

SEVENTH AND HILL RESIDENTIAL AREA ASSESSMENT

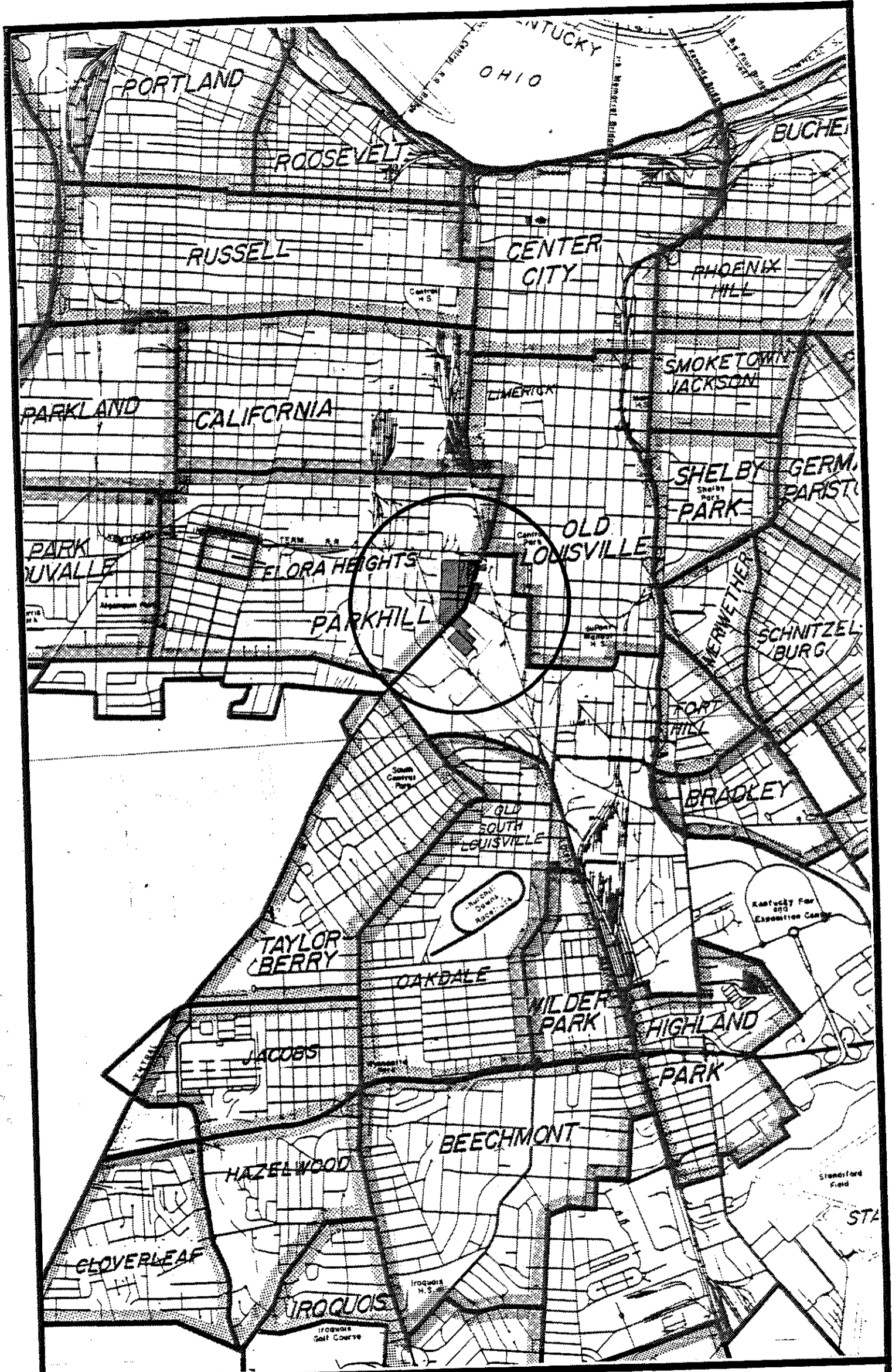
Prepared by the Louisville and Jefferson County
Planning Commission for the Economic Development
Cabinet and the Neighborhood Development Cabinet
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March, 1984



Louisville and Jefferson County Planning Commission



SEVENTH AND HILL RESIDENTIAL AREA

SEVENTH AND HILL RESIDENTIAL AREA ASSESSMENT

As part of the background work for application of the new "Enterprise Zone One" land-use zoning district, viable residential areas within the enterprise zone were identified. Criteria for viable residential areas are: predominantly residential use; a majority of the structures classified as sound, sound minor repair, or sound major repair; and adequate size to create a residential atmosphere.

Two areas in the vicinity of Seventh and Hill were identified as viable residential areas (Refer to Figure # 1.) This memo will provide additional information on these areas, referred to as the "northern" and "southern" areas, and on the balance of the study area, as shown on the attached map. For purposes of comparison, corresponding data from adjacent neighborhoods (California and Old Louisville) is also provided.

Existing Land Use

The majority of the study area (53%) is residential, followed by retail uses (14%) and vacant land (7%). The balance is in right-of-ways (21%) quasi-public uses (3%) and industrial uses (2%). Figure 1 shows existing land use in the study area; land use acreage and percentages are presented in Table 1. In the northern residential area, housing occupies 75% of the land. The northern area also contains vacant land (1.2 acres or 14%), churches (0.7 acres) and vacant commercial uses (0.2 acres). The southern residential area is almost entirely used for housing. Two commercial uses and one vacant lot account for 3% of the southern area; the balance is residential.

Zoning

The study area is zoned for industrial development (97%) and commercial development (3%). Most of the land use in the neighborhood does not conform to present zoning. The commercial area at the northeast corner of Seventh and Hill Streets is appropriately zoned, as are the five industrial uses in the study area. All residential development is nonconforming. Table 2 provides acreage and percentage data on zoning districts in the study area; Figure 2 shows zoning district boundaries in the study area.

Structural Conditions

A windshield survey of external structural conditions was conducted in March 1984. Survey results are presented on Figure 3. Sixty-seven percent of the residential structures in the study area are rated "c" and above (see Tables 3 and 4). This indicates that two-thirds of the housing in the area is in good condition or can be salvaged. The Seventh and Hill area has a lower percentage of sound ("a") structures, a much lower percentage of sound structures needing minor repairs ("b"), and a greater percentage of sound structures needing major repair ("c") than adjacent neighborhoods. In California and Old Louisville 96% and 94% of the housing stock, respectively, is rated "c" or above. Structures that are classified as deteriorated ("d") and dilapidated ("e") have reached the point at which repair is no longer feasible and demolition may be warranted. Structures in these categories are much more prevalent in the Seventh and Hill area (33% of the housing stock) than in California (3.5%) or Old Louisville (6.4%). Structural conditions in the northern and southern residential areas are approximately the same. A majority of non-residential structures in the Seventh and Hill area are in good condition.

Neighborhood Commercial

Most of the neighborhood-serving commercial uses are concentrated near the intersection of Seventh and Hill Streets. A bank, discount bakery, drugstore, barbershop, small grocery, cafe and bar are located there. A small grocery, barbershop and two bars are scattered throughout the balance of the study area. There are seven vacant structures of a size that would accommodate neighborhood-serving shops.

Housing Rehabilitation

Based on the windshield survey, a rough estimate of the number of houses in need of rehabilitation and rehabilitation costs can be developed. Limitations of this estimate should be noted: without interior inspection, an accurate determination

of rehabilitation needs and related costs cannot be made. Assuming that "c" rated structures are in need of rehab, and that "d" rated structures can be rehabilitated, a total of 63 structures in the residential areas and 43 structures in the balance of the study area are in need of rehabilitation. (See Figure 4.) Cost estimates for rehabilitating these structures are presented in Table 10. Cost figures were provided by the Housing Department based on their experience with frame shotgun houses. Two figures were used reflecting different levels of repair needs. The Housing Department estimates that \$10,000 to \$20,000 is needed for correcting code violations and replacing mechanical systems in occupied homes. Cost estimates for this type of rehabilitation used a figure of \$15,000. This figure was inflated 10% for "d" rated structures. The Housing Department estimates that acquisition of a vacant structure and interior and exterior rehabilitation ("gut rehab") cost between \$25,000 and \$30,000. A figure of \$27,500 was used for this estimate. The two types of rehabilitation extend the usable life of housing to varying degrees. No major improvements would be needed for 10 - 15 years if housing code rehabilitation is done; more extensive rehabilitation extends this period to 25 - 30 years. Rehabilitation costs for the entire study area are estimated at \$2.7 million or \$5 million depending on the level of rehabilitation. Individual structures may cost more or less than the assumed per-structure rehab costs. Some structures may be beyond repair, or may be judged by their owners as not worth investing substantial sums for rehabilitation.

Housing Type and Tenancy

Single-family housing predominates in the Seventh and Hill area, as shown in Table 5. The vacancy rate is 10%, exceeding the city-wide rate of 7%. Owner occupancy in the study area (49%) approximates the city-wide rate (52%). Owner-occupied structures are identified in Figure 3. Owner-occupied structures are generally in better condition than renter-occupied structures. Both of the "a" structures and 72% of "b" structures are owner-occupied. As would be expected, owner-occupied structures are under represented among deteriorated structures accounting for only 26% of "d" rated homes. Comparable statistics for California and Old Louisville are only available for 1970. Wood-frame "shotgun" houses are the principal structure type in the study area. There is a very small number of brick houses.

Streets and Sidewalks

As a result of the sewer explosion, major street and sidewalk improvements have been constructed in the Seventh and Hill area. Figure 5 shows newly paved streets and areas with new curbs and sidewalks. Wheelchair ramps have been constructed as part of the sidewalk improvements. By contrast, very poor street and sidewalk conditions exist in other parts of the study area. Most of the houses along Mix Avenue have neither sidewalks nor curbs. Some alleys that serve as principal means of access are in bad condition: Oakland, Burnett and Ninth Street Alley. With the exception of the alley between Ninth and Seventh Streets, alleys lack curbs and sidewalks.

Alley Conditions

Tables 6 and 7 corroborate the general trend of disinvestment in alley-facing property. Nearly one-half of the study area's vacant lots are alley lots. Alley housing account for 20% of the housing stock, but 26% of the "d" and 22% of the "e" structures. Because of declining structural conditions evident among alley-facing properties, and the trend away from this type of housing, it may be appropriate to consolidate vacant alley lots with the adjoining street-side property. This would provide additional yard space for existing homes, or when the adjoining lot is vacant, would create a larger site for new construction. A total of 18 vacant alley lots are recommended for consolidation with the adjoining street-facing property. (Figure 4). This would significantly reduce the number of vacant lots in the study area (40). Consolidation is not possible for vacant lots in the area that have alley frontage on the front and rear (from 8th Street alley to alley west of 7th Street).

Vacant Property and Infill Potential

The 40 vacant lots in the study area measure 2.7 acres, 7% of the total land area. As discussed above, consolidation of 18 vacant alley lots with adjacent lots would reduce the extent of vacant property. The remaining vacant lots are potential sites for new development, as shown on Figure 4. Vacant property would

accommodate five additional homes in the northern and three in the southern residential area. Three vacant alley lots that could not readily be consolidated with the street-side lots could also be used for infill housing. In the balance of the study area, eight building sites could be used for houses or small commercial uses. A large vacant parcel on Lee Street would be appropriate for commercial or industrial development.

Two significant properties are currently vacant. The former Kentucky Lumber Company site is a large physical plant that currently is not in use. The former John Marshall School (now privately owned) is also vacant. Re-use of these properties would be a major element in the study area's revitalization.

Population Trends

The 1980 Census shows 814 people residing in the Seventh and Hill Study area, a decline of almost 30% since 1970 (see Table 8). This decline is consistent with the rate of population loss experienced in Old Louisville, and is lower than in California. The City as a whole showed a much lower rate of population loss, 17%.

Income levels in this area are below the city-wide average. In Census Tract 34, which includes the portion of the study area north of Hill Street, the mean household income in 1979 was \$11,500. Census Tract 35 contains the portion of the study area south of Hill Street; mean household income in this tract was \$4,500. These amounts equal 73% and 42%, respectively, of the City average household income. Much of Census Tract 35 is occupied by a public housing project, which would lower the Tract's average income. For this reason, the figure for Tract 34 may be more representative of the study area.

Property Values

1978 and 1983 assessed values of commercial and residential property were collected from the Jefferson County Property Valuation Administration. (See Table 9.) Portions of blocks 31-J and 42-B constitute the northern residential area; block 34-F covers the southern area. Figure 6 shows tax block boundaries in the study area. In the northern area, improvements east of Ninth Street increased in value by 29% over the five year period; west of Ninth, the increase was 14%. The average improvement values in these areas are \$4,000 and \$4,500, respectively. The average commercial improvement in the northern residential area actually declined in value. Lots east of Ninth Street doubled in assessed value; west of Ninth they increased by 30%. In the southern residential area, improvements increased by 20%, to an average assessment of \$5,500. Lots more than doubled, and the average value of commercial improvements declined in value. Outside the residential areas, residential improvements declined in average value or showed a minimal increase (2-3%). Commercial improvements increased substantially in average value in these tax blocks.

Census data also provides an indication of property values. The 1980 Census reports an average value of \$10,200 for owner occupied homes and an average rent of \$100 in the study area. These figures are significantly less than the average for the entire City. Average rent in the study area is 70% of the city-wide value (\$143) and average house value is only 30% of the City-wide average (\$33,100).

Rehab Feasibility

Although average assessments of residential property have increased, they are still quite low. The value of lots and improvements range from \$5,000 to \$8,000. Even allowing for possible under assessment, the economic feasibility of rehabilitating these structures is questionable. Low property values in themselves discourage investment in housing rehabilitation. The extent to which private investment can meet the area's \$2.7 -- \$5 million rehabilitation needs is impossible to predict. It is likely that widespread rehabilitation will not occur without a coordinated effort by local government. The most advantageous program offered by the City offers 3% loans of up to \$20,000 for housing rehabilitation. Annual payments on principal and interest are \$1,000, an amount that would be affordable if the average income figure for Census Tract 34 (\$11,500) is representative of the study area. However, the housing improvement needs significantly exceed the annual appropriation for the 312 program. Adequate funds for 30 or 40 houses are anticipated in 1984, yet 176 houses in

the Seventh and Hill area need rehabilitation. In addition, this loan program is currently restricted to conservation areas; the study area is not eligible for 312 monies at this time.

The other City program available for this area is MISCO. According to Housing Department personnel, MISCO and HUD 312 loans are only made if neighborhood conditions warrant. In a deteriorated area, loans would be made only as part of a coordinated effort to reverse declining trends. At the current 13½% interest rate, a \$15,000 MISCO loan may fall within the range of acceptable housing costs (25% to 35% of gross income). This assumes that the Census Tract 34 income statistic applies to study area residents, and that owners have paid for their homes or are paying less than \$700 per year for principal and interest. Higher mortgage payments would reduce the amount of housing improvements they could afford.

In considering the feasibility of widespread housing rehabilitation, the extent of owner-occupancy also must be considered. According to PVA records, just under one-half of the homes are owner-occupied. A successful rehabilitation program would have to involve absentee owners as well as owner occupants.

A major effort by the City would be necessary to improve housing conditions in the Seventh and Hill area. Significant financial incentives from the public sector are necessitated by several factors: age and existing condition of structures, residents' income levels, surrounding industries, declining demand for housing city-wide. If the City does not implement a concentrated housing improvement effort, individual properties would continue to deteriorate and would eventually be demolished. Over the long term, the area's residential character would diminish.

Conclusion

The expenditure of public funds in this area is a policy decision to be made in light of needs, limited resources and effective public expenditure objectives throughout the City.

Table 1 Existing Land Use

<u>Category</u>	<u>Acreage</u>	<u>Percent</u>
Single Family (1)	17.82	47.3
Duplex (2)	1.78	4.7
Multi-Family (3)	.41	1.1
Light Industrial (4)	.69	1.8
Retail Goods (9)	1.28	3.4
General Retail	3.88	10.3
Educational (Vacant) 14	.96	2.5
Religious (15)	.31	.8
Vacant	2.67	7.1
Streets & Rights-of-Way	7.85	20.8
<u>Total</u>	<u>37.65</u>	<u>100.0</u>

Table 2 Existing Zoning

	<u>Acreage</u>	<u>Percent</u>
C-1 Commercial	1.0	2.6
M-2 Industrial	26.2	69.7
M-3 Industrial	10.4	27.6

Table 3 Condition of Structures

<u>Residential</u>	<u>Seventh & Hill</u>		<u>California</u>		<u>Old Louisville</u>	
	<u>Number</u>	<u>Percent</u>	<u>Number</u>	<u>Percent</u>	<u>Number</u>	<u>Percent</u>
Sound (a)	2	.8	344	8.4	150	8.2
Sound minor repair (b)	46	18.9	2,590	63.5	1,062	58.3
Sound major repair (c)	116	47.7	1,005	24.6	495	27.1
Deteriorated (d)	61	25.1	108	2.6	91	5.0
Dilapidated (e)	18	7.4	36	.9	25	1.4
<u>Total</u>	<u>243</u>	<u>100.0%</u>	<u>4,083</u>	<u>100.0%</u>	<u>1,823</u>	<u>100.0%</u>
<u>Non-Residential</u>						
Standard (A)	18	58.1	224	44.0	412	71.7
Depreciating (B)	13	41.9	270	53.0	134	23.3
Substandard	0	0.0	15	3.0	29	5.0
<u>Total</u>	<u>31</u>	<u>100.0%</u>	<u>509</u>	<u>100.0%</u>	<u>575</u>	<u>100.0%</u>

Housing Conditions
By Area

	<u>Residential Areas</u>		<u>Balance of Study Area</u>	
Sound	2	(1%)	0	(0%)
Sound minor repair	39	(23%)	4	(6%)
Sound major repair	94	(55%)	23	(32%)
Deteriorated	30	(18%)	30	(42%)
Dilapidated	6	(3%)	14	(20%)

Table 4 Definition of Structural Classifications -- see last page

Table 5 Housing Type and Tenancy

Structural Condition	Single Family	Duplex	Multi Family	Vacant	Owner Occupied
a	2 (.9)	-	-	-	2 (1.7%)
b	38 (16.8)	4 (26.7)	2 (40.0)	-	33 (27.3%)
c	113 (50.0)	2 (13.3)	2 (40.0)	2 (8.0)	68 (56.2%)
d	56 (24.8)	7 (46.7)	1 (20.0)	11 (44.0)	16 (13.2%)
e	17 (7.5)	2 (13.3)	-	12 (48.0)	2 (1.7%)
Total	226	15	5	25	121
Total as % of all Residential Structures	93.0%	6.2%	2.1%	10.2%	49.4%
City of Louisville (1980)	69.3%	-	-	7.1%	52.3%
California (1970)	92.6%	-	-	7.9%	46.5%
Old Louisville (1970)	61%	-	-	13.2%	11.5%

Table 6 Vacant Land and Structures

Vacant Lots	
Residential Areas	17
Balance of Study Area	23
Acreage (Total)	2.7
Vacant Structures	
Residential	24
Commercial	7
Educational	1

Table 7 Alley Land Use and Structural Conditions

Vacant Alley Lots	
- Total	19
- As % of all vacant lots	48%

Housing Conditions	Number	Alley Houses as % of Entire Housing Stock
Sound	-	-
Sound Minor	6	13.0
Sound Major	22	19.0
Deteriorated	16	26.2
Dilapidated	4	22.2

Table 8 Population

1970	1980	Percent Change	City of Louisville 1970-1980	California 1970-1980	Old Louisville 1970-1980
1,162	814	-29.9%	-17.4%	-35%	-28%

Table 9 Property Valuation, 1978 and 1983

	1978				1983			
	Residential Lot	Residential Improv.	Commercial Lot	Commercial Improv.	Residential Lot	Residential Improv.	Commercial Lot	Commercial Improv.
Block 31-J (Viable Residential Area)								
Total	79,910	279,610	59,120	56,390	162,780	359,840	59,860	49,960
Average	1,010	3,539	3,941	3,759	2,060	4,555	4,276	3,569
Block 31-J (Outside Residential Area)								
Total	11,540	23,710	111,600	102,680	15,430	24,140	120,800	155,760
Average	2,308	4,742	9,300	8,556	3,086	4,828	10,067	12,980
Block 34-A (Outside Residential Area)								
Total	22,040	10,690	122,790	138,090	8,880	12,440	200,140	209,210
Average	3,673	1,781	8,770	9,863	2,960	4,147	11,119	12,306
Block 34-F (Viable Residential Area)								
Total	80,250	290,020	26,860	56,550	236,540	385,360	31,160	35,070
Average	1,273	4,603	2,238	4,712	3,331	5,505	3,116	3,507
Block 42-B (Viable Residential Area)								
Total	28,160	104,070	11,150	50,820	36,750	118,590	15,320	39,960
Average	938	3,469	1,393	6,352	1,225	3,953	1,915	4,995
Block 42-B (Outside Residential Area)								
Total	15,780	28,630	54,930	58,330	15,980	22,280	67,220	154,550
Average	928	2,202	6,103	6,481	999	2,025	6,722	15,455
Block 42-C (Outside Residential Area)								
Total	60,960	167,510	137,680	174,790	58,220	148,140	177,960	274,494
Average	1,219	3,350	8,098	10,281	1,354	3,445	8,474	13,071

Table 10 Housing Rehabilitation Costs

	<u>Residential Areas</u>	<u>Balance of Study Area</u>
Code Compliance and System Replacement		
"c" structures (\$15,000 @)	\$ 1,410,000	\$ 345,000
"d" structures (\$16,500 @)	\$ 495,000	\$ 495,000
Sub Total	\$ 1,905,000	\$ 840,000
Total, Both Areas	\$2,745,000	
Gut Rehab		
"c" structures (\$27,500 @)	\$ 2,585,000	\$ 632,500
"d" structures (\$30,250 @)	\$ 907,500	\$ 907,500
Sub Total	\$ 3,492,500	\$1,540,000
Total, Both Areas	\$5,032,500	

Table 4 Definitions of Structural Classifications

Residential Structures

- a. SOUND Structure is sound in all respects -- in an excellent state of repair.

- b. SOUND
STRUCTURE
MINOR
REPAIR Structure is sound -- in need of only limited minor repairs, has no defects or only slight defects which are normally corrected during the course of regular maintenance (such as lack of paint, slight damage to porch or steps; small cracks in wall or chimney; broken gutters or downspouts; slight wear on floor or door sills).

- c. SOUND
STRUCTURE
MAJOR
REPAIR Structure is deteriorating -- in need of extensive minor repairs, more repairs than would be provided during the course of regular maintenance; one or more defects and/or deficiencies or an intermediate nature which may or may not be economically feasible to undertake as a whole (such as shaky or unsafe porch steps; holes, open cracks or missing material over a small area of the walls or roof; rotting window sills or frames), but not containing an apparent number of defects and/or deficiencies to justify clearance on just the condition of the structure. A general or major rehabilitation job is required for these units.

- d. DETERIORATED
STRUCTURE
MAJOR
REPAIR Structure is deteriorated -- it contains a combination of defects and/or deficiencies in structural and non-structural elements of total significance and to an extent possibly requiring clearance. Such defects and deficiencies being to the extent that the structure will not meet criteria for the C. "Sound Structure Major Repair" classification. These units are questionable for rehabilitation because of the cost factor.

- e. DILAPIDATED
BEYOND
REPAIR Structure is dilapidated -- has at least two major structural defects (such as holes, open cracks or missing materials over a large area of walls, roof or other parts of the structure; sagging floor, walls or roof; damage by storm or fire) to the degree requiring clearance.

Non-Residential Structures

- a. STANDARD Structure is apparently sound in all respects; structure is in need of only limited minor repairs which are normally made during the course of regular maintenance, such as painting, clean-up of yard and/or structure, repair of screens, or repair of gutters and downspouts.

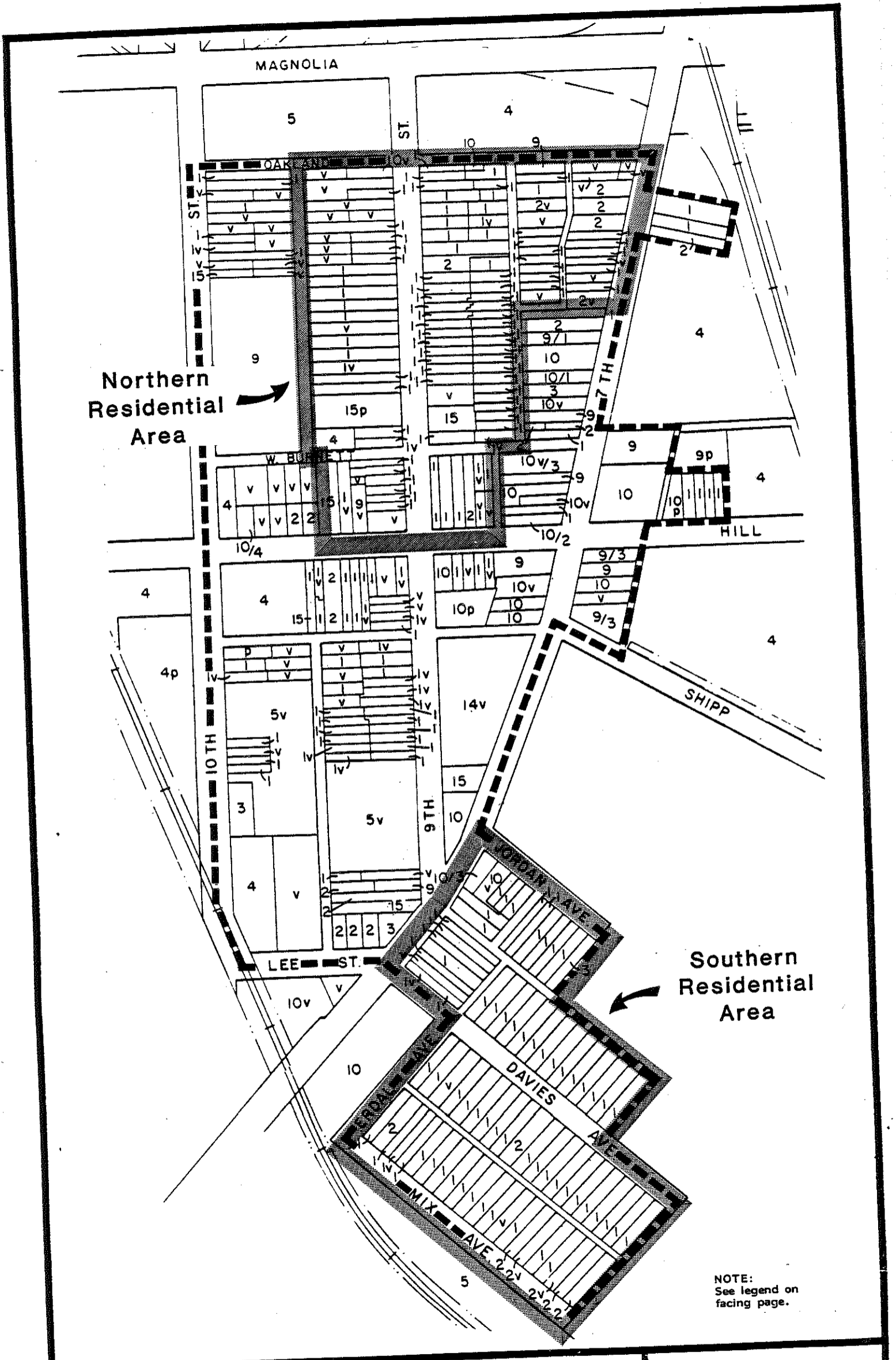
- b. DEPRECIATING Structure is deteriorating and in need of extensive minor repairs -- more repairs than could be provided during the course of regular maintenance, such as shaky or unsafe porch steps, repair or siding, minor roof or chimney repair, or repair or removal of accessory buildings -- but not containing a sufficient number of defects and/or deficiencies to justify clearance solely because of the structure's condition.

- c. SUBSTANDARD Structure is dilapidated and contains a combination of structural defects and/or deficiencies requiring major repairs (such as sagging floors, walls, or roof, open cracks or missing materials over a large area, major problems with roof or porch) to a degree requiring clearance.

Figure 1
Existing Land Use

LAND USE CODE		
General Category	Specific Category	Code Number
RESIDENTIAL	Single Family	1
	Two Family	2
	Other	3
INDUSTRIAL	Light	4
	Heavy	5
TRANSPORTATION	Transportation Highway, Street, ROW	6 Blank
COMMUNICATIONS AND UTILITIES	Communications and Utilities	7
COMMERCIAL	Wholesale	8
	Retail	9
	General	10
	Professional Offices	11
PUBLIC AND SEMI-PUBLIC	Governmental	12
	Medical Services	13
	Educational	14
	Religious	15
	Recreational	16
	Other Public and Semi-Public	17
	Cemeteries	18
VACANT	Unimproved Vacant Structures	V Code for previous use followed by "V"
	Pay Parking	Pay P
	Private Parking	P

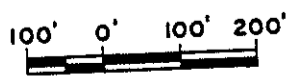
Source: Louisville and Jefferson County
Planning Commission Field Survey, March, 1984



Northern Residential Area

Southern Residential Area

NOTE:
See legend on facing page.



Seventh and Hill Area



Louisville and Jefferson County Planning Commission

Existing Land Use

Figure 1

Figure 2
Existing Zoning

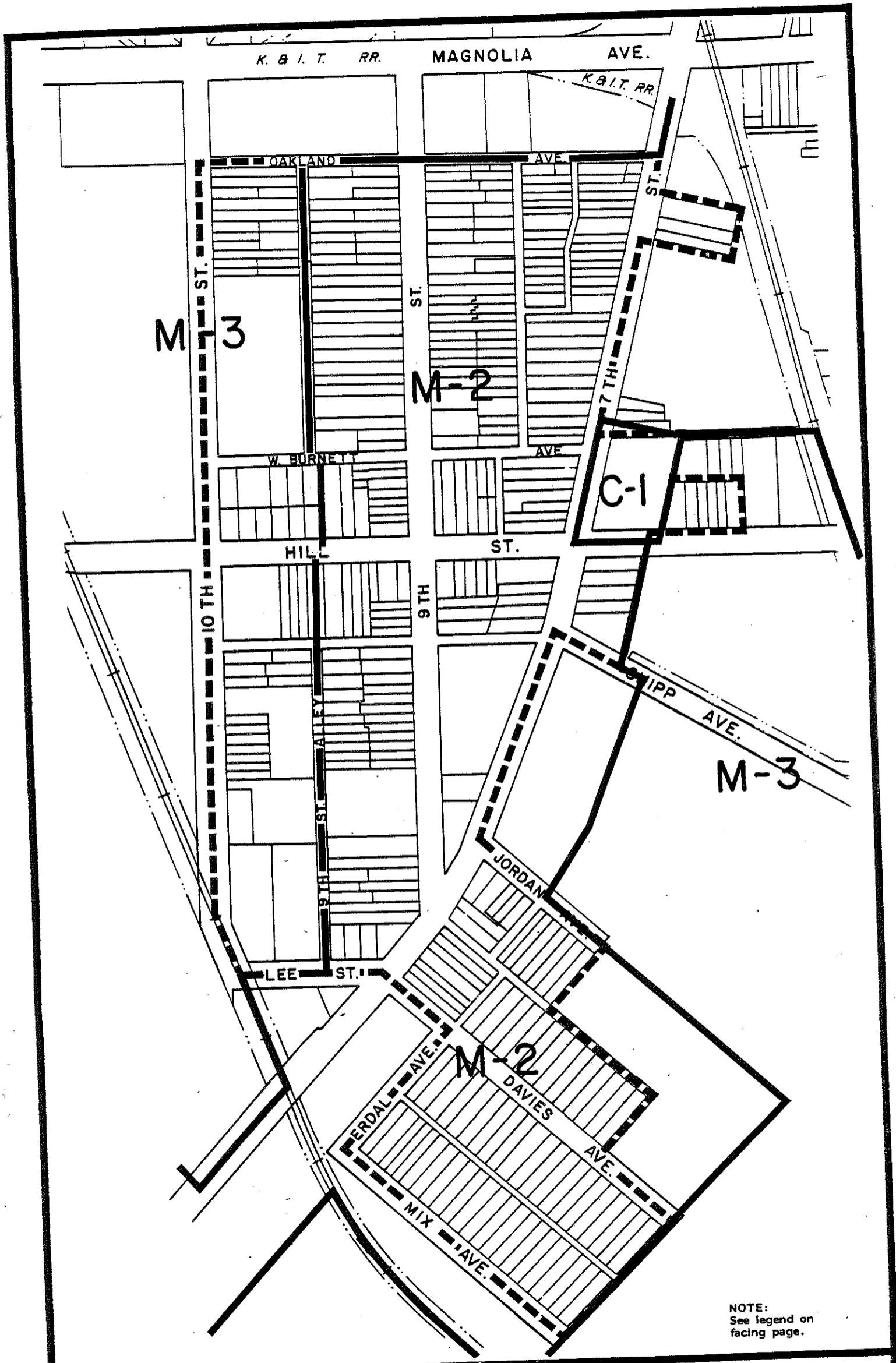
LEGEND

C-1 Commercial

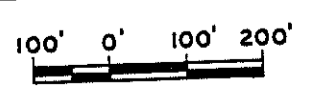
M-2 Industrial

M-3 Industrial

**Source: Louisville and Jefferson County
Planning Commission, March 1984.**



NOTE:
See legend on
facing page.



Seventh and Hill
Area



Louisville and Jefferson County
Planning Commission

Existing Zoning

Figure 2

Figure 3
Structural Conditions
and
Owner Occupancy

LEGEND

RESIDENTIAL

- a** Sound
- b** Sound Minor Repair
- c** Sound Major Repair
- d** Deteriorated
- e** Dilapidated

NONRESIDENTIAL

- A** Standard
- B** Depreciating
- C** Substandard
- Owner Occupied

Sources: Structural condition data collected by the Louisville and Jefferson County Planning Commission, March, 1984; Owner-occupancy derived from Jefferson County Property Valuation Administration records, 1984.

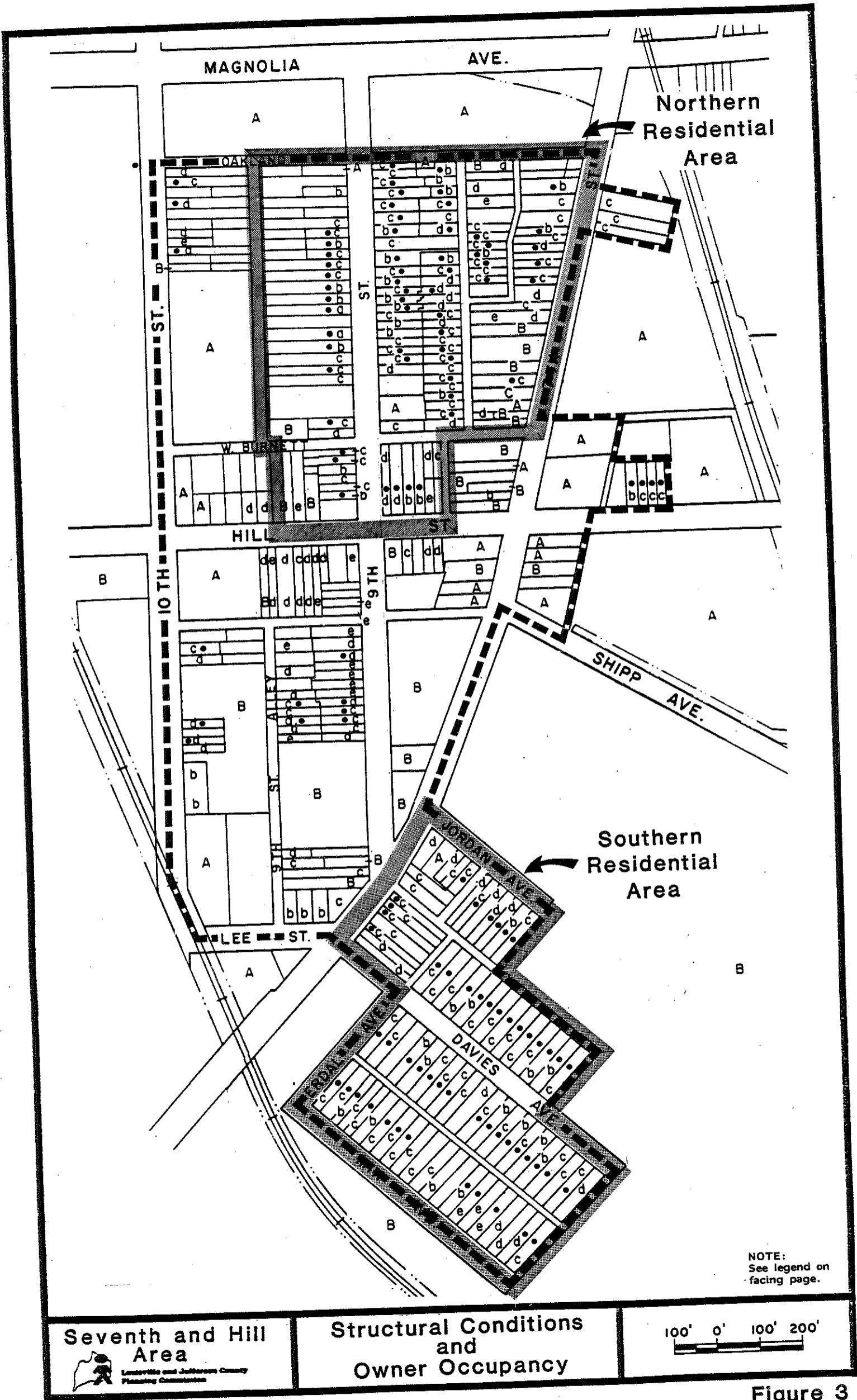


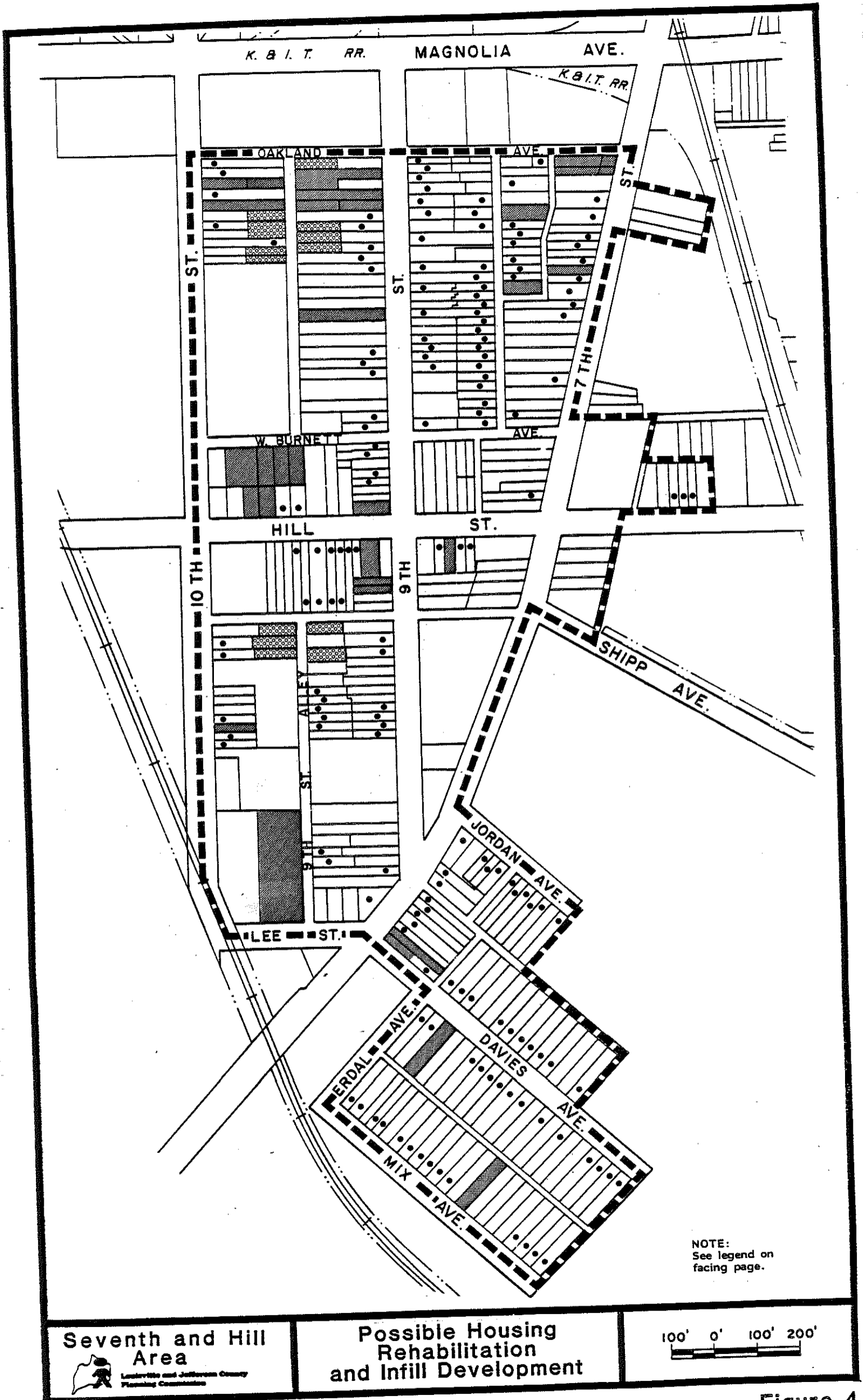


Figure 4
Possible Housing
Rehabilitation
and Infill Development

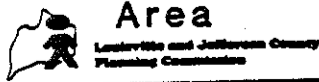
LEGEND

-  Vacant Sites Suitable for Infill Development
- Housing in Need of Rehabilitation ("c" and "d" Rated Structures)
-  Alley Lots Proposed for Consolidation

Source: Louisville and Jefferson County
Planning Commission March, 1984



Seventh and Hill Area



Possible Housing Rehabilitation and Infill Development

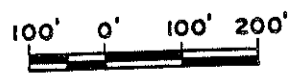





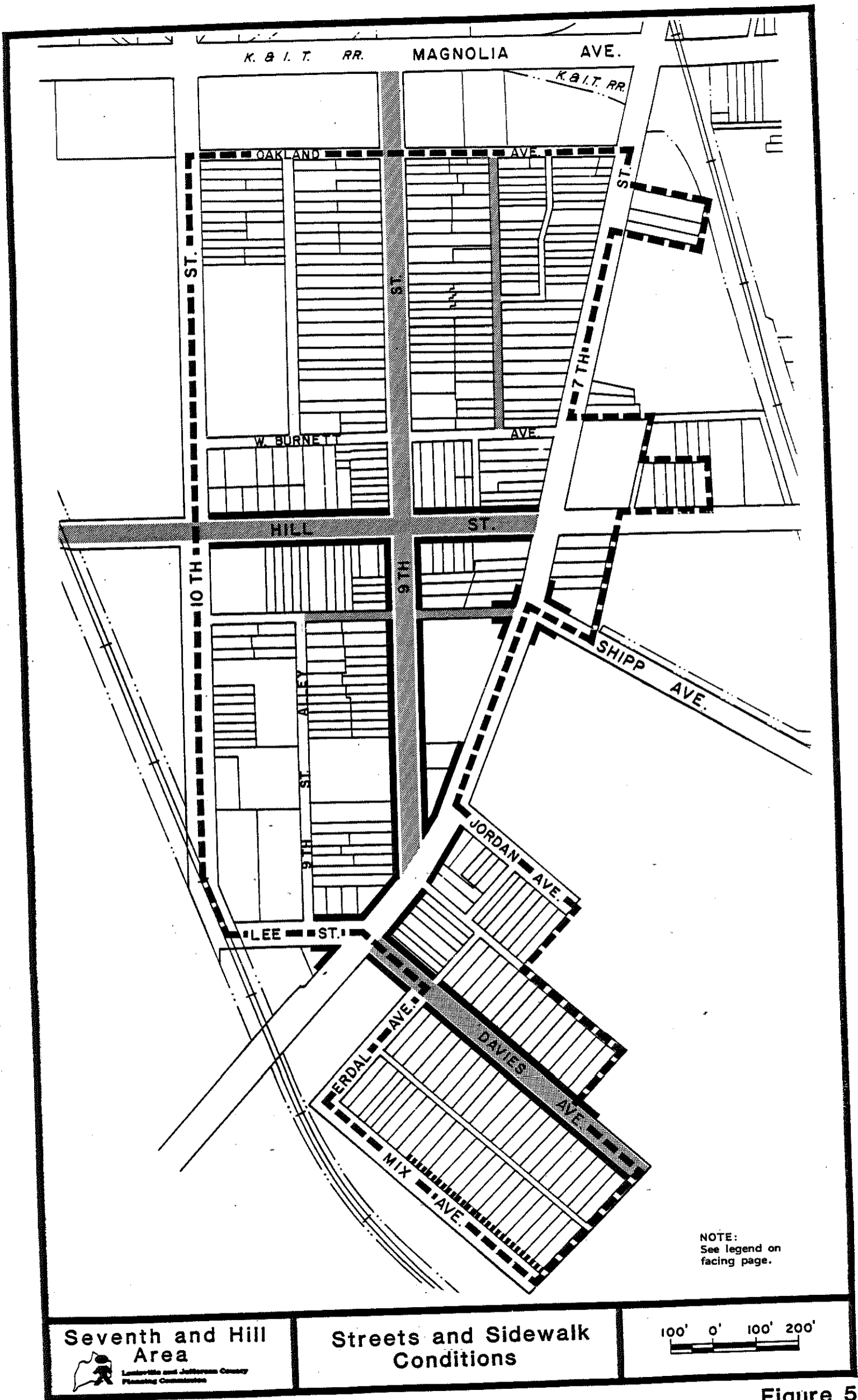
Figure 4

Figure 5
Streets and Sidewalk
Conditions

LEGEND

-  New Street or Recently Repaved
-  New Curbs, New Sidewalks, Handicapped Ramps
-  No Curb or Sidewalk

Source: Louisville and Jefferson County
Planning Commission Field Survey March, 1984



Seventh and Hill Area



Lexington and Jefferson County
Planning Commission

Streets and Sidewalk Conditions

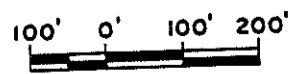


Figure 5

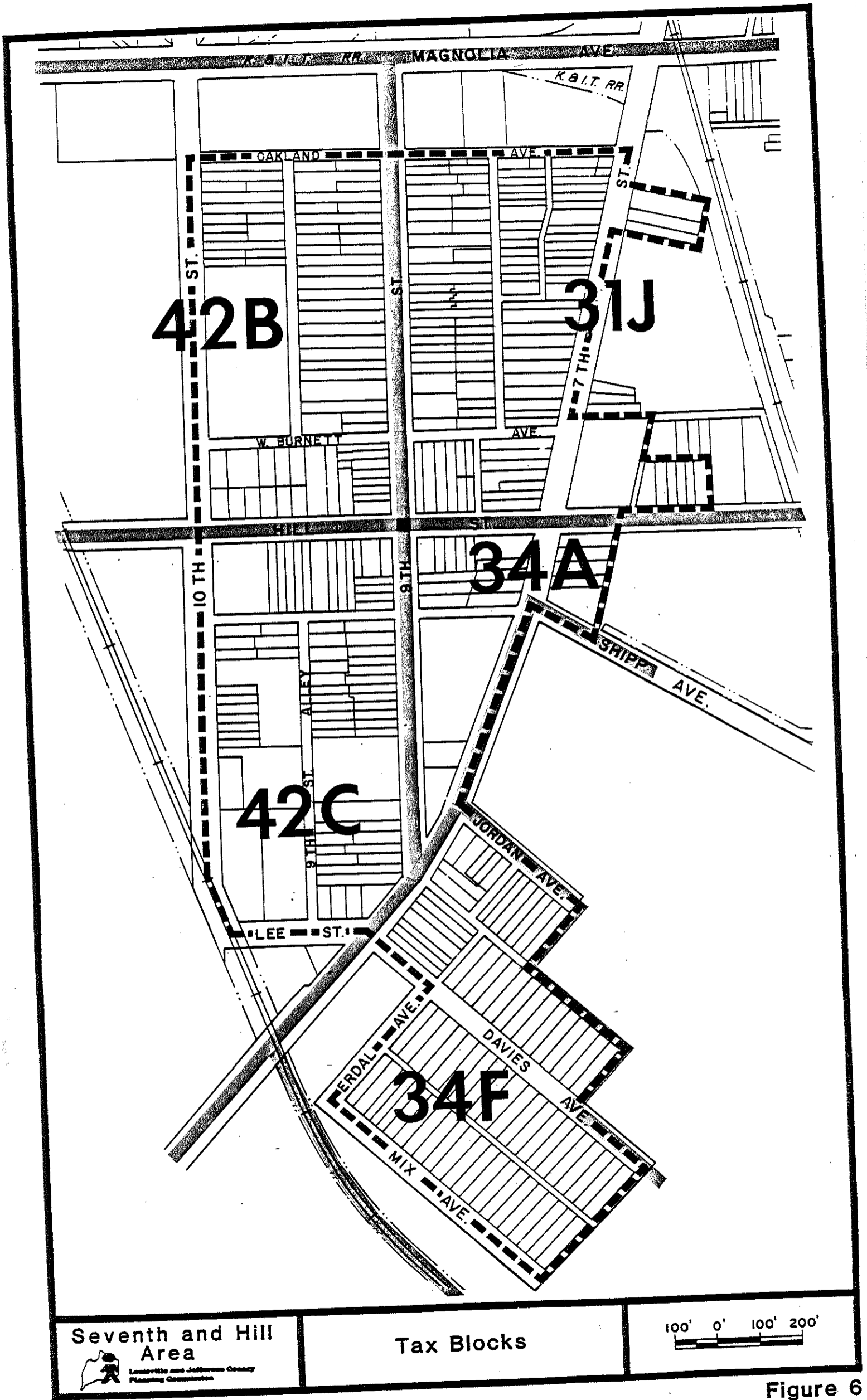


Figure 6

SEVENTH AND HILL RESIDENTIAL AREA ASSESSMENT

ACKNOWLEDGEMENTS

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