safety

mobility

community

sustainability

BENTON HARBOR, MICHIGAN
NEIGHBORHOOD STABILIZATION PROGRAM 2

PLAN FOR NEIGHBORHOODS

CITY OF BENTON HARBOR / BERRIEN COUNTY LAND BANK   2012

This Page Left Intentionally Blank

PLAN FOR NEIGHBORHOODS

Benton Harbor, Michigan

February 3, 2012

Prepared for:
City of Benton Harbor, Michigan
Berrien County Land Bank

Prepared by:

McKenna ASSOCIATES

This Page Left Intentionally Blank

Acknowledgements

City of Benton Harbor

Emergency Manager

Joseph L. Harris

City Commission

Hon. James Hightower, Mayor
Mary Alice Adams
Duane Seats
Marcus Muhammad
David Shaw
Sharon Henderson
Trenton Bowens
Juanita Henry
Dennis Knowles

Staff

Regina Sistrunk
Ebony Harris

Capital Access, Inc.

Nicole Rodden-Bowen

The Citizens of Benton Harbor

Berrien County Land Bank

County Commission

Dave Pagel, Chair
Jeanette Leahey, Vice Chair
Mac Elliott
John LaMore
Debra Panozzo
Marletta Seats
John Hinkelman
Zach Perkins
Bob Wooley
Mamie Yarbrough
Bryan Bixby
Cathy Thieneman
Andy Vavra

Land Bank Authority Board

Bret Witkowski, Chair
Patricia Arter
Stephen Smith
Mamie Yarbrough
Stephen Mitchell
Andrew Vavra
Marlette Seats

County Staff

Dan Fette
Kimberly Fedison
Katie Montoya

This Page Left Intentionally Blank

Tables

Maps

Figures

Executive Summary

The City of Benton Harbor and the Berrien County Land Bank have targeted four neighborhoods on the City's south and east sides for redevelopment using Federal Neighborhood Stabilization Program 2 ("NSP2") funds. The City and the Land Bank have been actively acquiring property, demolishing blighted structures, and building new housing stock in an effort to stabilize and revitalize key neighborhoods.

This plan is designed to provide a vision for the future for the four neighborhoods. It provides recommendations – both within and beyond the purview of NSP2 eligible activities - for the safety, mobility, community, and sustainability of the neighborhoods. In implementing these recommendations, the City and the Land Bank will strive to improve the quality of life for residents of the community.

This document includes a thorough demographic analysis of the City of Benton Harbor and the NSP2 neighborhoods in particular. This, combined with an analysis of the land use and infrastructure in these districts, will give a general picture of the existing conditions.

Using that information, the plan delves deeper into the housing market in the Benton Harbor/St. Joseph region: What types of housing is currently available? What types of housing do area residents want to live in? Is there a market for homeownership or for rentals – or both? Through deep data analysis, the market study answers these questions and creates recommendations for housing types that could attract new residents to the NSP2 neighborhoods.

To gain perspective on the neighborhoods, the input of stakeholders and community members was gathered during the Fall of 2011. The contributions of the participants in the input meetings were crucial in determining the recommendations of this plan.

Using the principles determined by the market study and the input of community members, this document includes an in-depth redevelopment plan for Neighborhood "1A". This district, which is just south of downtown Benton Harbor, has seen much of its urban fabric destroyed by blight and demolition. The redevelopment plan uses "outside-the-box" thinking to create a unique type of housing in an attractive neighborhood that could become an anchor for the entire city.

The plan then outlines the vision for the four districts as a whole, concentrating on four key areas of neighborhood life – safety, mobility, community, and sustainability. By addressing each of these elements, the plan provides guidelines for the future vibrancy of the neighborhoods.

Finally, the plan outlines the ways in which the recommendations can be implemented. While the NSP2 grants and resulting program income will be a major source of funds for some of the proposed projects, other sources of funding could also be used. Similarly, while the City and Land Bank will be the primary implementers of this plan, community groups, private interests, and others will also be crucial.

This plan provides a vision for Benton Harbor's neighborhoods and an opportunity to improve the quality of life for its citizens. Implemented effectively, it could be a catalyzing force and a path to a brighter future for the entire community.

This Page Left Intentionally Blank

Section 1:

Existing Conditions

This Page Left Intentionally Blank

Benton Harbor
Berrien County

Lake Michigan

Interstates: 196, 94
State Highways: 63, 139, 43, 51, 140, 62, 60, 205
US Highways: 31, 33, 12

VAN BUREN COUNTY

South Haven Twp
Covert Twp
Village of Breedsville
Bloomingdale Twp
Bangor
Bangor Twp
Arlington Twp
Waverly Twp
Hartford Twp
Hartford
Lawrence Twp
Village of Lawrence
Paw Paw Twp
Village of Paw
Coloma Twp
Coloma
Watervliet
Watervliet Twp
Hagar Twp
Benton Twp
Bainbridge Twp
Keeler Twp
Hamilton Twp
Decatur Twp
Village of Decatur
Benton Harbor
St Joseph
St Joseph Twp
Sodus Twp
Pipestone Twp
Village of Eau Claire
Silver Creek Twp
Wayne Twp
Volinia Twp
Lincoln Twp
Royalton Twp
Dowagiac
Lake Twp
Oronoko Twp
Baroda Twp
Village of Berrien Springs
Berrien Twp
Pokagon Twp
Lagrange Twp
Penn Twp
Bridgman
Village of Cassopolis
Village of Vandalia

BERRIEN COUNTY

CASS COUNTY

Chikaming Twp
Weesaw Twp
Buchanan Twp
Niles Twp
Howard Twp
Niles
Jefferson Twp
Calvin Twp
New Buffalo Twp
Three Oaks Twp
Galien Twp
Bertrand Twp
Buchanan
Niles Twp
Milton Twp
Ontwa Twp
Mason Twp

February 3, 2012

Regional Context

Benton Harbor, Michigan

Miles 0   3   6

McKenna
ASSOCIATES

LEGEND

Benton Harbor
Surrounding Municipalities
Surrounding Counties
Parks and Recreation
Lake

Interstates
US Highways
State Highways
Major Roads

Data Source: Michigan Geographic Framework, Michigan Center for Geographic Information, Version 8a.

This Page Left Intentionally Blank

1. Introduction

A. Social Demographics

The demographic analysis included in this section shows the trends in the City of Benton Harbor over the last 20 years. The trends are compared to Berrien County and the State of Michigan as a whole.

Table 1.1 shows the educational attainment of residents over 25 years old in Benton Harbor, the County, and the State. While almost as many Benton Harbor students attend college as county- and state-wide, a smaller percentage of them graduate. Additionally, 29.7% of Benton Harbor adults did not graduate from high school. Stability in Benton Harbor's housing stock and neighborhoods as a result of the NSP2 program should improve the educational statistics, but it will be a long process.

Table 1.1: Educational Attainment, Population over 25 Years Old, 2009

	Benton Harbor	Berrien County	State of Michigan
Less than High School	29.7%	13.4%	12.6%
High School Graduate	38.5%	32.3%	31.8%
Some College	19.8%	22.2%	23.1%
Associate's Degree	4.8%	8.5%	8.0%
Bachelor's Degree	3.6%	14.2%	15.2%
Graduate or Professional Degree	3.7%	9.2%	9.3%

Source: US Census American Community Survey 2009

Table 1.2 shows the median income in Benton Harbor, the County, and the State over the period from 1990 to 2010. All three have experienced drops in median income since 2000 as a result of wider economic difficulties.

Table 1.2: Median Income in 2010 Dollars, 1990-2010

Median Income	Benton Harbor	Berrien County	State of Michigan
1990	$14,597	$44,864	$51,080
2000	$21,896	$48,336	$55,981
2010	$17,491	$42,481	$48,700

Source: US Census 1990, US Census 2000, US Census 2010

Table 1.3 shows the job categories in which Benton Harbor residents are employed. Health Care and Education is the largest category, with manufacturing also employing a large portion of the population. In general, Benton Harbor is less diversified than the State and County, but that may be in part due to some particularly strong sectors in the Southwest Michigan area, such as Health Care and Education, Manufacturing, and Tourism.

Table 1.3: Occupational Category for Residents, 2009

Industry Category	Benton Harbor	Berrien County	State of Michigan
Agriculture, etc.	0.0%	2.3%	1.2%
Construction	0.5%	6.2%	5.6%
Manufacturing	23.2%	19.6%	18.3%
Wholesale Trade	0.0%	2.5%	2.9%
Retail Trade	10.0%	10.7%	11.6%
Transportation and Warehousing	2.7%	5.8%	4.2%
Information	3.2%	1.5%	1.9%
Finance, Insurance, Real Estate	2.1%	4.3%	5.7%
Professional, Scientific, Management Services	3.2%	7.0%	8.8%
Education and Health Care	32.7%	22.6%	22.4%
Arts and Entertainment	13.6%	9.3%	9.0%
Other Services	4.9%	5.3%	4.7%
Government	3.7%	2.7%	3.7%

Source: US Census American Community Survey 2009

One of Benton Harbor's strengths is its walkable infrastructure, but, as Table 1.4 shows, that walkability does not help residents get to jobs. Approximately the same proportion of Benton Harbor residents take a car to work (either alone or with a carpool) as in the County and State as a whole.

Table 1.4: Commuting Trends, 2009

Type of Commute	Benton Harbor	Berrien County	State of Michigan
Drive Alone	75.5%	83.4%	82.8%
Car Pool	14.6%	8.7%	9.0%
Public Transit	3.0%	0.5%	1.3%
Walk	2.9%	2.7%	2.3%
Other (Bike, etc.)	1.3%	1.1%	1.1%
Work at Home	2.7%	3.6%	3.4%
Average Commute Time	14.8 minutes	18.9 minutes	23.7 minutes

Source: US Census American Community Survey 2009

Benton Harbor residents commute all over the region. As shown in Table 1.4, the most common job location for Benton Harbor residents is Benton Township, followed by the City of St. Joseph, and then Benton Harbor itself. These numbers may change as Whirlpool shifts more of its employees to its new headquarters within the Benton Harbor city limits.

Workers coming to Benton Harbor also come from a wide variety of areas. Benton Township tops the list, followed by St. Joseph Township and workers who commute from within the City.

Table 1.5: Commuters to and from Benton Harbor, 2009

	Drive time from Benton Harbor	% Residents Commute To:	% Workers Commute From
Benton Harbor	N/A	9.1%	8.1%
Benton Township	8 minutes	22.3%	11.2%
St. Joseph	9 minutes	11.1%	5.6%
St. Joseph Township	12 minutes	5.3%	8.3%
Hagar Township	16 minutes	0.5%	3.4%
Royalton Township	17 minutes	2.0%	1.6%
Lincoln Township	20 minutes	2.6%	6.2%
Coloma Township	24 minutes	0.9%	2.5%
Oronoko Township	24 minutes	0.7%	1.7%
Berrien Township	33 minutes	0.6%	0.9%
South Haven	34 minutes	0.7%	1.3%
New Buffalo	36 minutes	1.1%	0.1%
Niles	42 minutes	1.7%	1.3%
South Bend	51 minutes	0.8%	0.1%
Kalamazoo	56 minutes	1.2%	1.8%
Portage	58 minutes	0.8%	0.5%
Grand Rapids	1 hour, 24 minutes	0.6%	0.6%
Kentwood	1 hour, 24 minutes	0.7%	0.1%
Walker	1 hour, 28 minutes	0.7%	0.1%
Chicago	1 hour, 55 minutes	0.5%	0.1%
Lansing	2 hours, 5 minutes	4.3%	0.5%
Ann Arbor	2 hours, 27 minutes	0.7%	0.1%
Southfield	3 hours, 3 minutes	0.7%	0.1%
Detroit	3 hours, 5 minutes	0.5%	1.2%
Troy	3 hours, 20 minutes	0.8%	0.1%
Other		31.4%	56.4%

Source: US Census American Community Survey 2009

Table 1.6 shows the trends in fertility during the year 2009, which is the last year for which data is available. A very high 90.8% of babies born in Benton Harbor that year were born to unwed mothers. Further, the birth rate among women 15-19 years old is much higher in the City than in the County or the State. 16.1% of the 15-19 year old in Benton Harbor had a baby in 2009. Meanwhile, the birth rate among women 20-34 is much lower in Benton Harbor than elsewhere. 7.7% of the women in that age group had a baby in 2009.

Table 1.6: Fertility Trends, 2009

	Benton Harbor	Berrien County	State of Michigan
% Births to Married Women	9.2%	50.2%	64.1%
% Births to Unmarried Women	90.8%	49.8%	35.9%
% of Women in Age Group Who Gave Birth in Past Year:			
15-19 years old	16.1%	4.9%	2.4%
20-34 years old	7.7%	12.3%	10.6%
35-50 years old	2.1%	2.0%	2.0%

Source: US Census American Community Survey 2009

Higher-than-average rates of motherhood among young women usually results in multi-generational households. There are 581 households in Benton Harbor in which grandparents live with their grandchildren. Table 1.7 shows the characteristics of those households and compares them with similar households in the County and State.

Table 1.7: Characteristics of Multi-Generational Households, 2009

	Benton Harbor		Berrien County		State of Michigan	
Grandparents Living with Grandchildren	581	100%	2,714	100%	164,911	100%
Grandparents Responsible for Grandchildren	308	53.0%	1,219	44.9%	70,529	42.8%
Number of Years Responsible:						
Less than 1	83	14.3%	415	15.3%	17,412	10.6%
1-2	49	8.4%	244	9.0%	17,351	10.5%
3-4	94	16.9%	227	8.4%	11,982	7.3%
5 or more	78	13.4%	333	12.3%	23,784	14.4%

Source: US Census American Community Survey 2009

Multi-generational families also increase the average household size of a community. Benton Harbor's is higher than the State and County at large, as shown in Table 1.8.

Table 1.8: Average Household Size, 2009

	Benton Harbor	Berrien County	State of Michigan
Household Size	2.61	2.45	2.53

Source: US Census American Community Survey 2009

While race is not an inherently indicative factor in social trends, it is notable that Benton Harbor's racial makeup is significantly different than surrounding communities, as shown in Table 1.9.

Table 1.9: Race, 2010

	Benton Harbor	Berrien County	State of Michigan
White	7.0%	78.3%	78.9%
Black or African-American	89.2%	15.3%	14.2%
American Indian or Alaskan Native	0.3%	0.5%	0.6%
Asian	0.1%	1.6%	2.4%
Native Hawaiian or Other Pacific Islander	0.0%	0.1%	0.0%
Two or More Races	2.6%	2.4%	2.3%

Source: US Census 2010

B.   Summary of Neighborhood Stabilization Program 2

The City of Benton Harbor and the Berrien County Land Bank have been conducting NSP2 efforts for several years. In that time, 106 parcels have been acquired. Two homes have been rehabbed, with 9 more in progress. A multi-family building in Neighborhood 3 is also planning for renovation. Three new single family homes have been built, with 16 more in the planning stages. 73 structures have been demolished, and 21 more are slated for demolition.

The neighborhoods identified for NSP2 investment and the City and County NSP efforts to date are shown in the maps on pages 21 and 22.

This Page Left Intentionally Blank

Lake Michigan

Rocky Gap Park

BENTON TOWNSHIP

CITY OF BENTON HARBOR

Jean Klock Park

Harbor Shores Golf Club

River Front Park

CITY OF ST. JOSEPH

Hall Park

Blossom Trails Golf Club

BENTON TOWNSHIP

City Park

ST. JOSEPH TOWNSHIP

Union Park

2

1A

1B

3

February 3, 2012

NSP2 Neighborhoods

Benton Harbor, Michigan

McKenna ASSOCIATES

FEET
0   1,000   2,000

Legend

Golf Club

Municipal Park

City of Benton Harbor

Municipal Boundaries

NSP2 Target Area

Base Map Source: Michigan Geographic Framework, Michigan Center for Geographic Information, 2005, Berrien County, GIS 2011
Data Source: City of Benton Harbor and Berrien County Land Bank, 2011

Print date: 4/25/2012 E:\Projects\Berrien\Benton Harbor\Redevelopment Plan Maps\Maps\NSP2 Neighborhoods.mxd

This Page Left Intentionally Blank

Harbor Shores
Golf Club

Blossom
Trails
Golf Club

Hull Park

City Park

Union
Park
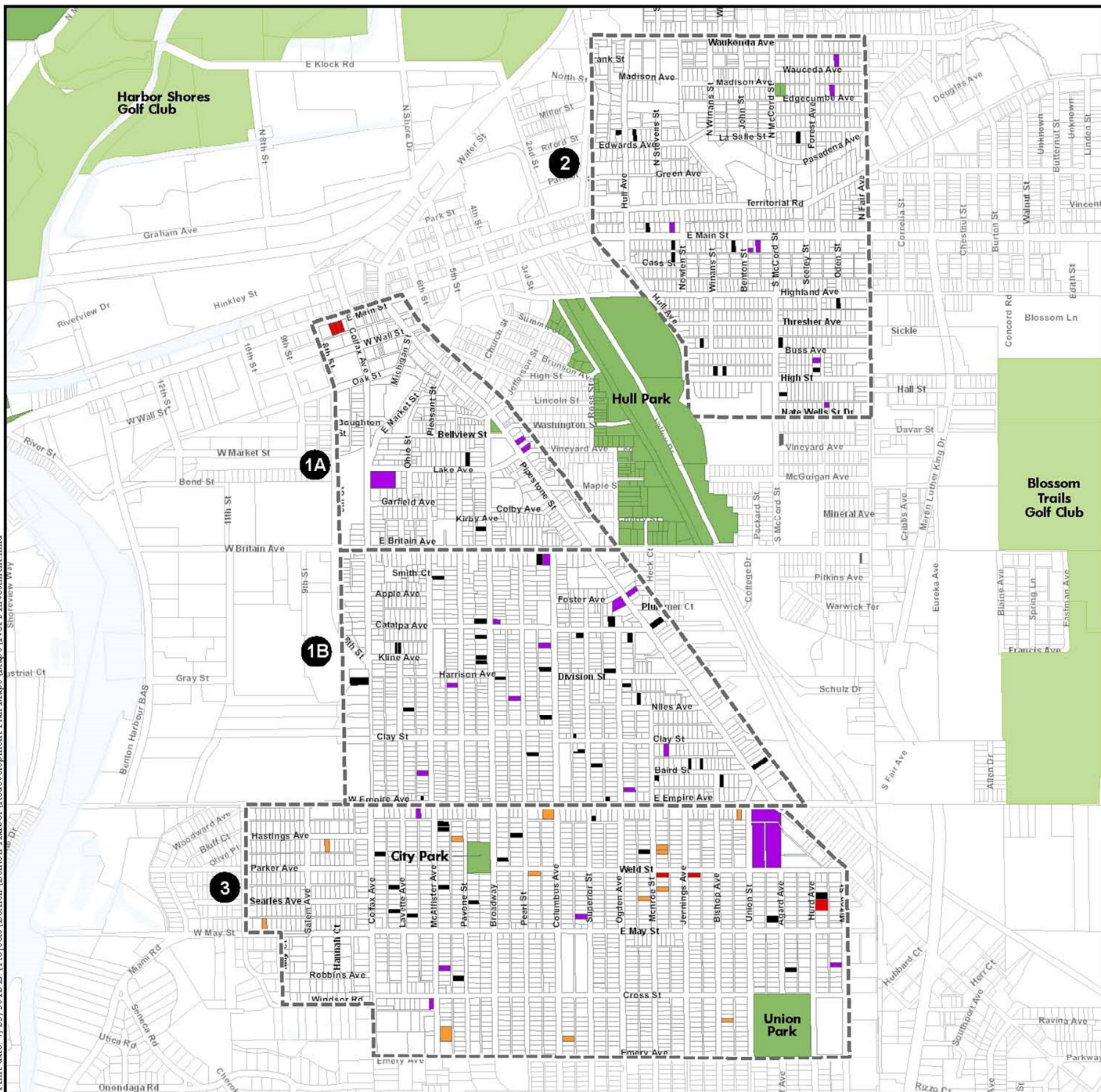
February 3, 2012

NSP2 Investments*

Benton Harbor, Michigan

M°Kenna
ASSOCIATES

FEET 0   1,000   2,000

NSP2 Investment

- ■ Demolition Complete
- ■ New Construction
- ■ Planned Demolition
- ■ Rehabilitation

NSP2 Target Area

Parks and Recreation

- Golf Club
- Municipal Park

* as of 11/21/2011

Base Map Source: Michigan Geographic Framework, Michigan Center for Geographic Information, 2005, Berrien County, GIS 2011
Data Source: City of Benton Harbor and Berrien County Land Bank, 2011

This Page Left Intentionally Blank

C.   Summary of Recent Planning Efforts

This plan acknowledges the hard work done by previous planning efforts and will build upon their visions. Two such plans were adopted in the past 12 months – the Benton Harbor Master Plan and the Downtown Benton Harbor Strategic Plan.

Benton Harbor Master Plan

The Benton Harbor Master Plan was adopted in January of 2011. The plan calls for the replacement of large-scale vacancies with manicured or naturalized green space, especially along rivers and creeks. In some cases, this includes the de-commissioning of infrastructure, for instance River Street along the St. Joseph River. It specifically identifies an area on the north side of the Paw Paw River to be developed into a programmed park and calls for more access for residents to all waterways, including the St. Joseph River and Lake Michigan.

The plan also calls for industrial uses to be phased out of the downtown area in favor of residential, retail, and entertainment uses. These new uses would be augmented with wayfinding signage, streetscape improvements, and other branding devices.

For the residential neighborhoods, the plan calls for the continuation of NSP programs, including demolition, renovation, and new construction. Infrastructure improvements and new traffic patterns are suggested to slow automobile traffic and improve walkability.

Downtown Benton Harbor Strategic Plan

The Downtown Benton Harbor Strategic Plan was adopted in November of 2010. The plan created a roadmap of steps for positioning Downtown Benton Harbor to succeed for the future. The plan envisions ongoing public participation and outreach, the creation of Development and TIF Plans, and a new development regulation procedure to both streamline downtown approvals and ensure quality development.

In addition, the plan tackles "every day" issues such as snow-removal and code enforcement, pointing out that these elements are just as important as lofty goals or complex economic development tools in creating a prosperous Downtown.

This Page Left Intentionally Blank

2. Existing Conditions

A. Infrastructure

Roads and Sidewalks

For the most part, Benton Harbor has a well-connected grid system with appropriately sized blocks and connectivity throughout the community. Its small size means that most destinations are within walking distance of each other. However, there are some problems. In Neighborhood 1A, many of the blocks are disconnected and topography makes access to even nearby destinations difficult, especially to the north and west. Neighborhood 2A is cut off from much of the City and surrounding communities due to topography, the Paw Paw River, and the airport.

Like many Michigan communities, Benton Harbor struggles to keep up with the physical dilapidation of the road system. Melting and freezing cycles cause cracks and potholes that can cause damage to cars and make navigating the City difficult.

In general, because much of Benton Harbor is surrounded on three sides by rivers and creeks, it can be hard to get to other communities. This creates a sense of disconnectedness that can exacerbate the existing problems in the City.

Some parts of Benton Harbor are difficult to navigate for pedestrians. Speeding cars, inadequate sidewalks, and poor signage contribute to the problem. However, simple improvements such as rebuilt sidewalks, re-designed traffic patterns, and new signals and stop signs can assist pedestrians and make Benton Harbor more walkable.

Water and Sewer

The City of Benton Harbor owns and operates its drinking water system, which also furnishes water to some surrounding communities, including Benton Township, St. Joseph Township, and Sodus Township (but not the City of St. Joseph). According to the Water Report prepared for the by Abonmarche in 2008, the quality of the drinking water from the system is good, with no reports of problems with taste, odor, or excessive hardness. Water for the system comes from an intake crib in Lake Michigan, 3,375 feet off shore. In general, the water system is projected to be adequate for future needs and in good condition.

The City of Benton Harbor also owns and operates its wastewater treatment system, although much of the infrastructure, including the wastewater treatment plant, is shared by surrounding communities such as St. Joseph and Benton Township. Benton Harbor's system contains over 37 miles of pipe and 9 lift stations. According to the Sewer Report prepared for the City by Abonmarche in 2008, the Average Daily Flow through the system has fluctuated through past decade, reaching a peak of 1.6 million gallons in 2002, but declining to 1.4 million gallons in 2006 before rising to present levels of approximately 1.5 million gallons.

While Benton Harbor's wastewater system is separated from its stormwater system, but according the Sewer Report the system does experience infiltration due to cracks and other deterioration, which can lead to overflows into the St. Joseph River. In general, the wastewater system is projected to be adequate for future needs but needs repair in some areas.

B.   Land Use

Neighborhood 1A

Single Family Residential: Single-family residential is less prominent in Neighborhood 1A than in other areas, mainly because abandonment has led to demolition and infill projects that have reduced the number of houses and increased the number of multiple-family units and institutional uses.

Multiple-Family Residential: There is a multiple family townhouse development near the intersection of Pipestone Road and Colby Avenue. This type of infill development has replaced demolished single family housing in some parts of the neighborhood, although many of the replacement uses are institutional.

Commercial: Part of Downtown Benton Harbor is included in the boundaries of Neighborhood 1A. The neighborhood's access to Downtown is a key strength, but the connections must be improved, especially in areas where topography has resulted in a disconnected street grid.

Institutional: The largest institutional use in Neighborhood 1A is the recently closed Calvin Britain School. For many years, the school was a major anchor for the area, however, in its current vacant state, the school creates a negative image for the neighborhood. The Benton Harbor office of the Federal Department of Health and Human Services is also located in Neighborhood 1A, but it faces 8th Street, turning its back (and a barbed wire fence) on the residential portion of the neighborhood.

Industrial: Neighborhood 1A does not have any industrial uses.

Parks and Recreation: Neighborhood 1A has only one park, a small civic space with a statue and benches in the triangle formed by Pipestone Avenue, Bellview Street, and Broadway.

Neighborhood 1B

Single-family residential: Single-family residential is by far the most common land use in Neighborhood 1B. The housing stock in this area is mostly pre-World War II, like much of Benton Harbor.

Multiple-family residential: There are a couple examples of medium-density residential in Neighborhood 1B. One is an apartment complex along 8th Street near Catalpa Avenue, and the other is a small apartment building on Columbus Avenue and Clay Street.

Commercial: Neighborhood 1B has scattered commercial uses along Pipestone Road and Empire Avenue. However, the commercial use is not consistent and persistent vacancies mean these retail corridors have lost their status as neighborhood centers.

Institutional: Benton Harbor High School, several private schools, and many churches are located within Neighborhood 1B. These institutions serve as the anchors of the district.

Industrial: There is no industrial land in Neighborhood 1B.

Parks and Recreation: Neighborhood 1B does not contain any park land.

Neighborhood 2

Single-family residential: Like Neighborhood 1B, Neighborhood 2 is predominantly single-family residential. The housing stock is generally somewhat newer than in other neighborhoods. While much of the neighborhood is well kept, some extremely blighted properties mar the landscape.

Multiple-family residential: Neighborhood 2 does not contain any multiple-family residential.

Commercial: E. Main Street through Neighborhood 2 has some commercial uses, but like other neighborhood retail corridors in Benton Harbor, vacancy and inconsistent land uses have reduced the viability of the businesses and the status of the corridor as a neighborhood center.

Institutional: Neighborhood 2 is home to the historic Morton Museum and Morton Cemetery, as well as Morton Elementary School. Several non-profit organizations are also headquartered with Neighborhood 2.

Industrial: Neighborhood 2 has industrial uses along Hull and Madison Avenues.

Parks and Recreation: Neighborhood 2 has a small neighborhood playground at the corner of Madison and McCord.

Neighborhood 3

Single-family residential: Neighborhood 3 is very similar to Neighborhood 1B, both in the proportion of single-family relative to other land uses and in the age of the housing stock. Most NSP new construction investment to date has taken place in Neighborhood 3.

Multiple-family residential: The largest multiple-family site in Neighborhood 3 is the former Sterne Brunson School, which has been converted to senior housing.

Commercial: Neighborhood 3 has the least commercial uses of any of the neighborhoods, with only some retail along the south side of Empire Avenue.

Institutional: For many years, Mercy Hospital was an anchor for Neighborhood 3. Today, however, it stands vacant and slated for demolition, despite community objections.

Industrial: Neighborhood 3 has some industrial uses near Union Park along Milton Street.

Parks and Recreation: Neighborhood 3 has two parks. Union Park, in the southeast corner of the neighborhood, is the largest park in any of the study areas. Smaller City Park, near the center of the neighborhood, serves as a gathering place for the community.

This Page Left Intentionally Blank
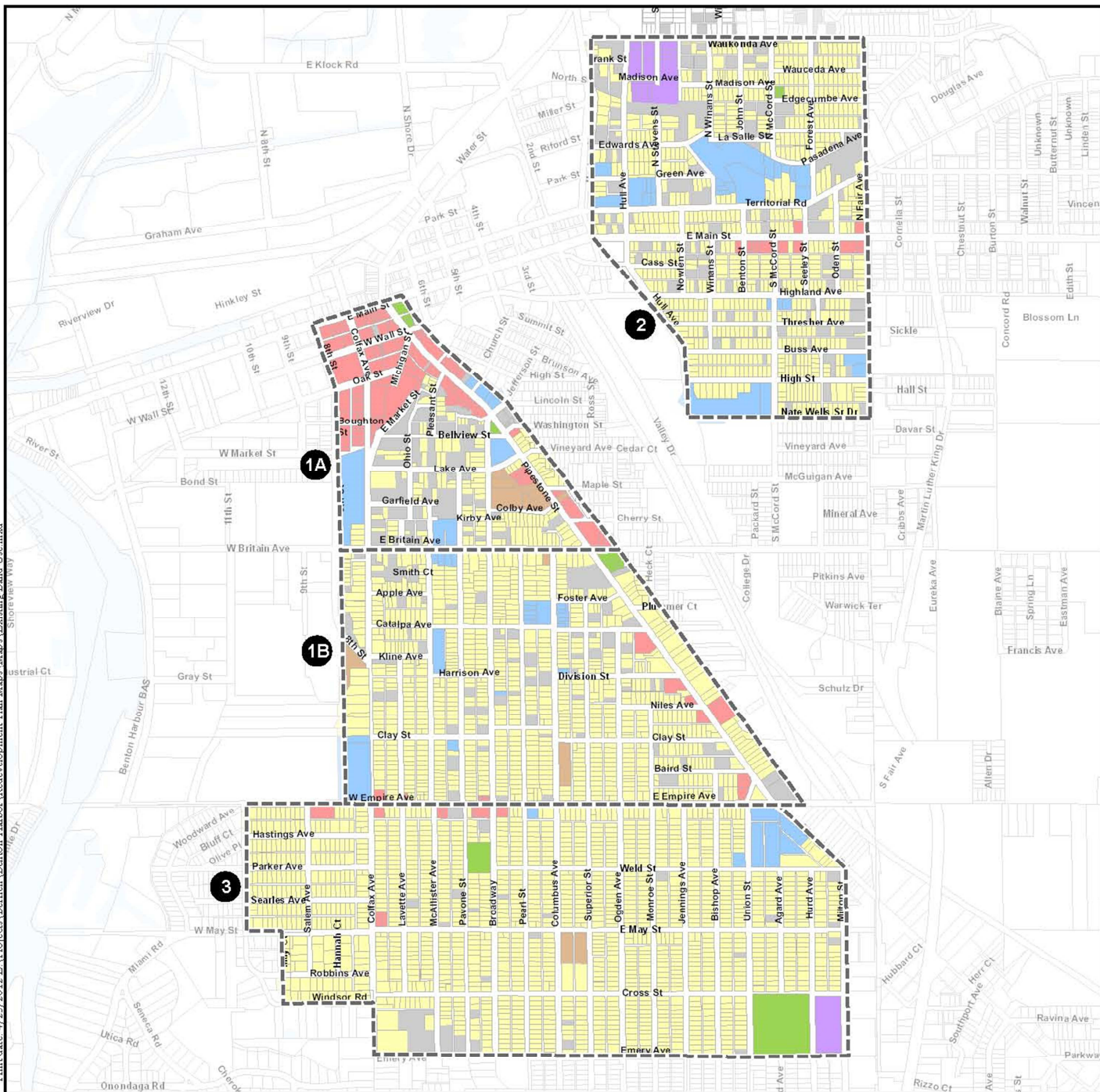
February 3, 2012

Existing Land Use

Benton Harbor, Michigan

McKenna ASSOCIATES

FEET
0   1,000   2,000

Existing Land Use

- Single Family Residential
- Medium Density Residential
- Commercial
- Institutional
- Industrial
- Parks and Recreation
- Vacant Lot

NSP2 Target Area

Base Map Source: Michigan Geographic Framework, Michigan Center for Geographic Information, 2005, Berrien County, GIS 2011
Data Source: McKenna Associates, 2011

This Page Left Intentionally Blank

Existing Land Use Overview

Neighborhood 1A
Less single-family residential than other Neighborhoods.
Multiple-family and institutional infill development.
Large-scale demolition and abandonment.
A portion of Downtown Benton Harbor within its borders.
Neighborhood 1B
Mostly single-family residential.
Commercial corridors along Empire Avenue and Pipestone Road.
Benton Harbor High School and several churches.
Neighborhood 2
Newer housing stock.
Morton Cemetery.
Some industrial uses.
Retail corridor along E. Main Street
Neighborhood 3
Mostly single-family residential.
More park space than other neighborhoods.
Some industrial uses near Union Park.

Parks and Recreation Service Areas

The map on the facing page shows the general service area of the parks and recreation space in Benton Harbor and the study neighborhoods. The size of the individual service radii is determined by the size and types of amenities at each park.

Swaths of the study neighborhoods are outside the service area of any park. This can be remedied through the addition of new parks or the creation of new amenities at existing parks.

February 3, 2012

Parks and Recreation Service Areas
Benton Harbor, Michigan

McKenna ASSOCIATES

FEET 0   1,000   2,000

Map labels:

BENTON TOWNSHIP
BENTON TOWNSHIP
BENTON TOWNSHIP
CITY OF BENTON HARBOR
Rocky Gap Park
Lake Michigan
Harbor Shores Golf Club
Jean Klock Park
Klock Rd
Shore Dr
Paw Paw Ave
1 Mile Radius
1/4 Mile Radius
Territorial Rd
Main St
Highland Ave
2
Hull Park
Riverfront Park
Main St
Market St
Britain Ave
8th St
Colfax Ave
Broadway
1A
1B
1/2 Mile Radius
Pipestone St
Martin Luther King Dr
Blossom Trails Golf Club
Crystal Ave
CITY OF ST. JOSEPH
Riverview Dr
CITY OF BENTON HARBOR
1/4 Mile Radius
Empire Ave
City Park
3
Union St
Union Park
1/4 Mile Radius
ST. JOSEPH TOWNSHIP
BENTON TOWNSHIP
BENTON TOWNSHIP
63

Print date: 4/25/2012 E:\Projects\Berrien\Benton Harbor\Redevelopment Plan Maps\Maps\Parks and Recreation Service Areas.mxd

LEGEND

- Municipal Park
- Golf Club
- 1 Mile Radius
- 1/2 Mile Radius
- 1/4 Mile Radius
- Municipal Boundary
- NSP2 Target Area
- Water

This Page Left Intentionally Blank

Section 2:

Market Analysis

This Page Left Intentionally Blank

1. Housing Demand Analysis

This housing demand analysis considers the Benton Harbor/St. Joseph area housing market. For the purposes of this study, the subject housing market consists of Benton Harbor and St. Joseph cities, along with Benton Township and St. Joseph Township. The boundaries of the study area can be found on the map on Page 22.

A. Introduction / Summary

The purpose of this market study is to determine the type of housing that is most appropriate for the NSP2 targeted areas in the City of Benton Harbor. The demand and supply for housing within the greater Benton Harbor/St. Joseph area is analyzed, and the differences between demand and supply are analyzed to establish conclusions about the type, tenure, and price of housing that will be needed in Benton Harbor in the coming decades. These conclusions will then be used to determine the best course of action in each of the targeted areas.

Demand

Demand is calculated by determining the number of households in the study area that are pre-disposed to own or rent, then calculating the affordable price of housing for households based on income. The first step is to take the population in the study area broken down into age cohorts[1] (available from the US Census Bureau), and then determine the number of households headed by a member of each age cohort using national headship rates.[2] Once the number of households in each age group is determined, they are further broken down into "owners" and "renters", based once again on national patterns of housing tenure by age. This breakdown provides the total number of rental and homestead properties demanded in the study area.

Next, price demand is calculated. For the purposes of this study, it is assumed that homeowners will pay up to 28% of their gross monthly income in mortgage payments, and will pay 10% down, while renters will pay up to 25% of their gross monthly income in rent. These figures are used to calculate affordable rents and home values, and the households are categorized to give the number of homestead and rental properties demanded at each price point.

Supply

Supply is calculated by determining the number of housing units rented/for rent and owned/for sale in each of the price categories determined by the demand analysis. The analysis begins with the overall number of units in the study area and their tenure[3], as found in the US Census. Then, using home value data from the Berrien County Assessor's office, the number of existing homestead properties in each affordability category is determined.

---

[1] Age Cohorts: The number of people living in a geographic area that fall within a given age range. Data Source: US Census Bureau

[2] Headship Rates: The percentage of people in a given age cohort that are considered the heads of their households. Data Source: US Census Bureau

[3] Housing Tenure: Tenure is a description of whether housing is owned or rented. Data Source: US Census Bureau

For rental properties, the process is slightly more complicated. The Berrien County Assessor's data provides assessed values for rental properties, which must be translated into a monthly rent in order to be compared to the demand figures. To do this, a Capitalization Rate ("cap rate") is calculated. The cap rate is defined as the yearly income from a property (i.e. the yearly rent by tenants) divided by the value of the property. A selection of rental properties from the Benton Harbor/St. Joseph area is used to give a sampling of rents, which are then compared to the values of the properties. In general, cap rates are higher in low-income neighborhoods and lower in high-income neighborhoods. The conclusions are used to assign cap rates to each price category. Using the cap rates assigned to each category, the market rents are translated into value categories and the number of properties in each value category is found.

Additionally, the supply analysis includes information regarding home values in various parts of the study area. The study area is divided into neighborhoods with like characteristics and housing values (in a similar fashion to how the NSP2 target areas were established). Housing values in each neighborhood division is analyzed in order to show the geographic distribution of various housing price points.

Supply-Demand "Gap"

Having determined the supply and demand in the study area, the two are compared in order to show whether there is a market "gap"[4]. First, the overall numbers of units supplied and demanded are analyzed, and then the number in each price point is compared (for both ownership and rental). The gap analysis points to the areas of the market that are saturated and the areas with latent demand.

Housing Type Preferences

In order to gain a more nuanced view of the market in Benton Harbor/St. Joseph, the types[5] of housing available in the study area are compared to the stated national housing-related preferences, as determined by a 2010 study by the National Association of Realtors. The national housing-related preferences, along with the calculated supply-demand gap, form the basis for the redevelopment recommendations in this plan.

B.   What Influences Housing Demand?

A number of demographic and preference factors influence housing demand. Population growth is a key factor in driving demand, but the number of households being formed is a more direct determinant of housing demand.

Four key factors that influence the overall level of demand for housing are:

- **Longevity:** As life expectancy increases, people remain in their homes longer. This reduces the supply of housing units that are available to new households. In 1960, the average life expectancy was 69.8 years; today it is 78.7 years.

---

[4] Market "Gap": The difference between demand and supply for a given product in a given market area. A gap could indicate excess demand or excess supply.

[5] Housing Type: Type is a description of what kind of housing is available or desired, for instance single family homes or apartments in multi-unit buildings.

- **Single-Person Households:** The number of single-person households increased from 10% of all households in 1950 to 26% of all households today. This trend is linked to longevity, as the majority of single person households are older women who have outlived their partner. However, relationship breakdown and later marriage age also accounts for some of this increase. Single person households are less likely to own than multi-person households.

- **Hidden Demand:** High unemployment rates and a shortage of available housing or unaffordable housing (either as a result of a high housing value to income ratio or a high cost of borrowing) can result in people continuing to live with parents or relatives, moving back in with parents or relatives, or sharing houses with others. The recent economic downturn has severely curtailed the household formation rate in the United States. The nation usually adds 1.3 million households per year, but in 2010 that number fell to 357,000. The recent low household formation rates means that there is almost certainly hidden demand for housing units, as those persons who have doubled up with parents, relatives, or others will be looking to form their own household once economic conditions improve.

- **Migration:** Higher net rates of inward migration result in greater demand for housing. On the other hand, outward migration reduces demand for housing.

C.   What Influences Tenure Choice?

Projecting the overall volume of demand is only part of the story. To properly consider how future demand might be met requires analysis of how overall demand might translate into demand for owner-occupied and renter-occupied housing. A different range of factors influence tenure choice:

- **Affordability:** This refers to how affordable owner-occupation is, and it is a factor that has particularly significant implications for first-time buyers. There is strong evidence to suggest that high house price to income ratios in the years leading up to the recession created barriers to home ownership, and that the economic slowdown in recent years has tempered demand for new housing.

    Figure 2.1 shows the housing price to income ratio for the United States from 1987 to 2009. The housing price in this ratio is the Case-Shiller housing price index, and income is median household income as reported by the U.S. Census. The figure shows that the price/income ratio remained steady over the 1987-2000 period, until the now well-documented housing bubble of 2000-2006 resulted in a nearly 60% increase in the price/income ratio.

    The decline in housing prices over the past four years likely represents a reversion to the mean as housing affordability returns to a state of equilibrium. Nonetheless, the housing bubble of the early 2000's represented a "presale" of housing demand, whereby a glut of new units was brought to market by inflated prices. **This excess inventory of housing units must be absorbed into the market before there is widespread demand for new housing units, and demand for new housing will be strongest for niche housing types that are undersupplied**. Undifferentiated housing stock that attempts to compete against already-overbuilt housing types will not succeed.

Figure 2.1: Price/Income Ratio, United States, 1987-2009

Case-Shiller Housing Price Index/ Median Household Income Ratio
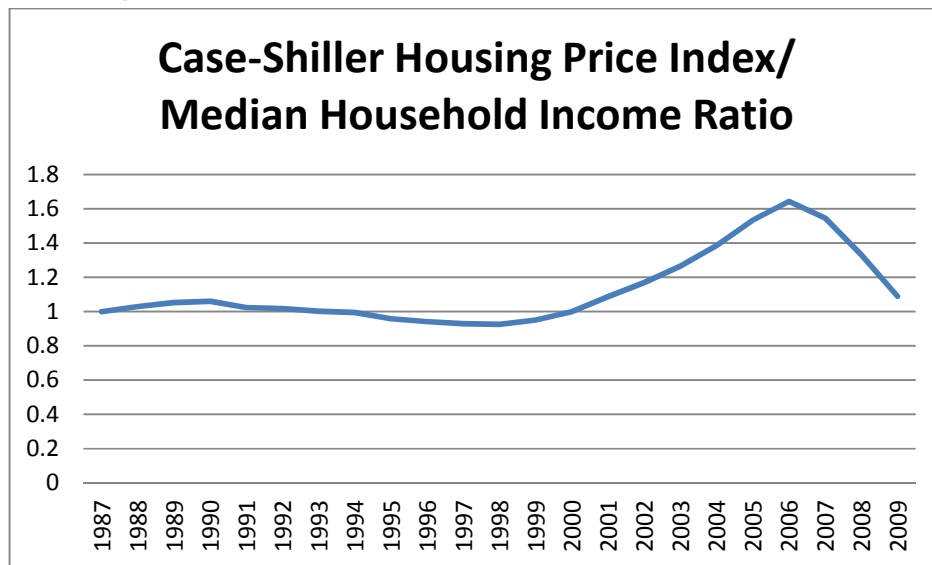
- **Mortgage Market:** Closely linked to housing affordability is the cost of borrowing and access to finance for owner occupation through the mortgage market. Without access to obtainable mortgages, owner-occupancy is not possible. When house prices are growing strongly, lenders tend lend more and offer higher loan-to-value ratios and reduced down payment requirements. During the housing bubble of the 2000's, these practices tilted to excess, and ultimately resulted in the economic crash of 2008 as households with untenable mortgages began defaulting in high numbers, which led to the unraveling of highly leveraged financial firms that had heavily invested in mortgage-backed securities that were supposed to have mitigated the risk of mortgage defaults.

  As a result, today we have higher lending standards that serve to limit access to mortgages, particularly for low-income households that do not have the required credit scores or down payment.

- **Interest Rates:** Interest rates are fundamental to the cost of borrowing for owner occupiers with mortgages. Low interest rates in the 2000's enabled owner occupation despite high house prices, as people were able to service higher levels of debt. However, the relationship between housing demand and interest rates is not straightforward: for example if supply of housing is low, high interest rates may not result in falling prices.

- **Confidence:** When confidence is high and there is an expectation of rising incomes and housing equity growth, demand can remain high even when housing is unaffordable and the cost of borrowing is high. Under these conditions, unaffordable housing prices can result in reduced savings rates rather than reduced demand for owner occupation as households choose to funnel money into homeownership rather than saving. The relationship also works in reverse, and during times of economic uncertainty households are less likely to commit to homeownership.

D.   What Influences Housing Type Choice?

Beyond tenure preference, there are also preference considerations in how people choose to live – i.e. large lot, small lot, attached, or multi-family housing. Several factors tend to determine housing choice.

- **Age:** People have different preferences for housing throughout their lives. Young, single people tend to prefer smaller units in high densities, families prefer larger lots, and retirees congregate in areas where their needs can be met.

- **Household Size:** Household size makes a big difference in housing type choice. Larger households, especially families, choose large units, often on large lots. Single people tend to prefer smaller units. Household size has been steadily dropping nationally over the past few decades, but housing type supply has not followed this trend, leading to a demand for more, smaller units.

- **Neighborhood Preferences:** People have preferences for certain amenities and characteristics in their neighborhoods. Some prefer to be near to retail, while others prefer more natural space. These preferences play out in housing type preference, as people pick housing types that fit their preferred neighborhood identity.

E.   Projecting Current Study Area Housing Demand

Headship and Homeownership Rates

The headship rate is the number of households in each age group divided by the population in that age group. By definition, a household resides in a dwelling unit under its control. Using the data in the following Table 2.1, we can calculate the propensity of the population in each age cohort to 1) form a household based on the headship rate, and 2) own or rent a dwelling unit.

For the purposes of this study we have used national headship and homeownership rates for the purposes of determining propensity to form a household, and then to own or rent a dwelling unit. The underlying assumption is that housing preferences of study area households will closely match national rates, and using national rates can smooth over anomalies or variances in the data reported at a small level such as the study area.

Note that the following table is based on the decennial Census for 1990 and 2000 data (2010 Census data is not yet available for households and homeownership by age cohort). Other estimates of population and households such as the Current Population Survey (CPS) and American Community Survey (ACS) exist, but have consistently overstated both headship and homeownership rates. For instance, for the 15-24 age cohort the 2001 CPS reported a 15.9% headship rate while Census 2000 reported a 14.1% headship rate.

The Census has released the 2010 overall homeownership rate for the nation – 65.1%. Census 2010 has also released population figures for age cohort. If we apply 1990 headship and homeownership rates to the 2010 population figures we arrive at an estimated homeownership rate of 66.7%, which is higher than the 65.1% reported by Census 2010, meaning that current homeownership rates are below 1990 levels. Given the difficult economic period of recent years, it is likely that headship and homeownership rates will rebound as the economy improves. However, the relatively short time frame of this study means that we cannot count on drastically improved economic conditions than exist today. For that reason, **we have used**

1990 headship and homeownership rates for 2010. While the 1990 rates are probably higher than what will be observed in the Census 2010 data, the 1990 rates are lower than 2000 rates and it is reasonable to assume that, when the economy rebounds, headship rates will return to their 1990 levels.

Table 2.1: Homeownership and Headship Rates, United States, 1990-2010

	Homeownership Rate			Headship Rate		
	2010 (est.)	**2000**	**1990**	**2010 (est.)**	**2000**	**1990**
15-24	17.1%	17.9%	17.1%	13.7%	14.1%	13.7%
25-34	45.3%	45.6%	45.3%	46.0%	45.9%	46.0%
35-44	66.2%	66.2%	66.2%	54.3%	53.1%	54.3%
45-54	75.3%	74.9%	75.3%	56.7%	56.5%	56.7%
55-64	79.7%	79.8%	79.7%	58.5%	58.7%	58.5%
65-74	78.8%	81.3%	78.8%	63.6%	62.6%	63.6%
75+	70.4%	74.7%	70.4%	64.4%	64.1%	64.4%
US Total	*65.1%*	*66.2%*	*64.2%*			

Source: U.S. Census

Berrien County Migration Patterns

The IRS makes available annual county-to-county migration data. This data can provide an estimate of the number of households that migrate in our out of a particular county in a given year, and also identify major sources of in-migration or destinations for out-migration.

The most recent available data from the IRS is from 2008, and measures how many households moved in or out of Berrien County from 2007 to 2008. Table 2.2 indicates that Berrien County lost a total of 302 households to migration in 2008. However, the aggregate gross income of those households moving into Berrien County was larger than the aggregate gross income of households that left Berrien County, and the average gross income of those moving in was approximately $9,000 higher than those moving out of the County. This could be explained by the loss of lower paying jobs in the county, an increase in higher-paying jobs, the out-migration of seniors or young persons (who typically have lower household incomes), or some combination of the above.

Table 2.2: Migration Patterns, Berrien County, 2007-2008

	In-Migration to Berrien County	Out—Migration from Berrien County	Net Gain/Loss
Total	3,073	3,375	-302
Other Michigan Counties	1,174	1,081	+93
Other States	1,821	2,267	-446
Foreign Countries	78	27	+51
Aggregate Gross Income	$147,134,000	$134,600,000	+$12,534,000
Average Income	$47,880	$39,900	n/a

Source: Internal Revenue Service

The loss of 302 households equates to a loss of approximately 0.5% of all households. This rate of household loss will impact housing demand over the long run, but over the short timeframe of this housing demand analysis, it is not sufficient enough to factor into housing demand calculations.

Table 2.3 lists major migration destination or source counties for Berrien County in 2008. It is notable that most out and in-migration is by lower income households with approximately $30,000 in annual household income. Exceptions include out-migration to Cook County, Illinois by moderate income households, in-migration from St. Joseph County, IN by middle-income households and in-migration from Cook County, IL by high-income households.

Key Conclusion:
Table 2.4 shows that over the coming five years, the market area will see an increase in 25-34 and 55-74 year olds, and a decline in all other age groups. These age groups have smaller household sizes and fewer children, which will have significant impact on what kind of housing will be in demand.

Table 2.3: County-to-County Migration, Berrien County, 2007-2008

County	In-Migration to Berrien County		Out-Migration from Berrien County		Net Household Gain/Loss
	Households	*Average Income*	*Households*	*Average Income*	
Cook County (IL)	151	$80,950	121	$40,550	+30
Van Buren County (MI)	231	$30,550	217	$29,850	+14
Cass County (MI)	233	$31,250	222	$32,950	+11
St. Joseph County (IN)	282	$51,950	400	$31,800	-118
Kalamazoo County (MI)	117	$30,950	172	$26,500	-55
Kent County (MI)	90	$33,850	114	$33,350	-24

Source: Internal Revenue Service

Study Area Population

Table 2.4 shows the population by age cohort within the study area. Most age cohorts are projected to decline in population to 2015, following the overall trend of population decline. However, the 25-34 year old age group and the Baby Boomer/Retiree generation are both projected to grow significantly.

Table 2.4: Study Area Population

Age Group	2010 Population	2015 Estimate	Projected 5-Year Change
15-24	5,639	5,119	-9.2%
25-34	5,361	5,969	**11.3%**
35-44	5,025	4,443	-11.4%
45-54	6,255	5,448	-12.9%
55-64	5,290	5,623	**6.3%**
65-74	3,144	3,814	**21.3%**
75+	3,314	3,124	-5.7%
Total	34,028	33,551	-1.4%

Source: US Census Bureau, ESRI

Housing Affordability Calculations

The NSP2 program is designed to benefit very low to middle income households, which are defined as households with incomes less than 50% of Area Median Income (AMI) to 120% of AMI. For the purposes of this study, we calculate affordability based on the average household size of 2.5 persons. We took the average of the Niles-Benton Harbor MSA AMI for a two and three person household. 2011 AMI for a two-person household is $46,000, while AMI for a three-person household is $51,666, with the calculated AMI for a 2.5 person household being $48,833.

Table 2.5 shows the maximum affordable housing for various incomes in the Benton Harbor-St. Joseph region. The maximum affordable home value was calculated using a 5% interest rate for incomes at or above 100% of AMI and a 6% interest rate for incomes under it, as well as a 30 year term and a maximum 28% debt-to-income ratio, with 10% down. Higher borrowing costs will lower the maximum affordable home value, so households with lower credit scores will have a lower maximum affordable housing value.

Maximum affordable monthly rent equals 25% of gross monthly income. Although 30% of income is a commonly used figure for the amount a household should spend on housing, so we assume that rent will represent up to 25%, leaving 5% of income to cover other housing-related expenses such as utilities, renters insurance, etc.

Table 2.5: Affordable Housing for Various Incomes

Percent of AMI	Annual Income	Monthly Income	Max. Affordable Home Value	Max. Affordable Monthly Rent
50%	$24,416	$2,035	$103,557	$509
80%	$39,066	$3,256	$165,692	$814
100%	$48,833	$4,069	$207,115	$1,017
120%	$58,600	$4,883	$248,538	$1,220

Source: HUD, McKenna Associates Calculations

Estimated Study Area Housing Demand

Table 2.6 shows the number of households headed by each age group, and then breaks down those households into owners and renters. The number of households is based on the national headship rate, and the homeowner/renter split is based on national homeownership rates (See Table 2.1). The table shows that the **total housing demand** for the trade area is **11,165 ownership units and 5,985 rental units.** Note that this table merely identifies if households are likely to own or rent, it does not identify what *kind* of housing unit the household would prefer (i.e. detached single family home vs. apartment vs. attached condominium unit, etc.).

Table 2.6: Estimated Homeowner/Renter Demand by Age Group Based On National Headship Rates

Age Group	2015 Population	Households	Homeowners	Renters
15-24	5,119	701	119	581
25-34	5,969	2,745	1,243	1,502
35-44	4,443	2,418	1,600	817
45-54	5,448	3,088	2,325	762
55-64	5,623	3,289	2,621	667
65-74	3,814	2,450	1,931	519
75+	3,124	2,456	1,729	727
Total	*33,551*	*17,151*	*11,165*	*5,985*

Source: US Census Bureau, McKenna Associates Calculations

Table 2.7 and Table 2.8 show the range of housing prices affordable to residents of the study area by age cohort and income level. In general, younger and lower income households tend to rent, while older and higher incomes tend to own. These figures will be compared to the available housing stock to generate an understanding of over- or under-supply in the market.

Table 2.7: Ownership Demand by Age and Income, in Number of Households

	Under 50% AMI	50-80% AMI	80-120% AMI	Over 120% AMI
Affordable Home Value	< $103,557	$103,557 to $165,692	$165,692 to $248,538	> $248,538
15-24	84	17	9	3
25-34	476	407	183	138
35-44	497	195	265	593
45-54	694	525	453	582
55-64	846	726	428	509
65-74	916	538	201	205
75+	1,025	427	107	92
Total	4,537	2,862	1,645	2,121

Source: ESRI, McKenna Associates Calculations

Table 2.8: Renter Demand by Age and Income, in Number of Households

	Under 50% AMI	50-80% AMI	80-120% AMI	Over 120% AMI
Affordable Rent	< $509	$509 to $814	$814 to $1,220	< $1,220
15-24	439	90	45	15
25-34	628	537	242	183
35-44	279	110	149	333
45-54	257	194	168	215
55-64	253	225	128	152
65-74	289	170	64	65
75+	461	192	48	41
Total	2,605	1,517	843	1,004

Source: ESRI, McKenna Associates Calculations

F.   Study Area Housing Supply

Housing Tenure

Table 2.9 shows the tenure of housing within the study area and in the City of Benton Harbor. In the greater study area the majority of housing units are owned, but the majority of housing units in the City are rentals. The overall vacancy rate for the study area is 9.7% and 17.7% for the City.

Table 2.9: Housing Tenure in Study Area

	Number	Percentage
Owned	11,131	54.5%
Rented	7,332	35.9%
For Sale	256	1.3%
For Rent	686	3.3%
Other Vacant	1,034	5.1%

Source: U.S. Census, ESRI

Table 2.10: Housing Tenure in the City of Benton Harbor

	Number	Percentage
Owned	1,190	27.4%
Rented	2,358	54.4%
For Sale	38	0.8%
For Rent	220	5.1%
Other Vacant	514	11.8%

Source: U.S. Census, ESRI

Housing Value by Neighborhood

Table 2.11 breaks the study area into neighborhoods and displays characteristics about housing in each neighborhood. The neighborhoods are shown on the map on page 50. Within each neighborhood, to the greatest extent possible, houses are of similar character and value. Housing values and ownership rates in the City of Benton Harbor are lower across the board than in surrounding Townships and the City of St. Joseph. The neighborhoods are listed in order from lowest average value to highest.

Table 2.11: Ownership Percentage and Housing Value by Neighborhood

Map Neighborhood ID Number	Community	Number of Properties	Overall Average Value	Ownership Percentage	Average Value (Owned)	Average Value (Rented)
1A	City of Benton Harbor	195	$18,016	12.3%	$37,860	$15,231
2	City of Benton Harbor	832	$29,583	34.3%	$48,023	$19,971
4	City of Benton Harbor	390	$32,465	31.8%	$45,372	$26,449
1B	City of Benton Harbor	788	$34,025	27.3%	$47,786	$28,830
5	Benton Township	1,789	$45,745	44.8%	$61,342	$32,264
3	City of Benton Harbor	1,405	$48,402	42.5%	$59,791	$39,986
6	Benton Township	2,551	$74,383	59.1%	$89,482	$50,017
18	City of Benton Harbor	1,252	$89,965	80.5%	$94,587	$69,984
7	Benton Township	544	$103,976	84.8%	$106,619	$88,620
17	Benton Township	619	$113,676	60.6%	$144,903	$62,854
13	City of St. Joseph	2,110	$135,845	74.4%	$141,486	$117,574
10	St. Joseph Township	2,179	$154,864	89.5%	$159,986	$111,044
9	St. Joseph Township	508	$192,216	69.1%	$226,542	$115,553
14	City of St. Joseph	290	$218,479	80.7%	$218,728	$218,768
12	City of St. Joseph	549	$309,341	59.9%	$328,155	$267,800
8	Royalton Township	152	$356,493	80.1%	$398,990	$176,249
11	Village of Shoreham	320	$360,187	74.4%	$333,790	$426,005
15	City of St. Joseph	296	$424,362	56.1%	$526,298	$290,758
16	Benton Township	196	$447,882	53.6%	$480,835	$407,277

Source: Berrien County, McKenna Associates Calculations

This Page Left Intentionally Blank

Lake Michigan

HAGAR TOWNSHIP

COLOMA TOWNSHIP

BAINBRIDGE TOWNSHIP

PIPESTONE TOWNSHIP

Zeschke Rd

Riverside Rd

63

16

17

15

CITY OF
BENTON HARBOR

W Main St

2

1A

4

1B

3

14

13

CITY OF
ST. JOSEPH

18

12

9

7

Michigan St

E Main St

BENTON TOWNSHIP

E Napier Ave

6

5

31

VILLAGE OF
SHOREHAM

11

ST. JOSEPH
TOWNSHIP

10

Cleveland Ave

Niles Ave

Lakeshore Dr

Main St

Maiden Ln

139

8

ROYALTON
TOWNSHIP

SODUS
TOWNSHIP

LINCOLN
TOWNSHIP

Print date: 4/25/2012 E:\Projects\Berrien\Benton Harbor\Redevelopment Plan Maps\Maps\Housing Analysis Study Areas.mxd

February 3, 2012

Housing Analysis Study Areas

Benton Harbor, Michigan

McKenna
ASSOCIATES

FEET 0   4,000   8,000

MUNICIPAL BOUNDARIES

Bainbridge Township
Benton Township
City of Benton Harbor
City of St. Joseph
Coloma Township
Hagar Township

Lincoln Township
Pipestone Township
Royalton Township
Sodus Township
St. Joseph Township
Village of Shoreham

Included in Housing Analysis
Not Included in Housing Analysis

Base Map Source: Berrien County GIS, Assessor's Data, 2010 and Michigan Center for Geographic Information, 2008
Data Source: McKenna Associates, 2011

This Page Left Intentionally Blank

Affordability – Homestead Properties

Table 2.12 shows an analysis of the affordability of homestead (owner-occupied) single family homes in the study area. The value of each home, as reported by the Berrien County Assessor, is compared to the affordable home value for each income group. The table shows that home ownership in the study area is generally very affordable, with most existing homes affordable to even low-income households.

Table 2.12: Affordability of Homestead Properties in the Study Area

Home Value	< $103,557	$103,557 to $165,692	$165,692 to $248,538	> $248,538
Affordable To	Under 50% AMI	50-80% AMI	80-120% AMI	Over 120% AMI
Number of Homes	4,816	3,301	1,304	1,115

Source: Berrien County Assessor

Capitalization Rate

Because the best data available for rental properties is their assessed value, rather than the monthly rent, we have calculated an estimated capitalization rate for the study area to translate values into rents. A capitalization rate is a ratio of the net operating income generated by a property divided by its value. So, by way of example, if a home rents for $7,200 annually ($600 per month) and has an assessed value of $50,000, its capitalization rate is 7,200/50,000 = 14.4%. Generally speaking, capitalization rates are lower in growing areas and during times of economic boom.

In order to find the capitalization rate, the monthly rent for several single family houses in the study area was compared to their value. The capitalization rate is calculated by dividing the yearly rent by the value of the property. The table indicates that there is a clear divide in cap rates between St. Joseph and Benton Harbor/Benton Township – cap rates in St. Joseph are about 7%, whereas cap rates in Benton Harbor are in the 17%-20% range.

This highlights the fact that rents are less elastic than home prices, and that rent as a percentage of home value goes up at a lower rate than home value. This also indicates that it is likely that households with higher incomes that can afford higher monthly rents will realize a disproportionately large improvement in the quality of house and neighborhood they get for their money.

Table 2.13: Capitalization Rate Calculation

Address	Community	Neighbor-hood	Homestead Exemption?	Monthly Rent	Value	Cap Rate
807 Broadway	Benton Harbor	1B	No	$600	$22,800	31.6%
765 Thresher Ave	Benton Harbor	2	No	$550	$31,832	20.7%
1071 Bishop Ave	Benton Harbor	3	No	$500	$33,624	17.8%
977 Ogden Ave	Benton Harbor	3	No	$700	$48,944	17.2%
1180 N. Shore Ave	Benton Township	17	Yes	$1,200	$69,648	20.7%
303 N. Hull Ave	Benton Harbor	2	Yes	$750	$121,960	7.4%
820 State Street	St. Joseph	12	No	$1,000	$131,800	9.1%
720 Vine Street	St. Joseph	12	No	$1,200	$207,600	6.9%
432 Anchors Way	St. Joseph	14	No	$1,695	$340,400	6.0%

Source: Berrien County Assessor, Rentals.com

Affordability – Rental Properties

Table 2.14 shows an analysis of the affordability of rental single family homes in the study area. The affordable rents were converted to values using the capitalization rate calculated above. Those values were used to find the number of houses affordable to each income category in the Berrien County Assessor's data. As with owner-occupied houses, rental houses are very affordable in the study area, with a significant number of homes affordable to even the lowest income levels.

Key Conclusion:
*Table 2.15 indicates that that **the overall supply of housing does not need to be increased**, and that program activities should seek to **reduce existing housing stock** by demolishing blighted units, and to **replace obsolete housing units with new units** that better address the needs and preferences of the area's growing 25-34 and 55+ age groups.*

Table 2.14: Affordability of Rental Properties in the Study Area

Monthly Rent	<$509	$509 to $814	$814to $1,220	>$814 to $1,220
Affordable To	Under 50% AMI	51-80% AMI	81-120% AMI	Over 120% AMI
Yearly Rent	Under $6,108	$6,108 - $9,768	$9,768 - $14,640	Over $14,640
Capitalization Rate	17.5%	17.5%	12%	8%
Value Range	Under $34,902	$34,902 - $55,817	$55,817 – $122,000	Over $122,000
Number of Homes	2,891	1,368	1,321	898

Source: Berrien County Assessor

G.   Housing Supply Gap

Overall Gap

As shown in Table 2.15, there is an oversupply of housing in the study area. The "Number Supplied" column represents the number of both occupied and vacant units in each tenure category (See Table 2.9). The "Number Demanded" column represents the estimated demand based on the number of households, age of householders, and headship rates (See Table 2.6). The table shows that there is an overall oversupply of housing units in the study area.

Table 2.15: Overall Gap Analysis

	Number Supplied	Number Demanded	Over/Under Supply
Owner-Occupied	11,387	11,165	-222 oversupply
Rental	8,018	5,985	-2,033 oversupply

Source: US Census, ESRI, McKenna Associates Calculations

Affordability Gap

Table 2.16 shows the gap between the number of single family homes available for owner-occupation in each income group and then number of households within each income group. Because the base data from the Berrien County Assessor only includes occupied single family homes, this analysis only includes those types of properties, but it does give a picture of the overall situation. In general, housing in the study area is underpriced relative to income, which leaves plenty of affordable housing available. There also may be some pent-up demand for high-quality housing alternatives.

Qualitative Analysis:
This section provides a qualitative analysis of trends and research into preference for different types of housing. If we accept the fact that there must be a renewal of the housing stock in the study area, the question becomes not if we should provide new units, but rather where and what kind of units should be provide?

Table 2.16: Ownership Affordability Gap Analysis

Home Value	< $103,557	$103,557 to $165,692	$165,692 to $248,538	> $248,538
Affordable To	Under 50% AMI	50-80% AMI	80-120% AMI	Over 120% AMI
Number of Homes	4,816	3,301	1,304	1,115
Number of Households	4,537	2,862	1,645	2,121
Over/Under Supply of Homes	279 over	439 over	341 under	1,006 under

Source: US Census, ESRI, Berrien County Assessor, McKenna Associates Calculations

The analysis of rental housing shows a different trend. Rental housing affordable to households under 50% AMI and households between 80-120% AMI is oversupplied, but both housing affordable to households between 50-80% AMI and luxury housing are undersupplied – most likely meaning that households are occupying housing that would be affordable to those with lower incomes than them.

Table 2.17: Rental Affordability Gap Analysis

Monthly Rent	<$509	$509 to $814	$814 to $1,220	>$814 to $1,220
Affordable To	Under 50% AMI	50-80% AMI	80-120% AMI	Over 120% AMI
Number of Homes	2,891	1,368	1,321	898
Number of Households	2,605	1,517	843	1,004
Over/Under Supply of Homes	286 over	149 under	478 over	106 under

Source: US Census, ESRI, Berrien County Assessor, McKenna Associates Calculations

H.   Housing Preference

The previous section demonstrated, quantitatively, that there is an oversupply of housing units in the study area, and that housing units need to be removed from supply to balance the housing market. However, this does not preclude the replacement of obsolete housing units with new housing units that are more responsive to the preferences of today. In fact, replacement of obsolete housing units with desirable new housing units is necessary to improve the quality and desirability of the NSP2 target area neighborhoods.

This section examines contemporary housing preferences and where there may be opportunities to provide new housing types that are undersupplied in the market.

Underlying Basis for Analysis

The qualitative analysis is based on the understanding that neighborhood 1A, with its proximity to downtown Benton Harbor and existing infrastructure, offers the best location for alternate development types that cater to households who are not looking for a typical single family dwelling unit on a standard lot. Neighborhoods 1B, 2 and 3 are more suitable for providing standard single family dwelling units that will appeal to larger households, particularly those with children.

Further, it is assumed that new single family housing construction or significant rehabilitation of existing units should occur in neighborhoods 1B, 2, and 3. New construction in neighborhood 1A should focus on attracting households without children who will appreciate and be attracted to the ability to live in a more urban, walkable setting with easy access to downtown Benton Harbor.

The basis for this analysis, then, is to examine what kind of housing preferences younger and older one- to two-person households without children have. These will be the growth groups over the coming five years, and represent the best opportunity to revitalize neighborhood 1A as an "in-town" walkable urban neighborhood.

Community Characteristics

Figure 2 at right demonstrates the most important community characteristics that people look for when making housing decisions

Privacy from neighbors is clearly the most important factor, and one that will have to be considered in any development proposal. However, privacy does not require a large house or a large lot, it merely requires consideration to privacy aspects in the design of lots and houses.

Also notable is the assertion that a 30-minute commute to work in the Benton Harbor/St. Joseph trade area is irrelevant, as a 30 minute drive encompasses the entire trade area.

Neighborhood 1A has the potential to easily provide places to take walks with its proximity to downtown Benton Harbor.

High quality public school systems are necessary for attracting family households who have the ability to exercise a large degree of housing choice. If Benton Harbor schools are perceived to be lower quality or more dangerous than neighboring school districts, it will be exceedingly difficult to establish Benton Harbor's residential neighborhoods as places of choice for households with the means to choose where they live. On the other hand, schools are less of a consideration for one- and two-person households without children.

Figure 2.2: Importance of Community Characteristics, National Association of Realtors Community Preference Survey, 2011

Importance of Community Characteristics

■ Very important   ■ Somewhat important

Characteristic	Very important	Somewhat important	Total
Privacy from neighbors	45%	42%	87%
30-minute commute to work	36%	42%	78%
Places to take walks	31%	46%	77%
High quality public schools	44%	31%	75%
Easy access to the highway	21%	51%	72%
Easy walk to places	24%	42%	66%
Established neighborhood	14%	48%	62%
Mix of ages	15%	45%	60%
Away from it all	16%	37%	53%
Having a large house	10%	34%	44%
Mix of race and ethnicity	10%	32%	42%
Mix of income levels	8%	34%	42%
Largest house you can afford	11%	30%	41%
Mix of housing types	7%	30%	37%
Center of it all	7%	27%	34%
New neighborhood	5%	26%	31%

Source: National Association of Realtors

Demand and Supply by Housing Type

According to the 2011 Community Preference Survey, conducted by the National Association of Realtors, 80% of American householders prefer single-family detached homes, 7% prefer single family attached homes, 8% prefer apartments/condominiums and 5% prefer something else. Table 2.18 applies these preferences to the households in the study area to determine the demand for certain types of housing. For the purposes of this analysis, "large lots" are considered those over 9,500 square feet, while "small lots" are considered those less than 9500 square feet. Most lots in the City of Benton Harbor fall into the "small lots" category.

Table 2.18: Estimated Preference for Housing Types

Housing Type	Survey Preference	Trade Area Supply
Large Lot Single Family	49%	40%
Small Lot Single Family	31%	33.1%
Attached Single Family	7%	6.3%
Multiple Family	8%	18.1%
Other	5%	2.4%

Source: National Association of Realtors, ESRI, U.S. Census, McKenna Associates Calculations

Table 2.18 indicates that there is an undersupply of large lot single family housing in the study area, while small lot single family housing is nearly in balance. Attached single family is nearly in balance, while there is an oversupply of multiple–family units. Note that these are merely comparing preference to supply. These preferences do not take tenure into account.

The reader is cautioned to note that, as shown in Table 2.15, there is an oversupply of single family units in the trade area, and there is also an oversupply of multiple family units. When these two facts are taken into account it underscores the point that new construction must be strategically designed to meet the needs of underserved segments of the market, and that "mass market" single family housing activities should focus on eliminating non-competitive units and rehabbing higher quality existing units to be competitive within the larger marketplace.

I.   Recommendations

The following are key "takeaways" from the analysis:

- Households with heads between 35 and 55 (which generally are households with children) are projected to decline, lowering demand for large lot single family homes.

- However, in the short term, there is a demand for additional large lot single family housing in Benton Harbor/St. Joseph.

- Households under 35 and over 55 are projected to increase, increasing demand for small dwelling unit types.

- The existing housing portfolio in the NSP2 study area does not include competitive small dwelling unit types.

- Therefore, there is demand for a unique type of small-dwelling unit, walkable to community amenities, and desirable to both younger householders and older retirees.

- In general, there is plenty of affordable housing in the Benton Harbor/St. Joseph area.

Table 2.19: Recommendations

	Recommended:
✔	Expand the housing options in Benton Harbor by creating and encouraging unique types of housing.
✔	Appeal to smaller households, both young (under 35) and retiree (over 55), by redeveloping neighborhoods to encourage walkability and community building.
✔	In some areas, create larger lots through demolition, to conform to current housing preferences.
✔	Rehabilitate existing homes where possible.
✔	Concentrate on homeownership. Market data shows the rental market to be saturated.
✔	Continue with current activities that are supported by market analysis data.
	Not Recommended:
✘	Do not market exclusively to those seeking affordable housing. Benton Harbor should be a community for all income levels.
✘	Do not attempt to replicate suburban patterns and designs. Take advantage of Benton Harbor's existing neighborhood structure.
✘	Do not ignore downtown Benton Harbor. Increase housing density near the Central Business District to encourage vibrancy.
✘	Do not build additional multi-family properties. The data suggests this market is saturated.
✘	Do not leave holes in the urban fabric. Wherever possible, do not demolish multiple adjacent homes or create large gaps.

This Page Left Intentionally Blank

2. Marketing Plan

A. Marketing Approach

The following is an overview of ideas and strategies for marketing the revitalization of the NSP2 neighborhoods. Many of the strategies were developed by Marcia Nedlund of Fall Creek Consultants in her pamphlet *Developing a Basic Marketing Plan to Sell Houses (and Neighborhoods).* Nedlund is considered a leading expert in marketing redeveloped neighborhoods, and has created successful marketing campaigns across the country.

Target Markets

Because the Neighborhood Plans call for two very different forms of housing, there are two market groups that will need to be targeted.

The first, for Neighborhood 1A, is comprised of those who prefer smaller dwelling units, with more communal space and easy walkability to amenities. These people generally include young professionals, retirees, and developing families. They vary in income, but are not likely to be in the highest or lowest brackets.

For Neighborhoods 1B, 2, and 3, the target market will be families, especially those in the middle income brackets. These families tend to desire more space both in and around their homes, and would be intrigued by the possibility of getting "more" house and yard for the price.

More detailed information about the target markets can be found in Sections B and C of this chapter.

Translating "Features" into "Benefits"

One of the most important elements of marketing is showing the potential customer what they gain from the product. An important element of doing this is translating "features" – objective facts about the product – into "benefits" – the positive impact on the customer's life from having bought the product. When people buy houses, they tend to interpret objective facts in terms of their own experience. If a marketer can craft the facts into a positive image of the property or neighborhood, then the potential buyer no longer has to interpret – they will merely take the statement into account on its own merits. Table 2.20 shows some examples of "features" and "benefits".

Table 2.20: "Features" and "Benefits"

Feature	Benefit
The house has four bedrooms.	The house is big enough for a family.
The house is on a large lot.	The yard has room for kids to play.
The home is near downtown.	The home is walkable to retail and institutions.
The home has a low price.	The home is affordable.
The mortgage has a low interest rate.	The monthly payments are affordable.

Crafting the Message

Marketing messages are statements that speak directly to the target markets and address what they want. Messages can be derived by creating a list of features and then translating them into benefits for the target market that is most likely to appreciate the product – in this case homes and neighborhoods in Benton Harbor.

There are few a key rules when crafting a message:

- The message should say what the product can do for the target market.

- The message should make the product stand out from others.

- The target market should know that the message has been crafted for them and feel that the marketer understands their needs and wants.

- The message should be consistent and coordinated among many delivery methods.

There are also some messages to avoid when crafting a message:

- Talking about the organization or program instead of the product. Homebuyers do not buy homes because they are being sold as part of the NSP2 program. They buy them because they are desirable and affordable.

- Talking about the process instead of the product. When people perceive, rightly or wrongly, that a lot of "hoops" need to be jumped through, they tend to shy away.

- Specifically for the marketing of neighborhoods, it is important to avoid inadvertently convey the negative image of an area while trying to show the positive trend. Instead of discussing the trend, the best practice is to focus on the positives of the neighborhood.

- Similarly, the existing homes and residences in a neighborhood should be capitalized upon in the marketing of an area, not treated as a problem to be eliminated. Just as the existing fabric can be a catalyst for redevelopment, the existing culture can be used in the marketing message as a selling point.

Message Delivery Methods

There are many different ways to spread a marketing message. The key is to find the right mix, based on the target market and the resources available to the marketer. (Insert CR) shows the various forms that message delivery can take.

Internet Media
Program Website
Real Estate Broker Website
Links to the Program Website from Other Websites
Email and ListServs
Facebook
Craigslist
Program Blog

Free Publicity
Local media stories about the program
Local media stories about the neighborhood
Editorials and Letters to the Editor
Guest appearances on radio and tv
Press Conferences/Releases
Press Tours and Kits

Printed Materials
For Sale Signage
Editorials
Coupons
Fact sheets
Bill stuffers
Newsletters
Flyers
Direct Mail
Brochures
Postcards
Posters

Promotions
Incentives with Purchase
Incentives for Referrals
Branding the Homes with a Visible Feature
Branding the Neighborhood
NSP Signage
Time-Restricted Deals on Loans or Classes

Paid Advertising
Local Newspapers
Business Journals
Local Entertainment Magazines
Ethnic Newspapers
Billboards
Radio
Television
Movie Previews
Newsletters of Other Organizations

Events
Open House Events
Block Parties
Church Gatherings
Employer Gatherings
Homebuyer Education Classes
Sponsorship of Events
Booths at Events
Homeownership Fairs
Historic Home Tours
Neighborhood Tours
Groundbreakings
"Lunch and Learns"

Partnerships
Employers
Business Associations
CDCs
Churches
Realtors
Lenders
Schools
Alumni Organizations
Elected Officials
Service Agencies

Evaluation

Measuring the success of marketing strategies can sometimes be difficult, but it is very important. Strategies that are making an impact should be continued, while strategies that are faltering should be pruned. There are several techniques for evaluation:

- **Benchmarking** is a simple recording of the success of the program (in this case, the number of homes sold) before, during, and after a marketing campaign. The number of sales should increase for successful campaigns.

- **Phone Logs** are questions asked of potential customers when they call to inquire about a property. Generally the questions are simple and direct, like "where did you hear about this program?" This data helps show which marketing strategies are hitting their targets.

- **Customer Surveys** are direct inquiries to homebuyers asking what they liked and disliked about their experience with the program. Customers who opt not to buy homes could also be surveyed, although this is often more difficult.

- **Comparing Inquiries to Sales** will show whether or not the marketing strategy is targeting the right people. If there are a large number of inquiries from people who do not qualify for the program or who are immediately not interested when they hear the details, the target market should probably be adjusted.

B.   Target Market – Neighborhood 1A

The following section describes the target market for Neighborhood 1A. The specific characteristics of a group lend themselves to different kinds of marketing strategies.

Demographics

The target market for Neighborhood 1A will include households, including families, who usually prefer smaller dwelling units but look for areas that have walkability, a sense of community, and green space.

Age: The age of the target market for Neighborhood 1A will fall into two spectrums – **young households** and **seniors/retirees**. Both groups tend to need less space than fully –developed families, but both groups also tend to enjoy neighborhoods where they can talk to their neighbors and where they can get to amenities quickly and easily.

Family Size: Neighborhood 1A will likely appeal to smaller households, including single people, young couples, families with 1-2 young children, retired couples, and single seniors. People in small households tend to seek interaction outside their family and also do not need large dwelling units or yards.

Race and **Gender** will have no bearing on the target market, as Neighborhood 1A should appeal to groups across racial and gender lines. It is also important that the resulting neighborhood be diverse, so the marketing plan should not exclude any groups.

Economics

Income: Neighborhood 1A will appeal to those with incomes in the middle of the range (80-120% of AMI). Because much of it will be newly built, it will not be explicitly low-income housing. However, the marketing plan should target households with a range of incomes.

Tenure: Neighborhood 1A will appeal most to first-time buyers and retirees looking to move into a smaller home. Rental housing in the neighborhood could be a possibility, but most of the housing will be owned-occupied.

Geography

Employment: Some of the best candidates to move into Neighborhood 1A will be people who currently work in Downtown Benton Harbor or at major employers that are easily accessible from there, like Whirlpool.

Types of Neighborhoods: The target market for Neighborhood1A, especially the young singles and families, likely live in similar neighborhoods already. These types of neighborhoods could include downtowns, districts with walkable retail, and apartment complexes that feature community amenities.

Lifestyle

Mobility: The target market for Neighborhood 1A will prefer to be able to walk in pleasant surroundings. The walking may be done for practical reasons – to run errands or to get to a friend's house – or for exercise or recreation.

Recreation: The target market for Neighborhood 1A will already take part in community recreational activities and will be eager to participate in those activities in their new neighborhood. These activities could include sports, game, classes, and/or programs for young children.

Marketing Strategies

The following strategies would be appropriate for Neighborhood 1A, but are not an exhaustive list of the ideas that could be tried.

Brand the Neighborhood: Use a new or existing name for Neighborhood 1A frequently to increase the community's familiarity with the district. Create a slogan and repeat it on all marketing materials.

Advertise in Existing Similar Neighborhoods: The future residents of Neighborhood 1A likely already show their housing preferences by living in walkable districts or apartments with community amenities.

Target Renters Who Will Soon Look to Buy: Young households that are looking to buy their first home will likely be attracted to the lifestyle offered in Neighborhood 1A.

Find Recent Retirees: The AARP and other organizations can assist in targeting recent retirees who may be looking to downsize their dwelling and move to a neighborhood with more community assets.

Use the Internet: Facebook, Twitter, and other internet mediums are excellent ways to target young people.

Enlist Local Media: Local newspapers and television are a good way to reach a wide audience, but they are an especially good way to reach seniors and retirees.

Spread the Word at Community Events: The people interested in Neighborhood 1A are likely to be very involved in the community, including recreational activities.

Advertise at Local Businesses: The target market for Neighborhood 1A likely already frequents local businesses.

Enlist a Realtor: Realtors already have the infrastructure in place to market homes and neighborhoods.

C.   Target Market – Neighborhoods 1B, 2, and 3

The following section describes the target market for Neighborhoods 1B, 2, and 3. The specific characteristics of a group lend themselves to different kinds of marketing strategies.

Demographics

The target market for Neighborhoods 1B, 2, and 3 will include households, including families, who usually prefer smaller dwelling units but look for areas that have walkability, a sense of community, and green space.

Age: The age of the householders in the target market for Neighborhoods 1B, 2, and 3, will generally fall into a middle spectrum – between about 30 and 60. Householders in this age range tend to have families with children and are looking for large dwelling units and sizable yards.

Family Size: Neighborhoods 1B, 2, and 3 will appeal to families with 2-3 children who are looking for extra yard space and a larger home in their price range.

Race and **Gender** will have no bearing on the target market, as Neighborhoods 1B, 2, and 3 should appeal to groups across racial and gender lines. It is also important that the resulting neighborhoods be diverse, so the marketing plan should not exclude any groups.

Economics

Income: Neighborhoods 1B, 2, and 3 should appeal to homebuyers across all income ranges, although the ranges may vary depending on the specific neighborhood or block.

Tenure: Neighborhoods 1B, 2, and 3 will appeal most to homeowners who already own a home but are looking for either more space, a bigger yard, or a lower monthly payment. Renters looking to move into their first home are also possible targets.

Geography

Employment: Candidates to move into Neighborhoods 1B and 3 will likely work in Benton Harbor, Benton Township, or St. Joseph Township. Candidates to move into Neighborhood 2 will likely work in Benton Harbor, the City of St. Joseph, or Benton Township. Airport employees should also be part of the target market for Neighborhood 2.

Types of Neighborhoods: Target homeowners for Neighborhoods 1B, 2, and 3, currently live in a variety of neighborhoods. Some may already live within the redevelopment zones, but in rental housing or in houses that are smaller or have smaller yards than they could get through the NSP2 program. Others may live in rental housing outside the City of Benton Harbor, and still others may own homes in surrounding communities but want to move closer to work or to have a lower monthly payment without sacrificing living space.

Lifestyle

Mobility: The target market for Neighborhoods 1B, 2, and 3 will likely own a car or two and be willing and able to use them to get around. While these neighborhoods should and can have walkable amenities, that will not be the main selling point for them.

Recreation: The target market for Neighborhoods 1B, 2, and 3 will likely have children who are involved in recreational activities, including those sponsored by schools.

Marketing Strategies

The following strategies would be appropriate for Neighborhood 1B, 2, and 3, but are not an exhaustive list of the ideas that could be tried. Some will be the same as for Neighborhood 1A, but others will be different.

Brand the Neighborhood: Use a new or existing name for Neighborhood 1A frequently to increase the community's familiarity with the district. Create a slogan and repeat it on all marketing materials.

Enlist the Existing Residents: Existing residents will play a major role in the transformation of these neighborhoods, whether they participate directly in the program or not.

Target Renters Who Will Soon Look to Buy: Current renters that are looking to buy their first home will likely be attracted to the affordability of homes in Neighborhoods 1B, 2, and 3.

Find Families with Children: Marketing through schools and children's recreation programs will bring the message to families that may be looking for additional space at an affordable price point.

Use the Internet: Many families use Facebook, Twitter, and other internet mediums.

Enlist Local Media: Stories in the local media will help to improve the reputation of these neighborhoods, as well as get the word out regarding the NSP2 program.

Create Community Events: Bring the people of each neighborhood together, along with outsiders who may be interested in moving into the community.

Advertise at Local Businesses: It is especially important to target businesses within the neighborhoods themselves and those near areas where potential buyers live.

Enlist a Realtor: Realtors already have the infrastructure in place to market the homes themselves.

D.   Summary of NSP2 Friendly Lenders and Service Providers

Homeownership Counseling

Homeownership Counseling is an important facet of neighborhood revitalization. First-time homebuyers benefit from guidance in the various facets of owning a home. The following organizations provide homeownership counseling:

- **Benton Harbor Housing Commission**, 721 Nate Wells Drive, (616) 927-3546
- **Benton Harbor Community Development Department,** 200 E. Wall Street, (269) 927-8420
- **Southwest Michigan Community Action Agency,** 185 E. Main Street, (269) 925-9077
- **Kalamazoo Neighborhood Housing Services (SW Michigan Office),** 777 Riverview Drive, (269) 277-5830

These organizations, along with **MSHDA** and **HUD**, also provide housing assistance to people with disabilities.

Lenders

Many lenders in the State of Michigan partner with MSHDA and HUD to provide subsidized mortgages and other funding. Below is a partial list of lending partners that operate in the greater Benton Harbor area:

- Bank of America
- Bank of Holland
- Capital Mortgage Funding
- Chemical Bank
- Citizens Bank
- Fifth Third Bank
- Flagstar Bank
- Huntington Bank
- JP Morgan Chase
- Lake Michigan Credit Union
- Mercantile Bank
- Michigan Schools and Government Credit Union
- PNC Bank
- United Federal Credit Union
- Wells Fargo

CDCs and LISC

There are two Community Development Corporations operating in Benton Harbor:

- **Church of God in Christ CDC**, 870 Nate Wells Drive, (269) 926-2523
- **Consortium for Community Development,** 88 W. Main Street, (269) 277-5201

The Local Initiatives Support Corporation assists CDCs across Michigan, including in the Benton Harbor area. LISC's main office is in Kalamazoo. Currently, LISC is working with HUD and MSHDA in the "Cities of Promise" initiative in Benton Harbor. The organization would likely also be involved in redevelopment in the NSP2 neighborhoods.

This Page Left Intentionally Blank

Section 3:

Future Vision

This Page Left Intentionally Blank

1. Community Input

A.   Town Hall Meeting

The Town Hall meeting was conducted on October 24, 2011 at the Benton Harbor Business Development Center. Residents attended from all four Target Areas represented in the plan. Attendees were asked to discuss their vision for Benton Harbor under the following categories:

- What elements of the Target Areas need to be **fixed**?
- What aspects of the Target Areas are important to **keep?**
- What should to Target Areas **aspire** to be like?

Attendees were then asked to vote for their top priorities in each category. Each attendee was given 8 votes – five to give to their highest priority and three to give individually to other priorities. Additionally, for the purposes of this table, the initial writing of an idea counted as one vote. The results are in Table 3.1, with the number of votes.

Table 3.1: Town Hall Meeting Results

Fix	
More Jobs	11
Code Enforcement, especially on rental properties	7
Repair streets and sidewalks	7
Street Lights	7
Build sidewalks where they don't currently exist	7
Slow down traffic near Benton Harbor High School	6
Sewers and Drains	4
Public Transportation	2
Water Service	2
Schools	2
Increase Community Involvement	2
Fire Hydrants	1
Signage	1
More Block Clubs	1
Public Safety	1
Keep	
Historic Places and Structures	17
Community Communications, including newspaper	3
Boys and Girls Clubs	2
Farmer's Market	2
Blight Removal Programs	2
Small Businesses	2
Library	2
Parks	2
Parks Enhancement Programs	1
Morton School	1
Habitat for Humanity	1
Existing Housing Stock	1
First Presbyterian Church	1
Good People	1
Affordable Housing	1
Lark's Ribs	1
SW Michigan Volunteer Center	1
Benton Harbor High School	1
Aspire	
Encourage Small Businesses	11

A "real" grocery store, potentially a chain	10
New YMCA	9
Slow down traffic on Empire Ave near Benton Harbor High School	6
Medium-Income Housing	6
Medium-Income Housing	6
Enforce codes, especially those prohibiting storing non-functioning cars on residential property	5
Alternative Food Service	5
Complete Sidewalk Network	3
Laundry Facility near Downtown	3
Jobs	2
More Homeownership	2
Expand Community Transportation	1
Ethnic Restaurants	1
More Pizza Places	1
More Places Friendly to College-aged/20-somethings	1
Electronics Store	1
Movie Rental	1
Life Skill Development Seminars	1
Training in Broadcast and Telecommunications	1
Hardware Store	1
Clock Tower	1
Statues of Famous Benton Harbor Figures	1
Repair Shop	1
Shoe Repair	1
Sports Arena	1
Full Service Hotel	1
Pride in the City and Neighborhoods	1
More value for tax dollars	1

B.   Stakeholder Focus Group Meeting

During the Community Stakeholder Focus Group Meeting, held on October 18, 2011, participants were asked to perform a SWOT Analysis of the Benton Harbor Community. SWOT stands for Strengths, Weaknesses, Opportunities, and Threats, as described below:

- **STRENGTHS are** characteristics of the neighborhoods that are useful to attain the redevelopment objectives. Strengths are <u>internal</u> and should be leveraged to most efficiently achieve the stated goals.

- **WEAKNESSES are** characteristics of the neighborhoods that are destructive to achieving optimal redevelopment. Weaknesses are also <u>internal</u> (i.e. within the physical areas) and must be overcome, mitigated, or corrected.

- **OPPORTUNITIES are** circumstances that are supportive to realize the neighborhood redevelopment objectives. Opportunities are <u>external</u> and must be recognized and capitalized upon.

- **THREATS are** external circumstances that are destructive to achieving redevelopment goals. Threats are also <u>external</u> and must be neutralized or offset.

Table 3.2 below, shows the group consensus on the strengths, weaknesses, opportunities, and threats facing Benton Harbor:

Table 3.2: SWOT Analysis

Strengths
Community Pride
Block Group Activities
Walkable street grid
Lake Michigan
Weaknesses
Unemployment
Lack of Retail
Poor Code Enforcement
City Budget
Opportunities
Highway Connections
Tourism
Non-Profits
Downtown Development (Whirlpool, etc.)
Threats
National/International Economy
Dis-investment in the Neighborhoods
Infrastructure Problems
Poverty

C.   Community Goals and Objectives Summary

Top Priorities to Keep
Preserve community assets, including natural features like Lake Michigan, as well as historic structures like Mercy Hospital.
Strengthen community communications, including the newspaper.
Partner with non-profits and community organizations for the betterment of the community.
Retain community-wide events and assets, such as the Farmer's Market

Top Priorities to Fix
Create more jobs.
Improve code enforcement, especially on rental properties.
Repair streets and sidewalks/build new sidewalks where necessary.
Repair streetlights and build new where necessary to increase safety and security.

Top Priorities to Aspire To
Encourage new small businesses, especially along neighborhood thoroughfares like Empire, Pipestone, and Main.
Attract large scale retail, including a major grocer.
Build a new YMCA or other community center.
Improve pedestrian infrastructure and traffic flow to create a safe, walkable city.

2. Recommendations

A. Guiding Principles

This plan is based on four principles of neighborhood development - **Community, Mobility, Safety, and Sustainability.** Neighborhoods that are developed using these principles are more desirable and thus more marketable. Each principle guides specific recommendations, which together are designed to strengthen and preserve Benton Harbor's neighborhoods. These recommendations re-affirm many of the elements of the Benton Harbor Master Plan, Strategic Plan, and Downtown Plan.

Community is what separates a neighborhood from a collection of homes. "Community" is reflected in the neighborhood's gathering places, such as parks, schools, neighborhood retail districts, and other areas. These anchors must not only be present in a neighborhood, they must also be available and accessible and meet the specific needs of the residents. They function as "Third Places", i.e. places where the community can gather that are not a home or workplace. The "Community" recommendations focus on how to strengthen these aspects of Benton Harbor's neighborhoods in order to better serve the residents and create a sense of place within each district.

Mobility is how easily residents are able to access the neighborhood anchors. Residents must be able to walk, bike, drive, or take transit easily and efficiently. This means the infrastructure for those transportation modes must be sufficiently designed and well-maintained. The "Mobility" recommendations focus on how to optimize Benton Harbor's street grid to best allow residents to access amenities both within and around the neighborhoods.

Safety is how secure residents feel both in and out of their homes. Neighborhood anchors and transportation infrastructure will wither if residents feel too unsafe to actually use them. This leads to a neighborhood of people who rarely leave their homes (and almost never leave without their cars), which leads to a breakdown of "community" and can create and even more unsafe environment. The "safety" recommendations focus on how Benton Harbor's streets and public places can become more welcoming and friendly, while at the same time deterring crime and making residents feel more safe.

Sustainability is the ability of a neighborhood to last well into the future. Sustainability comes in two forms – economic and environmental. Economic sustainability is related to the availability of jobs and economic opportunity within a neighborhood. It involves helping residents become self-sufficient and the neighborhoods economy to become self-sustaining. Local businesses are a major cog in economic sustainability, since their revenues stay in the community. Environmental sustainability is the preservation of natural resources for future generations. It can come in the form of fancy "green" technologies and practices, but can also be achieved with simple tasks such as walking to the store and planting trees.

> *Neighborhood Anchors:*
> *The following institutions and establishments are known to be stabilizing and strengthening influences on a neighborhood. Vital neighborhoods have as many of these as possible within ¼ mile walking distance of most residents.*
>
> - *Banks*
> - *Child Care Facilities*
> - *Community Centers*
> - *Convenience Stores*
> - *Hair Care*
> - *Hardware Stores*
> - *Health Clubs*
> - *Laundry/Dry Cleaners*
> - *Libraries*
> - *Live-work housing*
> - *Medical Offices*
> - *Parks*
> - *Pharmacies*
> - *Places of Worship*
> - *Police/Fire Stations*
> - *Post Offices*
> - *Restaurants*
> - *Schools*
> - *Supermarkets*

B.   Residential Redevelopment

The NSP2 program in Neighborhoods 1B, 2, and 3 should continue to focus on rehabbing existing units, demolishing blighted or obsolete units and creating larger, more market competitive lots by combining the vacant lots with neighboring lots. Figure 3 illustrates how the demolition of obsolete or blighted units and the subsequent disposition of the vacated lot to neighboring properties can work in plan view.

Figure 3.1: Demolition of Obsolete Housing and Sidelot Disposition
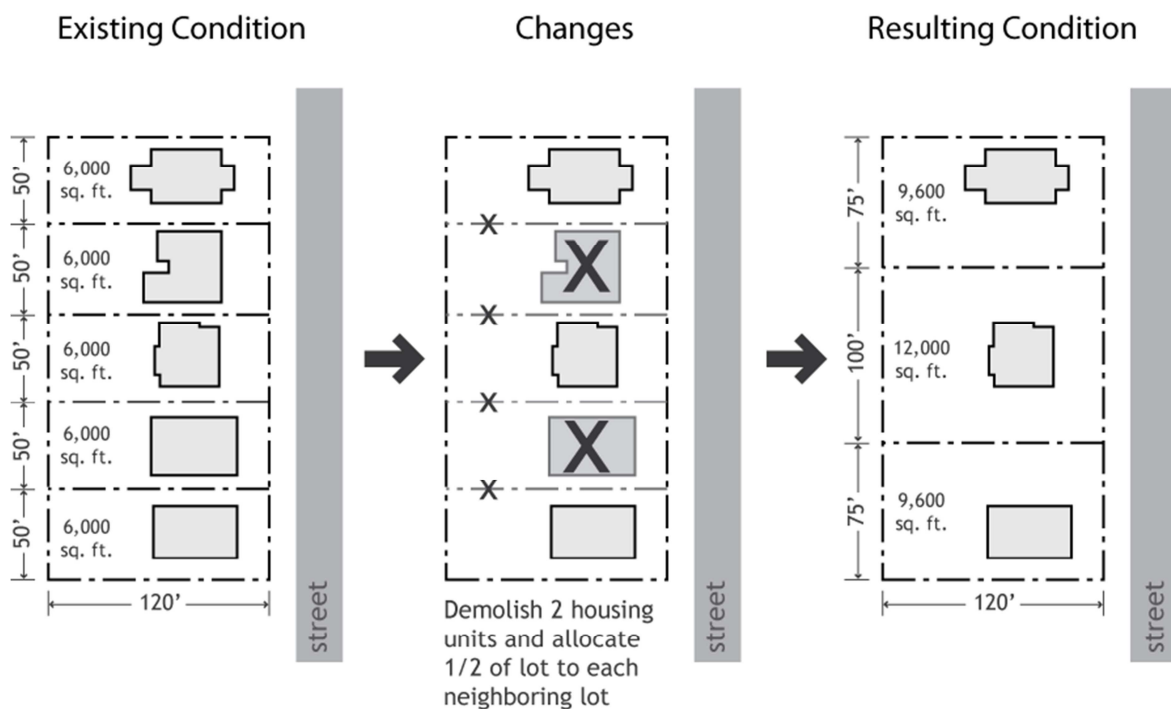
New homes should be built in areas where the homes are already dense and where neighborhood amenities are nearby. In terms of the design of homes and sites, the focus should be on creating homes that present a welcoming face to the community, in order to facilitate social interaction and promote safety. Examples of these design features include large front porches, elevated above grade to become an "outdoor room" in which the occupant can interact with the neighborhood, and garages set back from the front building line (at least six feet) or placed at the rear, facing alleys. Attached garages are desirable for many homebuyers, but they are frequently designed to be the portion of the house closest to the street. This means the house presents itself to its neighbors first and foremost with a garage door, which stymies interaction between the occupant and other residents. Moving the garage door further back on the site allows for a more welcoming and friendly façade.

C. Community

The map on page 84 shows the neighborhood activity anchors in the study areas. These nodes either currently serve as community gathering places or could become community gathering places with the right support. When a few connected blocks have a critical mass of activity anchors, they can become a "neighborhood center", a place where the community gathers and a source of strength, identity, and stability.

Neighborhood 1A

Neighborhood 1A suffers from a lack of anchors. The **Downtown** area is close by, but is hard to access due to topography and disconnected streets. This plan's proposal for redevelopment of the area attempts to address this problem (see Chapter 8).

The biggest potential activity node within Neighborhood 1A is the **former Calvin Britain School**. This building could be converted into a community center, or it could be torn down and the site could be used for a civic purpose, such as a park or recreation center.

School Bus Stops:
Every morning, hundreds of students catch buses near their homes in the study neighborhoods. An analysis of the Benton Harbor Area Schools Bus Routes shows that many of these students congregate on specific corners, due to bus routes from several schools stopping in the same place. These corners have thus become neighborhood gathering places, where children and their parents socialize every morning. These natural gatherings can be strengthened through improvements to the key corners that promote safety and community.

Many of the school age students in Neighborhood 1A wait for the bus near the intersection of Broadway and Kirby Streets. This corner should be a focus of safety and mobility improvements in the neighborhood.

Neighborhood 1B

Neighborhood 1B has several activity anchors surrounding the intersection of Broadway and Catalpa Streets. Several private schools, including **St. John's, St. Matthew's, the Readiness Center, and the Benton Harbor Girls Academy**, as well as places of worship, retail establishments, and one of the city's busiest public school bus stops, are all within a few blocks of each other. A **large vacant parcel** along Pipestone Avenue near Foster Street could also be acquired and converted to a community or commercial use. This area is a natural center for the neighborhood and should be strengthened through infrastructure improvements, targeted investment and incentives, and branding/marketing. (See map, page 94).

There are also major neighborhood anchors on the southwest side of Neighborhood 1B, including **Benton Harbor High School** and the **Empire Avenue retail corridor**. Together with some nodes in Neighborhood 3, these anchors make up a second natural center for the community, which should be similarly targeted for improvements and branded/marketed to potential residents.

Neighborhood 2

Neighborhood 2 contains several of Benton Harbor's historical assets, including the **Morton Museum** and the **Morton Cemetery**. These should be preserved and enhanced as anchors for the community. The cemetery cannot be programmed or active, but it can be clean and its historical features amplified. The museum should be used for community programming and educational activities.

Neighborhood 2 has the most in-tact retail corridor of any of the four study neighborhoods, along **E. Main Street**. Located in the center of the neighborhood and featuring brand-new "complete streets"

improvements, East Main is a natural center of activity. However, vacancy and a few incoherent land uses are hindering its effectiveness. Small business incentives, zoning for higher density and mixed use, and a façade improvement program could help the corridor realize its potential.

There are also a few other anchors scattered through the neighborhood. The small **park** at the corner of Madison and McCord draws families from several blocks around. In the southwest corner of the neighborhood, Morton **School** is the last open public elementary school within the four study areas. It is a crucial anchor for the community and should be capitalized on and used to host neighborhood events. Additionally, several **non-profit and community organizations** are headquartered with Neighborhood 2. They should be partnered with as neighborhood stabilization and redevelopment efforts progress.

Children in neighborhood two catch the school bus in two key places – at Forest and LaSalle Streets and at Highland Avenue and McCord Street.

Neighborhood 3

Neighborhood 3's strongest anchors are its parks. **Union Park**, in the southwest corner of the neighborhood, is one of Benton Harbor's most active parks, with ballfields and play equipment. Although it is a natural center of activity, the park is distant from many residents, making access improvements an important priority.

City Park, at Broadway and Weld Street, is a significant asset for Neighborhood 3. Additionally, its location near the high school and the **Empire Avenue retail corridor** makes it one of the nodes of a natural neighborhood center, as described below.

The vacant **former Mercy Hospital** should be seen as an opportunity to create another activity node. The building is slated for demolition, but the property should be re-used in a way that benefits the surrounding neighborhood. Additionally, the re-use should in some way honor the historic structure, which is a beloved landmark.

Neighborhood 3 has the largest population of the four neighborhoods, and therefore has several intersections where children congregate to catch school buses, including Colfax and Empire, Hastings and Salem, May and McAlister, Cross and Pavone, Emery and Pearl, Emery and Union, and Weld and Union.
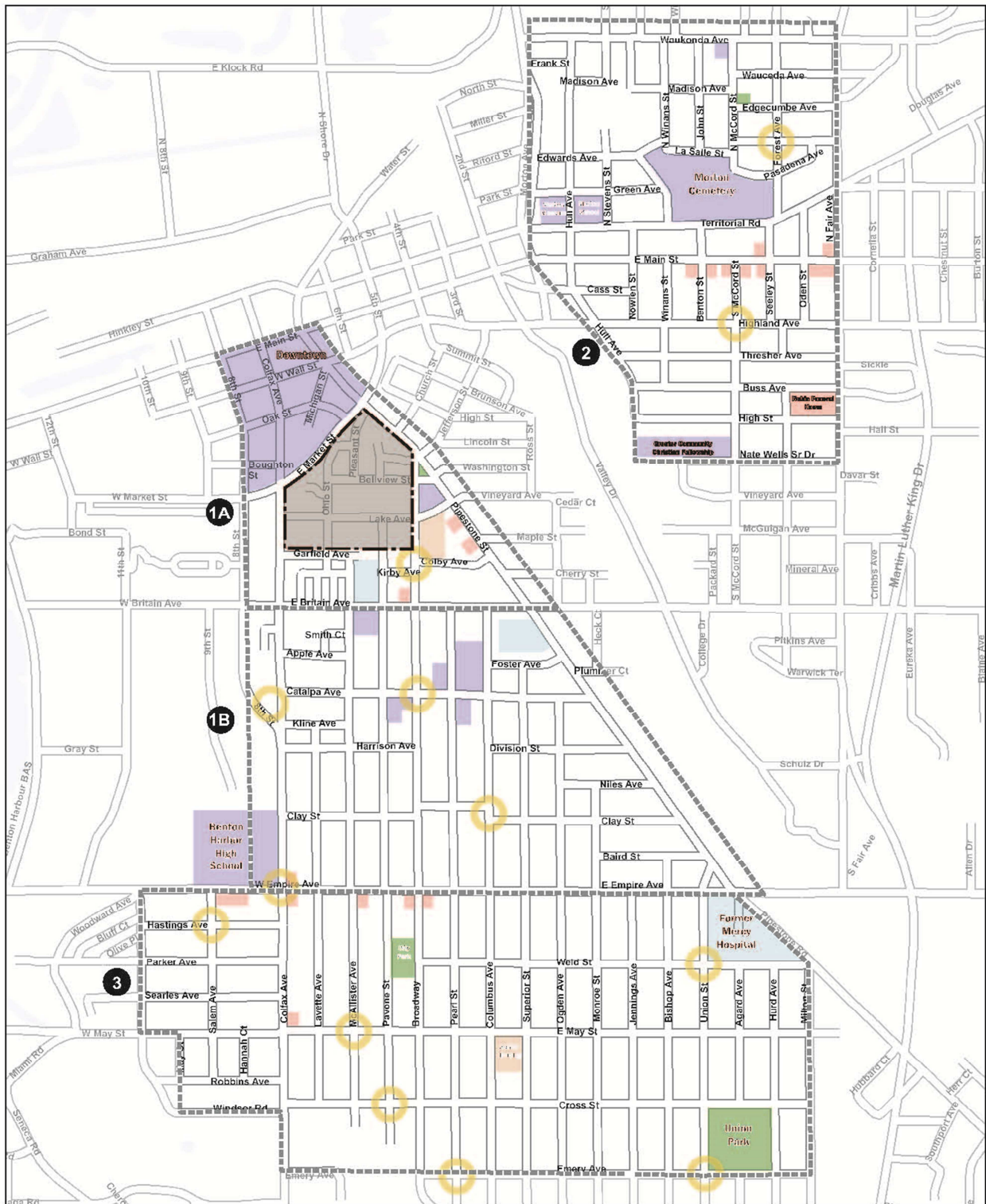
February 3, 2012

Neighborhood Activity Anchors

Benton Harbor, Michigan

McKenna ASSOCIATES

FEET 0   1,000   2,000

LEGEND

- Parks
- Retail
- Multi-Family Housing
- Institutional
- Potential Future Nodes
- ○ Major School Bus Stop
- # NSP2 Target Area
- IA Redevelopment Area

This Page Left Intentionally Blank

D.   Mobility

The map on page 88 shows the transportation network and street pattern of the four neighborhoods. Efficient mobility through the neighborhoods is crucial for community anchors to reach their full potential and for neighborhoods to be attractive places to live. In order to do this, important connections and corridors should be upgraded and maintained in accordance with the principles of "complete streets".

The map shows four categories of connections through the neighborhoods, including **Main Thoroughfares, Neighborhood Collectors, Key Connections, and Potential Future Connections.**

Complete Streets:
Complete Streets are roadways that accommodate every practical mode of transportation. In Benton Harbor's residential areas, that means cars, pedestrians, bicycles, and school busses/paratransit. Improvements to create "complete streets" include bike lanes, wider sidewalks, bus stop lanes and signage, and pedestrian crosswalks and signals.

Main Thoroughfares

Main Thoroughfares are the most important connections through and between the neighborhoods. They have the highest levels and automobile traffic, and in many cases they are the neighborhood's face to outsiders. Main Thoroughfares should be upgraded, where possible, in accordance with principles of "complete streets." Their sidewalks should be wide; they should be equipped with bike lanes. Pedestrian crossing areas should be frequent, especially near activity anchors. Mid-block signalized pedestrian crossings should be considered where appropriate.

Where school buses stop along Main Thoroughfares, there should be signage warning other motorists of the nearby children. Where possible, walkways and ramps should be installed to ensure that children have a safe route to the sidewalk from the bus.

Specifically, two-way traffic should be restored on **8th Street** and **Colfax Avenue.** The one-way system currently in place is antiquated and limits neighborhood mobility.

The roads classified as Main Thoroughfares are:

- 8th Street (Neighborhoods 1A and 1B)
- Colfax Avenue (Neighborhoods 1A, 1B, and 3)
- Pipestone Avenue (Neighborhoods 1A, 1B, and 3)
- Britain Avenue (Neighborhoods 1A and 1B)
- Empire Avenue (Neighborhoods 1B and 3)
- Fair Avenue (Neighborhood 2)
- East Main Street (Neighborhood 2)

Neighborhood Collectors

Neighborhood Collectors are important routes through residential areas. They are not as busy with automobile traffic as Main Thoroughfares and fewer outside residents travel on them. However, they are no less important from a pedestrian and bicycle standpoint. For this reason, Neighborhood Collectors should be well-equipped with pedestrian and bicycle infrastructure, including wide, well-kept sidewalks, bike lanes or at least "sharrows", and traffic calming devices to discourage pass-through automobile traffic and increase safety.

The roads classified as Neighborhood Collectors are:

- Broadway (Neighborhoods 1A, 1B, and 3)
- Catalpa Avenue (Neighborhood 1B)
- May Street (Neighborhood 3)
- McCord Street (Neighborhood 2)

Key Connections

Key connections are places where, because of topography or a gap in the road system, an otherwise minor road becomes a crucial important part of the transportation system because there is no other way to get from one place to another. Motorists, especially those from outside the neighborhood, tend to avoid these areas because they are confusing and inefficient. However, for pedestrians, Key Connections are an important part of their route choices.

Key Connections are most prevalent in Neighborhoods 1A and 2 because of their irregular road configurations. In order to allow the most efficient movement through these neighborhoods, Key Connections should have well-maintained sidewalks, traffic movements designed for pedestrian safety, and provisions for bicyclists, either sharrows or bike lanes. Wayfinding signage may also be appropriate in some areas, although not everywhere.

The Key Connections identified in the four neighborhoods are:

- The connection between Edwards Avenue and Winans Street (Neighborhood 2)
- Forest Avenue between Territorial Road and Pasadena Avenue (Neighborhood 2)
- Benton and/or Seeley Streets, between Main Street and Territorial Road, which provide access between Main and Territorial that is not provided by McCord Street since it ends at Main. (Neighborhood 2)
- Colby Avenue between Pipestone Avenue and Broadway (Neighborhood 1A)
- Lake Avenue between Ohio Street and Colfax Avenue (Neighborhood 1A)

Potential Future Connections

Potential Future Connections are areas where a connection between blocks is missing, places where the lack of a street has left long blocks and other disconnectedness. It is not always necessary to fill in these missing connections for automobiles, because they would not add significant efficiency for drivers. However, these connections would be very helpful for pedestrians, who right now have to go out of their way to reach certain gathering places.

Future Connections could be created through NSP2-funded demolitions. The dotted lines on the map are not recommendations to tear down specific houses. Rather, they are general suggestions of where public walking paths could be created across blocks once properties are acquired and structures are torn down.

The Potential Future Connections identified in the four neighborhoods are:

- Between Ohio Street and Market Street. A large hill in this area makes automobile connections impossible, but a walking path or staircase could be created to allow Neighborhood 1A residents better access to Downtown.

- An east-west connector from McAlister Avenue to Superior Street, between Caltalpa and Britain Avenues. It could connect to Foster Avenue on the east and Apple Avenue on the west. (Neighborhood 1B)

- A connection between Winans Street and Hull Avenue, possibly matching up with the two halves of Madison Avenue. This area is currently scattered industrial uses. (Neighborhood 2)

- A connector extending Weld Street from Broadway to Colfax Avenue. (Neighborhood 3).

This Page Left Intentionally Blank

February 3, 2012

Neighborhood Mobility

Benton Harbor, Michigan

McKenna ASSOCIATES

FEET 0   1,000   2,000

LEGEND

Major Thoroughfare

Neighborhood Collector

Potential Future Connection

IA Redevelopment Area

Key Connection

Gateways

NSP2 Target Area

This Page Left Intentionally Blank

E. Safety

Mobility improvements are not effective if people do not feel safe enough to use them. Therefore, improving the feeling of safety in the neighborhoods is very important. The causes of crime are complex and the solutions involve numerous long-term and short-term strategies. This plan addresses some of the steps that can be taken to improve the safety and security of residents.

Safety is most effectively addressed by community members themselves. The neighborhoods already have active block groups, but these can be further strengthened and supported. Community policing techniques and neighborhood watch programs can also be enhanced.

Safety can also be improved simply because of a perception that crime in an area is decreasing. If residents feel safe in their neighborhood, they spend more time walking and patronizing neighborhood establishments, which means more "eyes on the street" and therefore less crime. The perception of an improving neighborhood can be created through branding/marketing, and also through code enforcement, since people tend to associate blight with crime.

Certain physical improvements can also improve safety. For instance, maintaining street trees so that more ambient light (and more light from street lights) reaches the sidewalk helps pedestrians see each other and allows less opportunity for property crime or assault under the cover of darkness.

Additionally, pedestrian-scale lighting can have an even bigger impact, shedding light on the neighborhood and making residents feel safe as the walk down the street. This plan has identified several corridors where pedestrian scale lighting improvements would be desirable:

- Broadway

- Britain Avenue

- Pipestone Avenue

- Colfax Avenue

- Hull Avenue

- Territorial Road

- E. Main Street

- Union Street

Pedestrian scale lighting is also important at certain intersections, especially near the major school bus stops and on the Key Connections:

- Broadway and Colby Avenue

- Broadway and Catalpa Avenue

- Colfax Avenue/8th Street/Kline Avenue

- Columbus Avenue and Clay Street

- Empire and Colfax Avenues

- Hastings and Salem Avenues

- McAlister Avenue and May Street

- Pavone and Cross Streets

- Emery Avenue and Pearl Street

- Emery Avenue and Union Street

- Colby Avenue between Broadway and Pipestone

- Lake Avenue between Ohio and Colfax

- Forest Avenue between Territorial and Pasadena

- The connector between Edwards Avenue and Winans Street.

F.   Sustainability

Investment into the study neighborhoods must be done with an eye toward sustainability, both economic and environmental. This plan has identified several strategies to ensure that Benton Harbor is sustainable.

Economic Sustainability

In order to be vital and desirable, neighborhoods must have their own mini-economies. While residents may work or shop outside the neighborhood, it is not sustainable for them to be forced to do so. It is important that jobs and retail be located within the community. The following strategies could help to ensure economic sustainability in the study neighborhoods:

- Incentivize and protect neighborhood scale commercial uses, especially neighborhood anchors such as banks, child care, convenience stores, hair care, hardware, health clubs, dry cleaners, pharmacies, restaurants, and supermarkets.
- Create attractive business corridors on streets such as Empire, Pipestone, Britain, Main, etc.
- Provide transportation and cultural connections to Downtown Benton Harbor

Environmental Sustainability

In order to be desirable, communities must protect their natural resources. The methods to do so range from complicated and expensive, such as green heating/cooling systems or alternative energy installations, to simple and easy, such as walking to the store or planting a tree in the yard. Some of the steps Benton Harbor can take in the near future are:

- Maintain pedestrian infrastructure to promote walkability

- Plant Trees

- Utilize natural stormwater management techniques

- For new residential construction and rehabilitation, use principles of "green" site and home design, install energy efficient appliances, and ensure homes are well insulated.

G.   Potential Neighborhood Activity Nodes

There are two districts within the study neighborhoods that have a heavy concentration of neighborhood anchors. These "activity nodes" should be the focus of branding, marketing, and investment, so that they can reach their potential as neighborhood centers and sources of stability for the community. They have been given names to demonstrate the importance of naming in branding and marketing neighborhoods and to reflect the institutions within each district.

Broadway and Catalpa – "The Children's Zone"

The area bordered approximately by McAlister Avenue on the west, Pipestone Avenue on the east, Colby Avenue/Garfield Avenue on the north, and Division Street/ Harrison Avenue on the south contains schools, places of worship, retail businesses, and two key school bus stops. Large numbers of children populate this neighborhood during the day, especially immediately before and after school. Therefore this area should be strategically positioned to become a "Children's Zone."

"Children's Zones" have been very successful in other cities. They usually feature Safe Routes to School programs, well-lit, pedestrian-oriented streets, active neighborhood watch and block group organizations, and partnerships between schools and the community to provide activities and recreation. With the density of child-focused uses in this area, a "Children's Zone" could be very successful.

A few targeted improvements are called for in the district. First, the Calvin Britain School site should be redeveloped into a community-based use, whether or not the existing building remains. A community center or park on the site would be a tremendous asset. Additionally, there is a large empty lot along Pipestone Avenue between Foster and Britain. This lot, once acquired, could be programmed as park space or redeveloped as neighborhood retail or a community center.

Because safe pedestrian connections are very important for children, an east-west pedestrian pathway should be established between Columbus and McAlister Avenues. This pathway could be implemented by creating block-wide green spaces through demolition, then lining them with landscaping and pedestrian lighting. The pathways do not necessarily have to line up with each other from block to block, if properties do not become available, but they should be within visual distance of each other to make wayfinding easier.

"The Children's Zone" Activity Node

Benton Harbor, Michigan

February 3, 2012

Map labels:

- Bellview St
- 1A
- Lake Ave
- Pavone St
- Calvin Britain School Site
- School Bus Node
- Kirby Ave
- Connection to Pipestone
- Colby Ave
- E Britain Ave
- Private School
- Girls Academy
- Pipestone Lot
- Missing Connection
- Readiness Center
- St. John School
- Foster Ave
- Pipestone St
- School Bus Node
- McAllister Ave
- St. Matthew School
- Catalpa Ave
- Catholic Center
- Columbus Ave
- Superior St
- Ogden Ave
- Broadway
- 1B
- Pearl St
- Harrison Ave
- Division St

McKenna ASSOCIATES

LEGEND

- Parks
- Commercial
- Multi-Family Housing
- Institutional
- IA Redevelopment Area
- Major Thoroughfare
- Neighborhood Collector
- Potential Future Connection
- Target Area
- **#** NSP2 Target Area
- Existing Priority Connection
- Major School Bus Stop

FEET 0 250 500

Base Map Source: Michigan Geographic Framework, Michigan Center for Geographic Information, 2005, Berrien County, GIS 2011
Data Source: McKenna Associates, 2011 and Benton Harbor Area Schools, 2011

This Page Left Intentionally Blank

Colfax and Empire – "Tiger Town"

Benton Harbor High School is one of the most active anchors in the study area. Students, faculty, staff come to the school from all over the region (and students heading to many other schools wait for the school bus along Colfax Avenue). Combined with City Park a few blocks away and the retail corridor along Empire Avenue, Benton Harbor High School could be the center of a vibrant activity node, known as "Tiger Town", after the school's mascot.

In order to reach its potential as a community anchor, Benton Harbor High School must be better connected to its surroundings. Improvements would include traffic calming on Colfax and Empire, pedestrian scaled lighting at major intersections, and improved connectivity to City Park. The last improvement could take the form of a pedestrian pathway created through demolitions running from the park to Colfax Avenue. The pathway would inevitably jog do to parcel availability, but these jogs should aim to move the pathway in a northwesterly direction, to go towards the high school.

The retail strip along Empire Avenue is in need of support, through incentives, streetscaping, marketing, and façade improvement. Zoning for mixed use to allow more dense development could also help.

This Page Left Intentionally Blank

Clay St

1B

Benton Harbor
High School

Empire/Colfax School Bus Node

Empire Avenue Retail Corridor

W Empire Ave

Hastings/Salem School Bus Node

Hastings Ave

Missing Connection

City
Park

Parker Ave

Marion Ave

3

Searles Ave

Salem Ave

McAllister Ave

Lavette Ave

May/McAllister School Bus Node

Broadway

May St

May Ct

Hannah Ct

Colfax Ave

Pavone St

Robbins Ave
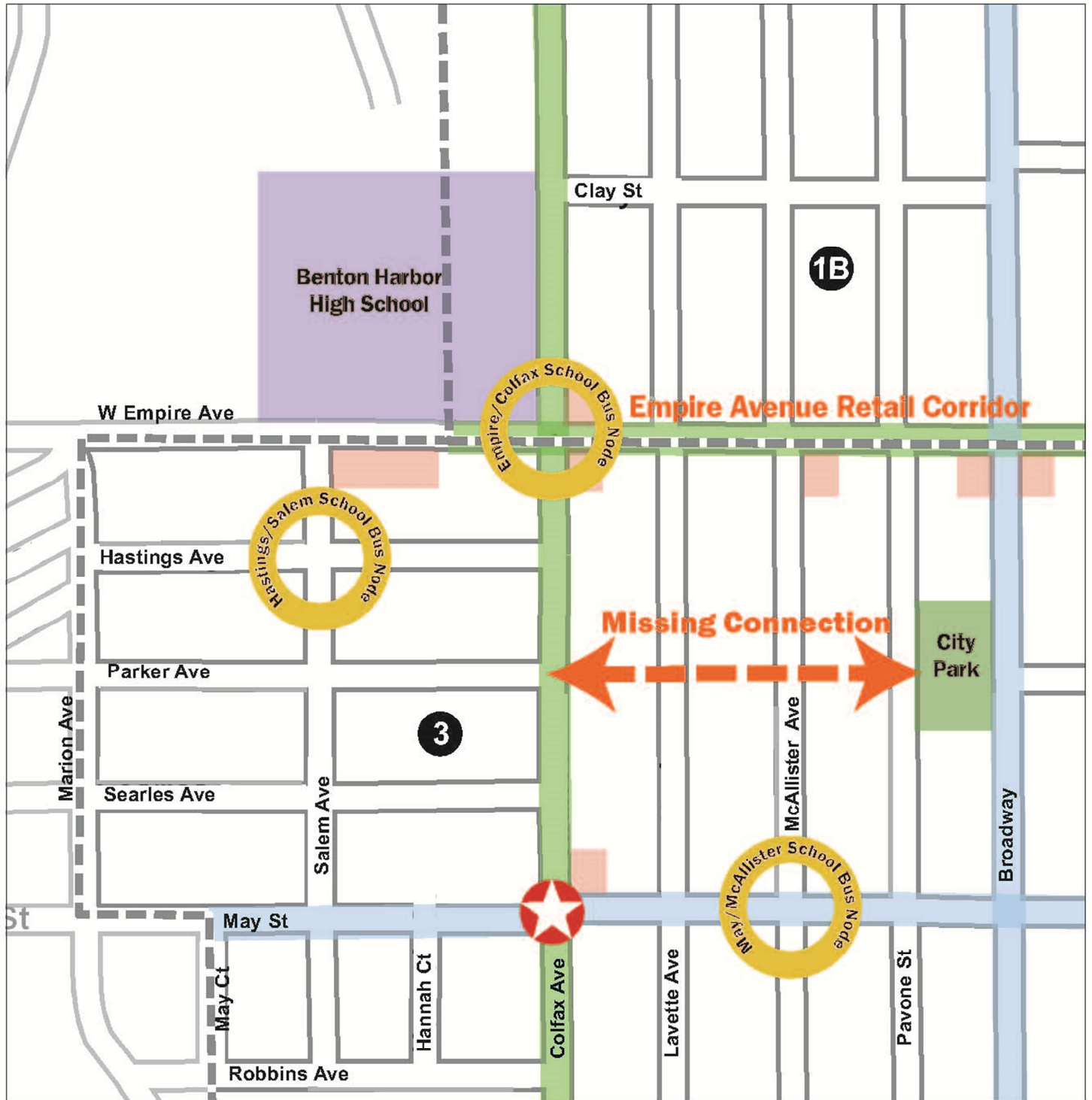
February 3, 2012

"Tiger Town" Activity Node

Benton Harbor, Michigan

McKenna
ASSOCIATES

FEET 0   250   500

LEGEND

Parks	Major Thoroughfare	Major School Bus Stop
Commercial	Neighborhood Collector	Gateways
Institutional	Potential Future Connection	# NSP2 Target Area
	Target Area	

This Page Left Intentionally Blank

Table 3.3: Recommendations Overview

AREA	GUIDING PRINCIPLE: COMMUNITY
1A	Preserve or reuse Calvin Britain Elementary School structure or site as anchoring institution. Redevelop using principles of "pocket neighborhoods" and "cluster development"
1B	Enhance existing institutional anchors, including Benton Harbor High School and private schools around Pearl and Catalpa. Preserve and enhance retail clusters along Empire and Pipestone. Utilize vacant parcel on Pipestone to enhance community character.
2	Preserve and enhance Morton Elementary School. Support Morton House Museum with community programming, partnerships. Improve park at Madison and McCord to serve as institutional anchor. Ensure the cemetery is clean, open, and enhances the built environment. Enhance the visual quality of the E. Main Street retail corridor and incentivize new businesses and denser, mixed use development in the area.
3	Improve City and Union Parks to enhance their status as anchors. Preserve and enhance retail cluster along Empire. Preserve or reuse Mercy Hospital structure or site as anchoring institution.
All Neighborhoods	Establish positive neighborhood identities including naming and branding to enhance community pride. Develop gateway signage to augment neighborhood branding efforts. Encourage non-profits and places of worship. Encourage the establishment of neighborhood block groups to engender social, geographic identities. Maintain public and open spaces to the highest standards year-round.

AREA	GUIDING PRINCIPLE: MOBILITY
1A	Restore two-way automobile traffic on Colfax and 8th. Create improved pedestrian, bicycle and automobile connectivity to adjacent downtown. Create "complete streets" along 8th, Main, Pipestone, Britain, Colfax, Market and Broadway.
1B	Create "complete streets" along 8th, Britain, Pipestone, Empire, Colfax, Catalpa and Broadway. Continue Safe Routes to School program along Britain. Create Safe Routes to School program along Colfax.
2	Improve pedestrian, bicycle and automobile connectivity at Edwards and Winans. Create Safe Routes to School programs along Hull and Territorial.
3	Create Safe Routes to School program along Empire and Colfax. Install traffic calming measures along Empire, including stop signs, traffic lights or "bump outs" between sidewalk and traffic lanes.
All Neighborhoods	Install the following improvements along Colfax and Pipestone: streetscape, hardscape, lighting, sidewalks and bike lanes. Create or repair sidewalks to the highest standards. Repair streets to the highest standards. Clear snow in a timely and efficient manner.

AREA	GUIDING PRINCIPLE: SAFETY
1A	Remove barbed wire fence at rear of Department of Health and Human Services site. Install or repair existing pedestrian-scale lighting along Broadway, especially near Kirby Street.
1B	Install or repair existing pedestrian-scale lighting along Britain, Pipestone, Colfax and Broadway.
2	Install or repair existing pedestrian-scale lighting along Hull and Territorial. Improve pedestrian, bicycle and automobile accommodations for safe passage at the Edwards and Winans connection.
3 **All** **Neighborhoods**	Install or repair existing pedestrian-scale lighting along Colfax, Union, Empire and Broadway. Install or repair existing pedestrian-scale lighting at key school bus stops. Trim street trees and canopies to provide more ambient light and to allow dispersion of street lights. Encourage community policing techniques and neighborhood block groups to create neighborhood watch programs. Improve perceptions of neighborhoods as "safe places". Enforce all building and safety codes.

AREA	GUIDING PRINCIPLE: SUSTAINABILITY (Economic and Environmental)
All **Neighborhoods**	<u>Economic</u> Incentivize and protect neighborhood scale commercial uses, especially neighborhood anchors such as banks, child care, convenience stores, hair care, hardware, health clubs, dry cleaners, pharmacies, restaurants, and supermarkets. Create attractive business corridors on streets such as Empire, Pipestone, Britain, Main, etc. Incentivize job creation and incubate innovation Provide transportation and cultural connections to Downtown Benton Harbor <u>Environmental</u> Maintain pedestrian infrastructure to promote walkability Plant Trees Utilize natural stormwater management techniques For new residential construction and rehabilitation, use principles of "green" site and home design, install energy efficient appliances, and ensure homes are well insulated.

3. Implementation

A.   Neighborhood 1A Sub Area Redevelopment Scenario

Program activities in Neighborhood 1A should focus on housing that appeals to small households that are younger than 35 or older than 55. The proximity to burgeoning downtown Benton Harbor, and also to the new Whirlpool offices, provide an opportunity to attract smaller households without children who desire urban living with proximity to a downtown area.

Pocket Neighborhood Development

A "pocket neighborhood" is unique way to design a residential district, and one that is not widely seen in Benton Harbor/St. Joseph. Both innovative and traditional, pocket neighborhoods encourage community and walkability while providing privacy and security. They are usually designed as clusters of smaller single family homes, placed close together within a communal green space and connected by either pedestrian pathways or narrow, low speed-limit streets. The houses are designed so that every open space has windows looking onto it, but that no homes look directly into each other's windows (for privacy reasons).

Pocket neighborhoods generally face inward, with a common front yard for all the residents and parking, garages, and/or trash cans in allies behind the homes. Despite this, they can easily be connected to retail districts and institutions through well-designed pathway and street systems.

The data from the market study suggests that there is a need for a new housing type in Benton Harbor. The City needs a housing type that will differentiate it from its more affluent neighbors in a positive way. Because of the general oversupply of housing and the increase in the population of people in demographic groups that generally prefer smaller housing units, it seems clear that a type of housing that would appeal to those groups is demanded. Pocket neighborhoods fit that mold.

Example: Coffee Creek Center, Michigan City, Indiana

Coffee Creek Center is a development outside of Michigan City, Indiana featuring a lot of the elements that go into pocket neighborhoods. It features small but attractive single-family homes clustered in green spaces, walkable to amenities and retail. The neighborhood continues to grow and is considered one of the successes of the Great Michigan City region.

Figure 3.2: Conceptual Drawing of Coffee Creek Center, Michigan City, Indiana

Example: Herron-Morton Neighborhood, Indianapolis, Indiana

The Herron-Morton Neighborhood on the north side of Indianapolis declined significantly in the decades following World War II, especially after the construction of I-65 in the 1960s. By the late 1990s, much of the housing stock had been demolished and the retail and institutional uses were struggling. However, through a public-private partnership, the neighborhood was re-built with small, clustered homes and public green space. The houses are larger than those proposed for Neighborhood 1A, but in general the re-development concept is similar.

Redevelopment Plan

The redevelopment plan for Neighborhood 1A incorporates the principles of "pocket neighborhoods" and "cluster development." The streets of the neighborhood are re-aligned to improve connectivity, and new homes built along them. The homes are small – designed for young families or seniors – and laid out to develop a sense of community.

The neighborhood is given a new center - a public green space. At the entrances to each side of this park, there is a gateway element visible from Colfax Avenue. This will help market the redeveloped neighborhood.

Figure 3.3: Neighborhood 1A Park Close-Up

Figure 3.4: Neighborhood 1A Redevelopment Plan

Table 3.4: Neighborhood 1A Redevelopment Cost Estimates

Item	Quantity	Unit Cost	Housing Unit Cost	Cost	Total Cost
Infrastructure*					
New Streets	1,950 ft.	$ 375.00		$ 731,250.00	
Existing Street Removal	2,430 ft.	$ 250.00		$ 607,500.00	
Street Lights**	225	$ 2,800.00		$ 630,000.00	
Street Trees***	450	$ 350.00		$ 800,000.00	
					$ 2,768,750.00
Housing					
Option 1					
Single Family Home Size	1,200 sq. ft.	$ 130.00	$ 156,000.00	per home	
Single Family Homes	64	$ 156,000.00			
Total Units	64				$ 9,984,000.00
Option 2					
Single Family Home Size	1,200 sq. ft.	$ 130.00	$ 156,000.00	per home	
Duplex Size	1,200 sq. ft.	$ 120.00	$ 144,000.00	per home	
Duplexes	18	$ 144,000.00		$ 2,592,000.00	
Single Family Homes	50	$ 156,000.00		$ 7,800,000.00	
Total Units	68				$ 10,392,000.00
Option 3					
Single Family Size	1,200 sq. ft.	$ 130.00	$ 156,000.00	per home	
Townhouse Size	1,100 sq. ft.	$ 115.00	$ 126,500.00	per home	
Townhouse (# homes)	45	$ 126,500.00		$ 5,692,500.00	
Single Family (# homes)	50	$ 156,000.00		$ 7,800,000.00	
Total Units	95				$ 13,492,500.00
* Infrastructure costs include engineering, grading, paving and utilities **Every 80 feet (lights every 40 feet on alternating sides) ***Every 40 feet					

B.   Implementation

The following Implementation Matrices contain the Community, Mobility, Safety and Sustainability recommendations previously outlined, but are organized by timeframe during which recommended tasks should be either initiated or accomplished. The timeframes are organized in the following manner:

- **Phase I: 2012** – the first phase of Neighborhood Plan recommendations addresses the projects the City, Land Bank or other potential partners should undertake in 2012. These are the highest priority tasks and/or are timely due to a real estate acquisition element.
- **Phase II: 2013 to 2015** – the second phase of Neighborhood Plan projects covers the three-year period from 2013 to 2015. These tasks are of a relatively high priority, but may take longer to accomplish.
- **Phase III: 2016 to 2020** – the third and final phase of Neighborhood Plan projects covers the five-year period from 2016 to 2020. These tasks are important to the vitality of the neighborhoods, but may be more difficult or take longer to accomplish due to cost or complexity.
- **Continuous Priorities** – the "continuous priorities" matrix contains tasks that are integral to providing a minimum level of service and quality of life for neighborhood residents; these tasks are key to retaining existing residents.

To orient readers to prior sections of this plan we have included a column in the Implementation Matrices for the Guiding Principles, as follow:
- **COM** – Community
- **MOB** – Mobility
- **SAF** – Safety
- **SUS** – Sustainability.

The Implementation Matrices also contain potential funding sources for the individual tasks; the funding sources column contains the following abbreviations:
- **NSP** – Neighborhood Stabilization Program 2
- **CDBG** – Community Development Block Grant
- **FND** – Foundation funding sources
- **BF** – Brownfield funding
- **Other grants** – Any other unidentified potential grants
- **Volunteer** – Human capital
- **Act 51** – Road funding for local roads
- **General fund** – Property tax funding
- **TIF** – Potential future tax increment financing mechanism (i.e. Downtown Development Authority, Commercial Improvement Authority, etc.)

Finally, the Implementation Matrices contain a column to identify the Target Areas for which task recommendations are being made.

PHASE I: 2012			
Task	**Principle(s)**	**Potential Funding**	**Area(s)**
Acquire land and redevelop	COM, MOB, SAF, SUS	NSP, CDBG, BF, FND, Act 51, other grants	1A
Preserve / reuse Calvin Britain Elementary	COM	NSP, CDBG, BF	1A
Acquire vacant parcel on Pipestone for anchor	COM	NSP, CDBG	1B
Improve Madison / McCord park	COM	CDBG, FNC, other grants, volunteer	2
Improve City and Union Parks	COM	CDBG, FND, other grants, volunteer	3
Preserve or reuse Mercy Hospital as anchor	COM	NSP, CDBG, FB, FND, other grants	3
Initiate naming / branding for positive neighborhood identity	COM	FND, other grants, volunteer	1A, 1B, 2, 3

PHASE II: 2013 - 2015			
Task	**Principle(s)**	**Potential Funding Sources**	**Area(s)**
Visually enhance E. Main Street commercial corridor	COM	CDBG , FND, other grants, TIF	2
Preserve and enhance commercial cluster along Empire	COM	CDBG, FND, other grants, TIF	3
Develop gateway signage for branding	COM	CDBG, FND, other grants, volunteer, TIF	1A, 1B, 2, 3
Restore two-way automobile traffic at Colfax and 8th	MOB	CDBG, Act 51	1A
Create improved pedestrian, bicycle and automobile connectivity to downtown	MOB	NSP, CDBG, Act 51, TIF	1A
Create "complete streets" along 8th, Britain, Pipestone, Empire, Colfax, Catalpa and Broadway	MOB	NSP, CDBG, Act 51, other grants, TIF	1B
Create Safe Routes to School program along Colfax	MOB, SAF	CDBG, other grants	1B
Create Safe Routes to School program along Hull, Territorial	MOB, SAF	CDBG, other grants	2
Create Safe Routes to School program along Empire and Colfax	MOB, SAF	CDBG, other grants	3
Install traffic calming measures along Empire	MOB, SAF	CDBG, Act 51, other grants	3
Remove barbed wire fence at rear of Department of Health and Human Services site	SAF		1A
Install or repair existing pedestrian-scale lighting along Britain, Pipestone, Colfax and Broadway	SAF	NSP, CDBG, other grants, TIF	1B
Improve pedestrian, bicycle and automobile accommodations at Edwards and Winans	SAF	CDBG, Act 51, other grants	2
Install or repair existing pedestrian-scale lighting along Colfax, Union, Empire and Broadway	SAF	NSP, CDBG, other grants, TIF	3

PHASE III: 2016 - 2020			
Task	**Principle(s)**	**Potential Funding Sources**	**Area(s)**
Improve pedestrian, bicycle and automobile connectivity at Edwards and Winans	MOB	CDBG, Act 51, other grants	2
Install improvements along Colfax and Pipestone: streetscape, hardscape, lighting, sidewalks and bike lanes	MOB, SUS	NSP, CDBG, FND, other grants, Act 51, TIF	1A, 1B, 3
Install or repair existing pedestrian-scale lighting along Broadway	SAF	NSP, CDBG, other grants, TIF	1A, 1B, 2, 3
Install or repair existing pedestrian-scale lighting at key school bus stops	SAF	NSP, CDBG, other grants	1A, 1B, 2, 3
Create attractive business corridors on streets such as Empire, Pipestone, Britain, Main	SUS	NSP, CDBG, FND, BF, other grants, TIF	1A, 1B, 2, 3
Incentivize job creation and incubate innovation	SUS	NSP, CDBG, FND, other grants, volunteer, TIF	1A, 1B, 2, 3
Provide transportation and cultural connections to downtown	SUS	NSP, CDBG, FND, other grants, volunteer, TIF	1A, 1B, 2, 3
Plant trees	SUS	NSP, CDBG, FND, other grants, volunteer, TIF	1A, 1B, 2, 3
Utilize natural stormwater management techniques	SUS	NSP, CDBG, other grants, TIF	1A, 1B, 2, 3

CONTINUOUS PRIORITIES			
Task	**Principle(s)**	**Potential Funding Sources**	**Area(s)**
Preserve and enhance existing institutional anchors, especially schools (public and private)	COM	NSP, CDBG , FND, other grants, volunteer	1A, 1B, 2, 3
Support Morton House Museum	COM	CDBG, FND, other grants, volunteer	2
Cemetery maintenance and improvement	COM, SAF	CDBG, other grants, volunteer	2
Encourage non-profits and places of worship	COM	CDBG, other grants, volunteer	1A, 1B, 2, 3
Encourage block groups	COM, SAF	CDBG, volunteer	1A, 1B, 2, 3
Maintain public and open spaces to highest standard	COM, MOB, SAF, SUS	CDBG, FND, other grants, volunteer	1A, 1B, 2, 3
Preserve existing Safe Routes to School programming	MOB, SAF	CDBG, FND, other grants, volunteer	1A, 1B, 2, 3
Install or repair sidewalks to highest standard	MOB, SAF	NSP, CDBG, other grants, TIF	1A, 1B, 2, 3
Repair streets to highest standard	MOB, SAF	CDBG, Act 51, other grants, TIF	1A, 1B, 2, 3
Clear snow in timely / efficient manner	MOB, SAF	General fund	1A, 1B, 2, 3
Trim street trees and canopies	SAF	CDBG, general fund	1A, 1B, 2, 3
Encourage community policing and neighborhood watch	SAF	CDBG, volunteer	1A, 1B, 2, 3
Improve perception of area as "safe place"	SAF	FND, other grants, volunteer	1A, 1B, 2, 3
Enforce all building and safety codes	SAF	CDBG, general fund	1A, 1B, 2, 3
Incentivize and protect neighborhood scale commercial	SUS	CDBG, BF, FND, other grants, volunteer, TIF	1A, 1B, 2, 3
Maintain existing pedestrian infrastructure	SUS	NSP, CDBG, other grants, general fund, TIF	1A, 1B, 2, 3

McKenna ASSOCIATES
INCORPORATED

Community Planning – Urban Design – Landscape Architecture
235 East Main Street, Suite 105
Northville, Michigan 48167
Telephone: 248-596-0920
Fax: 248-596-0930
Website: www.mcka.com

Phillip C. McKenna, PCP, AICP...President
Sarah E. Traxler...Project Manager
Christopher D. Khorey .... Project Planner
James C. Allen, RLA...Landscape Architecture/Urban Design
Stacey J. Tobar, RLA, ASLA, LEED-AP……………………..Landscape Architecture/Urban Design
Sabah Aboody-Keer...GIS Mapping
Carrie A. Wakulat...Graphic Support and Cover Design
Kacy Smith ....Administrative Support