

Reinventing Older Communities: Bridging Growth & Opportunity ■ May 2014

Neighborhoods by the Numbers: Data-Driven Tools for Neighborhood Revitalization

Using data and market-based strategies to make effective economic development decisions at the neighborhood level to strengthen neighborhoods and expand opportunities for residents.

Panelists:

Ira Goldstein, Ph.D., The Reinvestment Fund (TRF)

Paul C. Brophy, Brophy & Reilly LLC

Michael Braverman, City of Baltimore

Moderator:

Karen Leone de Nie, Federal Reserve Bank of Atlanta

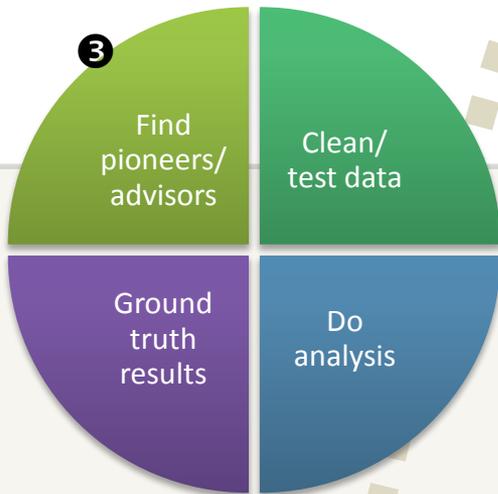
A journey from data to directions

1 Great Intentions

2 Articulate and be prepared to invest in **THE GOALS**



Helps determine methods, partners, and data to dampen the **NOISE** [irrelevant, resource-wasting data, tools, and processes]



4 **CREATE INFORMATION:**
the unbiased, trackable community conditions, trends, directions, comparisons

5 **GENERATE KNOWLEDGE:**
the art of combining quantitative and qualitative analysis to create a shared understanding

Disciplined culture & infrastructure

6 Strategically Inform Actions



Neighborhoods by the Numbers: Data-Driven Tools for Neighborhood Revitalization

Presentation: Federal Reserve Bank of Philadelphia
Reinventing Older Communities

May, 2014



TRE THE REINVESTMENT FUND
Capital at the point of impact.

The Reinvestment Fund builds wealth and opportunity for low-wealth communities and low and moderate income individuals through the promotion of socially and environmentally responsible development.

We achieve our mission through:

Capital

- Grants, loans and equity investments

Knowledge

- Information and policy analysis; PolicyMap & Policy Solutions

Innovation

- Products, markets and strategic partnerships

What is a Market?

A market economy is one in which individuals and private firms make the major decisions about production and consumption. A system of prices, of markets, of profits and losses, of incentives and rewards determine *what, how, and for whom* ... Consumption is determined by individuals' decisions about how to spend the wages and property incomes generated by their labor and property ownership ...

Samuelson and Nordhaus, 2010, p. 10-11

The Market Value Analysis (MVA) is a tool designed to assist the private market and government officials to identify and comprehend the various elements of local real estate markets. It is based on local administrative data that, taken together, reflect the multiple dimensions of local real estate markets.

By using an MVA, public sector officials and private market actors can more precisely craft intervention strategies in weak markets and support sustainable growth in stronger market segments.

Who is using the MVA?

TRF has done this work under contract to cities, states, the federal government and foundations in locations including:

- Philadelphia, PA
- Wilmington, DE
- Washington, DC
- Baltimore, MD
- San Antonio, TX
- Pittsburgh, PA
- Camden, NJ
- Newark, NJ (and 8 regions across the state)
- Detroit, MI
- Reading Area, PA
- New Orleans, LA
- Houston, TX
- St. Louis, MO
- Prince George's County, MD (in process)
- Burlington County, NJ "Riverline Towns" (in process)

Our Normative Assumptions when Analyzing Markets:

- Public subsidy is scarce and it alone cannot create a market;
- Public subsidy must be used to leverage, or clear the path, for private investment;
- In distressed markets, invest into strength (e.g., *major institution of place, transportation hub, environmental amenities*) – **Build from Strength**;
- All parts of a city are customers of the services and resources that it has to offer;
 - Government action is tailored to the market conditions;
- Decisions to invest and/or deploy governmental programs must be based on objectively gathered data and sound quantitative and qualitative analysis.

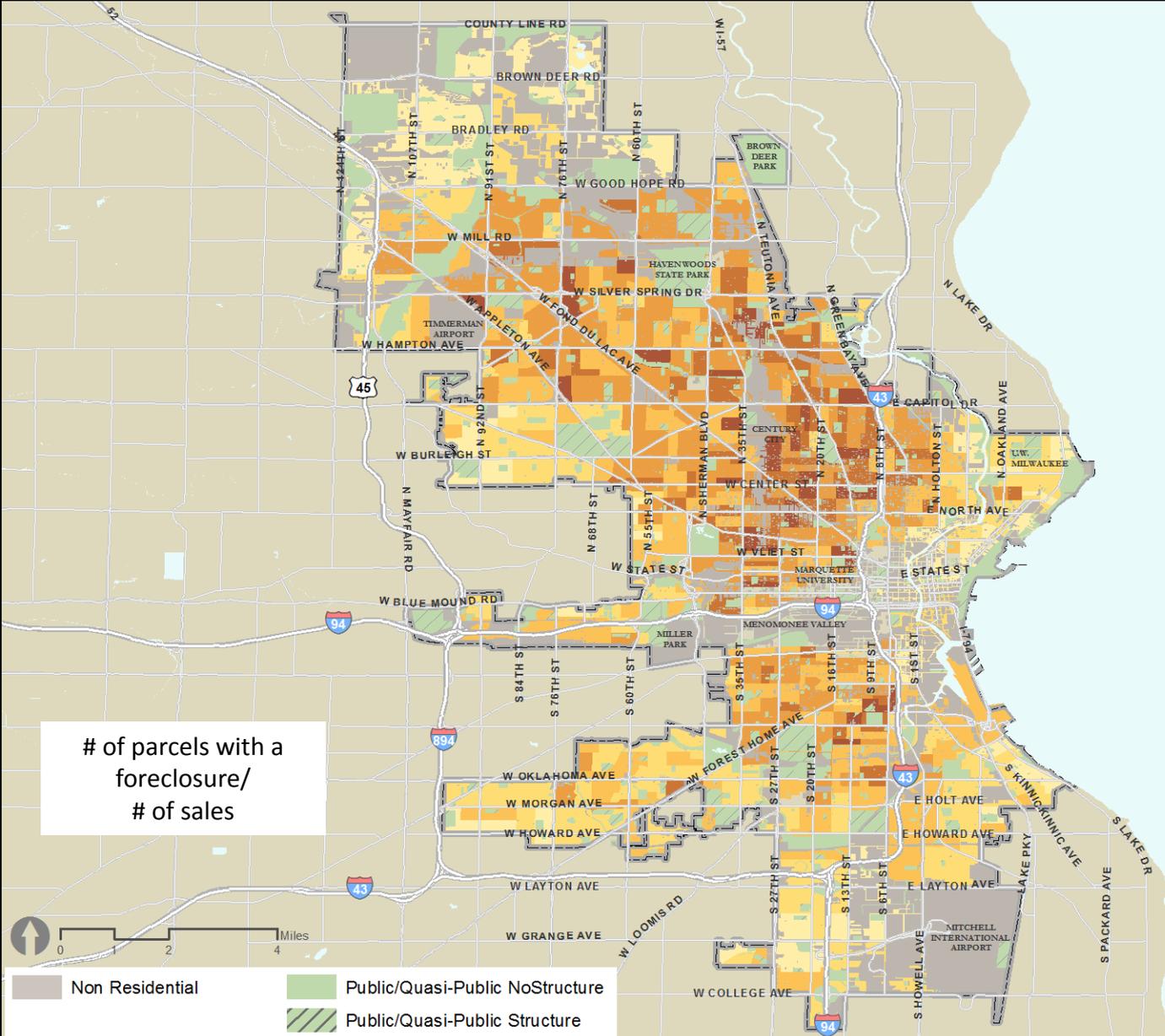
Preparing the MVA

- Acquire local data and geocode to block groups.
- Inspect and validate data layers.
- Conduct a statistical cluster analysis.
- Identify areas that share common characteristics.
- Map the result.
- Inspect areas of the city for conformity with the statistical/spatial representation.
- Re-solve and re-inspect until the MVA accurately represents areas.

Components of the Milwaukee MVA

- Median sales price 2011-2012
- Coefficient of variance for sales price
- Number of duplex and multifamily/condo sales as a % of all residential sales
- Foreclosure filings as a % of residential sales
- Residential water shutoffs as a % of all housing units
- Owner-occupied as a % of all housing units
- Subsidized rental stock as a % of all rental units
- New construction and significant rehabilitation (>\$10k) permits as a % of residential parcels
- Ratio of commercial to developed area

Residential Foreclosures



of parcels with a foreclosure/
of sales

Foreclosures* as a Percent of Sales 2011-2012

- 10% or Less
- 10.1% - 25%
- 25.1% - 40%
- 40.1% - 60%
- 60.1% - 80%
- Over 80%
- Fewer than 5 sales

Non Residential
 Public/Quasi-Public NoStructure
 Public/Quasi-Public Structure

Milwaukee MVA 2011 Characteristics

MVA Cluster	Median Sales Price 2011-12	Average Sales Price 2011-12	Coefficient of Variance	Foreclosure as a Percent of Sales	Percent Duplex/ Multi-Family Sales	Percent Water Shut Off	Percent New/ \$10k+ Rehab	Percent Owner Occupied	Percent Publicly Subsidized Rental	Percent Non Residential Area
A	\$214,780	\$234,429	.46	14%	62%	2%	3%	33%	2%	16%
B	\$121,403	\$121,067	.38	21%	11%	1%	4%	69%	3%	13%
C	\$117,397	\$113,297	.43	24%	24%	2%	3%	43%	4%	62%
D	\$91,462	\$99,228	.55	31%	53%	3%	3%	44%	6%	13%
E	\$55,001	\$64,723	.65	47%	13%	3%	2%	49%	12%	24%
F	\$51,658	\$63,400	.73	49%	61%	6%	2%	34%	6%	27%
G	\$30,705	\$44,611	.85	51%	74%	9%	2%	29%	7%	20%
H	\$29,355	\$44,001	.91	51%	29%	9%	3%	33%	9%	20%
I	\$15,607	\$29,497	1.09	65%	57%	16%	4%	26%	7%	24%
Citywide Average*	\$78,616	\$86,879	.66	39%	40%	5%	3%	43%	6%	23%

*Average of block groups, not true citywide average

Prioritizing Resources and Services

Cities have access to services and resources beyond those that are housing-related. There are services and resources/support for activities including, but not limited to: job training, public safety, education, after-school programs, day care, financial literacy, to name a few.

At any given time, a housing investment in a particular location may not be the right intervention – given the resource(s) available at that moment. That doesn't mean that the area is excluded from the city's attention.

The MVA informs the discussion around prioritizing services and resources brought to a community.

Set Program Priorities by Market Cluster

MVA Market Types

Sample Activities	A	B	C	D	E	F
Demolition of Dangerous Properties						
Encapsulation: Acquisition/Rehab						
Large Scale Housing Development (e.g., LIHTC)						
Land Assembly for Redevelopment		<p>Each activity can be connected to different responsible organizations, including city agencies, commissions, non-profits, etc.</p> <p>Some activities represent annual expenses; others represent investments with an expectation of longer term returns beyond the immediate beneficiaries.</p> <p>The MVA allows for a coordination across agencies, funding sources (CDBG, CSBG, philanthropic, etc.).</p>				
Selective Enhancement of Lots						
Quality of Life Code Enforcement (broken window syndrome)						
Nuisance Abatement						
Arts & Culture Programming						
Neighborhood Marketing Campaign						
Enhanced Public Safety Measures						
Support Nutrition Services						
Income Maintenance Programs						

- Housing Demand
- Housing Distress
 - Safety
 - Education
 - Amenities
 - Prosperity
 - Commerce

**Benchmark against *stable* and
transitional markets**

Ira J. Goldstein

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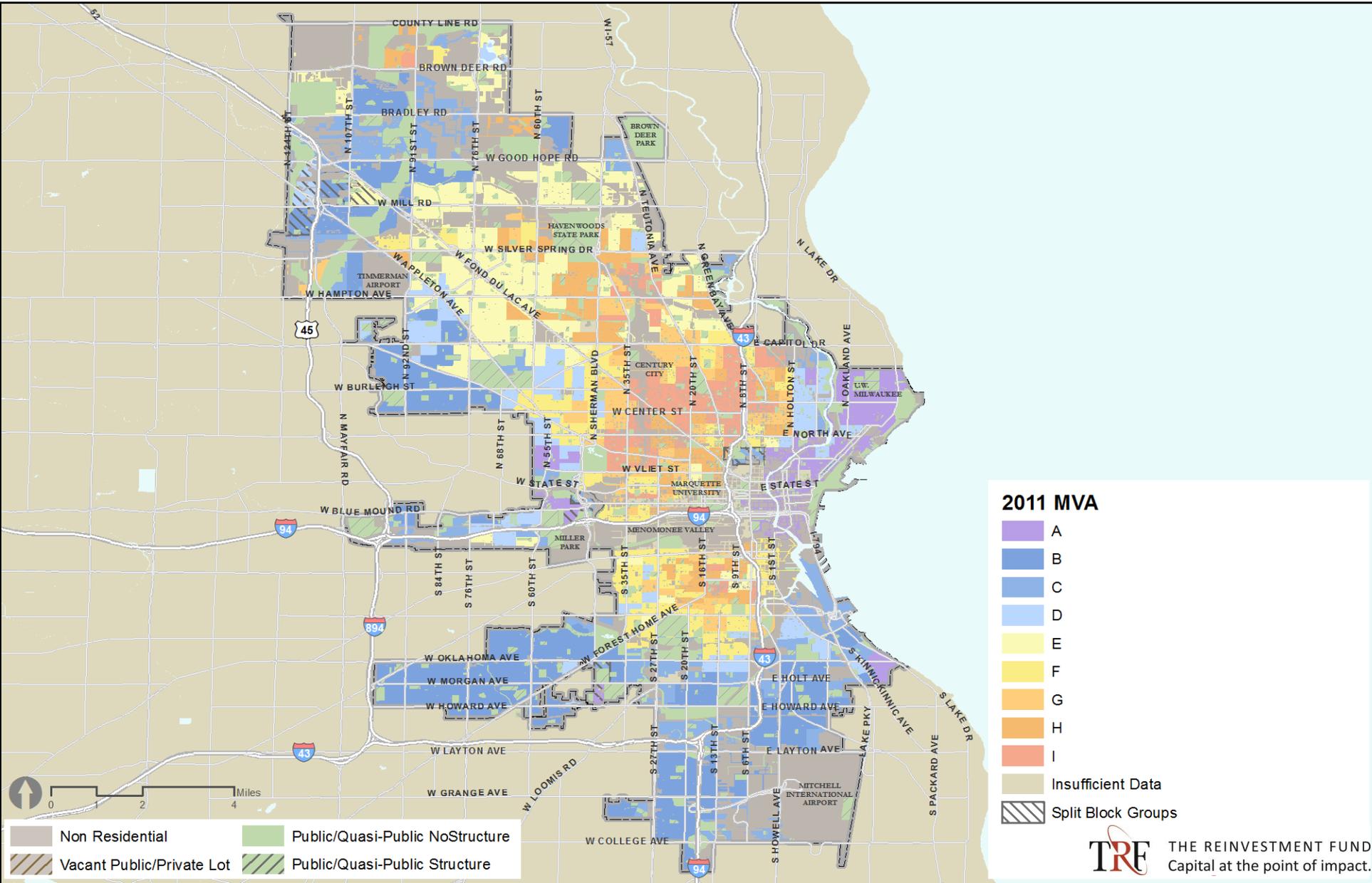
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Case Study: Milwaukee

Paul C. Brophy, Brophy & Reilly LLC

Milwaukee Market Value Analysis 2010-2011



2011 MVA

- A
- B
- C
- D
- E
- F
- G
- H
- I
- Insufficient Data
- Split Block Groups

- Non Residential
- Public/Quasi-Public NoStructure
- Vacant Public/Private Lot
- Public/Quasi-Public Structure

Neighborhoods by the Numbers

Michael Braverman

Deputy Commissioner, Permits & Code Enforcement



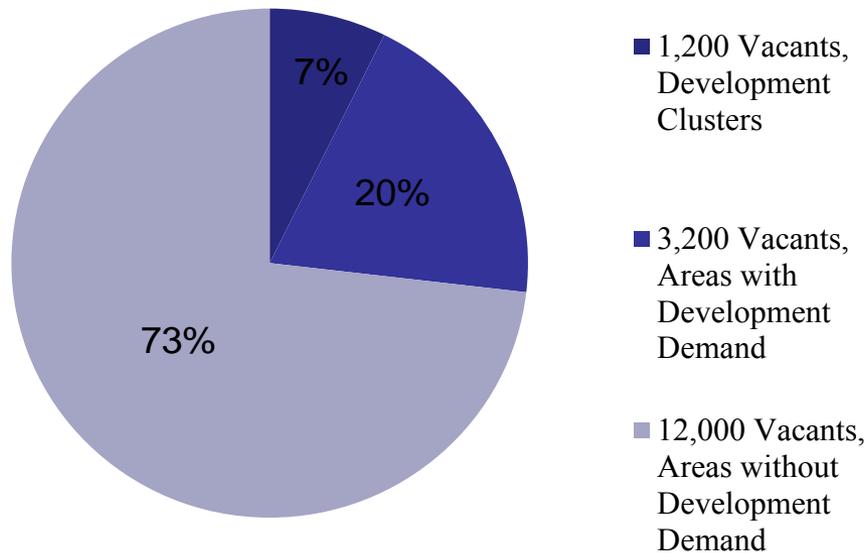
BALTIMORE
HOUSING

Building A Better Tomorrow, Today.

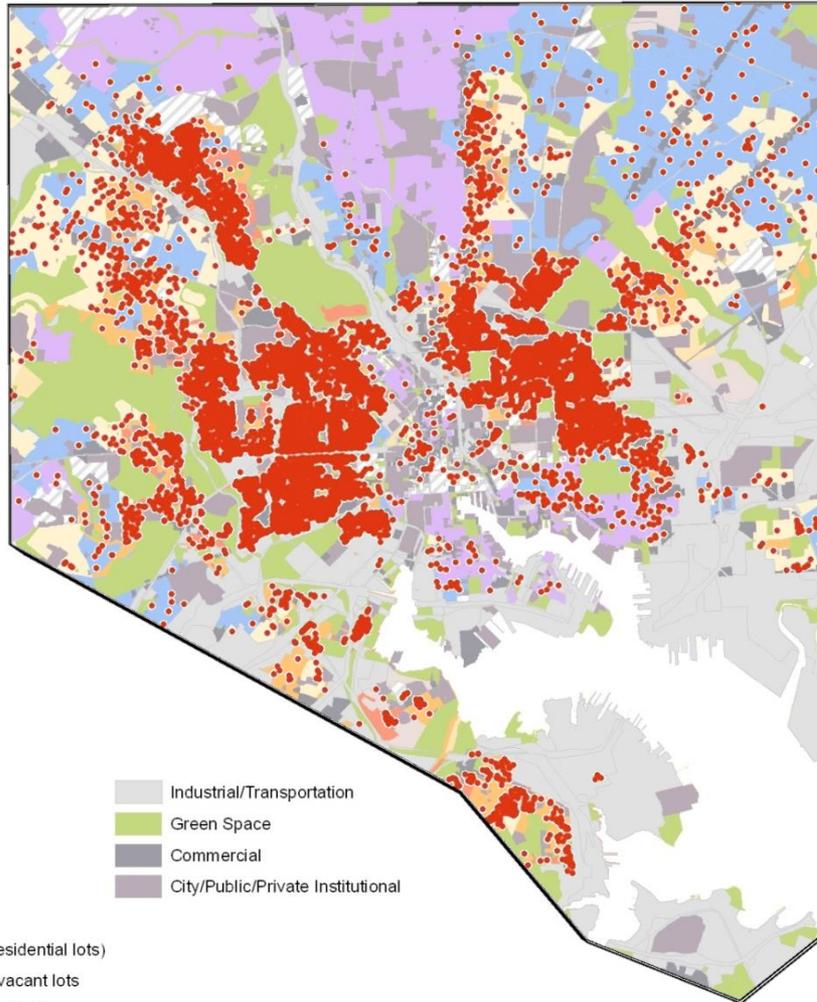


1. Understanding markets

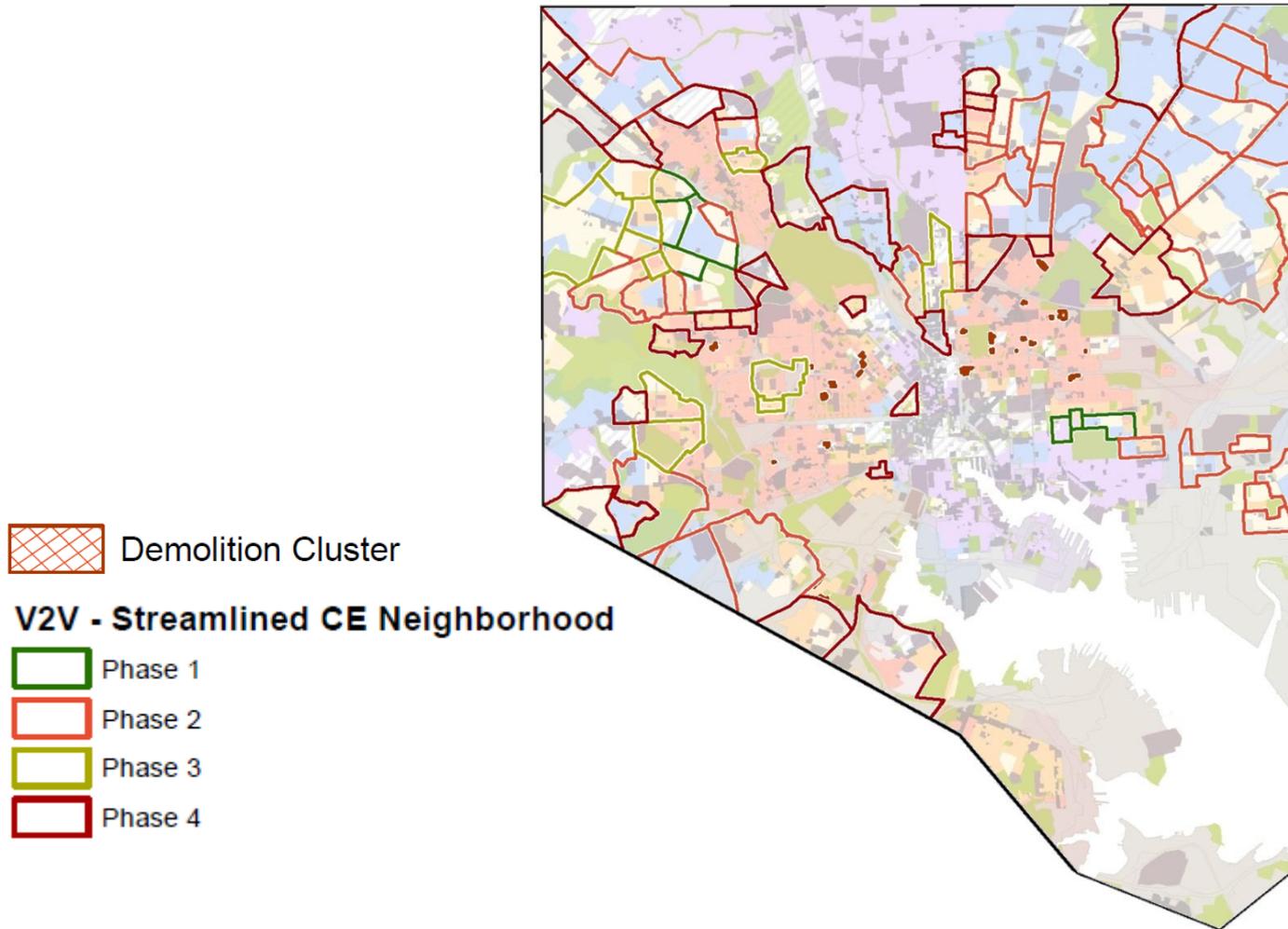
- Fifty years of population and job loss has devastated the housing market in many of the City's lowest income neighborhoods.
- Baltimore City is plagued by decades of property abandonment resulting in 16,000 vacant and boarded buildings.



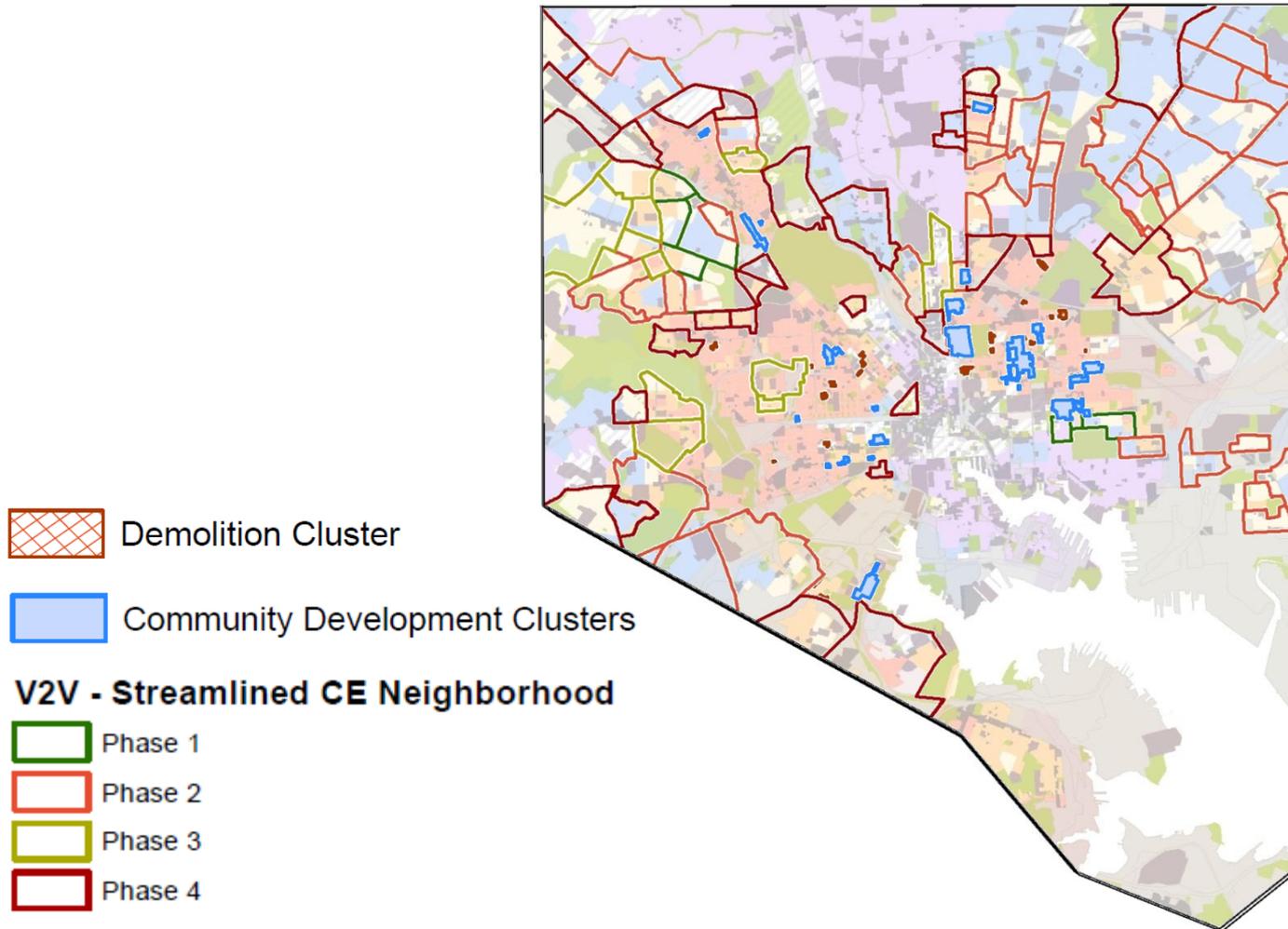
Baltimore's Market Typology



- | | | | |
|---|---|---|-----------------------------------|
|  | Regional Choice |  | Industrial/Transportation |
|  | Middle Market Choice |  | Green Space |
|  | Middle Market |  | Commercial |
|  | Middle Market Stressed |  | City/Public/Private Institutional |
|  | Distressed | | |
|  | NR - Non-residential (<50 residential lots) | | |
|  | >50 residential lots; >40 % vacant lots | | |
|  | < 5 Residential Sales (2009-2010) | | |



Developer-driven investment in distressed markets





2. Building business systems



311 calls downloaded to Inspector's Daily Schedule

BALTIMORE HOUSING
 Housing Insp System © 2006 User ID:HESSLER(04:31) [User Management](#) [Question/Suggestion](#)

search in Other Systems: [Registration](#) [MFDL](#) [311](#) [CBI Permit](#) [CCE](#) [Condemnation](#)

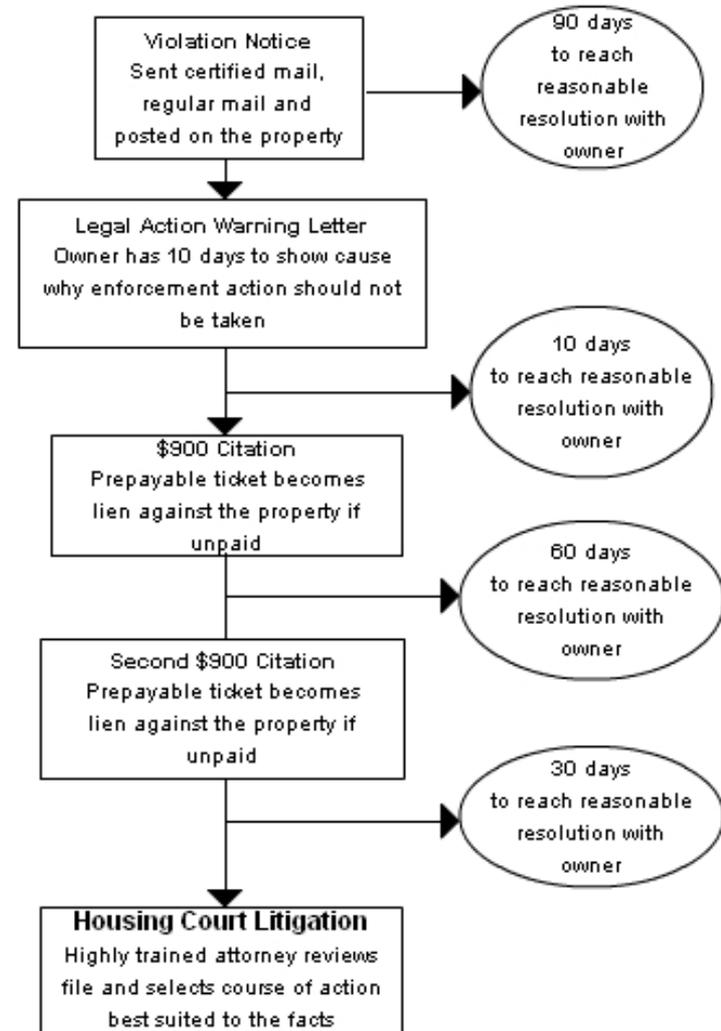
My Inspection List

[*Insp Due Today](#)
[*Insp Due Next 7 Days](#)
[*Insp In Progress](#)
[*Notice List \(Preliminary\)](#)
[*My SEO WorkSheet](#)
[*My Last 50 Insp](#)
[*Ownership Changed](#)
[*Legal Rejected](#)
[*My Info](#)

Record Count: 557 (To print, use the check box below to customize your list, maximum 40 inspections per print)

		<input type="checkbox"/>	District		Address	Neighborhood	Block/Lot	Map	GIS	Insp Due	Typ
Proceed	View Folder	<input type="checkbox"/>	740	Y7	2527 CALVERTON HEIGHTS AVE	EVERGREEN LAWN	2364A-014			03/05/2014	Foll
Proceed	View Folder	<input type="checkbox"/>	740	Y8	2427 W LANVALE ST	EVERGREEN LAWN	2360-059			03/03/2014	Foll
Proceed	View Folder	<input type="checkbox"/>	870	Y8	313 S AUGUSTA AVE	IRVINGTON	2537-015			03/01/2014	Foll
Proceed	View Folder	<input type="checkbox"/>	870	Y8	1025 WILMINGTON AVE	MORRELL PARK	7772-026			03/01/2014	Foll
Proceed	View Folder	<input type="checkbox"/>	820	Y8	4019 CRANSTON AVE	EDMONDSON VILLAGE	2508-065			03/01/2014	Foll
Proceed	View Folder	<input type="checkbox"/>	371	Y8	909 N BRADFORD ST	MILTON-MONTFORD	1590-099			03/01/2014	Foll
Proceed	View Folder	<input type="checkbox"/>	820	Y8	604 N WOODINGTON ROAD	ROGNET HEIGHTS	2491B-011			03/01/2014	Foll
Proceed	View Folder	<input type="checkbox"/>	870	Y8	1951 GRIFFIS AVE	MORRELL PARK	7841-049			03/01/2014	Foll
Proceed	View Folder	<input type="checkbox"/>	820	Y8	736 DENISON ST	EDMONDSON VILLAGE	2501-094			03/01/2014	Foll
Proceed	View Folder	<input type="checkbox"/>	830	Y8	307 FONTHILL AVE	CARROLL-SOUTH HILTON	2195-004			03/01/2014	Foll
Proceed	View Folder	<input type="checkbox"/>	371	Y8	929 N BRADFORD ST	MILTON-MONTFORD	1590-089			03/01/2014	Foll
Proceed	View Folder	<input type="checkbox"/>	540	Y9	2726 FOX ST	REMINGTON	3645-047			03/01/2014	Foll

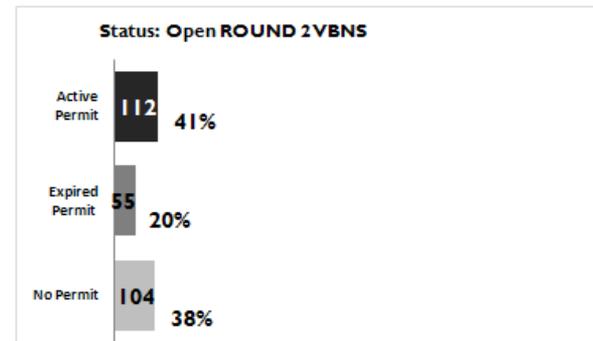
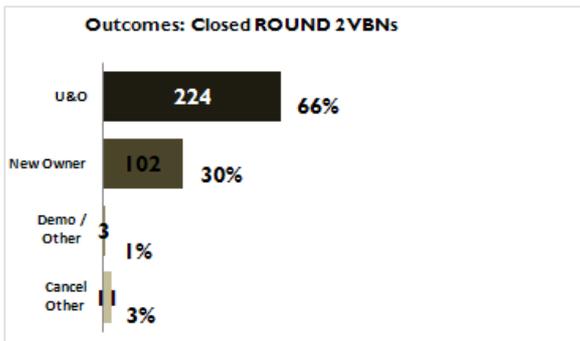
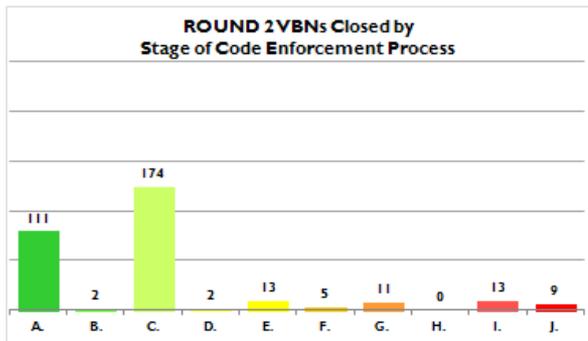
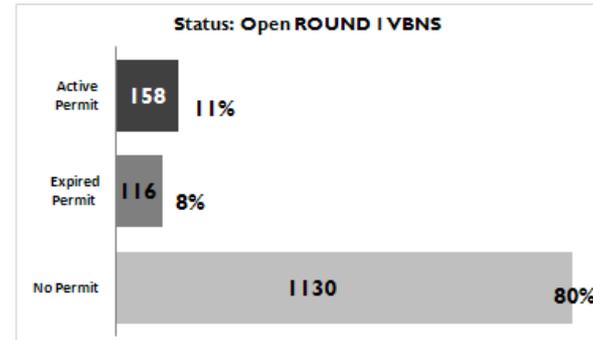
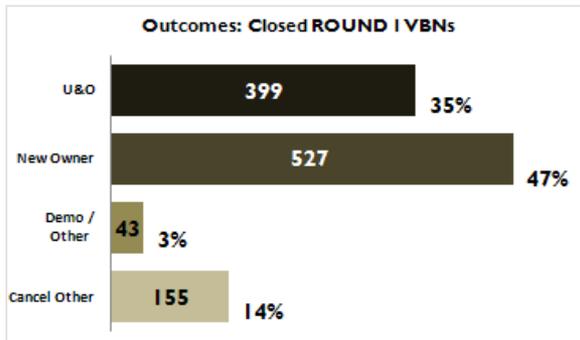
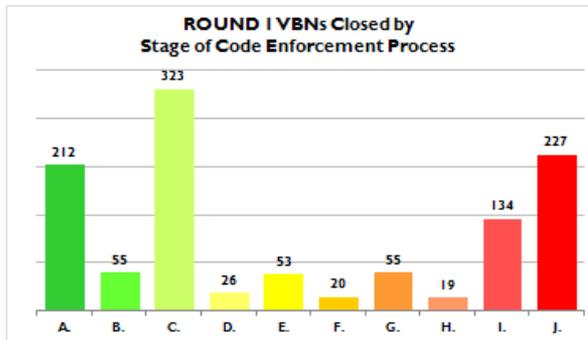
Tools and business processes have been programmed into code enforcement's automated business systems.



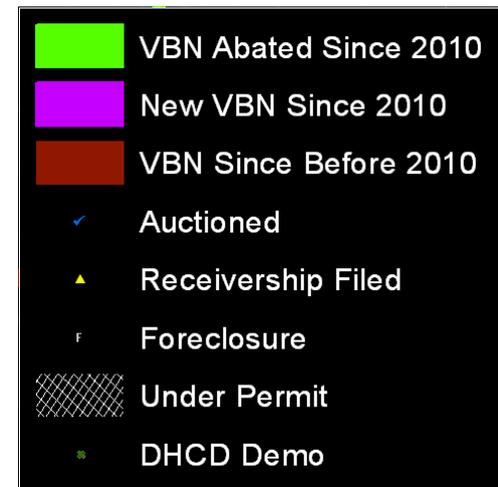
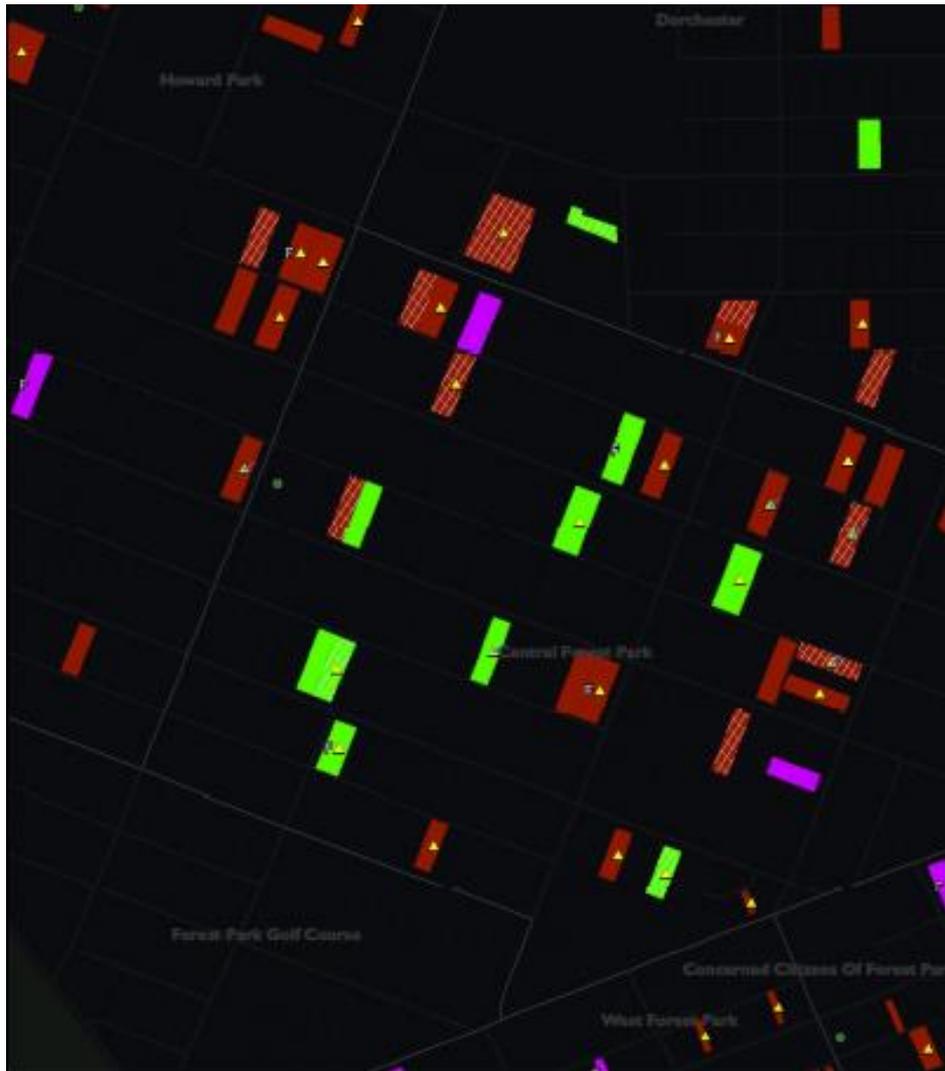


2. Evaluating progress and results

Evaluate and adjust

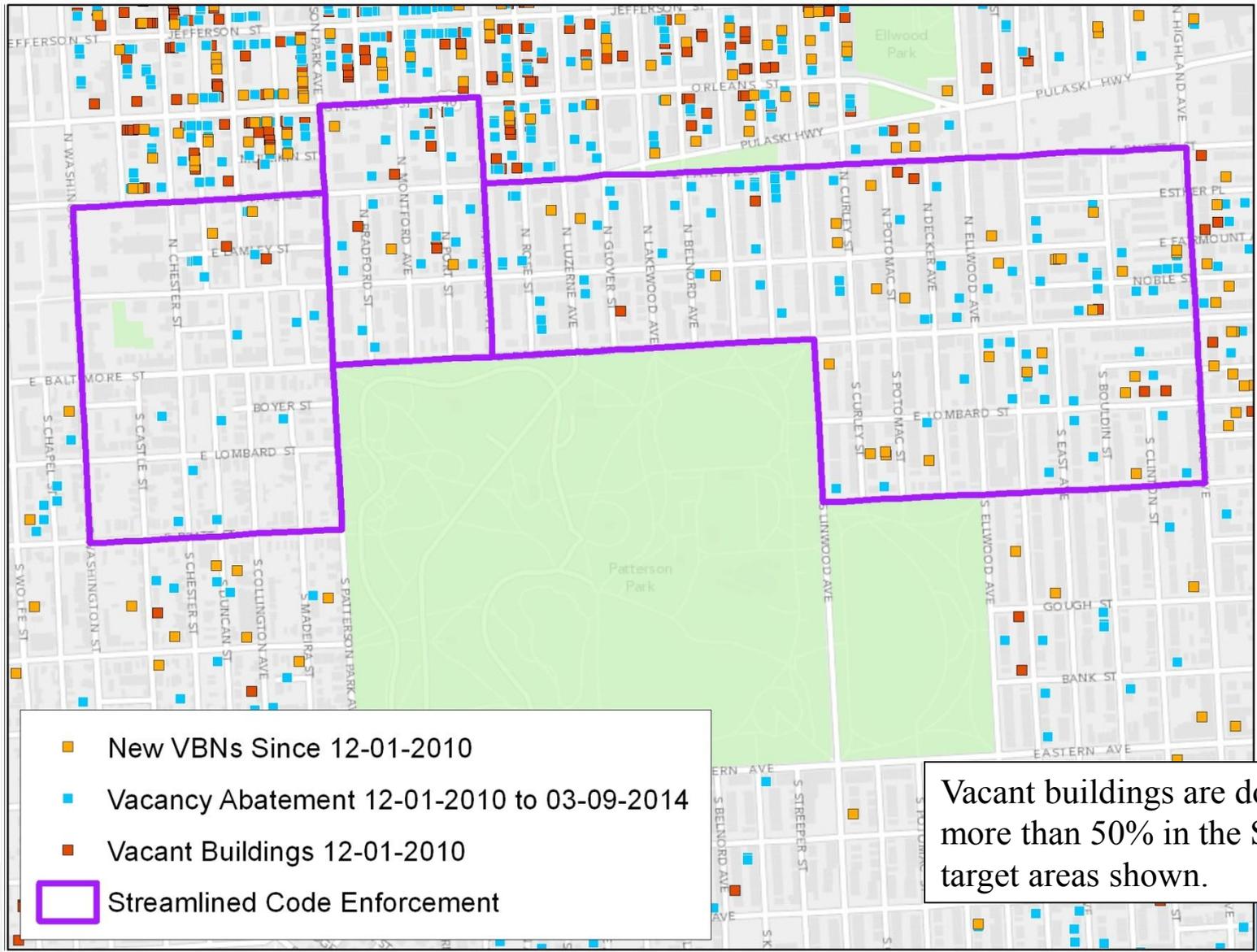


Evaluate and adjust





Results: Streamlined Code Enforcement



- New VBNs Since 12-01-2010
- Vacancy Abatement 12-01-2010 to 03-09-2014
- Vacant Buildings 12-01-2010
- Streamlined Code Enforcement

Vacant buildings are down more than 50% in the SCE target areas shown.



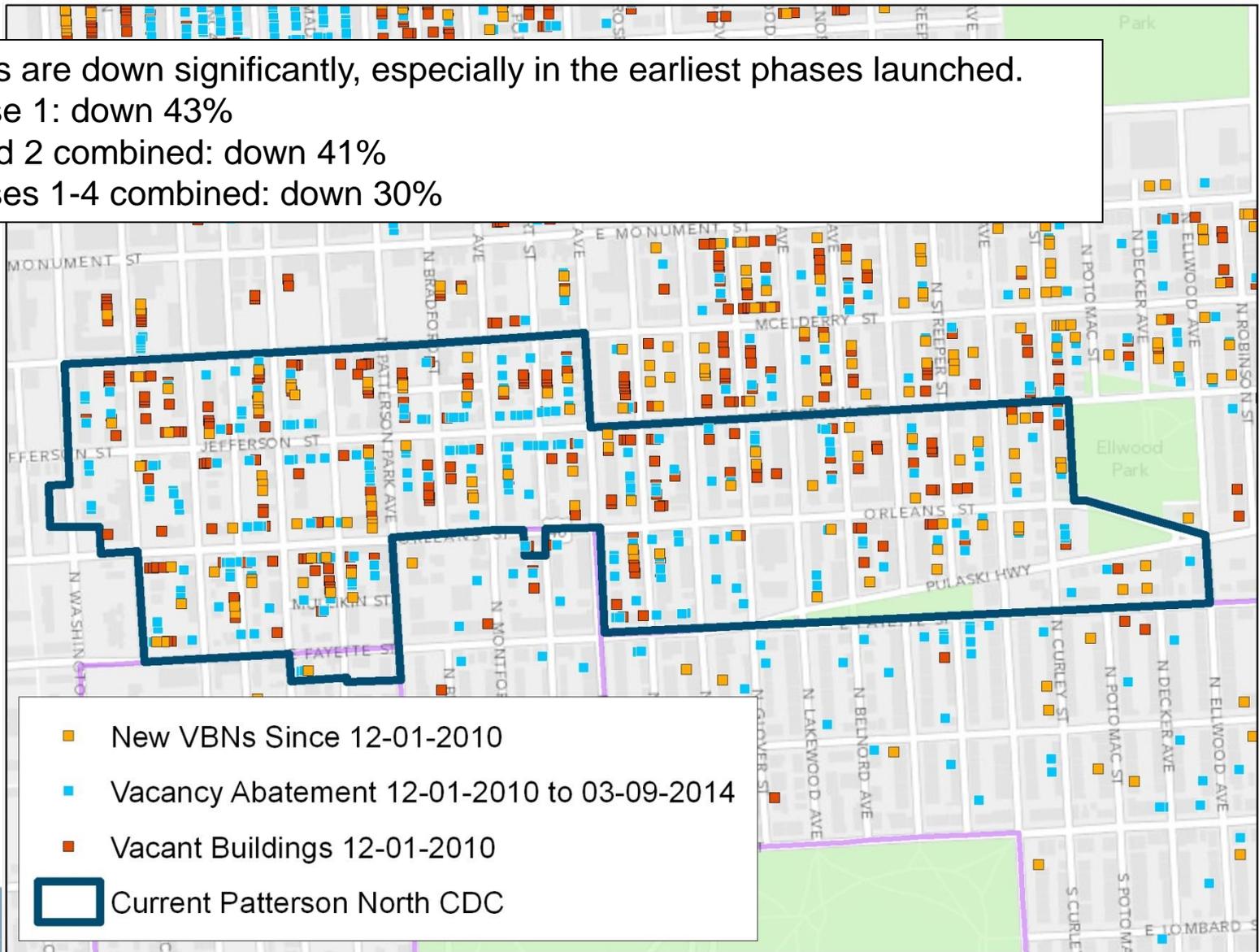
Results: Community Development Clusters

Vacants are down significantly, especially in the earliest phases launched.

In phase 1: down 43%

In 1 and 2 combined: down 41%

In phases 1-4 combined: down 30%



Results: Citywide

	Strategy II: Streamlined Code Enforcement	Strategy III: Community Development Clusters
Number of Areas	85	20
Vacants on Start Date	1,529	1,529
VBN \$900 Citations Issued	1,644	n/a
Rehabbed or Rehab Underway	972	737
Receivership Cases Filed	625	628
Receivership Cases Pending Filing	136	44
Non-VBN \$250 Citations Issued	1,763	n/a
Permit Revenue	\$1,372,743	\$901,524
Private Investment (Construction Costs from Permits Only)	\$44,355,415	\$42,610,444
Demolitions	28	87
All DHCD Demos Citywide Since V2V Start		883

Last Updated: 04/14/2014



BALTIMORE
HOUSING



www.baltimorehousing.org

Baltimore Housing reflects the combined efforts of the Housing Authority of Baltimore city and the Baltimore City Department of Housing & Community Development.

DISCUSSION

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