an owner-occupant (e.g., \$500) and a double bonus for a sale from an investor to a homeowner. This provides a way of influencing transactions without a large amount of capital.

### Strategy: Use lending products to raise standards and provide incentives to purchase-rehab

There is substantial lending capacity in Racine, both from the City and from NHS. But to achieve neighborhood revitalization outcomes, it is important this lending capacity be targeted much more strategically so that individual loans create more physical and market impact.

In a neighborhood revitalization approach, the lending objective is not just to make a lot of loans, but to make loans that create impact. There

are several key lending impact needs in Towerview (and potentially other neighborhoods). These include:

- Home improvement loans that raise exterior standards on properties;
- Loans that promote energy conservation;
- Loans to home purchasers for acquisition and rehab;
- Small incentive loans to stimulate multiple home improvement projects;
- Rehab financing to competent, qualified investors.

The following are some scenarios for loans that could be provided as part of this strategy:

### Purchase-rehabs on key properties

These may require purchase loans in the \$75,000 – \$125,000 range with rehab costs in the \$75,000 – \$150,000 range at an interest rate low enough to encourage a buyer to take on the project, e.g., 3% on the rehab portion.

Buyers would need to have the financial capacity to afford the overall debt and, as a result, will have incomes higher than 80% of median income.

The reason for providing larger, lower-interest loans for purchase-rehab on key properties are this: some of the larger homes need this level of improvement, particularly in raising exterior standards. The neighborhood needs buyers who want to make this kind of investment and having funds to lend at an attractive rate can be a factor in attracting those buyers.

### Small incentive loans to stimulate multiple home improvement projects on a block

Outreach efforts often identify a potential loan customer. In a revitalization approach, the desired outcome is not just the individual loan but multiple home improvement loans that can start to transform the look of the block. Providing and then marketing a low interest loan for exterior face lifts can be a great way to stimulate this kind of activity.

### Rehab lending to competent, qualified investors to raise standards on rental properties

The idea here is to identify competent investors and provide lending assistance to ensure buildings that provide good rental housing and buildings with strong exterior standards.

While the focus of neighborhood revitalization is primarily on home-ownership, not all properties will be owner-occupied. In Towerview, there are significant numbers of investors; some providing quality units and others providing marginal units. Fewer investor-owned properties, and more competent investors remaining would be a positive for the neighborhood.



Winners of the 2007 Park Avenue Front Yard Make Over Contest. Erika and Jon entered the contest shortly after they purchased the home on the 1300 Block of Park Avenue.





State Farm presents a contribution for Healthy Neighborhoods efforts in the Towerview neighborhood on the porch of the cottage on Eleventh Street

Competent, qualified investors already have properties that are high quality. They are usually either full-time in the real estate business or are in the building trades. They carefully screen tenants and recognize that in order to attract good tenants they need to provide attractive spaces.

### Home improvement loans that raise exterior standards

Home improvement loans need to not only upgrade homes but improve the neighborhood as well. Individual homes act as billboards for a changing neighborhood. These loans, whether they are originated by the City of Racine or NHS, have to encourage higher standards in rehab so the homes at the end reflect pride of ownership and investment that adds value to the property.

Home improvement lending as part of a neighborhood revitalization approach should address the physical look of the properties. Currently there are no standards in place that describe what owners should do or, more importantly, avoid in improving their homes. While a basic housing code exists in Racine, it is designed to promote basic safety and maintenance items and not to create the kinds of outcomes that show pride of ownership.

A set of recommended standards are included in the Appendix of this plan.

### Loans that promote energy conservation

One of the most important elements in an overall strategy to enhance the environment in Towerview is to use lending to encourage energy saving improvements. These can include loans that encourage the following items:

- High efficient furnace systems
- Low water flow plumbing fixtures
- High levels of insulation
- Solar heating
- Sustainable wood materials, e.g., bamboo floors
- Rain gardens to minimize water runoff
- Paint that is formaldehyde free
- Energy efficient windows and doors
- Weather stripping around doors and windows
- Use of recycled materials, e.g., compressed paper countertops, as a basic part of remodeling

This lending strategy sees lending as a development tool for shaping positive outcomes for neighborhoods. Such lending requires a proactive approach, seeking to make investments that further neighborhood revitalization. The approach is more than simply reacting to customers as they come in and apply.

In revitalization lending, the ultimate customer is the neighborhood and loans are structured to benefit both individuals and to achieve neighborhood change outcomes. The implications of this are as follows:

- All loans have to raise exterior standards and treat the house as a billboard that announces positive change;
- Loan sizes, interest rates, and terms may vary based on the importance of the loan in achieving change outcomes.

For example, a purchase-rehab loan on a key corner house might receive a larger loan at a lower interest rate in order to create an incentive for a strong buyer to take on the project;

- Loans may be made to individuals with incomes in excess of 80% of median income;
- Interest rate reduction is done to provide an incentive to promote reinvestment, for example, introducing a loan on a block that drops the interest rate based on the number of households that participate in improvement projects;
- Certain items will not be included in loan packages: chain link fences, front porches built with pressure treated lumber, rear deck details, steel security doors, new windows in reduced openings.

The objective here is not simply to make a lot of loans but to make loans that further revitalization outcomes. The key component in the lending decision, along with basic underwriting, is the extent of neighborhood impact.

There are two sources of capital for the range of lending described here. The first is the loan fund administered by the City of Racine and the second is a loan fund to be developed by NHS of Southeastern Wisconsin.

NHS already has a loan fund and a structure that can be resourced by local financial institutions as a loan participation pool. The guidelines for such a pool are included in the Appendix.

### Strategy: Enhance code enforcement

Code enforcement is a valuable tool in maintaining and strengthening neighborhoods. But all too often it is operated as a separate activity — separated from other efforts aimed at neighborhood improvement. The challenge in Towerview — and in other Racine neighborhoods — is to carry out code enforcement in a way that adds value in an overall strategy to revitalize the neighborhoods.

There has been concern raised by neighbors that the codes are not being adequately enforced in Towerview — that conditions deemed unacceptable in other neighborhoods are allowed in this neighborhood. Whether this is true or not matters less than the fact that neighbors lack confidence that code enforcement is working.

Strengthening the code enforcement process has four components:

#### Defining the role of the code enforcement officer

The code enforcement officer is a key partner in the overall revitalization strategy. He/she would meet regularly with NHS staff and committee members to assess progress and understand issues around compliance. At the same time, this ongoing interaction can help the inspector understand more about the NHS strategy and understand his/her work in the context of that strategy.

#### Increasing accountability

It is important that NHS knows the buildings currently in the compliance system, which ones are entering that system as the result of new complaints, and which ones are working toward compliance. A successful code enforcement intervention will result in higher levels of compliance and higher levels of investment by owners. Right now, NHS and neighbors are not certain how compliance is working, and increasing accountability around the above metrics would make the process more transparent.

#### Link building owners to housing services

Building owners who have to make repairs need to be encouraged to access rehab programs. The inspector needs to know how these programs work even though he/she is not responsible for their administration. Another measure of success is a higher level of participation by building owners in programs that can assist them in bringing their buildings into compliance.

#### Focus on key problem buildings

Residents working with NHS staff can identify those key problem buildings that are creating the highest level of disorder. They can then work with the code enforcement officer on developing an enforcement strategy for each property and monitor progress toward compliance. Focusing on those properties deemed most problematic can be an important component in turning around the neighborhood.



Neighborhood children pet The Racine Mounted Police Horses on National Night Out picnic in Dr. Hamilton Park.



## Strategy: Promote green neighborhood revitalization

Fundamentally, any effort to revitalize an older urban neighborhood, reutilize existing buildings, and concentrate people and activity within an existing infrastructure is a green intervention. But there are additional components that can be added to enhance environmental sustainability and health.

This strategy looks at promoting neighborhood-wide environmental sustainability with steps designed to make Towerview a “green” neighborhood.

### Reduce energy consumption

Promote energy conservation as part of home improvement and purchase-rehab lending. This includes a wide range of energy-solving items such as:

- Bamboo flooring and tiles made of recycled materials;
- Low VOC (volatile organic compounds) paints and wheat board cabinets that have not been treated with formaldehydes;
- Energy Star rated windows and appliances
- Low water use plumbing fixtures;
- Use of recycled building materials;
- Solar heating and cooling.

Develop one rehabbed home that utilizes the above treatments as an example to promote green remodeling. This LEED (Leadership Energy and Environmental Design) certified home could be opened to the public for a period and promoted in Racine and Milwaukee, bringing people to the house and the neighborhood.

Deconstruct rather than demolish homes deemed obsolete. While in a green

revitalization strategy demolition of existing properties should be minimized, some demolition is probably inevitable. Building deconstruction implies taking apart the components of a building and recycling them for other construction purposes. Rather than wind up in a landfill, building materials are recycled. Building deconstruction is an emerging economic activity and a potential job generating activity.

### Improve water, soil, and air quality

Increase the number of trees planted in Towerview. While parts of the neighborhood have mature trees, other parts have few shade trees. Beginning a tree planting effort on residential streets can be a way of engaging neighbors and beautifying blocks.

Utilize rain gardens to better manage storm water runoff. A rain garden is a planted depression designed to absorb rainwater runoff from impervious areas. They reduce rain runoff by allowing storm water to soak into the ground as opposed to flowing into storm drains which cause erosion, water pollution, flooding, and diminished groundwater. Native plants are recommended for rain gardens because they are more tolerant of the local area water conditions. The plants take up excess water flowing into the rain garden and the root system helps enhance infiltration and redistribution of moisture as the water is filtered before it enters the groundwater system.

Promote urban farming. Apart from participating in a community garden, the idea of urban farming, even if done in individual backyards, can have an impact on the environment and can provide a household with fresh produce.

There are numerous examples of commercial hydroponics farming taking place on small city lots.

### Improve walkability and bikeability

Slow down traffic through the use of wraparound curb exteriors and traffic circles. Speeding traffic was identified as an issue by residents. One technique is the use of wraparound curb extensions as a traffic calming device. Curb extensions provide reduced crossing distance and greater visibility for pedestrians, reduce automobile speed, and create opportunities for landscaping and trees. The downside of this technique is that it reduces some street parking spaces and may make street sweeping and snow removal more complicated.

Traffic circles are constructed in the center of an intersection. They are often landscaped and fit to the size of the intersection. They dramatically decrease automobile speed and provide another opportunity for landscaping.

### Develop a Towerview Walking Club.

A key component in a green neighborhood revitalization strategy is promoting healthy lifestyles. One simple act is to encourage physical exercise — in this case walking. While people can walk on their own, there is an opportunity to create a social event when groups of people can walk together throughout the neighborhood.

Developing the Towerview Walking Club is a way to engage neighbors in something beyond problem solving. It is fairly easy to coordinate and requires no resources other than a Towerview Walking Club T-shirt that provides one more vehicle to put the Towerview name out among residents.



**LEFT** – 2nd District Alderman Bob Anderson helps out at an alley clean up on Earth Day. Neighbors organized a clean up in the alley they share; **CENTER** – Francisco and Kat hosting an open house for a new home buyer in the Towerview neighborhood; **RIGHT** – College Avenue neighbors close the street and have a pot luck party in August. Towerview Balloons in the forefront.

## Strategy: Engage residents in positive activities that improve physical conditions, strengthen social connections, and provide opportunities for leaders to emerge

Neighborhoods won't succeed if neighbors are not engaged in managing day-to-day issues. The traditional approach is involving neighbors in problem-oriented activities like crime watch. This involvement — if it stays focused on crime — reinforces the problem. Often, the only time neighbors get together is to complain about crime and to petition law enforcement to take action. In Towerview, crime watch activity and greater cooperation with the police have yielded important results. But for the neighborhood to improve, the narrative needs to move beyond crime.

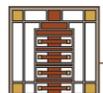
Complementing crime watch activities are positive events that can bring neighbors together. These include landscaping

projects, block parties, yard sales, block lighting projects, installing coordinated house numbers — a whole range of block-focused activities that encourage neighbors to work with each other.

Along with these block-focused projects there are events and activities that can help transform neighborhood image and engage people. These can include a neighborhood picnic, formation of groups of people interested in certain things like cooking, gardening, or youth activities. The Towerview Walking Club described earlier is an example of this.

All of these activities provide opportunities for identifying neighborhood leaders. Very simply, neighborhood leaders are individuals who are interested in playing a larger role. Initially, they may participate in the first event, but are willing to help plan a second event.

The interviews and meetings conducted as part of this plan revealed a few people who are either playing an informal leadership role or have the potential to do so. The ongoing outreach in which NHS is engaged will likely continue to uncover such people.





Flowers line the street on the 1100 Block of Park Avenue.

## Strategy: Focus activities around areas of strength to create impact

While program loans and services are available throughout the neighborhood, impact will be more discernible if resources are targeted. There are many ways to target but the recommendation here is to target ground areas of strength — areas where physical conditions might be stronger or where other development is planned. Focusing adjacent to neighborhood strengths helps build on and reinforce those positives.

There are three areas of focus recommended with a rationale for each. They are:

- **The area around the new COP House and Saint Catherine's High School.** Intervening here can leverage off and complement the new COP House and the proposed improvements at Saint Catherine's High School. Those latter improvements include closing off the street adjacent to the high school to create a more campus-like environment.
- **The corridor of blocks between 14th and DeKoven and south on Park and Villa.** This area is adjacent to the Southside Historic District where physical and market conditions are strongest. These conditions begin to drop off as one moves west. By addressing these blocks, the desired outcome is to expand physical stability and market actions further west.
- **Blocks around Hamilton Park.** This park has seen a reduction in crime. While the park has improved, it lacks identity as a special place.

Intervention in these areas have the following components — promoting home-ownership and encouraging acquisition and rehab, lending to home-owners for standard-setting home improvement, direct development of properties and lots, engaging neighbors in pride projects, a coordinated code enforcement strategy, and loans to certain qualified investors to acquire and address troubled investor properties.

## Promote home-ownership of for-sale homes with special acquisition-rehab financing.

The basic idea is to attract buyers to homes that need work by offering them a superior loan product incentive. Properties can be marketed in conjunction with local realtors with the expectation of a large loan at a low interest rate for rehab. As an alternative, properties could be acquired, exterior standards treated, and sold to a buyer with special financing to complete the work. A third alternative is for NHS to acquire and rehab the property and sell it with special end mortgage financing.

The following chart illustrates the first scenario — a buyer buys a home for sale with special acquisition-rehab financing.

Acquisition cost . . . . .	\$ 90,000
Rehab cost . . . . .	\$ 75,000
Total project cost . . . . .	\$ 165,000
<b>Appraised value . . . . .</b>	<b>\$140,000</b>
<b>Sources:</b>	
Buyer down-payment . . . . .	\$ 10,000
NHS loan . . . . .	\$ 100,000
City loan . . . . .	\$ 55,000
<b>Cost to borrower:</b>	
NHS loan . . . . .	\$ 606
(4%/20 years/5 year balloon)	
City loan . . . . .	\$ 363
(5%/20 years)	
Taxes/insurance . . . . .	\$ 250
<b>Total . . . . .</b>	<b>\$ 1,219</b>
Income needed to qualify at	
32% housing cost to income . . .	\$ 45,750

There are several challenges in this scenario.

- The total project cost exceeds the market value by 117%. Market change will require lending ahead of market if there is a broader strategy in place.
- In order to spread the risk on this loan, it would be made out of a pool where lenders take a portion of each loan.
- The key challenge will be finding a buyer who is creditworthy and willing to make this kind of investment. This is more possible when the buyer is offered a great deal and there is a neighborhood revitalization plan in place.

## Make home improvement loans to homeowners that raise exterior standards.

The basic idea here is to provide an incentive for homeowners to make improvements that show positive turnaround. The more improvements people see around them, the more they believe the neighborhood is getting better and the more likely they too will make a decision to invest.

There are several ways impact can be achieved with home improvement lending:

- Beginning with a set rate of 6%, the interest rate is reduced based on the number of applications on a given block. For example, one borrower would pay 6%, two borrowers would pay 5%, three would pay 4%, and four or more would pay 3%. This model gives an individual owner an incentive to encourage other neighbors to fix their homes.
- Beginning with a 6% rate, the rate is reduced the more work the owner agrees to do. This provides a way to negotiate with owners to do exterior work.
- A 3% loan product marketed on a block solely for exterior standard setting work, e.g., porch restoration, painting, exterior concrete work.

## Engage neighbors through pride projects.

These pride projects include things like the front yard beautification project NHS promoted last year. These projects can include various landscaping projects, clean-ups, and other self-help efforts. This is an important strategy in strengthening social connections, creating a greater sense of neighborliness, identifying potential neighborhood leaders, and making the block look better.

## Work with Code Enforcement on a coordinated inspection program.

Creating impact in these target areas will require close cooperation with the code enforcement officials working in this area. It will be essential to know which properties currently have notices and what the progress is on each.

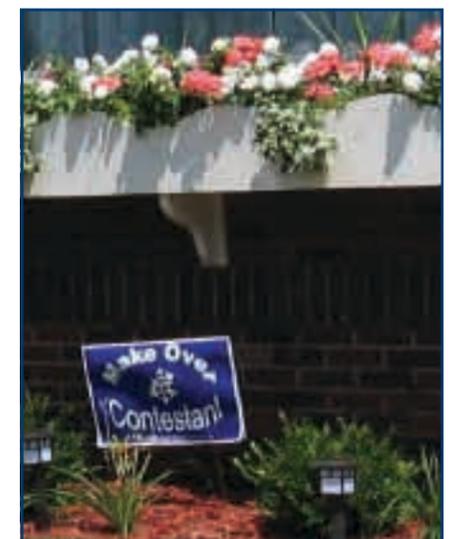
## Provide incentive loans to qualified investors to acquire troubled investor-owned properties.

There is a potential opportunity to assist qualified investors to buy and rehab some of the investor-owned properties that come on the market and are unlikely to be acquired by home buyers. Qualified investors could acquire, rehab, and main-

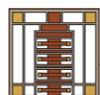
tain the property as quality rental housing or offer it for sale to a homeowner. By participating in the financing, NHS can have more control over the outcome of the property.

Qualified investors own and manage properties that are of high quality. They are usually full-time in the real estate business or in the building trades. They provide spaces that attract good tenants and carefully screen them.

While NHS should not necessarily create a program for investors, they should consider making loans for acquisition and rehab when they purchase troubled properties. NHS cannot acquire all the properties that need to be turned around, but NHS can use its lending tools to create positive outcomes.



LEFT – 1800 Block Park Avenue Make Over Contestant; RIGHT – 1400 Block of Park Avenue Make Over Contestant.



# Partnership Roles



**TOP** – Mayor Gary Becker accepts All State’s Healthy Neighborhood contribution on behalf of NHS’s featured neighborhood Towerview; **BELOW** – Racine Police Chief Kurt Wahlen, Saint Catherine’s High School President Christopher Olley and Racine Mayor Gary Becker celebrate the completion of the new Community Oriented Policing House.

The successful implementation of this plan requires a set of commitments and shared expectations from a series of partners. These expectations and commitments are outlined below.

## The City of Racine

The City is a key partner in the revitalization of Racine neighborhoods. To move this plan forward, the City will commit to:

- Flexible use of its loan funds in a demonstration effort to spur revitalization. This will include allowing borrowers above 80% of median income to participate in focus areas, accepting the rehab standards outlined in this plan and including compliance with these standards in its rehab lending, including its lending to investors. The City will work with NHS to leverage its resources with those of NHS to achieve maximum impact.
- Support, in partnership with others, the costs related to marketing the neighborhood and strengthening the image of Towerview.
- Provide basic data on code enforcement activity and strengthen the existing relationship between NHS and Code Enforcement as outlined in this plan.
- Target capital infrastructure investment in Towerview for streetscape improvements and park improvements at West Park and Hamilton Park. This can include the traffic calming strategies described earlier. Explore the use of a Neighborhood Improvement District (NID) to facilitate this investment.

The 2005 Wisconsin Act 186 authorizes a local government to establish a

neighborhood improvement district to purchase improvements for the neighborhood including lighting, distinctive signage, park improvements, and landscaping. Patterned after the business improvement district law, the NID allows for a special assessment to finance neighborhood improvements. There is currently discussion about what properties will be exempted from the new assessment. This may be a possible vehicle for financing capital improvements.

At the same time, the City should expect:

- More active involvement on the part of residents in neighborhood improvement;
- Lender commitments to the NHS loan fund;
- Neighborhood marketing being delivered by NHS, the marketing of NHS loan products, and the participation of residents in making investments;
- Realtors who will present Towerview as well as other neighborhoods to potential home buyers;
- Local employers who will promote buying a home in Towerview among their employees and support for the overall approach.

## Financial Institutions

Financial institutions have been major partners with NHS. To move this plan forward they need to:

- Commit capital to the NHS loan fund;
- As board and committee members, help direct the strategy so it achieves the desired outcomes.

Financial institutions should expect:

- Investments by the City in Towerview in lending, enhanced code enforcement, and capital investment in infrastructure;
- A high level of resident engagement and participation in home improvement;
- Support from local employers in promoting home-ownership and support for the approach;
- Realtors who will have a positive orientation toward Towerview.

## Local Employers

Local employers can commit to:

- Promoting home-ownership among their employees in Towerview in partnership with NHS;
- Support — both financial and through volunteer engagement — of the implementation of the plan.

Local employers can expect from the other partners:

- Availability of loans to support home buyer decisions;
- City investments that add value to the neighborhood;
- Realtors with a positive orientation toward marketing the neighborhood;
- Strong engagement by neighborhood residents.

## Neighborhood Residents

Neighborhood residents are a key partner in the revitalization of Towerview. They commit to:

- Work in planning and carrying out pride projects;
- Encouraging the involvement of other neighbors;
- Welcoming new home buyers;
- Assistance to NHS in recruiting home buyers;
- Participating in home improvement efforts and encouraging neighbors to do the same;
- Participating in NHS committees.



The Community gathers to christen the new Community Oriented Policing House.

At the same time, residents can expect from the other partners:

- Lenders to commit capital;
- The City of Racine to invest in lending, improved code enforcement, and capital improvements;
- Realtors to be a positive element in marketing the neighborhood;
- Local employers to promote home-ownership of their employees in the neighborhood.

## Local Realtors

While there are several realtors who positively promote the neighborhood, there was generalized concern that realtors failed to show properties in the neighborhood. While this may never change, it is important to see realtors as partners. Realtors commit to:

- Work with NHS in proactively marketing the neighborhood and supporting some of the marketing costs;
- Have one realtor on the Healthy Neighborhood Committee;
- Gain an understanding of special financing products available through NHS and the City of Racine and how they can enhance realtor marketing efforts;

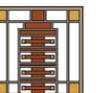
Utilize Towerview marketing materials in their own marketing efforts.

Realtors can expect:

- NHS to list its properties for-sale with a local realtor;
- Availability of special loan products to assist buyers;
- Residents engaged in neighborhood improvement activities;
- Local employers promoting home-ownership in Towerview among their employees.

All of these partner commitments are reasonable but they all need to be made together to make implementation successful. One or two groups committing without the others will not be sufficient.

As a recommended next step, these groups should be convened and the specific commitments and expectations discussed toward reaching a real sense of partnership.



# Conclusion

Racine is aggressively pursuing an agenda to position the city as a desirable location for people, businesses, and the arts. It is critical that neighborhood revitalization be seen as complementary to that agenda.

The old ways of doing community development — categorical programs, spreading money around, unclear outcomes, supporting groups instead of strategies — has to change if Racine is going to position itself as a first choice city.

While focused on the Towerview neighborhood, the approach outlined here can have implications for other neighborhoods in Racine. Focusing on strengthening neighborhood image, intervening in the market to build demand, establishing strong standards for physical improvements, and engaging neighbors in positive activities — all these represent a different way to do community development that builds strong markets and healthy neighborhoods.



NHS Steering Committee members evaluate the Towerview neighborhood on a cold January Day.

## Acknowledgements

The author wishes to acknowledge and thank the neighbors of Towerview and other key stakeholders who shared their vision and experience in the individual meetings, focus groups, and the community meeting. I also want to express my gratitude for the staff and committee members at Neighborhood Housing Services of Southeast Wisconsin, Inc, particularly Rachel Westergren, in facilitating and supporting this work.

Thanks are also given to the City of Racine for their overall support of this project and to NeighborWorks America for their support of the resident engagement process.

I can be reached at [mfscds@aol.com](mailto:mfscds@aol.com) for questions and comments.

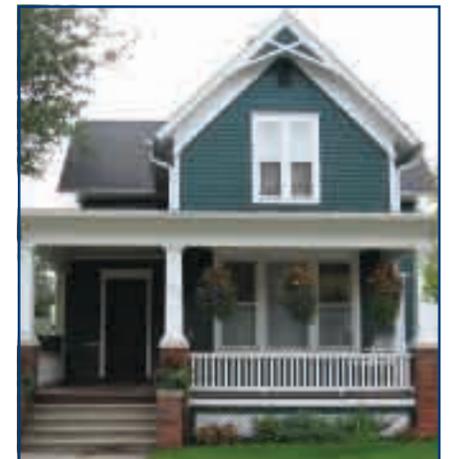


## NHS of Southeast Wisconsin Board of Directors

President Brian Anderson, Community Liaison SC Johnson  
Vice President Robert Muth, Retired M&I Mortgage Lender  
Treasurer Michael Capodarco, Vice President of South Port Bank  
Secretary Kat Thornton- Wells, Towerview Resident  
Nomination Chair Donald Trottier, Vice President District Manager of M&I Bank  
Francisco Sanchez, Vice President of Chase Bank  
Maria Campbell, Diversity Director SC Johnson  
Michelle Christensen, State Farm Insurance  
Scott Kelly, Johnson Bank President  
Anne Bergo, Resident Board Member  
Ken Smith, All State Insurance  
Domenick Martinelli, NHS Executive Director

## Healthy Neighborhoods Committee

Co-Chair Scott Kelly, Johnson Bank President  
Co-Chair Kat Thornton-Wells, Towerview Resident  
Donald Trottier, Vice President District Manager of M&I Bank  
Francisco Sanchez, Vice President Chase Bank  
Maria Campbell, Diversity Director SC Johnson  
Michelle Christensen, State Farm Insurance  
Robert Anderson, 2nd District Alderman and Towerview Resident  
Robert Hartmann, Towerview Resident  
Gordy Kacala, Director of Racine County Economic Development Corporation  
Kristen Niemiec, Commercial Corridor Specialist Racine County Economic Development Corporation  
Domenick Martinelli, Executive Director



LEFT – The Community Oriented Policing House was custom designed with consultation from architects, historians, builders and police officers; TOP RIGHT – The Hernandez family stands on the porch of their new home on Racine Street. BOTTOM RIGHT – An attractive Tri Gabled Ell home on Park Avenue.

Design by Evolve Visual Design | [www.evolve.ws](http://www.evolve.ws)



# Appendix I

## Housing Rehabilitation Standards

### Purpose

The purpose of these housing rehabilitation standards is to assist owners in properly rehabilitating their property. The intent is not to impose or require complete restoration but, rather, to insure that as homes are repaired and updated, as much as possible of the original exterior character is maintained. A walk through Towerview illustrates a number of well intentioned but hapless attempts at remodeling that both obscure the original character of the house and take away value. Well informed decisions about the treatment of a home's exterior both add to the character of the neighborhood as a place of pride and preserve the value of the house.

There are three things every homeowner in Towerview should be aware of:

- 1 It is possible to make one's home safe, comfortable, attractive, and energy efficient without changing the appearance of the exterior of the building.
- 2 While people can do whatever they want on the inside, they should resist the temptation to do whatever they want on the outside. Each home contributes to the look of the neighborhood. The exterior is a billboard for the neighborhood announcing whether it is a place of order and pride or one of chaos and disorder.
- 3 The more the exterior is modified away from its original character, the more likely it is that the potential resale value of the home will be reduced. Conversely, the more the exterior is restored, the higher the resale value.

The second major purpose of these guidelines is to provide a framework for the home improvement lending of NHS. When NHS lends money for rehab or in a purchase-rehab situation, NHS needs to achieve the outcome of a substantially better looking home — one that contributes to a higher neighborhood standard. What that standard is and what it is not is the domain of these guidelines.

NHS is not simply in the lending business. It matters what people do with NHS loans. As such, NHS needs to control the outcome of its loan — through encouraging borrowers to aim at higher standards, providing technical assistance to help them achieve those standards, and using loan terms as an incentive to influence their decision.

### General Principles

- 1 The original design of the building should be respected, including those details that contribute to architectural character (gingerbread, eaves, cornices, dentils, moldings, trim work, columns, porch details, and lattice work).
- 2 Original materials should be preserved whenever possible. They should be visible from the street and not covered over.
- 3 Original building elements should be preserved whenever possible. When replacement is required, they should be done reflecting the scale of the original component.
- 4 Even when restoration of the exterior is not possible, the home should communicate pride of ownership and visual appeal.

### Porches and exterior stairs

- 1 Original porch floor materials should be preserved and maintained.
  - Original porch floor materials, such as wood and concrete, should be maintained and preserved;
  - Wooden porch floors should not be replaced with concrete;
  - Porch floor areas that are damaged should be replaced with matching materials.
- 2 Original porch columns should be preserved and maintained.
  - Porch columns should be repaired rather than replaced if possible unless there is deterioration within the column;
  - Wood columns that match the original should be used on the front façade;
  - Aluminum, wrought iron, or metal columns should not be used.
- 3 Original porch railings and details should be preserved and maintained.
  - Replacement of porch railing elements should be of materials that match the original and at a similar scale. If the original porch had spindles, the replacement porch should also have spindles;
  - The installation of a porch railing for a porch that was built without one should be discouraged. If such a railing is necessary, the railing should be simple in design;

- Wooden porches should not be constructed with treated lumber and left unpainted. Exterior wood porches on the front exterior should be built with pine and painted.
- 4 If original, front and side porches should neither be removed nor filled in.
  - 5 Original exterior stairs should be preserved and maintained.
    - Original wood, brick, or concrete stairs should be either repaired or replaced with stairs of matching material;
    - Precast or pre-formed concrete stairs should not be installed on the building façade;
    - Wood or pipe is the preferred material for handrails. Wrought iron or simple 2x4 handrails are discouraged but simple designs may be acceptable.

### Exterior Doors

- 1 Original doors and their entrance surrounds, sidelights, transoms, and detailing should not be removed or changed.
- 2 Replacement of missing original doors should be like the original in style, materials, glazing, and lights.
- 3 New doors should be of designs appropriate to the style of the buildings.
- 4 Original doors should not be replaced with solid core doors.
- 5 Screen aluminum storm and screen doors with a baked enamel finish are appropriate, although the preferred treatment is a wooden storm or screen door. Aluminum screen doors should be full view in dark colors, and without excessively ornate or decorative grill work.
- 6 The use of metal security doors is discouraged.

### Front yard fencing

- 1 Fencing and/or front yard walls are discouraged.
- 2 If front yard fencing is used it should be a maximum of four feet high with

- three feet high of solid material. The preferred fence style is a white picket fence with a swinging gate at the service walk.
- 3 The use of lattice, stockade, or chain link is discouraged.

### Siding

- 1 The preferred siding treatment is the original wood clapboard — repaired, treated, and painted in two or three colors.
- 2 If after careful consideration, the owner chooses to install substitute siding, the following considerations are necessary to maintain the architectural integrity of the building:
  - A. The width of the new siding must match the original clapboards (most likely 4 over 4);
  - B. The original trim around windows and doors should be left uncovered;
  - C. Any decorative brackets, cornice moldings, eaves, or soffits should be left uncovered.
- 3 NHS should prioritize the removal of old asbestos siding. The removal of this siding has to be done carefully because of the presence of asbestos particles.

### Windows

- 1 Windows on the façade should be preserved in their original location.
- 2 The size and design of the original windows will be maintained with their original materials and number of panes.
- 3 While repair of existing windows is preferred, replacement windows should match the original in materials and design.
- 4 Filling in the top or bottom of the window opening with a metal or wood panel to permit the use of a standard replacement or storm window is not allowed. Window openings should not be enclosed, reduced, expanded, concealed, or obscured.
- 5 Replacement windows should not have snap on or flush muntins.

- 6 Storm windows should match the original window in dimension and proportion.
- 7 Storm windows should be of baked enamel. Raw or untreated aluminum frames are not acceptable.
- 8 Metal or vinyl window shutters are generally not appropriate.
- 9 Security bars should not be visible from the street.

### Roofs and chimneys

- 1 Roofs should be preserved in their original size, shape, and pitch and, if possible with original roofing materials.
- 2 Asphalt shingles may be used if the original material is not economically feasible.
- 3 Asphalt roofs should be in the colors of black, dark red, brown, or dark green rather than lighter colors.
- 4 Original chimneys should be preserved and maintained.
- 5 Repair and repointing of brick chimneys should be with brick and mortar to match the original.
- 6 The application of stucco to cover brick chimneys is not allowed.

### Decks and other exterior structural elements

- 1 Decks should be located in the rear of the house.
- 2 Handicap ramps should be located on the rear or side facades of the building which are not readily visible.
- 3 If this is not possible, ramps should be of wood construction with design and detailing compatible with the existing structure.
- 4 Exterior staircases which connect to upper floors should not be on the front façade of the building.

### Exterior Lighting

- 1 Exterior light fixtures should be simple in design. Ornate carriage lights should not be installed.



- 2 Exterior lights should be either mounted in the porch ceiling or on the wall adjacent to the primary entrance. Light fixtures should automatically turn on in the evening.
- 3 Small footlights for driveways and service walks are preferable to large free standing post mounted lights.
- 4 Security lights should be mounted on the eaves and roofline on the side and back facades.

## Landscaping

- 1 As much as possible, NHS loans will include a landscaping component for the front yard that will include items like resodding the front yard and low maintenance plantings and shrubbery.

## Miscellaneous

- 1 Mailboxes should be of high quality and affixed to the front façade of the building. Freestanding pedestal mounted mailboxes in the front yard are discouraged.
- 2 Every house should have a clearly visible house number, visible either on the transom over the front door or adjacent to the front door mounted on the façade. NHS should encourage the use of quality house numbers.
- 3 Satellite dishes and utility boxes should be mounted in the rear of the parcel away from street view.
- 4 Driveways and service walks will be maintained free of significant breakage, deep cracks, and pitching. Driveway ribbons at a width of 1'6" and 2'6" are preferred to solid surfaces.

## Conclusion

While many of these standards describe what to avoid, it is important to remember what is at the heart of this exercise. NHS wants to help owners make good decisions about their properties that are both good for the property and good for the neighborhood. From NHS's standpoint, it is essential that when the rehab work is done the house inspires its owner and neighbors on the block.

# Appendix II

## Racine Strategic Loan Fund

### Introduction

The Racine Strategic Loan Fund (RSLF) is a participation fund to support reinvestment in older properties in the Towerview neighborhood and other neighborhoods determined by NHS of Southeastern Wisconsin.

The Fund will make loans for purchase rehab, refinance rehab, and rehab. The Fund will not make straight purchase loans.

NHS will be the Principal Lender (Principal) and fund loans up until the end of the construction process. At that time they will be sold to lenders in the Pool based on their share of participation. NHS will service these loans.

The initial objective is to raise of pool of \$4.0 million dollars over a three year period for this Fund.

The basic assumptions underlying the description of this are:

- 1 NHS would originate, and the Pool would purchase, loans for purchase rehab and refinance rehab as well as rehab loans.
- 2 These loans would generally be larger than loans NHS has typically done. Purchase rehab loans may be in the \$75,000 – \$150,000 range, while basic home improvement loans will be in the \$5,000 – \$15,000 range.
- 3 The interest rate to the borrower would be low enough to provide an incentive to carry out a major, or even a smaller, rehab project.
- 4 It is assumed that the City of Racine Rehab Loan Program could be done

in tandem with the loans to be purchased by the Pool. This would reduce the amount of NHS capital invested in each loan.

- 5 In order to achieve the larger program outcomes in the Towerview neighborhood strategy, there would be no income restrictions on the borrower. All loans would be in CRA eligible census tracts.

This document outlines the structure and operations of the Fund, the basic underwriting guidelines, and the loan process. The structure and operations of this Fund are drawn in part from the Healthy Neighborhoods Initiative Loan Fund in Baltimore and adapted to the local situation.

### Lender Commitments

Each Pool Participant agrees to fund annually for three years to the loan pool thirty-three percent (33%) of its respective commitment in Year One and Year Two, and thirty four percent (34%) in Year Three. Funds will be available as follows:

- 33% at signing of agreement;
- 33% at first year anniversary of signing of agreement;
- 34% at second anniversary of signing of agreement.

Funding of specific loans will not be requested from the Loan Pool until the loan is converted to permanent status.

Any portion of the Participant's annual amount that is not used in any year may be required by the Principal to be used in future years.

At the end of the Third Year, the Principal shall advise each Pool Participant of the amount of loans still remaining in the construction term which may be sold to the Loan Pool in Years Four and Five. The ability to sell loans to the Pool will terminate at the end of the forty-eighth month from the date of the signing of the agreement.

### Additional Participants

Any time during the three years covered by the agreement, additional lenders may join the Pool as Pool Participants. Any additional Pool Participant added after the date of the agreement shall only participate in the Loan Pool for those loans sold to the Pool after the date on which each additional Pool Participant joins the Pool. When each additional Pool Participant joins the Pool, the applicable ownership interests in the Loan Pool are adjusted according to the applicable percentages of each Pool Participant's commitment to the Pool. The new percentages shall apply to each loan sold to the Loan Pool from that date forward.

### Eligible Borrowers and Properties

Eligible borrowers will be those who are purchasing a home in the designated Towerview target area or who are existing owners and who are undertaking a rehabilitation project. Borrowers may also include investor, non-owner occupants who have been approved by NHS and are addressing select properties.



An eligible property can contain 1-4 units.

Loans are available for purchase and rehabilitation on homes initially priced at no more than \$170,000. A minimum of \$5,000 of the loan amount must be invested in the exterior of the property.

## Loan Underwriting

Borrowers will apply to the Principal for a loan and will be underwritten by the Principal based on underwriting criteria acceptable to the Pool Participants. Borrower is responsible for upfront costs of credit report.

Borrowers must meet Freddie Mac/Fannie Mae underwriting guidelines. Housing expense including principal, interest, taxes, and insurance should not exceed 32% of the borrower's income. Total long-term debt payments should not exceed 40% of the borrower's income.

Maximum total loan amount secured by the property, including any settlement expense, will not exceed 120% of the after rehabilitation loan to value as established by appraisal. There will be no private mortgage insurance required for the borrower.

Loans will be underwritten by the Principal according to the underwriting standards agreed upon by Pool Participants. All laws will be documented in compliance with all applicable laws, rules, and regulations.

## Loan Fees and Down Payment

Borrower will pay 1.5 points to the Principal as a loan origination fee, plus other customary closing costs. Borrowers may be required to pay for the services of a rehab specialist. In such a case, the fee would be \$500.00, which can be included in the loan amount. These fees may be included in the loan if borrower has met the required cash contribution and the loan amount does not exceed the maximum loan to value. (On purchase rehab loans, the borrower must contribute a minimum of the total project cost as a cash down payment.)

## Loan Approval

Loans will be made by the Principal to approved Borrowers at an interest rate recommended by the Principal (3% – 7%). Various interest rates are determined by the Principal. The Principal shall fully fund each loan and the settlement of the Loan Interest will be payable to the Principal monthly by the borrower over the term of construction, as evidenced by the commitment letter from the Principal and executed by the borrower. Loans will be set up with interest calculated on the basis of a 30 day month and a 360 day year.

Each loan will be secured with a Note executed by and between the Principal and the borrower. Proceeds of the loan will be advanced pursuant to the terms of the Construction Loan Agreement and will be secured with a Trust Deed covering the borrower's property and all the improvements constructed upon it.

## Loan Security and Borrower Payments

Loans will be secured by a first mortgage on the property payable to the Principal in fixed monthly payments. The borrower will make interest and escrow payments on the amount disbursed during the construction process as well as payments for taxes and insurance. Upon completion of the process and distribution of all loan proceeds, the loan will be modified and borrower's payments will consist of principal and interest and escrow payments for taxes and insurance.

## Construction Process

Borrower may hire a general contractor, self-manage a series of licensed subcontractors to complete specific tasks, or do the work themselves. In the case of owner built improvements, only the cost of materials, in place and inspected and evidenced by receipts, can be reimbursed from the loan proceeds. Based on the complexity of the renovations and the experience of the homeowner, the Principal, in its sole discretion, may require the approval of a consulting

rehabilitation specialist and may reject a homeowner's request to undertake work themselves or to manage a series of subcontractors.

Borrower's acceptance of a contractor's proposal should specify the intended period of construction and that borrower's acceptance is contingent upon borrower obtaining sufficient financing for the scope of work described.

Upon loan closing, the rehab portion of the loan will held in escrow for disbursement by the Principal and funds will be released during construction upon inspection by the Principal or its agent.

Borrowers have up to three months after closing to begin construction. If the borrower fails to begin construction within that time or has not secured an extension from the Principal, the loan will convert to a permanent mortgage and sold to the Pool without rehab. If the borrower is likely to exceed the twelve month period of construction that begins at closing, the renovation term can be extended.

Construction period will not exceed twelve months, but can be extended with the approval of the Principal.

## Sale to Pool

Loans shall not be sold to the Pool by the Principal until they have been converted to permanent loan status upon the completion of construction. Sale to the Pool will occur within thirty days of completion of construction.

At the end of the construction period, as evidenced by pay out of the construction loan escrow, a final inspection, and the collection of final waivers, the Principal will sell and the Participants agree to buy one hundred percent (100%) participation interest in each loan sold by the Principal to the Loan Pool. The purchase price for each loan shall equal the advanced unpaid principal balance of each loan at the date of purchase. Each Pool Participant shall have an interest in each loan equivalent to its percentage interest in the Pool.

## Loan Pool Administration

The Principal shall provide each Pool Participant with a monthly report that shall describe the loans sold by the Principal to the Pool during the proceeding month. Each Pool Participant shall be given five business days prior to the date specified for funding. Each Pool Participant shall wire transfer to the Principal funds equal to its corresponding share of those loans sold to the Loan Pool as shown on the report.

The Principal shall retain possession of all loan documents for each loan and shall hold the documents in trust for the Pool Participants.

During the construction period of the loan, the duties of the Principal as outlined in the Construction Loan Agreement will be performed by the Principal. These will include monitoring the progress of construction, authorizing payouts from the construction Loan escrow, and collecting partial and final waivers of lien. The Principal shall administer the loan pursuant to accepted mortgage practices, collect and account for all payments when they become due, maintain construction documentation files, conduct or have conducted draw inspections, and make all approved advances authorized under the construction loan agreement.

Upon satisfactory completion of the construction described in the construction loan agreement, the loan will convert to permanent status and amortization, including monthly payments of principal and interest that shall commence for the term of the loan. Within thirty days of conversion to permanent status, the Principal will sell the loan to the Pool

Participants, certifying that the loan was made according to the agreed upon loan underwriting guidelines and will make demand for reimbursement of principle amounts advanced by the Principal for the Loan. Thereafter the loan will be owned by the Pool participants.

Principal will generate a report monthly to Pool Participants that discloses the current balance of each loan, loans overdue, and the status of delinquency or default procedures that are being taken.

Principal will disburse loan payments received during the month by wire transfer to Pool Participants after deducting the service fees. Disbursement will be made only for the loan payments actually received by the Principal from borrowers.

## Loan Servicing

Through out the life of the loan, the Principal will service the loan sold to the Pool Participants, collecting all monthly principal and interest payments. The Principal will be allowed to retain a servicing fee of .375% of each loan's accrued and collected interest and, in consideration for its collection service, will retain any late fees. Servicing will be done in accordance with all applicable laws, rules, and regulations.

Pool Participants will have the right to dismiss the Principal in the event the Principal defaults on its obligations and duties as servicer. In order to change the servicer, Pool Participants owning at least a majority interest in the Pool must notify the servicer of the default. The servicer has thirty days to correct the

default. If the defaults are not corrected within that time period, the Pool Participants have the right to select a new servicer. The Principal has the right to sell its servicing rights to another entity provided that such sale is approved by the Pool Participants.

Loans more than 60 days delinquent shall be subject to the Principal's usual collection and foreclosure procedures. Costs related to collection or foreclosure will be advanced by the Principal. The proceeds of sale shall be those funds remaining after the payment of expenses and reasonable trustee commissions allowed by the court. Principal shall be reimbursed the funds advanced by the Principal for collection and foreclosure before remitting the balance to the Loan Pool to reimburse or reduce the amount of indebtedness to the borrower.

In the event that the Principal will take a property into title as the result of foreclosure, Principal shall advance the costs of management and maintenance until it can be resold. The Resale Proceeds less the direct costs constitute net proceeds which will be remitted to the Pool Participants to reduce the amount of indebtedness evidenced by the principal balance of the loan and all accrued interest and penalties. Principal will provide an accounting of all costs to the Pool Participants.

After the sale of a loan to the Pool Participants, in the event of any casualty loss, the Principal shall notify the Pool Participants of any substantial loss or damage to the improvements. The Principal shall administer the insurance proceeds to restore the collateral or to reimburse the Loan Pool for sums owed.



# Appendix III

## Evaluating Neighborhood Confidence

If the strategies described in this plan are successfully deployed, people will be more confident in the future of the neighborhood. Confidence, unlike dollars spent on units rehabbed, is harder to count. The best, most proven vehicle for measuring confidence is some form of survey or set of questions used in a focus group to measure people's level of confidence.

In several studies of neighborhood confidence, a differentiation is made between the perception of recent buyers versus those of long-term residents. This survey, adapted from the 1977 Boston Neighborhood Confidence Study, and an evaluation of the impact on three Battle Creek neighborhoods by Neighborhoods Inc. in 1997, is designed for use with focus groups, but it can easily be adapted for a phone or in person survey.

### Long-Term Residents

#### Residential History and General Attitudes

- 1 How long have you lived in this neighborhood? How long have you lived in Racine?
- 2 Do you own or rent your current home?
- 3 In general, how do you feel living in a city compares with living in the suburbs? How is it better, and how is it worse?
- 4 Do you feel that you're currently living in a "neighborhood"? What does the word "neighborhood" mean to you — what ideas does the word call up in you?

mean to you — what ideas does the word call up in you?

- 5 I'm interested in finding out about the different places you lived while you were growing up, before you turned eighteen. Let's start with the place you were born. (Note: Specific questions about each place should include place name, part of the country it's in, type of community — urban, rural, suburban — some idea of size, how long they lived there, approximate age at the time, whether they remember it as a good/bad place to live, what they remember about it briefly.)
- 6 Do you think your experiences as you were growing up in these places have had any affect on your decision to move to and stay in this neighborhood/area? In what way?
- 7 Between the time you turned eighteen and the time you moved to this neighborhood/area, where have you lived? (Note: Specific questions should include place name — not address but neighborhood name or town name — part of the country it's in, type of community, some idea of size, how long they lived there, when this was, why they moved, whether they owned or rented.)

#### Perception of Neighborhood and Forces Influencing

- 8 How would you describe your neighborhood/area to someone who knows nothing at all about it — being very

honest and candid about both its good and bad features. (Note: Probe for descriptions of both its physical condition and its social make-up.)

- 9 Do your friends and relatives from outside the neighborhood/area seem to have the same impressions of it that you have? If not, how do you think they see the neighborhood/area?
- 10 How do you think realtors perceive your neighborhood/area? What makes you say that? Are there any concrete examples of realtors' statements you can recall? Do you share the realtors' perceptions?
- 11 Do you believe the newspapers and television news reporters accurately portray your neighborhood/area? If not, how is it different from your perception? What kind of image of your neighborhood/area do they present?
- 12 Aside from this neighborhood/area, if friends, realtors, and the news media all seemed to hold differing views of what the neighborhood/area was like, which would you tend to rely on as the most credible source?

#### Changes in Neighborhood and Its Occupants

- 13 What, if any, changes do you see taking place in the neighborhood/area now: in its physical condition, its social composition, in other ways?

- 14 Do you think the rate of turnover of houses in the neighborhood/area has changed over the past couple of years? In what way?
- 15 I'm interested in finding out about the people who have moved out of the neighborhood/area over the past few years. From what you know about them, how would you describe the people who are moving out in terms of their age, their occupation, their ethnicity, or race?
- 16 What do you think are the reasons that these people have left the area? Where do you think they are moving to?

- 17 Did you know many of the people who have moved away over the past two or three years? Did you socialize much with them? If yes — tell me more about your contacts with them. (Note: Probe for frequency of contacts, setting, closeness of friendship, functions of the relationships.) Do you still maintain contact with any of these former neighbors?

- 18 How would you describe the people who are moving into the neighborhood, buying the homes of the people we've been talking about? What are they like in terms of age, occupation, ethnicity, or race? Where are they moving from?

- 19 How do these recent buyers get along with the people who have lived here a long time? Are there any problems between the groups? Have you had any problems with the new people? Do you like the people who are moving in? In what ways are they like you, different from you?

- 20 Have you gotten to know many of these newcomers to the neighborhood/area? What kind of contact do you have with them? (Note: Probe whether these are formal or informal contacts, social or organizational, how frequent, etc.) Did you know any of them before they moved in here?

- 21 What affects have they had on the neighborhood? (Note: Probe for both physical/structural changes and on social relationships.)

#### Future of the Neighborhood

- 22 Five years from now, how do you think this neighborhood/area will be different from the way it is today? In what ways do you think things will be the same as they are now? (Note: Probe for some kind of picture of neighborhood's physical condition and info on who they think will be living in the neighborhood.) Overall, do you think the neighborhood will be better or worse than it is today?

- 23 In this neighborhood/area, do you think property values are rising, falling, staying the same? If they are changing, how rapidly are they changing and why?

#### For Property Owners

- 24 Have you done (or do you plan to do) any substantial repairs or improvement work on your home in the past three years? (Note: Probe whether work needed to be done earlier and was postponed until recently.) What kind of work was it? When did you do this work? What led you to make the investment at that time?

- 25 Are others in your neighborhood/area maintaining their properties or doing repair work on their homes?

- 26 Do you think you will still be in this neighborhood/area five years from now? If no, when do you think you would be moving out and why? Where would you likely move to? Why there? If yes, how long do you expect you will stay in this neighborhood/area?

- 27 In the past, have you ever considered moving out of the neighborhood/area? Why did you consider moving and why did you stay?

- 28 If you wanted to move now, do you expect you would get enough money to purchase a comparable replacement home in an area where you would like to live? Would you expect to get a better or worse price for your house three years from now?

- 29 Compared with your feelings in earlier years, do you feel more optimistic or pessimistic about the future of your neighborhood/area now? Why is that?

#### For Renters

- 30 Do you expect your rent will stay essentially the same or will it increase over the next three years? If it will increase, how much do you think it will increase? How does that compare with the rate of increase over the past three years?

- 31 Why do you think rents will go up or stay the same?

- 32 Would you like to continue to rent in this neighborhood/area? Will anything change your ability to rent here?

- 33 Over the last couple of years, do you think the number of rental units available in this neighborhood/area has increased or decreased? Why is that?

- 34 Do you think you will still be in this neighborhood/area five years from now? If no, when do you think you would be moving out and why? Where would you likely move to? Why there? If yes, how long do you expect you will stay in this neighborhood/area?

- 35 In the past, have you ever considered moving out of the neighborhood/area? Why did you consider moving and why did you stay?

- 36 Compared with your feelings in earlier years, do you feel more optimistic or pessimistic about the future of your neighborhood/area? Why is that?

#### Social Relationships

On a scale of 1-5 with 5 being the most positive (yes), please respond to the following statements:

- 37 I believe my neighbors would help me in an emergency.
- 38 I believe I could successfully solve a problem in my neighborhood on my own or with the help of my neighbors.
- 39 I know the names of at least half of my neighbors that live on my block.
- 40 I believe the friendliness of my neighbors is one of the most attractive things about living here.
- 41 I feel safe in my neighborhood during the day.
- 42 I feel safe in my neighborhood at night.



## Recent Buyers

### Residential History

- 1 How long have you lived in this neighborhood? How long have you lived in Racine?
- 2 Before moving to this address, where did you live? How long did you live there? Did you own or rent at that address? What was that area like as a place to live? (Note: Probe for physical condition, density, type of housing, social composition.)
- 3 Where had you lived immediately before that? How long did you live there? Did you own or rent? What was the area like as a place to live? (Note: Probe for the same things as above.) Why did you move from there?
- 4 At the time you moved here, what other areas had you considered living in? What did you find appealing about them? What didn't you like about those areas?
- 5 In general, how do you feel living in the city compares with living in the suburbs? In what ways is it better, in what ways is it worse?
- 6 Do you feel that you're living in a "neighborhood" right now? What does the word "neighborhood" mean to you — what ideas does it call up in you?
- 7 I'm interested in finding out about the different places you lived while you were growing up, before you turned eighteen. Let's start with the place you were born. (Note: Specific questions about each place should include place name, part of the country it's in, type of community — urban, rural, suburban — some idea of size, how long they lived there, approximate age at the time, whether they remember it as a good/bad place to live, what they remember about it briefly.)
- 8 Do you think your experiences as you were growing up in these places have had any affect on your decision to move to and stay in this neighborhood/area? In what way?
- 9 Between the time you turned eighteen and the time you moved to this neighborhood/area, where have you lived? (Note: Specific questions should

include place name — not address, but neighborhood name or town name — part of the country it's in, type of community, some idea of size, how long they lived there, when this was, why they moved, whether they owned or rented.)

### Perception of Neighborhood and Forces Influencing

- 10 How would you describe your neighborhood/area to someone who knows nothing at all about it — being very honest and candid about both its good and bad features? (Note: Probe for descriptions of both its physical condition and its social make-up.)
- 11 When you speak with family or friends from outside the neighborhood/area, do they have the same impressions of this neighborhood/area that you have? What are their perceptions?
- 12 Did you speak with realtors in the area before buying here? What did they tell you about what this neighborhood/area was like? Were their views consistent among the realtors themselves?
- 13 Can you recall any particular news stories reported in the media about your neighborhood? What general picture do you get from radio, TV, or the newspapers? Do you think this is an accurate view?
- 14 If friends, realtors, and the news media all seemed to hold differing views of what the neighborhood was like, which would you tend to rely on as the most credible source?
- 15 Have you always thought about this neighborhood as a place in which you might like to buy a home? What prompted your initial interest in the neighborhood?  
A) Did you use the Internet in your search for a home?
- 16 What finally made you decide to move into the neighborhood? In what ways have you been satisfied/dissatisfied with that decision?
- 17 What do you like best about the neighborhood? Like least about it?

- 18 What is the most important thing you feel the City could do to make this area a better place to live?
- 19 I'm interested in finding out about the people who have been moving into the neighborhood/area over the past few years. From what you know about them, how would you describe these people who are coming into this area in terms of their age, occupation, ethnicity, and race?
- 20 Why do you think they're moving in here? Where are they moving from? What affect do you think they are having and will have on this neighborhood/area?
- 21 Do you have much contact with other recent buyers like yourself? What kind of contact do you have with them? (Note: Probe for frequency of contacts, setting, closeness of friendship.)
- 22 How would you describe the people who are leaving and selling their homes to those moving in (in terms of age, occupation, race, or ethnicity)? How long had they lived here prior to moving? Why are they leaving?
- 23 How would you describe the people who have lived in this neighborhood/area a long time (in terms of age, occupation, race, or ethnicity)? In what ways are they like you and different from you?
- 24 Do you have much contact with them? What kind of contact do you have with them? (Note: Probe whether these contacts are formal or informal, social or organizational, how frequent, one-to-one or in groups, etc.)
- 25 How do these long-term residents get along with the new residents in the neighborhood/area? Are there any problems between the groups? Have you personally had any problems with the long-term residents? Do you like these people who have been here for some time?
- 26 Did you know any of the long-term residents or any of the recent buyers here before you moved in? Did this influence your decision at all? In what way?

### Future of the Neighborhood

- 27 Five years from now, how do you think this neighborhood/area will be different from the way it is today? In what ways do you think things will be the same as they are now? (Note: Probe for some kind of picture of neighborhood's physical condition and info on who they think will be living in the neighborhood.) Overall, do you think the neighborhood will be better or worse than it is today?
- 28 In this neighborhood/area, do you think property values are rising, falling, staying the same? If they are changing, how rapidly are they changing and why?
- 29 Have you done (or do you plan to do) any substantial repairs or improvement work on your home in the past three years? (Note: Probe whether

work needed to be done earlier and was postponed until recently.) What kind of work was it? When did you do this work? What led you to make the investment at that time?

- 30 Are others in your neighborhood/area maintaining their properties or doing repair work on their homes?
- 31 Do you think you will still be in this neighborhood/area five years from now? If no, when do you think you would be moving out and why? Where would you likely move to? Why there? If yes, how long do you expect you will stay in this neighborhood/area?
- 32 If you were to do it all over again, would you buy a house here? Have you tried to convince friends or co-workers to move into this neighborhood/area? What has their response been?

### Social Relationships

- On a scale of 1-5 with 5 being the most positive (yes), please respond to the following statements:
- 33 I believe my neighbors would help me in an emergency.
  - 34 I believe I could successfully solve a problem in my neighborhood on my own or with the help of my neighbors.
  - 35 I know the names of at least half of my neighbors that live on my block.
  - 36 I believe the friendliness of my neighbors is one of the most attractive things about living here.
  - 37 I feel safe in my neighborhood during the day.
  - 38 I feel safe in my neighborhood at night.

