Greetings from

Ogden, Utah

Revitalizing East Central into a Community of Choice
January 2004

czb LLC
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The RFP issued by the City of Ogden requested the consultant to provide "research and analysis of development strategies that have proven successful in revitalizing urban neighborhoods in cities throughout the United States."

We were retained by the City of Ogden to consider all the communities across the country our team was aware of that have been revitalized and which may contain lessons for Ogden City. We were contracted to focus on those that were similarly situated to Ogden City prior to revitalization efforts.

czbLLC was directed to focus work "towards research and analysis of cities with similar demographics and challenges rather than a retrospective analysis of the East Central neighborhood's evolution."

We were not asked to provide the City of Ogden with a revitalization strategy but rather a general recommended approach for revitalizing East Central.

This report is organized into FIVE sections.

The first is an EXECUTIVE SUMMARY. This goes over the main points of the report. It can read as an introduction to the whole document. But mainly it was drafted as a stand-alone document for anyone interested in the thrust of our analysis of what needs to be done to revitalize East Central given limited resources.

The second is a PREFACE to the report. This section covers the trajectory of Ogden's position in the state and regional economy and the implications for Ogden's downtown neighborhoods.

The third is the CASE STUDIES, the main body of the report.

The fourth is our recommended INTERVENTION.

Finally there is a set of APPENDICES.
Over the next few years the citizens and leaders of Ogden will be making critical policy decisions that will determine the success of the city, the downtown, and the historic neighborhoods. To assist the leadership in that process, a report was commissioned that focused on the East Central neighborhood. The goal of the report was to look at similar neighborhoods in a variety of cities across the country in order to understand what is working well elsewhere and what might be of use in Ogden.

The resulting report looks at the current challenges facing the East Central neighborhood. It reviewed the demographic realities defining the neighborhood and the city, and examined nine places from eight states. From this investigation, the research team has identified basic principles that would be needed in Ogden for a successful neighborhood initiative, possible strategies that could be employed, and likely means of carrying out the work.

In the report the realities of Ogden today are not glossed over. The last two decades have seen dramatic shifts in population and wealth in the region and in the State. Indeed, Ogden is no longer second in importance to Salt Lake City. New high tech businesses are located elsewhere in Utah. New housing and retail structures are primarily being built far outside the traditional core.

The downtown and the historic residential areas are emblematic of these shifts. The original downtown is no longer a major retail center and is losing its role as the major office site for the region. The East Central neighborhood is becoming increasingly renter-occupied, primarily attracts new minority households, and faces the impacts of extensive foreclosure activity. In essence, the downtown and the East Central neighborhood are two sides of the same coin; although very different in function, they are closely tied together in terms of their futures.

Fortunately, Ogden is a well-managed urban center with visionary leadership willing to think and plan for a new future. The leaders recognize the dynamics of change and are instituting some innovative policies that are beginning to bear fruit. Following extensive site clearance, the downtown is benefiting from new construction of loft homes and small retail spaces as well as new apartment complexes. New retailing has strengthened parts of Wall and 12th in the north end. The East Central neighborhood has seen significant investment in the Eccles Arts Center and other public buildings as well as innovative efforts to upgrade the historic district. All of this is to be commended and celebrated and built upon.

On the other hand, the downtown continues to be far too empty. There just is not enough demand for rental units, retail space, existing offices, and buildable lots. Likewise, the East Central neighborhood lacks sufficient demand by strong stable renters and well-qualified new homeowners with the resources to support better quality homes. Increasingly, East Central cannot compete with nearby areas that are more suburban in character and more desired by homeowners and renters. While the research numbers support these statements, the most important information is learned from interviews and on-site observation.

In particular, the research team determined that the East Central neighborhood:

- Has a weakening image as a place to choose to live,
- Has a soft real estate market that can no longer compete for most households that can afford alternative sites,
- Continues to be undermaintained in terms of both private and public spaces, and
- Lacks the social cohesion needed to deal with economic and ethnic shifts or even the everyday issues on the blocks.

Case Studies

To assist the leaders of Ogden in understanding the dynamics of these four factors, this report examined neighborhood programs in nine communities. These case examples were chosen from a large pool of possible sites because the neighborhoods exhibited many of the problems present in East Central Ogden and because the interventions used had proven effective. In the briefest of terms the nine case studies told us the following:

**Alexandria, Virginia: Del Ray**

An ethnically diverse neighborhood can renew even though its original housing has limitations if there is clarity about the potential assets of the neighborhood along with carefully targeted interventions. Although there isn’t a central organization to coordinate the efforts, the neighborhood is recovering. The key advantage that Del Ray leveraged was its location in a rapidly growing area where the suburban competition had high travel and purchase costs. East Central lacks that advantage, but it does have other advantages around affordability and quality of some of the houses.

**Philadelphia, Pennsylvania: Manayunk**

An older neighborhood with obsolete housing and a declining retail center can become more competitive if it is remarketed to specific buyers and renters who are seeking particular types of living opportunities. The principal advantage that Manayunk had was that it was located adjacent to a high growth, high income area, but it had extensive vacancy and low acquisition costs, especially in its commercial core. Today that area has become a regional arts and entertainment center, mostly through private efforts but with assistance from a local nonprofit. East Central can’t leverage that sort of center, but it does have the advantage of being adjacent to a renewing downtown that could easily become a regional draw.
Columbus, Georgia: South Lawyers Lane

A severely distressed urban neighborhood can be re-positioned in the real estate market if housing is offered that is desired by a financially able segment of the market. Too much low-cost housing coupled with poorly designed houses and negative social conditions dictated that housing be built or substantially rehabbed to attract a more middle class population. Success required coordinated interventions by numerous public and nonprofit groups to address code issues, to provide special incentive financing, and to develop infill quality housing. East Central is quite large to employ such a capital-intensive intervention and housing prices are too high to take such a concept to scale, but sections of East Central could use these ideas to jumpstart market change.

Chicago, Illinois: Pilsen

Pilsen is a large neighborhood that has substantially transitioned to Hispanic occupancy in a city where prices are steadily rising. The key challenge was to retain the strongest Hispanic households in light of a poor image of the area, a low level of customer confidence, obsolete housing stock, and the lack of well-prepared homebuyers. The community used a church-based system to identify strong households and prepare them for home buying, partnered with nonprofit groups to build new housing that was appropriate for the purchasing families, and engaged the city government in supporting the effort. The result is a stable minority community that retains households as they become more successful. East Central also has a newcomer population that is primarily Hispanic. This group will surely rent for a few years, but it is unclear whether they will become long-term homeowners in the neighborhood unless strong households in this group are confident that the houses are good values and can meet their needs. To retain strong households will require a multifaceted effort involving local institutions, a nonprofit community corporation, and an actively engaged city government.

Chattanooga, Tennessee: ML King

An older center city neighborhood can quickly become a major disinvestment site for the city as upwardly mobile minorities choose to move elsewhere. ML King was a neighbor- hood with great locational advantages, but a reputation so negative that even individuals who might have chosen the neighborhood couldn’t rationalize that decision. It took a multi-faceted intervention by a nonprofit community development corporation and local foundations to address eye sores, clear sites, incentivize households to reinvest in exterior home improvements and support the neighborhood association. These actions set the stage for purchases and improvements by the targeted homebuyers. East Central might not need to undertake such dramatic changes, but there is little doubt that an initiative in East Central will need to coordinate a number of strategies that maximize what is desirable while quietly minimizing what isn’t working.

Hammond, Indiana: Harrison Park

Harrison Park was once the premier neighborhood in Hammond, Indiana. Adjacent to downtown, it was the site of the hospital, the largest private homes, and the best-known city park. It was also perceived as a place suffering from too many rentals in too many subdivided houses, too much prostitution and drug use, and poor maintenance of houses. The city government sponsored a partnership nonprofit that uses public and private capital to intervene in the real estate market through rehab and sale projects, some new construction, block projects, homeownership programs, and promotions and marketing efforts. Although not as large as East Central, Harrison Park is dealing with all of the same issues with a realistic goal of addressing a few key properties each year. East Central might want to use some of the same tools, but will have to negotiate about the size of the target area and about the extent of government and private support.

Boise, Idaho: Citywide

Boise is a city that has benefited from spurts of growth and investment, but also suffers from some of the downside. This includes the marginalization of the older neighborhoods and the existence of numerous vacant properties due to rapid turnover and foreclosure. After establishing techniques for stabilizing the neighborhoods, a nonprofit developed a business-like program to buy, reh, and re-sell foreclosed selected properties. Because the houses are citywide and sometimes even statewide, this was structured to produce operating profits that support the neighborhood revitalization efforts. East Central has many houses that fit the description and it is likely that the city and region have even more. Taken together, a nonprofit business could address many of the vacant houses and leverage the proceeds to support other neighborhood improvements.

Battle Creek, Michigan: Historic Northside

Declining population, vacant houses, depressed prices, negative reputations, and disen- gaged neighbors typified much of Battle Creek during the 1980’s and early 1990’s. Using a community-based nonprofit supported by the city government, the Historic Northside initiative addressed these problems through an extensive neighborhood reinvestment strategy that re-built housing values while expanding resident participation in the community. Every aspect of the initiative was structured to support high sales prices and more neighborliness. This included aggressive outreach to new buyers, establishing much higher standards of property improvement, elimination of problem properties, extensive marketing of the neighborhoods, and substantial block-based self-help projects. While East Central is larger than the Historic Northside, many parts are similar to the study site and could benefit from similar interventions. Regrettably, Battle Creek is an anomaly in terms of the resources available and the willingness of the local leaders to take a large risk. Nevertheless, some of the tools used in the Historic Northside could be redesigned to work in Ogden.

Holland, Michigan: Ourstreet

Ourstreet refers to a block-based program in Holland, Michigan that is reversing years of disinvestment in older, central city, primarily mi- nority areas that have negative reputations due to street crime, youth gangs, and poor maintenance. Because Holland is a tourist destination and the downtown has recovered from years of decline, these adjacent neighborhoods had an opportunity to recover as well. The city government developed a coordinated intervention that improved infrastructure, funded beautification of individual houses along blocks, rehabbed properties to a higher standard, and increased home buying. This was possible because the city government has excellent finances and a qualified staff and an actively involved business community. East Central is very much larger than the area served by Ourstreet and the city government and corporate resources might be more limited. However, the concepts could be applied to subsets of the whole neighborhood if sufficient resources could be tapped.

Lessons Learned

Perhaps the single most important lesson out of the nine case studies is that carefully crafted interventions can make a difference in the stability and long-term health of a neighborhood. The real task is selecting the most appropriate strategic intervention. That challenge goes beyond what was asked for in this report. Nevertheless cbll was able to identify certain principles that should be considered when selecting an intervention for East Central Ogden, and we were able to identify key elements in the strategies.

After reviewing these cases, the research team determined that every case study had a valu- able policy implication for East Central. In general, five principles appeared to be critical:

First, the most successful efforts did not try to take on the most difficult problems initially. Rather, interventions in neighborhoods like East Central were most effective if they built from strength. This meant investing in the neighborhood based on its stron- gest assets (e.g., most desirable architecture, the most stable blocks, and most marketable houses.) For East Central, this might mean focusing most activities between Quincy and Harrison.

Second, all of the programs were committed to geographic targeting in one way or another. Some chose to do only parts of a larger neighborhood; others chose to select small sites to begin. In one case this meant only a few blocks. The goal was to choose a target size that assured a doable project and a target location that assured that the investment would be recognized within and without the neighborhood. For East Central that would mean staying in a bounded sub area in an area of relative strength.

Third, all of the programs recognized that the neighborhoods would not recover and remain stable unless the confidence about the value of the properties was re-established. Every action was tested with the question: “does this work support confidence in the neighborhood?” Using invest- ment language over subsidy language didn’t necessarily change who was served but it did change how the service was provided. Most of the CA-PER report issued to HUD in November adopts the language of subsidy. East Central is best served by adopting an investment orientation.

Fourth, residents played a role in all of the interventions, but that role was clearly larger in the more complex interventions. The consistent story is that large-scale, complex revitalization cannot take place unless residents are engaged in marketing the neighbor- hood, encouraging others to re-invest, and completing self-help projects on the blocks to demonstrate neighborhood.
Finally, most of the programs were operated under some version of a business model. These interventions weren’t seen as a social service or as a way to expand the amount of affordable housing. Nor were interventions mere reactions to pre-existing funding that may have had little to do with local circumstances. Rather, they were seen as a rational way for a community to recover lost financial equity and social stability, if carried out with a clear vision of measurable outcomes of rising housing values, an improved tax base, and increased neighborhood livability.

Although it is difficult to categorize the independent efforts in nine distinct communities, there are some general conclusions that can be drawn.

- Each neighborhood addressed a negative image problem. Strategies included improving gateway streets, installing entry signs, promoting the areas as positive, neighborly, safe places, and holding neighborhood events to reinforce a positive identity.

- Each neighborhood enhanced the marketability of the homes. Strategies included aggressive marketing to targeted newcomers, identification and conversion of strong tenants to homeownership, retaining current homeowners, and promotion of the neighborhoods in general.

- Each neighborhood invested in improved physical conditions. Strategies included rehab lending for home improvements above the prevailing standard, especially to the exteriors of the houses, purchase-rehab-resale of foreclosed properties, and code compliance where appropriate.

- Each neighborhood involved residents in at least one renewal process. Strategies included block projects, community clean-up and paint up programs, resident training in leadership and in neighborhood marketing, and resident participation in the redevelopment organizations.

Next Steps

If these or similar strategies are employed in all or at least major parts of East Central, the case studies suggest that there is a real possibility of raising the homeownership rate to 50% in ten years. With this increased homeownership, there will be a reduction in the percentage of units owned by absentee landlords and there will be a reduction in the number of high-density properties.

Taken together, these changes will produce more residential stability and less mobility overall as well as in the renter population. Moreover, the case studies suggest that the percent of vacant houses can be substantially reduced as the real estate market strengthens and the perception of the neighborhood improves citywide.

The bulk of the work undertaken by czb analyzed cases elsewhere for their applicability to Ogden. The cases are tied to strategic and programmatic recommendations contained in this report.
Decline

Ogden’s 25-year decline in economic relevance in Utah parallels the decline of the downtown residential neighborhoods in Ogden as “neighborhoods of choice” within Ogden. One did not cause the other, the two are tightly related. Rebuilding Ogden’s downtown hinges on capitalizing on the strengths between Harrison and Quincy and neutralizing the weaknesses between Madison and Washington; revitalizing East Central hinges on redeveloping the old Ogden downtown into a contemporary, thriving business district with office, retail, and commercial vibrancy.

It is of great importance that Ogden’s decline in the Utah economy has taken place while the state has boomed. While it made more and more sense for out-of-state investments in technology and housing and real estate development to be located in Utah as compared to Colorado, Texas, Idaho, or California, it made less sense for those or other investments to take place in Ogden.

Economic and social investment in Utah in the last fifteen years has gone to places other than Ogden. Kaysville, Layton, Roy, North Ogden. The Symphony Homes-Olive Garden cluster development has become the northern Utah market’s “neighborhoods of choice” within Ogden. The Symphony Homes-Olive Garden cluster development has become the northern Utah definition of success, leaving Ogden with the Hobson’s Choice dilemma of having to cut deals with the very same form of land-consumptive, sprawling suburban development that threatens Ogden in the first place.8 Downtowns used to compete against other downtowns. This is no longer the case.

Reversal of these flows will depend in part on changes taking place in Ogden which in turn will depend on Ogden’s willingness to take a hard look at the factors in town that have shaped these trends. This means making choices. The issues are complex and not intuitive in an ordinary way.

The northern Utah market needs to be encouraged to take a sustained look at Ogden. This is beginning to occur through the aggressive, smart, focused city redevelopment activities taking place downtown, along Wall, and the Ogden river. By investing in these disinvested areas, the city is spurring the market to act because of reduced risk and react with a degree of confidence.

One of the great socio-economic lessons of the past 15 years of increasing urbanization and wealth creation in America is that capital goes where there is a combination of social investment and carefully crafted subsidy designed to engineer certain desired outcomes. That is, financial disinvestment (selling or holding without improvement) follows social disinvestment. Revitalization doesn’t just happen. There must be intentional interventions designed to thwart disinvestment and spur confidence.
Whatever the hopes and plans may be for the neighborhoods of East Central Ogden, they will be strengthened or undermined by the presence or absence of regional land use and growth management agreements that serve to level the playing field. In effect this means that as Ogden leaders contemplate what course of action to adopt for the city’s downtown and other struggling neighborhoods, the three essential parallel city activities it must undertake to shore up those aspirations are:

**Activities Parallel to the Work of Revitalizing East Central:**

1. The development of strong city-county regional growth management policies with teeth to level the regional housing market playing field.
   - Ogden cannot compete successfully on an unlevel playing field perpetuated by anti-urban land-use and transportation policies. Commuter rail in the works is an outstanding step forward that will generate material benefits for Ogden. Connecting to such rail development appropriate land-use policies will be needed. Revenue and tax base sharing should be considered.
   - Measures used elsewhere, like in Mill Valley, CA and Westfield, MA, might be evaluated for potential use in Ogden to assist local retailers struggling to compete under present absence of regional growth management tools.
   - Every effort must be made to level the playing field on a regional basis. Continued development of auto-oriented, low-density housing development in Weber County will undermine Ogden’s capacity to recover even while Ogden residents themselves are providing much of the subsidy for their suburban competition.

2. Undertaking strong, confidence-building and demand-inducing development activities downtown on 25th Street, Washington Boulevard, Wall Avenue, and along the Ogden river to create a supply of creative and office spaces that will in turn stimulate additional development in Ogden.
   - Most current activity downtown is going in the right direction. The right signals are being sent to the segments of the Utah market that Ogden needs to attract. These activities need a strong county counterpart so that continuation of the work of stimulating demand can occur.

3. Addressing the problem of troubled public schools through the work of stimulating demand can occur.
   - The housing stock in Ogden was (and remains) aged and there was no (and remains no) discernable activity taking place in a concentrated enough or targeted enough fashion to convince the market that things were getting better. Collectively the neighborhoods communications dysfunctional.
   - The workforce was (and remains) ill equipped to service high tech demand.
   - The educational system in Ogden was (and remains) under duress.

**Challenge**

The downtown is not only to create a supply of suppliers (bakeries, coffee shops, and so on) at this stage, but a broad supply of demanders (residents of new housing downtown, office workers, residents of a more middle class East Central) that in turn will generate demand. Furthermore, the challenge is also to improve downtown as a neighborhood in its own right, able to attract workers, shoppers, and residents.

- Cities able to attract businesses that pay good wages require the existence of a highly educated workforce. Cities unable to attract businesses usually lack a competitive workforce and the culprit is nearly always education, which is always a self-fulfilling deriva
tive of who lives where.
- The Market That By-Passed Ogden in the 1990s is Constantly Asking: What is Ogden doing to create such a workforce?
- Cities with a range of housing options are more competitive than those with monosyyl-
labic stocks.
- The Market That By-Passed Ogden in the 1990s is Constantly Asking: What is Ogden doing to diversify the housing stock in terms of age of structure, architectural style, compensation, density, and massing?
- Cities with higher densities are able to generate public revenues that can pay for ameni-
ties needed to attract businesses.
- The Market That By-Passed Ogden in the 1990s is Constantly Asking: What is Ogden doing to do that future development in Ogden is at high enough densities to support public services?
- Cities that chose the wagon around them or see a diversifying population as a threat in stead of an asset are doomed to marginalization in the present high-mobility economy.
- The Market That By-Passed Ogden in the 1990s is Constantly Asking: What is Ogden doing to address the perceived marginalization of the Mexican-American community in school matters, community decision-making processes, and economic development?
- Cities that abide crumbling public schools give housing markets an excuse to plant roots elsewhere.
- The Market That By-Passed Ogden in the 1990s is Constantly Asking: What is Ogden doing to address its weak public school system?

What does this mean for Ogden and specifically for East Central Ogden? Ogden must compete not only against Provo or North Ogden for out of state investments, it must be able to compete against Boise, ID and Durham, NC and St. Paul, MN and other small and mid-size cities that stand either to become great beneficiaries of the next phase of economic expansion or bystanders.

A century and a half ago Ogden was perfectly poised to be the beneficiary of economic growth based on rail. It is also clear that Ogden was a bystander during the last two major phases of increasing Utah prosperity, and not by accident. The great inflow of capital that came into Utah from 1994-2000 but which largely ignored Ogden, did so for very specific, identifiable, curable reasons.

1. The housing stock in Ogden was (and remains) aged and there was no (and re-
.

4. The essence of the Utah boom from 1988-1998 was technology/knowledge-

2. The workforce was (and remains) ill equipped to service high tech demand.
3. The educational system in Ogden was (and remains) under duress.

Added together, Ogden failed to create a marketable package attractive to outsiders. Potential businesses or residents were not told how great Ogden was, how safe its neigh-

A direct consequence of the increasing, largely self-created marginalization of Ogden in the Utah economy has been that Ogden has captured only a small slice of a small pie. As a city in a largely rural or suburban state, Ogden doesn’t have much natural demand to tap into to begin with; what little it had it failed to concentrate through intentional interven-

Unable to attract a sufficient volume of outsiders to Ogden, demand was and remains in short supply. The demand for housing in or near Ogden that did exist was increasingly satisfied not in the cluster of downtown neighborhoods between Harrison and Washing-

General declining interest in living in Ogden compared to a handful dozen exit ramp com-

Consequently, important resources were squandered; but, what is more important, Ogden failed to send the right kind of signals. If in 1990 Silicon Valley businesses were suspicious of the wisdom of considering Ogden in their plans to expand into Utah, the bet that Ogden leadership decided to place – such as the development of the mall, or the failure to intervene in the cycle of disinvestment taking place in East Central, or the failure to compel an overwhelmed school board to tackle a crumbling school system, or the laissez-faire attitude taken towards absentee landlord behavior in East Central in response to their own weakening position in the regional economy cemented these suspicions. Doing business in Ogden simply didn’t translate into good sense, especially in the context of any regional planning that might have thwarted the expansion of sprawl-

The market was looking for a family-friendly (good schools and safe neighborhoods and affordable housing) place to invest, and settled on the closest they could find, which was someplace else.
The ever-softering Ogden real estate market sent clear signals to anyone on the fence with respect to staying or leaving. Those who could, left Ogden. Those few more committed for other reasons to living in Ogden moved to the limited number of remaining communities of choice within the city. In a nutshell that meant anywhere but East Central Ogden. Shifts away from East Central further dampened what remained of the housing market in East Central, and by 1995 the stock had fallen into a vortex of falling demand, aging stock, and aging occupants with no influx of middle income households on the horizon for the city, much less for East Central Ogden. In effect, East Central Ogden by 1995 was on the cusp of suffering the triple whammy of losing its good households, seeing falling values transform formerly adequate stock into disrepair, and enduring the consequence of a high concentration of households at the social and economic margins. This is the cycle that William Julius Wilson argued results in a geographic concentration of the “truly disadvantaged.”

By 1995 East Central Ogden became a collection of small neighborhoods where it no longer made sense for most middle class households to buy and try to raise a family. A few hearty souls notwithstanding, households were both pushed away from East Central Ogden by increases in crime, absentee ownership, and low standards of property upkeep, and pulled towards other parts of the city and county where it was either in reality or perceived to be safer, cleaner, and a better investment.

In the resulting vacuum, faced by some neighborhoods in nearly every city in America, two important groups in East Central made individually sensible decisions that proved disastrous for the city.

1. The first group was property investors. Investors who owned rental property and who saw falling values translate into falling rents no longer could sensibly invest in the upkeep of the properties they owned. As building conditions deteriorated, it became increasingly difficult to obtain rents sufficient to cover amortization and maintenance costs. Investors in rental property in East Central Ogden, pressed to cover debt and operating costs, sometimes additionally divided the properties to generate more income-producing units.

At other times they simply resorted to renting to an ever lower cost market; that is, to financial weaker households who moved into East Central, filling the resulting demand caused by the departure of stronger households. This, in turn, further weakened demand and cemented a downward spiral of property values.

Today, Ogden has really become three Ogdens.

- One segment of Ogden remains committed to the city to such an extent that they continue to live and work in the city itself, and participate in neighborhood life while buffered from the conditions in East Central Ogden by living some place else, such as the East Bench. For them Ogden remains a city of choice but much if not all of East Central Ogden does not qualify as a neighborhood of choice. This population segment of the city is a major asset to the Ogden’s capacity to compete for a share of the state’s population growth in the next 15 years. This is the most marketable segment of the population; well-educated, able to embrace diversity, pioneering enough to tolerate change, and at the same time insist on core rubrics of healthy community life such as property maintenance or other community norms. It is this segment that provides the foundation of social capital desired by inflows into Utah that have so far chosen to bypass Ogden. Within East Central are a handful of other committed households, mainly above Monroe, but pockets of whom exist scattered throughout. These households are stable but often without substantial financial resources. They are a potential future backbone of any rebuilding effort.

- A second segment of Ogden live in the city but are biding their time unless things get better fast. Layton, Roy, Riverdale or North Ogden is much preferred, if not affordable. Bound to Ogden either because of negative or insufficient equity in their home or insufficient income or credit to qualify for a mortgage or afford rent elsewhere, many in this segment have checked out mentally. For them, challenged by an economy that has shifted good-wage-low education jobs overseas, their view of the arrival of immigrants from Mexico and elsewhere plays a dominant role in their assessment of the value of staying in Ogden. Problems that frequently accompany rapid transition are part and parcel of urban life—where competing values, cultures, languages are often viewed as threats. This segment lacks the willingness to consider staying but there is a distinctly anti-urban bias. This segment has generally favorable impressions of the 1-15 Tony Romas-Osauiback Steakhouse-Marketplace Plaza economy, and are not given to look favorably on cultural and racial diversity, downtown living, or a knowledge-based economy. Fortunately, there does exist in this group a “show me a reason to stay” attitude that the city should not overlook completely. To retain these households, better paying jobs need to materialize, the largely urban fabric of the central business district must become a desirable destination, and positive things have to be happening on the same block or even next door. Some in this group will insist on the city becoming more “suburban” in feel. Others, such as those who live between 19th and 20th and Quincy and Harrison, will need their small houses to be expanded to convince them to stay.

- The final segment of Ogden is newcomers, generally though not entirely households with few alternative options they can afford. They are often immigrant households of Mexican descent, many removed one generation at most. Many of these households have a solid work ethic and with assistance can become leaders in their neighborhood and important stakeholders. The strongest of these households, encouraged to become owners, will be able to set new and higher standards in the community. They will provide a strong element of the Ogden unskilled labor base. This is a crucial part of Ogden’s entrepreneurial market segment. They lack income and social connections but the strong households among this group are a powerful part of the community, with which to forge neighborhood resurgence in East Central.

The revitalization of Ogden requires the revitalization of the neighborhoods of East Central, the areas that shape the feel of downtown. Assets like some of the committed strong households between Jackson and Harrison are a hard trigger away from leaving and must be retained. Low-income but strong immigrant households need to be retained. The process of retention and subsequent reinvestment is the work of stimulating confidence that it makes sense for people with choices to stay and make the neighborhood better.

The lessons of how market and other interventions took hold elsewhere in the country are presented in this report as Ogden evaluates where and how to intervene in East Central in such a way as to complement the on-going redevelopment of downtown and the riverside.
Drilled down to Weber County, the statistics explain in general terms what is felt by Utah in this period is the state’s population explosion – making it the 4th fastest grow earner households. This is slightly less true in the Salt Lake-Ogden MSA than statewide, income statistics illustrate that Utah is a state with a high percentage of single wage earners. By 2025, the number of Hispanics in the Salt Lake-Ogden MSA is projected to exceed 448,000 (23 percent MSA) – Non-Hispanic newcomers (families) put down roots in the suburbs, taking with them their disposable income, tax base, and presence in the school system and in neighborhood life.

- Non-Hispanic newcomers (families) put down roots in the suburbs, taking with them their disposable income, tax base, and presence in the school system and in neighborhood life.
- Non-Hispanic households with children disproportionately move out of the city and study area when they can, creating a void filled typically by lower income households – white or otherwise.
- Non-Hispanic low-income individuals coming to the county move to Ogden City and take advantage of the prevailing low cost housing in the study area.
- Low-income (and newcomers) to the county settle in Ogden City, and put down roots in mainly the study area, concentrating a demand for services that outstrips their contributions to the tax base needed for those services.

As recently as 1980 Ogden was ranked second in Utah for economic power. Various reports put Ogden’s importance in Utah in 2003 between 5th and 10th and declining. While the state has grown at better than a 3 percent annual clip in the last ten years, much of the resulting demand for housing and consumer goods has not been in Ogden, but elsewhere. What has gone to Weber County often (low quality), and an overall community they regard to be objectionable (ethnically diverse, mixed income with a high concentration of low-income households, comparatively dense).

New inflows of stable households and inflows of reinvestments in Ogden have occurred in places other than the East Central neighborhoods. Public development targeted along the river, downtown, and along Wall, for example; and private development to the north and south. This mimics the state pattern where the Salt Lake-Ogden MSA is a relatively decreasing population center (in the next 20 years) that by 2025 will have shifted down from having 65 percent of the state’s population in 1970 to 56 percent. Though the Salt Lake-Ogden region will grow to nearly 2 million people, the rate of growth for the rest of the state will be higher. Slightly more than two decades from now, more Utahans will live someplace other than the Salt Lake-Ogden MSA, completing a 50-year trend.

Utah is the youngest state in the nation in terms of age of households, and the per capita income statistics illustrate that Utah is a state with a high percentage of single wage earner households. This is slightly less true in the Salt Lake-Ogden MSA than statewide, and considerably so compared to Provo-Orem. The first story of demographic change in Utah in this period is the state’s population explosion – making it the 4th fastest growing state in the country. Second is the nature of that growth.

- Most of that growth has and will continue to occur outside the Salt Lake-Ogden MSA.
- Most of that growth is highly suburban in nature (non-urban, auto-oriented, low-density).
- By 2025, the number of Hispanics in the Salt Lake-Ogden MSA is projected to exceed 448,000 (23 percent MSA) – Non-Hispanic newcomers (families) put down roots in the suburbs, taking with them their disposable income, tax base, and presence in the school system and in neighborhood life.

Demand on the part of whites for the suburbs has had the effect of raising suburban housing values and their suburbs’ rates of appreciation, while for two decades reducing demand for the East Central neighborhoods. A result of these investment patterns in the state and city is that as demand to live in the neighborhoods in East Central Ogden has declined, prices have followed suit. This has rendered the housing stock in these neighborhoods affordable to low-income households, but of little interest for the majority of households.

The goal of a revitalization effort is to convince the wider market that affordability is a chance to get a great deal on a housing stock of rising value while they still can. As low-income households have seized on the availability in these neighborhoods of housing they can afford, these neighborhoods have been transformed. Today these neighborhoods are predominantly renter-occupied. These neighborhoods are increasingly home to lower households, a large number of whom are Hispanic. There is also a sizeable and problematic portion of the State of Utah’s parolees living in East Central.

In sum, non-Hispanic whites are pulled to the Ogden suburbs by a housing stock they prefer (large lots, large homes), schools they prefer (better), and communities they prefer (safer and racially/culturally homogeneous). These households are pushed from Ogden City proper by a housing stock they find disagreeable (older, costly to upgrade and maintain), schools whose performance they can’t abide (low quality), and an overall community they regard to be objectionable (ethnically diverse, mixed income with a high concentration of low-income households, comparatively dense).

Details Behind the Story

While to low-income households the affordability of the housing stock is a plus, the wider market views affordability as an indicator of problems that suppress demand, rather than an opportunity to buy low. This need not be the case in perpetuity.

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Housing Demand Characteristics
The shift from a mainly stable, owner-occupied set of neighborhoods to ones characterized by high mobility and low incomes occurred slowly from 1980-1990 but has increased markedly since then.

In sum, those moving into the neighborhoods in East Central Ogden are less stable households with fewer financial resources. The housing stock into which many of these newcomers move is varied. Many are very small and many of the remaining ones have been cut into smaller pieces over the years.

Declining purchasing power in these neighborhoods, superior competition from other business districts, and greater mobility, has resulted in a shrunken trade area, and some of the few businesses in these neighborhoods such as the IGA grocery, that were in business in 1990, have left. Some (though importantly not all) of these vacancies have either gone unfilled and remain vacant or have been replaced by subsequently weaker commercial tenants. Same with residential shifts: as middle-income owners have sold and left, infilling households arrived with fewer resources, converting owner-dominated streets to high renter percentages, reducing the capitalized value of homes and turning some properties over the years.

By 1990 downtown Ogden and the adjoining neighborhoods of East Central were in steady decline. In 2003 a large portion of demand for consumer goods and services for Ogden residents is satisfied in the strip centers north and south of town where the total square footage of retail provides for much of the immediate trade area’s basic weekly needs. The downtown Market Place, the River Project, and Union Square have spurred development along Wall and elsewhere into a downtown they considered increasingly unwelcoming. Development along Harrison to North Ogden. What happened was that shoppers no longer needed to venture into a downtown they considered increasingly unwelcoming. Development along Harrison south of 30th began to take off so that if one wanted to avoid leaving Ogden to shop, they could do so and still avoid downtown. Future development along Wall and elsewhere will invariably face questions about impact on downtown.

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This decline in demand for the neighborhoods in East Central Ogden occurred alongside a decades’ long shift in commercial economic strength from downtown to suburban strip centers north and south of the city and to interstate exit ramp strip developments from Roy to North Ogden. What happened was that shoppers no longer needed to venture into a downtown they considered increasingly unwelcoming. Development along Harrison south of 30th began to take off so that if one wanted to avoid leaving Ogden to shop, they could do so and still avoid downtown. Future development along Wall and elsewhere will invariably face questions about impact on downtown.

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Supply-Demand Imbalances

These challenges have all been faced to one extent or another – with varying degrees of success, in numerous parts of the country. The following locations have undergone important changes in the last 20 years, either as part of or independent from broader changes within their own regions. Changes in the following locations resulted in some cases from direct intervention and in other cases from imbalances in the supply and demand of housing or commercial space that in turn created an affordability opportunity, and in some cases a combination of the two.

Specific policy challenges that the City of Ogden must wrestle with:

- To what extent does the City of Ogden wish to continue to effectively be the sole provider of affordable housing for low-income households in Weber County?
- To what extent does the City of Ogden intend to aggressively compete for middle-income households in north Utah?
- To what degree is the City of Ogden committed to targeting scarce resources in areas of strength when a cost of doing so is the limiting of resources in areas of greater need?

Programmatically, the City of Ogden must therefore determine which tools it needs to adjust its supply and demand imbalances in response to the policy direction it has chosen.

These are policy and program decisions that other cities have grappled with, some more successfully than others, some in hot market regions and others in sagging areas. The following case studies were solicited by the City of Ogden to provide a bank of challenges and interventions faced and undertaken by similarly situated cities.
czb was asked to provide the City of Ogden with case studies to illustrate how revitalization efforts have taken hold throughout the country. We reviewed two dozen instances where low-demand neighborhoods became, over time, neighborhoods of choice. In some cases the transformation resulted from interventions by government. In others largely because of market forces. In others, the transformation occurred through a combination of the two.

We selected nine cases.

None alone provide a complete roadmap for Ogden. Together however, elements of each can be quilted together to provide a demand-based template that the City of Ogden can follow to intervene in East Central and stimulate the housing market back to health and to do so in conjunction with on-going efforts downtown, along the Ogden River, and elsewhere in the city.

The cases we’ve chosen are all organized and presented in the same way. Each case begins with a context, in which the basic story of that neighborhood is told. Each case study then provides a synopsis of the intervention that czb determined was the core input or inputs that triggered revitalization, spurred demand, and eventually returned that neighborhood to greater market health. For each case, we conclude with a summary of the relevant lessons that case provides Ogden City.

<table>
<thead>
<tr>
<th>Neighborhood</th>
<th>Immediate Relevance to East Central Ogden, Utah</th>
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<tr>
<td>Del Ray</td>
<td>Declining demand for older urban neighborhood stemmed by strong advertising of the comparative affordability of the housing and the close proximity to job center(s), resulting in strengthened trade area and stimulus for commercial corridor.</td>
</tr>
<tr>
<td>Manayunk</td>
<td>Moribund commercial corridor repositioned through strong relationship of redevelopment organization and commercial tenants to attract regional demand not able to be satisfied in suburban context of strong neighboring jurisdiction.</td>
</tr>
<tr>
<td>South Lawyers Lane</td>
<td>Aggressive assembly of vacant parcels and blighted buildings used to thwart additional unwanted activity on vacant lands, undermine the speculative absentee landlord market, and send a strong signal to local markets.</td>
</tr>
<tr>
<td>Pilsen</td>
<td>Port of entry neighborhood for new Hispanic immigrants repositioned as a strong buying opportunity for stable immigrant and other households; strong relationship tying religious institutions to most desirable renters to buy.</td>
</tr>
<tr>
<td>MLKing</td>
<td>Landbanking, blight clearance, and aggressive beautification efforts used to take control of elements undermining market potential while communicating positive change.</td>
</tr>
<tr>
<td>Harrison Park</td>
<td>Strategic use of targeted code enforcement and pride building activities to address pocket blight and neighborhood image as a means of advertising Harrison Park to be a neighborhood of choice in Hammond.</td>
</tr>
<tr>
<td>Boise, ID (citywide)</td>
<td>Acquisition, rehab and re-sale of foreclosed houses combined with standard-improving and block level organizing activities to reposition city neighborhoods to better compete against suburban jurisdictions.</td>
</tr>
<tr>
<td>Historic Northeride</td>
<td>Strategically locating public capital improvement projects to coincide with block level pride building activities, and house-by-house standard-improving rehab work as a means of stimulating demand in historically crime-ridden neighborhood.</td>
</tr>
<tr>
<td>Ourstreet</td>
<td>Severe clarity on the necessity for, costs of, and outcomes of the intervention, articulated by Mayor and Council and relevant public agencies, made public in media, at council and other forums, and strengthened through facilitated public comment process.</td>
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The area is literally on the wrong side of the tracks in the part of town where day laborers and other working class households settled. It adjoins the Potomac rail yards which historically separated Del Ray from more prosperous communities. Just to the south of Del Ray is the neighborhood of Lynnhaven, a nearly all black community of very modest one story wood frame bungalows on 3,000 square foot lots. Many of the homes in Lynnhaven were poorly constructed originally and over the years have received additions of no better quality.

By 1980, Mount Vernon Avenue, the commercial spine of Del Ray, and the existing housing stock were both failing to compete against suburban competition for homebuyers with choice and especially for resident households' disposable dollars.

In spite of weakness at attracting new households from 1950-1980, Del Ray was nevertheless able to hold onto a base of residents committed to the community during this time. This base was white, working class households, but as these households began to age amid falling demand, prices declined from 1970 to 1985. Concurrently, the pace of suburban development increased, and the few remaining stores on Mount Vernon Avenue became even less able to compete for market share. By the late 1980s Del Ray was a tired community with falling property maintenance standards and a moribund commercial corridor.

Erratic infill development in the form of duplexes that occurred mainly in the 1960s contributed to an evolved architectural vernacular that obscured much of the original character of Del Ray, created higher densities than was traditional, and added stocks of sufficiently smaller size that encouraged low rents and absentee ownership to become more prevalent.

In the early 1990s prices in Del Ray were affordable for young professional two-income households, but too high for working class households. The previous mix was white, working class families who'd been there for 20 or more years, a handful of black long-time owners in nearby Lynnhaven, and a sprinkling of Latino renters growing in importance by the year. Now professional families without children appeared with their two incomes and their Volvos.

Low contract rents transformed the neighborhood into a desirable location for increasing numbers of Central American immigrants – mainly from El Salvador – in the mid and late 1980s. As these immigrants began to flow in small numbers into the parts of Del Ray abutting Lynnhaven, long time Del Ray residents saw their formerly blue collar white community transformed into an increasingly minority neighborhood of low-income blacks and non-English speaking Hispanics. By 1990, white Del Ray households were admiring the ranch house subdivisions in Springfield to the south that were still white and blue collar. Many of those who could leave, did. Many of those who could not leave, did not maintain their homes to the standards of even five years before.

**Cases**

Del Ray Neighborhood | Alexandria, Virginia

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**Intervention**

These conditions created a powerful vacuum into which three forces came.

The first was the market itself. As the DC region began to heat up in 1994 after a significant downturn the previous five years, commercial and residential real estate in Del Ray became a very affordable alternative to other “in-demand” areas. Combined with the close-in location, Del Ray and other first ring suburbs (1946-1964) which had affordable real estate, became desirable in terms of congestion and sprawl and commuting time.

The second force was government action by the state of Virginia with the city to establish an Enterprise Zone, which among other enhancements provided an array of tax benefits to existing business for expansion and to new businesses locating there. Low cost financing was available for property acquisition. Low cost business expansion and operating capital was also available.

The third force was off-setting revenues from future development in the form of tax increment financing (TIF), an option typically reserved only for use by government in markets of rising demand where higher future values are likely. Revenue from this TIF was used to finance acquisition of problem properties in order to assemble larger packages of land and buildings more conducive to developers who otherwise choose suburban “greenfields”. Revenue from the TIF was also used to offset impacts fees otherwise charged new development.

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Del Ray (US CT 2013) Alexandria

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Early takers of the tax incentives along Mount Vernon Avenue in Del Ray were office tenants, architects, video producers, and the like. There was no critical mass yet of goods and services that inmovers regularly had higher incomes and higher property maintenance standards than the outmovers they replaced, and by 1998 entirely new sets of exterior house standards and behavioral norms on sidewalks had taken hold. The commercial corridor had not begun to transform, but purchasing power of the households comprising the trade area had reached critical mass.

Lessons for Ogden City

Del Ray is a modest neighborhood. It is not where wealthy households in the DC area live, yet it is a neighborhood that is in demand, but not because of any one factor such as housing stock or any one intervention.

It was never a genuinely distressed neighborhood though by 1980 it had a pattern of disinvestment and even a moderate degree of pocket blight such as is found today in East Central along Harrison Boulevard. Good architecture and proximity to the region’s job center could not impact the decline in demand. As the age of residents increased, and standards slowly slipped, less stable households moved in, speculative investment by absentee landlords took hold, and a once thriving community headed in the wrong direction. As development increased further from the center, Del Ray failed to mobilize in the 1970s and 1980s to compete for those investments. By 1985 the outer ring suburbs exerted a superior pull on Del Ray’s market while Del Ray exerted a strong push in the form of declining standards, obsolete stock, and an increasing concentration of low-income households.

These conditions are not dissimilar to parts of the East Central neighborhoods in Ogden, especially those between Quince and Jefferson from 20th to 26th and a few instances all the way to Harrison and all the way to the 25th. An important difference is that this part of East Central is in worse physical condition with a higher ratio of poorly-maintained absentee owner rental properties.

The dynamics controlling Del Ray could be applied to East Central. They are:

1. The City of Alexandria appropriately treated the challenge of revitalization from 1980-1995 in Del Ray not as a supply problem but as a demand shortage. There was an oversupply of affordable housing, and overupply of infill lots, and overupply of vacant commercial space. The city effectively let Del Ray catch up to area market forces which they reasoned would eventually re-position Del Ray as a short-commute “close-in” neighborhood with affordable prices and good architecture.

2. The City of Alexandria appropriately saw that for retailers and office tenants it did not make sense to start businesses on Mount Vernon to serve a non-existent local market. Instead the City spurred some commercial development activity along the central spine through the use of tax and other incentives, and mainly attracted businesses selling services like architectural design or graphic design, services which had customers in the region but not the immediate neighborhoods. This has the ameliorative effect of filling vacancies, keeping standards at a high level, establishing an “eyes on the street” presence, and building a base of investors with a stake in the direction of the community. This base of business owners — many of which would have located elsewhere but for the tax incentives created by virtue of the Enterprise Zone — eventually formed a group who wanted Mount Vernon to thrive. The group, called The Alliance Partnership, functioned as an informal business roundtable that eventually became a full-fledged nonprofit organization that had come together to undertake activities to strengthen the commercial corridor.

3. The City of Alexandria correctly surmised that low-grade property maintenance plus overcrowding in Lynnhaven undermined the Del Ray market. Code enforcement was weak and in many instances, heavy fines were assessed. This was complemented with aggressive property acquisition/assembly activities under the auspices of eminent domain. The focus was on code enforcement in neighboring Lynnhaven, thereby signaling that Del Ray and Lynnhaven really were two distinct areas and probably had two distinct sets of buyers. In essence, Del Ray has recovered as a place of choice because the City used appropriate reliance on real estate market forces combined with careful tailored interventions to reposition the neighborhood as a place with a supply of “on-demand” housing stock, characterized as affordable family housing with strong behavioral norms of maintenance and neighborliness.
Context

Manayunk is a neighborhood in the far west edge of Philadelphia, Pennsylvania. The Indian name means “where we go to drink water.” It was developed by the English in the late 1600s and became a thriving mill town by the 1880s, churning out cloth, upholstery, and blankets. The hillsides were developed at very low densities (one acre lots and larger) and predominantly housed factory owners and managers. In town, densities were far higher (about 20 dwelling units per acre).

Manayunk’s position at the meeting of the Schuylkill River and Wissahickon Creek give it almost a pastoral setting at the intersection of the west end of the nation’s fourth largest city and the southern border of Delaware County, a fast-growing, prosperous sprawling county not unlike the open areas north of Salt Lake. In 1990 three of every four homes in adjoining suburban Delaware County were appraised above $275,000.

The story of Manayunk's decline is similar to those of countless communities and cities across the country. Over the course of the last century, and particularly since World War II, deindustrialization (the shift from a largely manufacturing-oriented economy to a primarily service-oriented one) and technological advances (in the production and distribution of goods) have erased the locational advantages of once-industrial places. Manayunk’s waterfront location and accessibility by train, while responsible for the town’s development as a manufacturing center, no longer gave a competitive advantage for attracting businesses.

Another harbinger of Manayunk’s impending distress appeared near Minneapolis in 1956: the first enclosed shopping mall. This creation would forever change the retail landscape—or at least those stores that shoppers found along the strip were typically of lower quality (including, for example, janitorial services and beer distributors).

Manayunk needed, in contrast, was market-based incentives to attract private developers and retailers to Main Street.

Making matters even worse, the neighborhood lacked the capacity to respond to this challenge. Efforts to revitalize the area, in the 1970s and early 1980s, consisted mainly of ideas and hopes, but no realistic plans and programs. Worse, the few plans that were in place focused on activities and outputs instead of outcomes.

Despite these challenges, Manayunk did have something essential to an eventual turn-around: potential. “People had talked about Manayunk’s potential for decades,” was what you heard. “It had a river, a canal and a hillside full of middle-class homes, not to mention an exit off the Schuylkill Expressway and easy access from the Main Line.” Indeed, not too far away along the Schuylkill Expressway, Montgomery County’s population and economy were booming. The number of residents in the county more than doubled between 1950 and 2000; 72,000 new residents have moved in since 1990 alone, a 10% increase over the course of the decade. While the number of jobs in Manayunk and the rest of Philadelphia declined by 22% citywide between 1970 and 2000, Montgomery County’s number of jobs increased by 60%, making it the regional leader in jobs added. And employers paid these workers well with the highest salaries in the state and average earnings of nearly $40,000.

Cases

Manayunk Neighborhood | Philadelphia, Pennsylvania

<table>
<thead>
<tr>
<th>Cases</th>
<th>Manayunk Neighborhood</th>
<th>Philadelphia, Pennsylvania</th>
</tr>
</thead>
<tbody>
<tr>
<td>Populations</td>
<td>1990</td>
<td>2000</td>
</tr>
<tr>
<td>Households</td>
<td>138,577</td>
<td>157,550</td>
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<tr>
<td>Per capita income</td>
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<td>$16,509</td>
</tr>
<tr>
<td>Median HH income</td>
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</tr>
<tr>
<td>Owner Occupancy rate</td>
<td>62.01%</td>
<td>59.26%</td>
</tr>
<tr>
<td>Median Home Value</td>
<td>$48,400</td>
<td>$61,000</td>
</tr>
<tr>
<td>Housing Units</td>
<td>67,497</td>
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</tr>
<tr>
<td>Population Growth</td>
<td>455,419</td>
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</tr>
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Intervention

Throughout years of economic transformation, Manayunk’s residential areas remained relatively stable although slowly declining. Working class families stayed in the neighborhood, generation after generation, but by the 1980s, Manayunk’s “problem” was threefold. This stable residential neighborhood was losing in old locational advantages and ability to compete for commercial or retail uses. Local industry was dispersing to suburban locations and Main Street was characterized by at least 30 boarded storefronts. This combination — a stable residential neighborhood with a weak retail corridor — was a poor fit for existing public programs that consisted primarily of housing subsidies. What Manayunk needed, in contrast, was market-based incentives to attract private developers and retailers to Main Street.

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Intervention

Several trends converged in the 1980s to spark the “rebirth” of Manayunk’s Main Street and have dramatically altered the residential profile of the community. In the early-1980s, the city, through its Office of Housing and Community Development, commissioned a study of Manayunk’s commercial corridor (as well as those in other city neighborhoods). This study documented the strip’s situation in a way that had not previously been done. It also began the planning process for bringing about improvements; city-sponsored technical assistance made the formation of the Manayunk Development Corporation (MDC) possible, which in turn conducted additional data collection and planned implementation.
1990 Philadelphia County/City

Table 7: Comparing Housing Stock to Potential First-Time Homebuyers

<table>
<thead>
<tr>
<th>A. Income Range (Percent of Area Median Income)</th>
<th>B. Potential Number of Households (Available Stock)</th>
<th>C. Potential First-Time Homebuyers (Demand)</th>
<th>D. Excess of Demand (Potential Buyer's Over Stock Available Housing Stock)</th>
</tr>
</thead>
<tbody>
<tr>
<td>0% to 15%</td>
<td>7,399</td>
<td>5,811</td>
<td>1,588</td>
</tr>
<tr>
<td>15% to 41%</td>
<td>9,004</td>
<td>7,546</td>
<td>1,458</td>
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<tr>
<td>41% to 81%</td>
<td>7,672</td>
<td>13,074</td>
<td>5,401</td>
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<tr>
<td>81% to 124%</td>
<td>6,714</td>
<td>9,496</td>
<td>2,782</td>
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<tr>
<td>124% to 203%</td>
<td>1,909</td>
<td>7,902</td>
<td>5,993</td>
</tr>
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</table>

Table 6, Col. A Table 6, Col. D Col. C - Col. B

| 2000 Philadelphia County/City

Table 6: Comparing Housing Stock to Potential First-Time Homebuyers

<table>
<thead>
<tr>
<th>A. Income Range (Percent of Area Median Income)</th>
<th>B. Potential Number of Households (Available Stock)</th>
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<th>D. Excess of Demand (Potential Buyer's Over Stock Available Housing Stock)</th>
</tr>
</thead>
<tbody>
<tr>
<td>0% to 15%</td>
<td>26,263</td>
<td>6,571</td>
<td>19,692</td>
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<tr>
<td>15% to 41%</td>
<td>5,395</td>
<td>4,491</td>
<td>(904)</td>
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<tr>
<td>41% to 81%</td>
<td>1,369</td>
<td>10,284</td>
<td>8,915</td>
</tr>
<tr>
<td>81% to 114%</td>
<td>290</td>
<td>8,674</td>
<td>8,384</td>
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<tr>
<td>114% to 163%</td>
<td>267</td>
<td>14,766</td>
<td>12,099</td>
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</table>

Table 5, Col. A Table 6, Col. D Col. C - Col. B

| 2000 Philadelphia MSA

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<table>
<thead>
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<th>C. Potential First-Time Homebuyers (Demand)</th>
<th>D. Excess of Demand (Potential Buyer's Over Stock Available Housing Stock)</th>
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</thead>
<tbody>
<tr>
<td>0% to 28%</td>
<td>14,945</td>
<td>12,841</td>
<td>(2,104)</td>
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<tr>
<td>28% to 56%</td>
<td>26,151</td>
<td>19,423</td>
<td>(6,728)</td>
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<tr>
<td>56% to 81%</td>
<td>42,678</td>
<td>45,020</td>
<td>2,342</td>
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<tr>
<td>81% to 140%</td>
<td>25,315</td>
<td>36,414</td>
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<tr>
<td>140% +</td>
<td>25,315</td>
<td>35,162</td>
<td>9,850</td>
</tr>
</tbody>
</table>

Table 6, Col. A Table 6, Col. D Col. C - Col. B

Ironically, it took a one-day sporting event, organized by an entity entirely outside the neighbor- hood, to give Manayunk the kind of visibility it needed to attract private investment to Main Street. In the mid-1980s, a major bike race routed through the town for the first time. Neighborhood residents, avid sports fans and the curious came out in droves; what was sup- posed to highlight achievements of several exceptional athletes highlighted Manayunk instead. The race brought the needed attention to the neighborhood.

MDC, meanwhile, was prepared for the growing opportunities. The organization had, early in the 1990s, acquired several of the town’s parking lots; as more shoppers and diners streamed down Main Street, to give Manayunk the kind of visibility it needed to attract private investment to the neighborhood, MDC had the capacity to create a vibrant Main Street for two main reasons. First, most of the retail and commercial space is owned by a small number of owners, mak- ing assembly and uniformity of management possible, scalable, and inexpensive. Second, the marketing of the area becomes the task of the Manayunk Development Corporation, which actively creates an advertising presence in suburban and urban jurisdictions alike.

The answer was to market the neighborhood to a different profile of resident. Between 1990 and 2000, the number of households in Manayunk actually increased by over 10% (or more than 250 households) even as the number of families and the area’s population fell.

While citywide the number of people per household stayed relatively constant over the course of the 1990s, it fell precipitously in Manayunk – from almost 2.5 to 2.15, a 13% drop. Not only were households getting smaller, household heads were also (on average) getting younger. Compared to the city as a whole, Manayunk’s age distribution is now skewed – the neighbor- hood has roughly half the proportion of children and twice the portion of 20- to 24-year-olds.

A significant portion of this increase in younger households (and fewer children) has occurred since 1993. Artists, empty nesters, gay couples, and other high “creative capital” households were the market. For these groups the neighborhood is increasingly a “neighborhood of choice” – as reflected in sky-rocketing rents and a greater number of individuals from outside the city moving into the area.

Lessons for Ogden City

The return of Manayunk as a competitive com- munity of choice can be traced to:

1. Recognition of market forces. Delaware Country grew rapidly in population and pros- perity with two material consequences. First, population growth and residing residential development outpaced retail development. Second, lagging retail growth created an opportunity for Manayunk to provide goods and services that are in demand.

2. Response to demand. Manayunk’s Main Street provided more than goods and services in short supply. It becomes an anti-suburban antidote to the growing morass of ex- empt campus/strip development in the county on one hand, and an anti-urban antidote to the dangerous conditions perceived to define Center City Philadelphia. In short by 1995 customers could go to Manayunk and get what is not available in the County or what is available in the city but with a high price of crime and lack of safety.

3. Ability to manage and market. To capitalize on these positional and geographic assets, Manayunk has the capacity to create a vibrant Main Street for two main reasons. First, much of the retail and commercial space is owned by a small number of owners, mak- ing assembly and uniformity of management possible, scalable, and inexpensive. Second, the marketing of the area becomes the task of the Manayunk Development Corporation, which actively creates an advertising presence in suburban and urban jurisdictions alike.

4. Success at defining a residential niche. At one point the residential neighborhood was more successful than the commercial neighborhood. Then when the commercial neighbor- hood revitalized, it became clear that a unique group of renters and buyers would need to be attracted. Initially low rents and affordable sales prices helped, but now a critical mass has been reached and newcomers are attracted by the profile of the existing population.

What this means for Ogden is that the relationship of commercial and residential initiatives must be carefully considered. The commercial initiatives clearly must reach out to a customer base that is not served by the current strip malls and major shopping centers. Similarly, the residential areas will need to be looked at as unique places that likely can’t compete with suburban housing for most residents but can compete with certain groups that seek a specific kind of diverse, urban lifestyle.
Columbus, Georgia is located ninety miles southwest of Atlanta along the Alabama border on the Chattahoochee River. The city government is consolidated with the county of Muscogee. Directly across the river sits Phenix City, Alabama and directly south of Columbus is Fort Benning, home to the United States Army Infantry Center.

Its proximity to Atlanta and to Fort Benning and its position on an important regional river create similarities to Ogden. That shares Ogden’s small town feel, Ogden’s competitive advantage of being near but not a suburb of an international city, its civic commitment to the performing arts, and its recent investment in riverfront developments all illustrate important connections.

Columbus also is a partner in a complex, sophisticated eight county partnership (Discover Valley Partnership) that cooperates to address common economic development challenges. This is important since Ogden’s role in the North Utah economy and the importance of eventually developing regional growth management agreements that curb downtown killers like expressway sprawl, point towards learnings for Ogden-Weber that may emerge from deeper study of the Discover Valley Partnership.

Columbus is a conservative military town in a conservative state in the conservative part of the country. Although nearby Atlanta has grown by more than 6 percent a year for 20 years, Columbus, even with large concentrations of defense subcontrators, has experienced sluggish growth and an exodus from its inner core. Much of the growth in the MSA has occurred north of Columbus in Harris County, and this is similar to Ogden relative to the balance of the county and the region.

The MSA, which includes Muscogee, Harris and Chattahoochee counties in Georgia and Russell County in Alabama, has a population of 274,624; this is an increase of 5.3% from 1990.

| Cases | South Lawyers Lane | Columbus, Georgia |

- **East Wynnton Park ct 22 & 28 Columbus**

<table>
<thead>
<tr>
<th>Year</th>
<th>1990</th>
<th>2000</th>
<th>1990</th>
<th>2000</th>
</tr>
</thead>
<tbody>
<tr>
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<td>6,721</td>
<td>5,652</td>
<td>178,701</td>
<td>185,797</td>
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<tr>
<td>Households</td>
<td>2,627</td>
<td>2,393</td>
<td>657,15</td>
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<tr>
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<td>$10,302</td>
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<td>$18,276</td>
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<td>Median HH income</td>
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<td>$20,039</td>
<td>$24,102</td>
<td>$34,853</td>
</tr>
<tr>
<td>Owner Occupancy rate</td>
<td>45%</td>
<td>45%</td>
<td>54%</td>
<td>56%</td>
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<tr>
<td>Occupancy Rate</td>
<td>91%</td>
<td>86%</td>
<td>93%</td>
<td>92%</td>
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<tr>
<td>Median Home Value</td>
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<td>$83,200</td>
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<tr>
<td>Housing Units</td>
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<td>HU in 1 unit Structures (attached and detached)</td>
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<td>2,039</td>
<td>46,196</td>
<td>52,094</td>
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<td>HU in 2 unit Structures</td>
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<td>157</td>
<td>3,041</td>
<td>2,587</td>
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<tr>
<td>HU in 3-4 unit Structures</td>
<td>191</td>
<td>198</td>
<td>5,137</td>
<td>5,178</td>
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</table>

Harris County, north of Muscogee, has seen the fastest growth in the MSA with a 33.3% increase in population between 1990 and 2000. Columbus has a population of 186,291, which is a 3.9% increase over the past ten years. Comparatively, the state of Georgia grew by 26.4% during that period.

It is important to note that much of Georgia’s population growth has occurred in the Atlanta area, just an hour and a half north of Columbus. The Atlanta MSA had a 38.9% population increase in the last decade; this ranks as the 11th largest increase by MSA nationally. The counties south of Atlanta have seen growth as well, with percentage increases from 22% in Dekalb County to 67% in Coweta County.

South Lawyers Lane is an older neighborhood situated east of downtown Columbus. Targeted for revitalization by the City of Columbus, this neighborhood is rich in history and character with homes that are modest but historic. (It is quite similar to the north section of blocks in East Central, Ogden above Jefferson and north of 25th.) As the first African-American subdivision in Columbus, South Lawyers Lane was the home of nearly every important historical figure in the Columbus African-American community through the 1960s.

Unfortunately, too many of the homes fell into poor condition and were rented or abandoned. Many lots were vacant, but were too small to rebuild a home that meets contemporary standards. Housing stock, like any piece of urban infrastructure, needs constant maintenance and reinvestment – sometimes, even replacement – to stay in shape, but the neighborhood hadn’t received enough attention over the years. Its infrastructure was literally crumbling around the people who lived there.

Like urban neighborhoods across America, desegregation and suburbanization opened up new housing and neighborhood opportunities for those who might otherwise have chosen to remain where they grew up. Inherited property no longer met the aspirations of the inheritors and was often rented out.

These circumstances combined to erode confidence in the future of the neighborhood. Lack of confidence manifested itself in more disinvestment. Disinvestment reduced confidence further, and so on. Real estate agents and other key observers couldn’t believe that anyone with choices would buy in this neighborhood, and were incredulous at the idea that home values could be increased through revitalization efforts. Neighbors had organized to address drug-related crime with some success, but unless their efforts were reinforced with dramatic physical change and new committed neighbors, their work would be locked in a cycle of one step forward and two steps back.

Resulting statistics are disheartening. The South Lawyers Lane Neighborhood lost 16% of its population in the last 10 years with a 2000 population of 5,660. Racially, it remained the same with 95% of the population being Black or African American.

Throughout the MSA, lending origination rates are lower and denial rates higher than national averages and disparities in origination and denial rates rise when examining South Lawyers Lane.
Typically, home improvement denial rates are high compared to purchase and refinancing lending. Nationally, the home improvement mortgage origination rate is 46% and the denial rate is 34%. Further, there is considerable subprime lending activity within South Lawyers Lane, more than half of all mortgage applications made by owner-occupied households were made to subprime lenders and 35% of all mortgage originations were made by subprime lenders. One subprime lender, Nationscredit Financial Services, was particularly active in the neighborhood with 21 refinance originations.

As the real estate market declined—that is, as more and more people chose neighborhood options other than South Lawyers Lane—property values declined, rents declined, property conditions declined, and the neighborhood became an easy mark for the drug-related crime that swept the nation in the 1980s.

During 2000, the City of Columbus conducted systematic housing code inspections on the portion of the South Lawyers Lane neighborhood that is bounded by Lawyers Lane, Rigdon Road, Ten Street and Martin Luther King, Jr. Blvd. There are approximately 635 lots within this area. Of these, approximately 60% were in standard condition (that is no code violations were cited on the homes), 20% were substandard (code violations cited), 10% were condemned and 10% were vacant lots.

Property conditions in South Lawyers Lane are in need of critical attention, 28% of the lots in the core target area have structures that have been cited with code violations and an additional 10% have been condemned. Much work has been done to remove blighted properties and assemble land for building new homes, but the challenges remain.

Housing stock in the South Lawyers Lane area generally tends to be older than that in Columbus. The median year that homes in South Lawyers Lane were built is 1974 compared to 1960 throughout Columbus. Nearly 90% of the homes in this neighborhood were built before 1960, while about 60% of the homes throughout the city were built before 1960.

Through these activities, the Columbus Housing Initiative was able to substantially improve property conditions, increase homeownership rates, property values, and confidence and pride in the neighborhood. New homebuyers have included police officers, teachers, and employees of nearby AFLAC and Blue Cross Blue Shield. Neighbors decided to change the name of the neighborhood to East Wynnston Park, a name consistent with early plat maps, and one that they believed would appropriately convey the new pride and confidence they have in the future of their neighborhood. In 2004, CHH will move its efforts to a new neighborhood.

Lessons for Ogden City

The South Lawyer’s Lane neighborhood was, in many respects, a product that no longer met the demands of the mainstream marketplace. It did not make the changes necessary to “extend the product life cycle,” in the nomenclature of consumer behavior theory. It was originally built for an economically diverse, though racially homogenous, population that was required to choose it due to lack of other options at the time. As new opportunities for housing opened up, too much of the once-captive audience chose the alternatives.

On most streets, South Lawyer’s Lane had housing that was too small and too old and lacking in redeeming architectural value. As the first group of strong households exercised their option to move out, the definition of success in housing changed to include living anywhere but South Lawyer’s Lane. This image issue contrasted with the housing stock issue to create a housing market where:

1. Too many of the strongest established households moved out.

2. Too many of the newly forming successful households—often the grown and college-educated children of older neighbors—chose to establish themselves in other neighborhoods.

Intervention

In the summer of 2001, a new nonprofit organization, the Columbus Housing Initiative, began talking with neighbors in South Lawyers Lane with the intention of implementing a revitalization strategy.

Columbus Housing Initiative set out to restore confidence in the future of the neighborhood by:

1. Dealing with blight through rehab lending and grants, acquisition-rehab-refinance, neighborhood cleanups, and new construction on vacant lots.
2. Assembling land for new development, beginning with a supply of lots already owned by city government. Vacant lots too small for new construction would eventually be paired with an adjacent lot through acquisition and demolition so that one new home could be built on what once were two lots. One large, undeveloped parcel was acquired for a small development of ten homes.
3. Attracting mixed-income homebuyers and raising property values by adding new housing stock that would accommodate them, and by implementing a targeted marketing campaign.
4. New construction was designed around these potential new buyers, and at a price point intended to drive up values as far as possible.
5. Cultivating leadership capacity among neighbors, through creation of a community garden, establishment of “Block Grandparents,” and other organizing activities.
6. Managing the succession process of an aging population by trading a newly rehabbed small home to an elderly homeowner for their badly deteriorated small home. The deteriorated home would be demolished to make way for new construction.

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1. Too many of the strongest established households moved out.

2. Too many of the newly forming successful households—often the grown and college-educated children of older neighbors—chose to establish themselves in other neighborhoods.
3. Homes for sale enjoyed less and less demand from a shrinking market of owner-occupant buyers.

4. Home values eroded, driving down demand from strong households further.

5. More and more homes for sale were purchased by absentee landlords as rental economics began to make sense, but these investors couldn’t rationalize extensive investments in maintenance and improvement.

6. The neighborhood remained attractive mostly only to lower-income households who lacked the means or opportunity to buy, or the resources to fix up and maintain if they did buy.

7. The aging homeowner population began living on fixed incomes and were themselves less able to upgrade or even maintain the houses.

8. Housing values continued to erode to the point that it no longer made economic sense to anyone to improve or maintain to a high standard. It also made little economic sense for a buyer to buy, or for a real estate agent to list or actively sell.

9. Poverty was firmly entrenched in the neighborhood’s household mix. Substance abuse and related crime issues rose, further reinforcing the neighborhood’s image as a place of last choice.

The City of Columbus wisely began landbanking the lots that resulted from abandonment and demolition. When the Columbus Housing Initiative (CHI) was founded with a significant foundation grant, its leadership looked at South Lawyer’s Lane as a demand problem rather than a supply problem, despite the fact that much of its population was poor by this time.

CHI was very clear that South Lawyer’s Lane had to be repositioned to capture the investment rather than a supply problem, despite the fact that much of its population was poor by this time.

What is also needed, but not yet implemented, is a means of rehabbing existing housing to a clearly established standard that will inspire confidence in the future of the neighborhood. CHI is primarily a property development organization and has yet to develop the capacity for home improvement lending.

Operational implications for East Central Ogden neighborhoods could include the following:

1. Defining and naming the sub-neighborhoods in East Central Ogden so that:
   a. Groups of blocks with like characteristics (housing stock, sales prices, building conditions, separation from other sub-neighborhoods by major thoroughfares and other geography, etc.) can present a coherent idea of the best target markets of homebuyers and have a plan to recruit these buyers
   b. Potential buyers can “read” the East Central areas with a greater sense of accuracy and predictability, and choose to live in one sub-neighborhood without psychologically taking in all of East Central.
   c. The sub-neighborhoods can enjoy the benefits of a closely knit group of neighbors who identify with them, see the issues in one smaller part of the neighborhood as more manageable, and champion their cause through a variety of actions and behaviors.

2. Targeting very strong buyers (those who are viewed by neighbors as having other choices, who will exercise strong standards of maintenance and community involvement, etc.) for initial home-ownership programs through marketing and incentives, and publicizing their purchase decision in order to impart a sense of positive change among neighbors and other stakeholders.

3. Providing active code enforcement, demolition and landbanking in some parts of East Central Ogden to prepare for building homes to replace obsolete housing stock and to compete effectively for strong buyers, and ensuring all such activities are appropriately concentrated and sequenced.

4. Setting standards for the design of new housing construction (through incentives, direct development, or regulation) that reinforce goals of repositioning the neighborhoods to compete for strong buyers and driving values up so that the neighborhood is a good investment for owner-occupants.

5. Setting standards, and incentivizing their application, for home improvements that will make housing stock more competitive. This could include adding bedrooms or other rooms to the small two-bedroom stock; downsizing multi-unit conversions of single-family stock; adding key amenities such as laundry rooms, bathrooms, bigger closets, changing interior layouts; and substantially improving exteriors.

6. Lending on home improvements and price-pointing new developments to lead the market so that values rise.
"In the emotion-charged atmosphere of "to build or not to build" the fundamental issue determining the future of housing has become obscured - building and maintaining neighborhood confidence. Paradoxically, federal assistance programs encouraged a negative bias in the general perception of urban neighborhoods. (In effect), neighborhood confidence was exchanged for limited federal assistance. Neighborhood confidence must be the cornerstone of any housing policy, (and) this priceless commodity (must not be) inadvertently sacrificed in the game to obtain federal assistance."  

From Building Neighborhood Confidence, 1976 by Rolf Goetz

**Cases**

Pilsen Neighborhood | Chicago, Illinois

The influx of immigrants provided an opportunity for builders to build at a higher level of diversity than is possible today. The typical Chicago residential lot is 25' x 125'. At the turn of the century, builders would often build a three-story brick building on that lot that would have six apartments - three in the front and three in the back with a front stairway, a center stairway, and a rear porch to provide egress. Many of these buildings still remain, usually with six small two-bedroom apartments.

Another defining physical characteristic of Pilsen is the vaulted sidewalk. When the neighborhood was first settled, there were unpaved streets and limited sewage systems. The City built a sewer system and raised a new paved street over it. This resulted in the streets being higher than the grade of the buildings. Often one needed to step down about three or four feet to the service walk to enter the building. Many enterprising families moved their frame house to the back of the lot and built a new three or six-flat on the front of the lot for rental income. The density of Pilsen and the wide vaulted sidewalks left no room for street tree landscaping - characteristics that define many other Chicago neighborhoods. (In this regard the evolution of the physical form and its influence over social and economic behavior is similar to the East Central neighborhoods in Ogden. In East Central, the grid, the orderly wide streets, and the poorly-conserved and excessively-difficult-to-adapt 10 acre block pattern account for much of the scattered, layered infill that has accumulated in the last fifty years.)

As newer, less crowded neighborhoods were developed to the west of Pilsen in the 1920s, immigrants who had established themselves moved to what were perceived as stronger neighborhoods. This trend continued into the 1950s as Eastern European immigrants gradually were replaced by Mexicans who were immigrating in large numbers to work in the industrial areas south of Pilsen.

In the early 1970s, the City of Chicago drafted a central area plan that forecast development along the south branch of the Chicago River. This included a schematic description of higher-end residential development. While the fifty-year time frame of the plan was quite long, the plan provided an opportunity for community opposition to congeal and for early fears about displacement to emerge. At about the same time, the son of a former neighborhood dairy owner inherited or purchased a number of loft buildings around 18th and Halsted. He began to convert these buildings into low-cost artist housing units and was successful in building an artist colony on the east end of Pilsen.

Pilsen is Chicago’s largest Latino community with a 1998 population of 44,133; 93.5% are Latino, predominantly of Mexican heritage. The median age in Pilsen is 18 years, the youngest for any Chicago community. More than a third (30%) of the community’s children live below the federal poverty level. Approximately 22% of all households are headed by women, and 31% have incomes of less than $15,000 per year. The 1989 median household income in Pilsen was $20,571, more than 20% lower than the citywide median of $26,401. Correspondingly, between 1979 and 1989, the median income in Pilsen declined 8%, compared to a 1% decline for Chicago. This parallels Ogden which fell in comparison to the rest of Utah while the East Central neighborhoods fell even faster.

### Pilsen Chicago

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**Context**

Pilsen is a neighborhood on the Lower West Side of Chicago. It represents approximately 114 square blocks and, like the East Central neighborhoods of Ogden, is geographically, fairly well defined. It is bordered on the south by the south brands of the Chicago River and a heavy industrial area. It is bordered on the north by a major set of railroad tracks and viaducts. The western boundary is Western Avenue and another industrial area. On the east, the boundary is Canal Street and still more industry.

Pilsen is located less than two miles southwest of Chicago’s Loop, the downtown commercial and business center. As such, it is well situated for the kind of high-end real estate development one sees in other Chicago neighborhoods close to downtown. It is south of the University of Illinois at Chicago, an institution that has been expanding over the last few years. There are strong residential development patterns all around the Loop. In the West Loop, old warehouse buildings have been converted to high-end residential units. In the four blocks that separate Pilsen from the university, a massive mixed-use residential and commercial development called University Village has been built. In the South Loop, at least 3,000 new units have been added to the inventory either through the adaptive re-use of loft buildings or through new construction.

Historically and currently, Pilsen has served as a port of entry community for immigrants. At the turn of the century (1880-1910), Pilsen attracted immigrants from what is now referred to as the Czech Republic and Slovakia. As a result, the area became known as Pilsen, a town from the “old country.” Many of the balloon-frame woodworker’s cottages were replaced by brick buildings and many of these brick buildings had architectural elements that reflected the Eastern European vernacular, with ornate brickwork and steepled ornamental cornices.

Historically, Pilsen has been a center of industry. From the beginning, Pilsen was $20,571, more than 20% lower than the citywide median of $26,401. Correspondingly, between 1979 and 1989, the median income in Pilsen declined 8%, compared to a 1% decline for Chicago. This parallels Ogden which fell in comparison to the rest of Utah while the East Central neighborhoods fell even faster.

As newer, less crowded neighborhoods were developed to the west of Pilsen in the 1920s, immigrants who had established themselves moved to what were perceived as stronger neighborhoods. This trend continued into the 1950s as Eastern European immigrants gradually were replaced by Mexicans who were immigrating in large numbers to work in the industrial areas south of Pilsen.

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In addition to poverty and related social problems, Pilsen residents must cope with high levels of violence. In 1992, the Illinois Criminal Justice Information Authority named Pilsen one of the “hot spots” in the city for street gang violence. By the late 1990s, the level of gang-related violence in Pilsen was widely considered to be second only to East Los Angeles.

Pilsen is home to some of the oldest housing in the city of Chicago: 78% of its 15,689 housing units were built before 1939, and many buildings date back to before the 1877 Chicago Fire. Pilsen's deteriorating housing stock and the poverty of its residents represent a cycle of building neglect, deterioration, and abandonment, followed by an exodus of the strongest residents. In effect, the cycle of disinvestment in Pilsen resulted in the displacement of the very households Pilsen and similar neighborhoods need in order to recover. The lesson for Ogden is clear: finding a way to keep the stable households who are there now is priority one.

Promoting homeownership — a strategy led by a group of religious congregations — was key in stabilizing this neighborhood in the late 1990s. This strategy had to overcome a number of obstacles related to buyers confidence in the neighborhood and buyer knowledge about the homeownership process. Because Pilsen has historically served as a point of entry neighborhood, it was a “stepping stone” to what was viewed as a better neighborhood. Pilsen suffered from an image that defined it as a temporary place, where one moved from to be successful. Households that began to accumulate resources would move west to other urban or inner-ring suburban neighborhoods. There were a significant number of illegally converted to rooming houses, that served to artificially inflate property values. There was not a significant presence of conventional real estate sales and marketing operations. Properties were commonly sold by word of mouth, often through parish networks.

The major commercial street, 16th Street, is a thriving Latino commercial district with a range of small storefront type retail establishments, and as such it provides a potential outcome to work towards in Ogden with respect to certain corners in East Central where for instance a vacant lot could be converted to rooming houses, that served to artificially inflate property values. There was not a significant presence of conventional real estate sales and marketing operations. Properties were commonly sold by word of mouth, often through parish networks.

The acquisition and rehabilitation strategies in Pilsen show ingredients of what may work in East Central. Pilsen’s many expensive wood-frame buildings suffer from widespread physical deterioration, and like East Central these conditions have been exacerbated by a high number of absentee landlords.

1. Pilsen, as a port of entry neighborhood for immigrants, was viewed by many, both inside and outside of the neighborhood, as a transitional place. It was where one settled, got a foothold, and – as one became successful – moved out. The leadership in Pilsen saw the promotion of homeownership in Pilsen as a vehicle to stabilize the neighborhood – to provide an image that households could advance and still remain in the neighborhood. In many ways, the context in the East Central neighborhood is similar. The image of these neighborhoods is also that they are transitional, and that people with choices will opt to leave. In Pilsen, the major institutions focused on homeownership were the parishes. They, rather than city government or social service agencies, had the broadest and deepest relationships with people in the neighborhood. They chose to use these relationships to promote homeownership as a means to improve the lot of individuals and, in time, to strengthen the parish as an institution. Both the Church of Jesus Christ Latter Day Saints and Saint Joseph’s parish have significant relationships in the community, but it remains to be seen whether these institutions will be able to make the connection between their ministries, the stability of the neighborhood, and the advancement of individuals through homeownership.

2. The housing market in Pilsen had a variety of dysfunctions. Conversions – most illegal of small formerly owner-occupied homes to rooming houses created inflated sales prices. Buildings were priced based on their illegal rental income. There was little conventional real estate sales activity with properties listed and sold through the Multiple Listing Service (MLS). Homes were often sold informally through word of mouth.

Fundamentally, the market in Pilsen did not value homeownership choices. There was little of the existing stock that was available for sale. The trend was for families with resources to leave for newer, less dense neighborhoods. There were, however, a number of vacant lots that could accommodate new construction.

It is in many ways fortunate that there are many homes for sale in the East Central neighborhood. While this fact can be interpreted as an exodus from the neighborhood by single-family homeowners, it also provides a set of opportunities and a context for an expanded homeownership promotion program. Unlike Pilsen, where the strategy ultimately evolved into new construction, a homeownership strategy in East Central neighborhoods will most likely involve promoting homeownership outcomes on the existing for-sale inventory.

3. In Pilsen, physical conditions are block-by-block. In East Central conditions change dramatically over the course of half a block. On some blocks, housing conditions showed good maintenance behaviors on the part of owners. Those blocks usually had a higher than average rate of owner-occupancy. On other blocks, the conditions were more chaotic, with vacant lots or other problems. Along with a homeownership promotion effort, the Pilsen Resurrection Development Corporation administered a home improvement loan program with NHS of Chicago, a non-profit lending intermediary. This home improvement loan program was not well marketed and failed to engage people in the same way as the homeownership strategy.

In the East Central neighborhoods, changing physical conditions, particularly around raising exterior standards, will be very important in changing the look and feel of the neighborhood. A strategy to increase homeownership and move for-sale properties into the owner-occupied column needs to also address physical conditions and upgrade appearances, preferably at the time of purchase.

4. Despite the significant gang presence, Pilsen had a fairly high level of neighborhood management. There were a wide range of formal and informal organizations working to make Pilsen a better place. Religious institutions played a role as mediating institutions in the neighborhood. In addition, there was a lot of street life, i.e., people out on the blocks interacting, particularly in warmer weather.

The issues in the East Central neighborhoods are similar. Neighborhoods that have high rates of turnover often lack the social connectedness that is essential to neighborhood health. Strategies that aim to promote homeownership need to move beyond just getting people owning homes. To the greatest extent possible, homeownership programs need to connect new residents as leaders in efforts to improve the neighborhood. Not every new buyer will ultimately be a neighborhood leader, but they do have an economic stake in an outcome of property appreciation.

Intervention

In the late 1980s, a group of Catholic parish leaders began to meet around the issue of housing in Pilsen. They were concerned that many of the most established households in the parishes were looking to move out to other “better neighborhoods.” At the same time, they also knew people within the parish who were interested in buying a house, but they did not know the best way to help them. They were also concerned that what they saw as future change in the neighborhood, i.e., gentrification, would threaten the character of the neighborhood and the viability of their institutions.

The pastors were able to pool together some funds and hire an organizer. This organizer began a process of one-on-one meetings with individual parishioners and a wide range of other neighborhood residents. Small groups of parishioners were pulled together in a series of house meetings where they prayed and talked about their housing situation as it related to their larger life experiences.

This process of individual and house meetings was important for several reasons. Early on, it helped parish leaders define the housing issue around confidence — both the confidence people had in the neighborhood in order to buy there as well as the confidence people needed to feel in themselves in order to move forward toward homeownership. Defining the issue in this way led the leadership down a path toward addressing confidence issues and not simply trying to figure out how to build more affordable housing units.

In this way, the leaders also learned the housing issue was not simply about building supply. It was about generating housing demand. While ultimately the strategy evolved into new construction of single-family homes, it didn’t really start with that premise. It started with a strategy to build demand — to get people wanting to make a commitment to live in Pilsen and preparing them to do so. The one-on-one interviews and house meetings helped the leadership understand the obstacles — both real and imagined — from people experiencing in thinking about homeownership, and it helped the leaders form a strategy to address those obstacles.

One key obstacle was the lack of knowledge about the home buying process and the fear people felt in entering into that process. To address that obstacle, the parish sponsored homebuyer education training. The homebuyer education not only focused on the mechanics of buying a house and mortgage lending, it addressed people’s confidence in themselves to be successful in navigating the process. Parishioners who had purchased a house played a role in the process so participants could see people like themselves who had been successful in buying a house in Pilsen.

The training also focused on helping people see beyond the immediate problems in the neighbor-

...
A second obstacle emerged over time. There were not enough houses for sale in Pilsen that people wanted to buy. While the homeowner education was successful in building real demand, the supply was deficient. People wanted larger dwellings with more than two bedrooms and many also wanted some rental income. There were few single-family and two-unit buildings for sale but there were over one-hundred vacant lots—most owned by the City of Chicago.

The leadership began to explore a new construction strategy. They formed a non-profit which was developing a new in-fill housing program called New Homes for Chicago. The organization began to acquire a few smaller rental properties for day-care center. The organization also began to acquire a few smaller rental properties for use as a vehicle to overcome obstacles and, in turn, build homeownership development and confidence in Pilsen. Pilsen Resurrection formed a partnership with Lexington Homes, a private developer that had completed a substantial number of suburban subdivisions. Pilsen Resurrection’s role in the partnership focused on home sales marketing and, because they had done a lot of advance work, they had more qualified and ready buyers than they had buildings in the initial development round.

Pilsen Resurrection built twenty houses in their first application for New Homes for Chicago and, because they were so effective in marketing these homes, subsequent applications were approved by the City. Over the period 1991 to 1996, Pilsen Resurrection built over 100 new homes. The success of the housing development effort and the excitement it caused in the community led Pilsen Resurrection to explore other opportunities to broaden community impact.

The key lessons are as follows:

1. The churches had a strong role in building the strategy. Early on, parish leaders endorsed a process of one-on-one interviews and small group meetings. These actions were not necessary about housing or programs but were about engaging people in a dialogue about their life and faith, and the connection between the two. Aspirations to own a house and concerns about the neighborhood emerged from those conversations and provided the right context for a programmatic strategy to emerge.

Lessons for Ogden City

The neighborhoods of East Central, of which there are between four and six, have a range of assets to be grown and liabilities to be minimized. Pilsen is a community whose most obvious liability to some—a continual influx of low-income immigrants—was an asset to others.

Step number one was to identify the strongest households in Pilsen and enable them to remain in the community through the provision of a variety of homeowner development activities. The central goal wasn’t raising the rate of home ownership but instead to use home ownership as a tool to trigger market confidence in Pilsen. This can occur in the East Central neighborhoods of Ogden.

Each part of the 80 blocks comprising East Central needs to be considered in the context of a smaller working area. For example the 100 acres around Liberty Park are worlds different from the Adams Avenue corridor between 29th and 25th, and both are vastly dissimilar to the area around the Eccles Avenue watermelon. Each should be treated differently. Taking this one step further, like Pilsen, the households living around Liberty Park in Ogden are not a monolithic group. Some of these households are strong and should be encouraged to stay—if not in their current home then in the city. Like Pilsen, many of these households are Hispanic and easily dismissed as too poor to matter. But Ogden should heed the work of Pilsen and see these households are sources of stability. Careful organizing will identify the households that can be leveraged to stabilize East Central. The trick will be to see this problem properly as a demand problem, as did Pilsen, and resist the easy response to this challenge that would be to describe the work as a supply problem.

There are a number of lessons from the Pilsen experience that can inform any kind of community development intervention in the East Central neighborhoods of Ogden. It would be a mistake to simply recreate the intervention carried out by Pilsen Resurrection as building new homes and dismiss it as not relevant to East Central Ogden. What was important in Pilsen was how institutionally based social capital, i.e., the networks and relationships present in the parishes, was used as a vehicle to overcome obstacles and, in turn, build homeownership development and confidence in the neighborhood. While there are a number of congregations in East Central Ogden, only the Church of Jesus Christ Latter Day Saints and the Catholic Church have congregations living in the neighborhood. The Pilsen example, with its focus on promoting homeownership among the largely Latino base in the parishes, may be particularly relevant to East Central Ogden.

The central goal wasn’t raising the rate of home ownership but instead to use homeownership as a tool to trigger market confidence in Pilsen.
2. The experience in Pilsen was not one of introducing a program or having churches support a program. The intervention grew originally out of the dialogue among people.

3. The other important consideration in understanding the strong role churches played in this effort was their self-interest. The parishes knew that ultimately the Latino population would be reduced through gentrification and their base diminished. They saw a connection between Latino homeownership and the preservation of a Latino community. They also recognized the connection between parish development and the development of people into homeowners. This helped the parishes' position themselves and the faith experience they represented as central in people's lives—an important consideration for any religious congregation striving to be meaningful.

4. The lesson here is probably less relevant for municipal government than it is for the congregation rooted in the East Central neighborhoods. In the Pilsen example, however, municipal government played a key role—first by supporting some of the early operating costs of Pilsen Resurrection to enable the organization to build its base of homeowners and secondly in providing financial incentives to make homeownership in Pilsen a more attractive option. The City did this because there was an understanding of the importance of building a deep pool of homebuyer demand for this particular city neighborhood.

5. The primary focus was on confidence building. While there are many homebuyer education curricula, they often focus on the mechanics of the transaction and the financing. They are about homebuyers in general and not homebuying in a particular neighborhood. Efforts in Ogden need to be about the merits of living in East Central and about how a new home owner can make a difference there.

6. The homebuyer education carried out in Pilsen was informed by the one-on-one interviews and the house meetings. The leadership recognized that the issue was not just a lack of experience and knowledge about home buying but a lack of belief that homeownership was even possible. The homebuyer education discussed these issues of personal confidence through the examples of peers who had been able to buy homes. It encouraged people to save and take a risk. It also addressed issues of confidence in the neighborhood by promoting what was positive about Pilsen and about living in the parish.

7. The lesson here for Ogden is straightforward. It will be important to implement any homebuyer education program with a sense of what obstacles exist for buyers, both in buying a house and in making an investment in the East Central neighborhood.

8. The importance of the non-profit: Pilsen Resurrection played a valuable role as an intermediary between the people in the neighborhood and the City in the implementation of the program. The organization built relationships inside the community as an organizing entity, but at the same time was effective in managing the details of the intervention. Simply having a program to construct new houses with a developer to build them would not have yielded the same kind of results.

9. Supporting the creation of a non-profit to carry out a range of neighborhood initiatives to stabilize the East Central neighborhoods may be an option for the City. It will be essential for this entity to focus ongoing attention on building relationships within the community as a means to develop effective programs. At the same time, this organization will need to be exemplary in managing the details of program management.

10. There is a critical on-going for new homebuyers. Many of the homebuyers in Pilsen played a role larger than simply one of being consumers of new housing. Many saw themselves as necessary agents of change and played a role in improving their blocks.

11. In a focus group of new Pilsen homebuyers, conducted in 1998, about six years after they purchased, participants talked about how they related to their blocks. They organized clean-ups and block celebrations. In one case, one of the new buyers and some other neighbors had successfully confronted some problem youths on the block. In all cases, people spoke of the connection between being a parishioner, owning a house, and being involved in the community.

12. Strategies are promoted for homeownership in a neighborhood and to introduce a higher level of expectations for new homebuyers beyond simply being consumers of housing. New buyers have a stake in the appreciation of the neighborhood and they need to be counseled on how they can act as stakeholders.

13. When a person buys a house, especially for the first time, their perspective on the world often changes. They often move from an unpredictable rental situation to a new situation where, despite uncertainty, they have more control. They also often have a renewed sense of self-confidence in achieving a goal and gaining a higher level of social status. The neighborhood revitalization challenge in homeownership promotion is to leverage this new energy to strengthen the social fabric in the neighborhood. Neighborhoods need people who are willing to get involved in making the neighborhood better. People are more willing to get involved if they see other people also getting involved. A few people that want to improve the neighborhood can be the base that grows larger efforts. New homebuyers, to the fullest extent possible, need to be part of that base.

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Neighborhoods are always in transition. People move in and out, capital is invested or withdrawn, patterns of good property maintenance become stronger or weaker. Such changes define and redefine the market niche and social cohesion for any neighborhood.

Context
Chattanooga is located in southeastern Tennessee at a bend in the Tennessee River. Because of its river location and later its role as a railroad hub, it grew into a center for heavy industry, primarily foundries, and was the first place where Coca Cola was bottled. The heavy industry produced some of the poorest air quality in the nation. As the industrial base declined, the city experienced the same kinds of changes many other cities have faced. The downtown was dying, residential development had moved to suburban areas, and the now vacant industrial sites had substantial contamination that made them infeasible for development.

What made Chattanooga different from many other cities was a core of progressive leaders who looked at the problem of decline as an opportunity for redevelopment. Despite the economic decline, Chattanooga retained civic leaders and well-endowed foundations that possessed both financial and social capital. These resources were used in the mid-1980s to convene a process for improving the city. This process involved 1,780 citizens over a twenty-week period of brainstorming meetings that resulted in the formation of a number of public-private partnerships. The focus of these partnerships was both on improving the downtown and on improving housing conditions.

Over the past fifteen years, Chattanooga has changed dramatically. There is a substantially revitalized downtown with a new aquarium, a new movie theatre, a baseball stadium, new hotels, a riverfront park, and substantial new residential and commercial development. Where the downtown was once desolate after dark and on weekends, it now bustles with activity.

One of the key public-private partnerships formed in the late 1980s was Chattanooga Neighborhood Enterprise (CNE), designed to be a vehicle for revitalizing neighborhoods and for improving housing conditions. A second major partnership – the Community Impact Fund (CIF) – was formed in the mid-1990s and was focused on developing comprehensive community development strategies for four in-city neighborhoods.

As part of the planning process for the four CIF neighborhoods, the leadership from the neighborhoods began to think about housing in a different way. While CNE was well-regarded nationally as a high production housing developer and a high volume lender, it was focused primarily on affordable housing. The leaders recognized they could not revitalize their neighborhoods solely with housing targeted to households below median income. They saw the need to attract buyers at all income levels and recognized that, for all its good intentions, CNE was often in conflict with broader neighborhood goals.

This was particularly apparent in the ML King neighborhood, located just east of the central downtown of Chattanooga. CNE’s view of ML King was that it could only absorb low-income, heavily-subsidized, rental new construction, and that any kind of homeownership development would be infeasible.

ML King was one of Chattanooga’s oldest African-American communities and was the center of African-American cultural life. It was the home of Bessie Smith, the famous blues singer. Like many segregated communities, it had residents at all income levels, but as city-wide housing opportunities opened up for African-Americans, many of those who could afford to move left the neighborhood. Significant abandonment and building demolition occurred, leaving many vacant lots. The only new in-movement to ML King was from social service agencies who were attracted to low-cost space and proximity to client populations.

Despite disinvestment occurring in ML King, both the location of the neighborhood and the basic quality of the housing stock were promising. On the western boundary was an improving downtown, on the north was the University of Tennessee at Chattanooga (UTC), and there were natural boundaries on the east (an overpass) and on the south (a light industrial area).

While there are clear differences between ML King and the East Central neighborhoods in Ogden, there are many similarities that make it a good comparison neighborhood. There are four key characteristics that can be compared. They are:

ML King suffered from a very negative image. It was viewed by many on the outside as a dangerous place with crime and drugs and, in fact, these were real problems. There were other in-city neighborhoods to the north and south of downtown that were capturing more resources. These were the neighborhoods that were viewed as the revitalizing neighborhoods. ML King was seen as a blight on a revitalizing downtown.

In much the same way, the East Central neighborhoods are viewed as a problem, full of transient people and disorder. The City has made some positive efforts to reclaim and redevelop parts of the neighborhood but these renewing parts do not at this point define the neighborhood.

The substantial population loss ML King suffered in the 1970s and 1980s was not recovered. There was no homebuyer demand and property values were low. The only demand present in the market was from low-end investors who divided larger buildings into rental units. There was almost no conventional real estate sales activity and buildings transferred by word of mouth.
The real estate market conditions in the East Central neighborhoods are in some ways the same and in other ways different. There are a significant number of for-sale properties available to both active investors and to a range of homeowners. Overall East Central presents a picture where stable households who are able to leave often move and are being replaced by less financially capable homeowners and investors.

In ML King, the housing stock was diverse and generally either under-maintained or improved in a slipshod manner. There were a number of nice Victorian and Southern Bungalow structures that had maintained their architectural character. Unlike much of the stock elsewhere in Chattanooga, many of the structures in ML King were brick. There were also a number of smaller brick and frame houses. Many of the improvements people made over time were inappropriate for the properties and contributed to a sense of disorder. These included enclosing front porches, replacing wrought iron fences with chain link, and repairing porches and front facades out of character with the original design. The presence of vacant lots also added to the sense of disorder in the neighborhood.

ML King Avenue, once a thriving commercial strip when the area was more populated, had maintained or improved in a slipshod manner. This is endemic in the city’s CAPER area and other housing and community development documents. East Central’s revitalization hinges totally on a complete reversal of this program view. East Central must become a place where strong households live and are encouraged to buy and reinvest, not a place where it makes program sense for the city to address its low-income housing needs.

The diversity of the housing stock and the lack of uniform maintenance standards make ML King similar to the East Central neighborhoods. Any potential revitalization strategy for these neighborhoods will need to set rehabilitation standards appropriate to the diverse kinds of structures represented there.

Population changes in ML King had for the most part decimated the base of social capital in the neighborhood. Since few younger stable families with time and energy had replaced the households exiting, a fairly large number of residents, particularly homeowners, were single or elderly. In general, these residents often had the best maintained properties in the neighborhood, but their engagement in community improvement activities was limited.

While there were a number of churches in ML King, most of them drew their congregations from outside the neighborhood and were not seen as major players in the community. There was also a local community development corporation, which had built some subsidized for-sale homes and some rental property, but it was viewed by many, both within and outside the community, as having limited capacity. The neighborhood association had some active and articulate leaders but not a wide membership base. It was an entity, however, that could engage with the Community Impact Fund in a planning process.

As in ML King, the challenge in the East Central neighborhoods will be finding committed institutions with capacity and the critical core of neighbors to engage in planning for the neighborhood.

### Intervention

The intervention began in ML King with the CIF planning process, at the center of which was the rejection of the housing production approach to what was essentially a demand problem. In this process, members of the neighborhood association met with consultants and talked about their concerns and positive views about the neighborhood. In addition, a set of key person interviews were conducted with residents and others who had some kind of stake in the neighborhood.

Learnings relevant to East Central that emerged included:

- There was a concern that the neighborhood was stigmatized as a low-income problem neighborhood and that any housing intervention needed to address income diversity.
- Residents wanted to see middle-class professionals return to the neighborhood. They saw this as a key sign the neighborhood would be returning to normalcy.
- At the same time, residents wanted an intervention that would help existing residents, particularly seniors, be part of an overall neighborhood improvement strategy.
- Rebuilding a sense of community was important to resident leaders and they wanted a housing intervention that would help build the shared values of the community.

The plan that emerged from this process reflected these desires and analyzed the details of how those desires could be achieved in implementation. The plan also included a ML King Neighborhood marketing strategy, which identified target markets that could be attracted to the neighborhood to achieve diversity. These markets included young African-American professionals, employees of the university, and friends and family of existing residents. The plan identified a set of incentives that could be used to attract middle-income buyers such as down-payment assistance and special financing. It is important to note that these special incentives were not limited to buyers with lower incomes. Rather, they were proposed for all buyers because the neighborhood needed a full range of income diversity and it was assumed some kind of special package needed to be in place in order to attract the first wave of new buyers.

A second component of the plan focused on the need to control vacant land and vacant buildings for future development to serve neighborhood revitalization outcomes. It was important to intervene quickly when key properties became available, so that they would not fall into the hands of investors. A vehicle to buy and hold buildings for future development or sale to buyers for subsequent rehab was recommended.

A third component of the plan looked at small exterior improvement grants aimed at certain key blocks that would help nurture existing owners toward reinvestment and would help improve the physical look of small blocks. Small grants for community projects were also recommended as a vehicle for getting neighbors working with each other.

The special exterior incentive grants were utilized on two blocks to modest success. What was surprising was that several seniors invested their own money along with the grant to expand the scope of work. One of the resident leaders undertook a major renovation on her house.

With these activities, the image of ML King began to change. CNE, whose director had just a few years prior said even subsidized homeownership development was impossible, was now planning market rate townhouses.

While there are still issues in ML King, the neighborhood has clearly turned a corner. A major current focus involves residents in repair activities, helping homeowners, especially seniors, maintain ownership and avoid predatory lending, and continuing the community pride projects that have been successful in bringing people together.

### Lessons for Ogden City

At least six characteristics of the ML King initiative should be of particular concern for Ogden.

1. Success required significant flexible resources. The gains of the intervention in ML King would not have been possible without the substantial resources (approximately $800,000 per year). But what was even more important than the amount of resources was the flexibility of which those resources were deployed. The strategies developed in the plan drove the funding. While this seems logical, most neighborhood planning is done without a connection to resources and the available resources often are severely restricted.

2. The assembly of land and buildings was key. Of particular significance in this strategy was the Buy-Hold Fund. The idea of the Fund was to provide resources to acquire key properties to keep them out of investor hands. The Fund was not designed to acquire and fully rehab the structures. That was seen as too complex, expensive and labor intensive.

3. Rather, the Fund was designed to acquire and hold, to improve the exterior shell to a high standard, and to sell the building as-is with financing for rehab. This approach lessened financial commitments, reduced the construction management burden, and attracted people who were interested in rehab.

The number of for-sale properties in the East Central neighborhoods makes an approach like this an option for Ogden. Impact can be maximized if buildings are carefully chosen (e.g., corner properties, clusters of properties on a block, architecturally significant buildings) and on blocks where homeownership has real potential.
### 1990 Hamilton County

#### Table 7: Comparing Housing Stock to Potential First-Time Homebuyers

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<thead>
<tr>
<th>A. Income Range (Percent of Area Median Income)</th>
<th>B. Potential Number of Homes Available on Market (Supply)</th>
<th>C. Potential First-Time Homebuyers (Demand)</th>
<th>D. Excess of Demand (Potential Buyers) over Supply (Available Housing Stock)</th>
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### 3. The cost-benefit analysis in addressing problem buildings is more than purely financial. Some buildings in a neighborhood have greater narrative power, that is, they tell a story of neighborhood decline, and addressing them can begin to tell a story of neighborhood renewal. On those buildings the financial numbers might not be as positive, but because they are so critical to the revitalization of the neighborhood, addressing these structures has enormous benefit. This is an important, but often overlooked, role of subsidy. In order to acquire key buildings, the Buy-Hold Fund paid more for the structures than could be recovered through re-sale. But the benefits of being able to control the outcomes on these properties outweighed the costs. As a result, the cost difference was subsidized. This was critical to success of the intervention and will likely be as important in the East Central neighborhoods.

4. Small grants helped broaden the reinvestment effort. New construction and redevelopment of vacant buildings were key components, but the leadership realized a broader base of residents had to be invested and participating in the revitalization effort. The small grants for exterior treatment and the support for community projects helped achieve this outcome.

The East Central neighborhoods have heterogenous mixes of properties on many highly-visible blocks. This will require complementary projects to support the larger redevelopment initiatives. Such projects will need to include a full range of the current property owners in individual and block-based improvement efforts.

5. Leadership development is a critical revitalization outcome. In ML King, there was a core group of resident leaders who could articulate a vision for the neighborhood and believed in getting more neighbors involved in activities. CLF supported a staff person to work with residents and engage them in projects. The leaders in the neighborhood were effective in organizing on a major issue – changing two one-way streets into two-way streets – a decision which was very controversial in Chattanooga.

For the East Central neighborhoods, physical revitalization will not be enough. There also needs to be intentional efforts to engage neighbors, not only in planning meetings but in projects where they can see an immediate impact. When a neighborhood starts to experience positive changes, it is likely more people will emerge who want to play a larger role in leadership. Finding and developing these leaders is critical to any revitalization strategy and deserves investment as much as property improvement efforts do.

6. Marketing the neighborhood and not just the homes was a critical component in success. Despite its difficulties, ML King had many obvious assets – great location, great buildings. But it also had some assets that were less obvious, namely in history and its place as a center of the African-American community in Chattanooga. It also possessed a group of people who loved the neighborhood and were devoting energy to its revitalization. These all were marketing assets. New buyers needed to feel that were moving to a special place with character and they needed to know there was a plan and resources for improving the neighborhood.

At the same time, the marketing effort needed to reflect what features customers wanted. ML King Tomorrow conducted focus groups with representatives of target market segments in order to better understand what buyers wanted in a house. This informed the development process and how buildings were described. While this may seem like a logical step, this kind of market research is often missing from neighborhood redevelopment efforts, but it is critical to the success in Chattanooga.

Such a sophisticated marketing approach will be even more important in the East Central neighborhoods, since the potential buyers will represent a much more diverse group. Therefore, it will be necessary to find a number of distinct assets and promote with different populations that are seeking particular products, such as architectural uniqueness, location, unique floor plans, affordable price, or other features.

For East Central a small handful of new buyers, each disconnected from these larger organizing goals and geographically spread thinly across the whole of the area will have no impact whatsoever. Ogden City needs to focus resources in a small target area and to use the development of new buyers to rebuild community fabric, not merely to increase homeownership levels.
“Dull, inert cities, it is true, contain the seeds of their own destruction and little else. But lively, diverse, intense cities contain the seed of their own regeneration, with energy enough to carry over for problems and needs outside themselves.”

From The Death and Life of Great American Cities, 1961 by Jane Jacobs

| Cases Harrison Park Neighborhood | Hammond, Indiana |

**Harrison Park**

1. Harrison Park has interesting and affordable housing stock, particularly when com-

2. In terms of the real estate market, Harrison Park has a competitive advantage in offering spacious, interesting single-family homes for-sale. These homes, however, will require a fairly substantial investment ($60,000-$150,000) to bring them to contemporary standards. If one was able to buy and rehab one of these properties, the total cost would be around $200,000 – a real value but one that currently exceeds the market ceiling in the neighborhood.

The market is disadvantaged by the high percentage of investors who have purchased properties, divided them up and have not maintained them to a decent standard. The neighborhood also suffers from the absence of quality real estate agents who see the potential of Harrison Park and market it in a positive way. One potential buyer related the story of an agent who showed her a home in Harrison Park but told her "it was not the kind of neighborhood she should live in.”

**Hammond**

A group of civic leaders interested in revitalizing central city neighborhoods visited Battle Creek, Michigan to review the work of Neighborhoods Inc. in turning around several inner-city neighborhoods. They were particularly impressed with how Neighborhoods Inc. in Battle Creek addressed a weak housing market with strategies designed to build homeownership demand among various income groups. The leaders worked with Neighbor-

**Context**

Hammond is a city of roughly 85,000 residents located in Northwest Indiana on the Indiana-Illinois border. Situated between the southwest side of Chicago and Gary, Hammond was in the center of one of the largest steel producing areas in the United States as well as other heavy industries. As the steel industry declined, so did Hammond, particularly its downtown. Coupled with this decline was the growth of suburban areas south of Hammond. These areas tended to draw middle-class households out of Ham-

Noah was the one to whom the story of a boy who showed her a home in Harrison Park but told her “it was not the kind of neighborhood she should live in.”

Things began to improve in the mid-1990s. The downtown hospital undertook major improvements and the federal government announced plans to build a new courthouse in downtown Hammond. A casino located on the lakefront in Hammond and struck an agreement with the City which provided several million dollars annually to the City.

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**Harrison Park Neighborhood | Hammond, Indiana**

- Households: 1,100 (1990), 1,393 (2000)
- Per capita income: $12,618 (1990), $14,625 (2000)
- Owner Occupancy rate: 21.27% (1990), 28.31% (2000)
- Housing Units: 1,209 (1990), 1,393 (2000)
- HU in 1 unit Structures (attached and detached): 232 (1990), 246 (2000)

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Harrison Park provides an excellent comparison neighborhood for East Central Ogden because of its proximity to downtown and the diversity and quality of its housing stock. The Harrison Park neighborhood had a strong middle-class population, lost much of it, and is starting to regain that population.

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3. While several properties exhibit a strong standard of improvement, many properties show signs of deferred maintenance and a significant number of properties are in disrepair. Holman Avenue, the commercial strip that runs through the Harrison Park community, has active, fairly well maintained businesses but no real commercial life that would be a positive feature to build around. Fortunately, Harrison Park is a beautiful city park, occupying about eight square blocks and can be a major neighborhood asset.

4. Harrison Park benefits from a core group of committed neighbors. They represent a diverse group of people who are invested in the neighborhood. These neighbors needed to be positioned as assets that could influence the level of confidence among potential new buyers and existing owners. And, for long-term stability there was a need to expand the leadership base in the neighborhood.

The intervention in Harrison Park by Neighborhoods Inc. of Hammond unfolded in several phases and is still being implemented. The approach also has to be understood in the context of an improving adjacent downtown. The City was successful in clearing a major site of blighted structures and attracting a large supermarket, a drugstore, and other businesses. In addition, the City has identified a number of key buildings for acquisition and conversion to loft apartments and has identified several vacant lots for market rate townhouse development. Two art galleries and two new restaurants have opened downtown, in part as a result of the new federal courthouse. While the downtown may not regain its status as a major commercial center, it is successful in redeveloping as a mixed residential-business-cultural center.

Building on the improvements downtown, Neighborhoods Inc. began to address some of the issues that negatively impacted Harrison Park. The organization worked with a group of neighbors to remove a basketball court from Harrison Park that had become a hangout for drug dealers. With that problem addressed, Neighborhoods Inc., working in collaboration with other groups, began to sponsor concerts in the park during the summer. This resulted in an amazing turnaround with a once deserted park that is now filled with activity.

Neighborhoods Inc. also began to address the prostitution issues along State Line Road. What made law enforcement difficult here was that the state line actually ran down the middle of the road, separating the Indiana jurisdiction from the Illinois jurisdiction. Neighborhoods Inc. negotiated a unique agreement with Calumet City, the Illinois city on the other side, to allow Hammond police to pursue suspects into Illinois and vice versa. This was celebrated with a citizen march to reclaim State Line Road.

On the lighter side, Neighborhoods Inc. also sponsors every year a dog parade and contest in Harrison Park. This event initially only drew a handful of people. Now it draws well over a hundred people from all over and gets positive press coverage. Such events get people downtown and to Harrison Park and address the negative image of the neighborhood.

With some momentum on social issues, Neighborhoods Inc. turned its attention to a housing intervention for the Harrison Park neighborhood. Through small scale project-by-project efforts, Neighborhoods Inc. assisted a few new buyers who purchased in Harrison Park and completed substantial rehab. These initial successes offered a clear sense of a possible trend.

In considering how to bring a revitalization effort to scale, Neighborhoods Inc. used consultants to develop a plan. One key factor in stimulating this effort was the fact that the City was willing to commit $1 million to Neighborhoods Inc. to be used in the revitalization of Harrison Park.

The strategic approach called for in the plan was as follows:

1. Acquire converted properties and de-convert them to their original use. Properties would be rehabbed to a high standard and sold to buyers who have capacity to afford and maintain the properties. Because the acquired properties would be priced as multiple units, they would, in effect, lose value as single-family homes, but such de-densifying would be critical to the ongoing transformation of the neighborhood. As a result, subsidy would be required and that subsidy could not be limited to low-income buyers who usually would not qualify for the large loans required.

2. Promote homeownership and rehab on all for-sale properties in the neighborhood. This would be a critical component to extend the impact footprint to all properties for-sale, rather than just properties acquired by Neighborhoods Inc. A special financial option was proposed to support this kind of purchase rehab program.

3. Focus home improvement lending and special exterior upgrade grants to create a block-by-block impact. Neighborhoods Inc. would need to provide loans to current owners to encourage extensive improvements beyond just those repairs done by new buyers. Such loans would need to be at incentive rates and targeted for maximum impact.

4. Engage neighbors in collective actions. There was general agreement that neighbors and Neighborhoods Inc. needed to demonstrate that the residents were in-charge of the blocks, so activities would be needed that both improved the look of the blocks and served to strengthen the overall image of the Harrison Park area.

In order to support these activities, Neighborhoods Inc. would need to market the Harrison Park neighborhood to a wide variety of target populations. Some of the target markets identified in the plan were:

• Design professionals: architects, planners, interior designers, graphic designers
• Social workers
• City employees and teachers
• Hospital employees of nearby St. Margaret Hospital
• Residents of nearby St. Margaret Hospital
• Friends of existing neighbors
• Courthouse workers
• Artists
• Existing renters
• General population

These target markets were already to some degree represented in the neighborhood, so it was conceivable that people from these groups would be more likely to buy.
Lessons for Ogden City

1. Formation of a non-profit entity. This intervention, even at its early stages, could not be achieved without the non-profit, Neighborhoods Inc., acting as an intermediary. Local lenders, who participated in Neighborhoods Inc.'s board of directors, would not make the same kinds of commitments to a division of city government or to a neighborhood group. Hammond city government, in the same way, would have a difficult time on its own carrying out the range of program activities that Neighborhoods Inc. was able to achieve. Ogden City will want to seriously consider creating a separate entity to oversee the interventions in East Central. czb strongly urges Ogden to work with seasoned consultants to develop such an organization and subsequently implement intervention strategies.

2. The size and flexibility of the City commitment to Neighborhoods Inc. The proposed City commitment of $1.0 million for the Harrison Park Initiative was important both for its size and flexibility. With a City commitment in hand, Neighborhoods Inc. was able to negotiate with major regional lenders for additional lines of credit and to act entrepreneurially in acquiring properties and to not go for approval on each property. Also, there were no income restrictions attached to the money in terms of the end-user household. This enables Neighborhoods Inc. to market to a broader spectrum of customers.

3. Strategies intentionally tailored to address market dysfunction. The major market dysfunction in Harrison Park is the fact that illegally converted buildings were priced as multiple units and their de-conversion into single-family homes would require a subsidy. The funds from the City were able to support this de-conversion effort and subsidy, the difference between the development cost and the sales price.

The other level of intentionality was matching the outcome of a mixed-income customer base with strategies to reach specific target markets of potential buyers. For example, there were a few social workers who had purchased homes in Harrison Park, attracted by the affordability of the neighborhood and the desirability of its housing stock. They were quite tolerant of the diversity in the neighborhood and had a higher threshold in accepting some of the conditions there. The marketing strategy recommended promoting Harrison Park through the social work networks in Northwest Indiana as a way to reach this market. The idea behind this effort was to start building a market with buyers who would be more likely to choose Harrison Park than to focus on groups for whom Harrison Park would be a problem.

4. The importance of community events and community action. Community events, like the concerts in the park and the dog walk, were ways of getting people to the Harrison Park neighborhood as a way of changing the image of the neighborhood. The organizing work on the issues on State Line Road began to communicate Harrison Park as a neighborhood that could marshall political capital in order to solve problems.

These events and actions, while not directly related to market intervention, did a lot to change people’s perceptions about downtown and Harrison Park. They could have not happened without the non-profit intermediary. Neighborhoods Inc. became a champion for the neighborhood which was exactly what was needed at the time. What is seen in Hammond, Indiana is that a troubled older urban neighborhood can be revitalized if certain key elements are in place. They include having a major capacity or system for delivering the intervention, sufficient amounts of the right resources to make a difference, strategies that are tailored to the local real estate market and neighborhood problems, and a willingness to undertake small community and good neighbor efforts that make the area feel both more livable and more like a neighborhood of choice.
Context
Boise is the largest city in Idaho with a city population of approximately 188,000 and a metro region of about 435,000. Over the last two decades, the city has faced cycles of rapid development, followed by stagnation and depressed housing values. Fortunately, due to an increasingly diversified economy, the long-term picture has been one of growth and development. This dynamic is reinforced by consistent employment at the state government, a large university, and national headquarters of major corporations.

Boise is located in the Treasure Valley, which has seen extensive suburban growth in recent years. Much of this development has been in planned subdivisions offering a wide range of houses from custom built mansion-like properties to conventional tract houses, usually three bedrooms, two bath houses on crawl spaces. This latter group of housing competes successfully in more desirable locations.

As a result of these efforts, many of the older neighborhoods in Boise are more successful at retaining and attracting stable households in the face of competition from suburban areas. This is particularly true when the local housing market is active and prices are rising. When these positive conditions are present, home ownership remains stable, resident participation in community activities is strong, and there is a sense that the neighborhoods are well managed. However, if the economy is less robust, many city neighborhoods aren’t able to attract enough stable owners. Some of the first signs of trouble are increasing numbers of foreclosed properties that don’t sell quickly to new homebuyers.

This is, in fact, a problem that has plagued these neighborhoods over the last few years. The problem has even greater impact because there are also numerous vacant, foreclosed houses in the near suburbs and elsewhere in Treasure Valley. Those houses tend to be more attractive because they are often quite new — many only three to five years old — and because they are usually located in desirable small subdivisions. Faced with this challenge, the board of NHS Boise determined to use three competitive properties as a tool for helping market foreclosed properties in the older neighborhoods.

### Table

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<th>Boise</th>
<th>Vetran’s Park CT 16</th>
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<tbody>
<tr>
<td>1990</td>
<td>2000</td>
<td>1990</td>
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<tr>
<td>Population</td>
<td>3,981</td>
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<td>Households</td>
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<td>Median Home Value</td>
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<td>95,300</td>
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<tr>
<td>Median Home Value</td>
<td>$1,572</td>
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These efforts produce market-ready properties that sell for about $8,000 to $10,000 more than the costs of purchase, interest and carrying expenses, and improvement costs. The resulting earnings are used to meet the staff and overhead expenses of providing the development services. Since those expenses are roughly $3,000 per property, the remaining funds are used to support the other community development projects of the NHS.

### Intervention
The specific strategy chosen by this nonprofit is to buy houses from the United States Department of Housing and Urban Development (HUD) at a discount and to repair and upgrade the properties to improve marketability. From the HUD inventory the NHS selects those houses that it wishes to re-market. This is determined by an initial walk-through completed by experienced staff. The chosen properties are acquired for about 80% of their current appraised value, in accordance with HUD policies to make vacant houses available to nonprofits.

Most selected houses are less than fifteen years old, have three bedrooms, two baths and a garage, and are located in desirable sites. After selecting the houses, the NHS professional staff contracts with local construction firms to undertake full cosmetic repairs, including fresh paint throughout, all new floor coverings, and minor landscape upgrades as well as repairs to plumbing, kitchen cabinets, doors, and walls. The after-rehab sales prices for most of the basic houses are roughly $90,000, which is appropriate for most of the homebuyers targeted by the NHS. (There are some properties that re-sell for as much as $140,000, especially in more desirable locations.)

### Marketing
Marketing is primarily handled by a single real estate firm that has contracted to provide listing and sales services to the NHS. Most buyers come through that system.
Because of aggressive repair and marketing efforts, the blight of abandonment and minimization of good houses get quickly purchased by homebuyers. This reinforces the perception that the neighborhoods are places of choice and that the real estate market is thriving.

This purchase-rehab-sale initiative helps meet the mission of the NHS while funding other activities of this multi-faceted nonprofit. Indeed, there is really only one major downside: the perception that the neighborhood as a place to invest themselves or their resources. In the long run, any successful neighborhood is dependent on the confidence of its residents to ensure long-term stability. If there were an organization or capacity in Ogden able to purchase, repair, and re-sell a high volume of properties quickly, confidence could return to the market and investment decisions could be made more readily.

This would require that the program be careful in its selection of properties both in terms of location and condition, that acquisition costs were minimized, that rehab was focused primarily on interior and exterior cosmetic changes, that flexible development capital was available, that an excellent homebuyer preparation program was in place, and that an aggressive, coordinated marketing plan was employed.

In other words, an already overstocked real estate market is further weakened by obviously under-maintained vacant properties that might easily be sold for poor quality rental uses. This means that current homebuyers and long-term tenants feel less confidence about the neighborhood as a place to invest themselves or their resources. In the long run, any successful neighborhood is dependent on the confidence of its residents to ensure long-term stability.

The central message to be learned from the Boise experience is that successful neighborhood revitalization requires a wide variety of interventions, but at least one such action is usually addressing vacant houses. Such properties send out a very negative message, undermine confidence in the real estate market, blight the neighborhood, and dishearten neighbors. However, these properties are also very difficult to re-market if there are too many competitive properties available. In the case of Boise, the decision was to be proactive and to market all the houses in a way that supported more intense sales in the target neighborhoods while still supporting sound business practices.

1990 Ada County
Table 7: Comparing Housing Stock to Potential First-Time Homebuyers

1990 Boise City
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2000 Ada County
Table 6: Comparing Housing Stock to Potential First-Time Homebuyers

2000 Boise City
Table 6: Comparing Housing Stock to Potential First-Time Homebuyers

Although a large number are nearby neighbors, drive-by house hunters, and word-of-mouth referrals. A smaller percentage of the buyers are individuals and households that have completed homebuyer training programs.

In terms of both pricing and marketing, special efforts are made to sell selected properties in Boise, especially in the target areas served by the NHS. Because these neighborhoods have been recovering, substantial special incentives have not been required, but the organization is prepared to offer incentives if needed to sell these lynchpin properties.

The program also benefits from the business-like principles guiding the effort. Because all properties are carefully selected for condition, location, and marketability, typical properties are purchased by the nonprofit, rehabbed, and re-sold within sixty days. Due to the time needed to complete repairs, most properties are actually on the market for about 30 days although some less desirable structures in the older neighborhoods might take as long as 60 days to sell.

The primary partners in this project are the U.S. Department of Housing and Urban Development, two major lending institutions, and, of course, the NHS. Each participates because this project serves the community so well, but each also has internal organizational benefits. HUD is able to remove about 30 houses a year from its foreclosed property rolls and place those houses back into homebuyer hands with few complications. The lenders are able to support the work of a community-based nonprofit while at the same time earning a commercial interest rate on a $500,000 line of credit. The NHS is able to improve houses in its service area, assist homebuyers in a much broader area, raise enough money to meet all expenses and still have substantial revenue to support other work of the nonprofit.

Lessons for Ogden City
The East Central neighborhoods of Ogden have numerous foreclosed vacant properties owned by HUD and by lenders as well as a large supply of standard properties on the real estate market. These properties are a major obstacle in any effort to encourage current owners to upgrade their homes or to entice home buyers to consider purchasing in the area. Not only do vacant houses signal a problem in the real estate market, they also merge with the numerous conventional for sale houses to give the appearance of too much stock on the market, which further depresses prices.

Moreover, foreclosed properties are too often sold at below market prices by corporations willing to take an immediate loss rather than waiting for the return of a stronger market. This means that many foreclosed properties are sold to investors, most of whom intend to create more scattered single rent units.

A program of purchasing, rehabbing, and reselling a large number of properties annually could significantly improve the conditions in much of the East Central area over other sites. And such volume would require hard decisions about limiting the effort only to HUD properties or to a given geographic area or to some combination.

In other words, an already overstocked real estate market is further weakened by obviously under-maintained vacant properties that might easily be sold for poor quality rental uses. This means that current homebuyers and long-term tenants feel less confidence about the neighborhood as a place to invest themselves or their resources. In the long run, any successful neighborhood is dependent on the confidence of its residents to ensure long-term stability.

Reversing of the negative images of extensive vacancy and too many for sale properties

Reinforcing higher prices as the expected norm for sales to homebuyers

Establishing high standards of property improvement and exterior maintenance

Encouraging current residents to get involved in their blocks because there are visible signs of new investment and increased homeownership

If structured as a business-like enterprise, this initiative could meet a major portion of its expenses through gains of property sales. The experience elsewhere in the country is that the homeowner facilitation portion of this work can also involve fees, which could further meet delivery costs. This cannot be done piecemeal; it is a business and should be operated as such with sound planning and excellence in operations.
What signals effect the transformation of moribund places into what we might call neighborhoods of choice? These signals are the cumulative choices others have made about where to live, with what particular emphasis on the race, class, culture, and religion of those who have recently moved into the neighborhood.

**Context**

Battle Creek is a Midwestern city of approximately 55,000 residents. In 1991 it chose to intervene in three older at-risk neighborhoods adjacent to or near the downtown, neighborhoods very much like the inner downtown neighborhoods of Ogden in East Central, particularly the area between Monroe and Adams. The results are instructive, because they show what is needed to undertake a large scale comprehensive investment in rebuilding neighborhoods of choice. Further, the results illustrate the kinds of outcomes that can be expected if carefully chosen strategies are linked to substantial resources and a designated delivery system for community development.

The background to this case can be traced to the weak economy in the area called the Rust Belt in the 1970’s and 1980’s. Battle Creek, renowned for its three major cereal firms, also had been a major producer of farm equipment and industrial machines and the city had at earlier times been the site of a major military base, a large military hospital, and the national center for Civil Defense. By 1980, the population had declined from a high of 50,000 to 35,000. The remaining population was older and poorer and increasingly African American.

Through an aggressive community process, local civic and corporate leaders, especially from the Kellogg Company and the W. K. Kellogg Foundation, urged a vote to have the largest suburban area merged with the city. The result was that the city suddenly became very large geographically and nearly reached its peak size, numerically. With that vote came a commitment to revitalize the overall community through a twenty-year revitalization plan that addressed employment, infrastructure, downtown commercial development, and, as a last element, neighborhood and housing revitalization.

During the first ten years of activity, the community focused on converting a large military installation into an industrial park, improving streets, bridges and public services, and revitalizing the downtown as an office and destination shopping area. After these elements were well in place, the community addressed the neighborhood and housing challenges.

Initially the problem was defined in terms of housing deficiencies, such as overcrowding, absentee landlordism, and poor code compliance. It is easy to correlate this initial misunderstanding to East Central, whose challenges seem the same.

Fairly quickly though, local leaders realized that the underlying problem was a very soft housing market, which undermined new purchases and stifled major home improvements. Properties often sold on “land contracts” instead of deeds of sale. Conventional financing was seldom used and there was no ability to use equity to finance renovations. Indeed, in 1991, Battle Creek was listed as the sixth most affordable city in the country. Instead of seeing this as a virtue, the leadership recognized that this was a wake-up call. The housing just wasn’t valued enough for property owners to invest in the structures or the community.

The statistics for the city were grim. In the early 1990’s Battle Creek compared itself with Detroit in terms of infant mortality, murders per capita, and high school drop-outs. If these markers were examined closely, it was clear that most of the dysfunction occurred in the older neighborhoods. These communities were places that people moved out of as soon as they could afford it. And many could, since stable neighborhoods and competitive suburban areas were only minutes away and only modestly more costly. As a result, homeownership rates were low, rentals were inexpensive and undermaintained, and abandonment was common.

All of this was happening as the local and regional economy was beginning to recover. Indeed, in Fort Custer, the city-sponsored industrial park, over 9000 jobs were added and the downtown was benefiting from major projects such as a new world headquarters for the Kellogg Company and a ninety acre project to house the W. K. Kellogg Foundation.

**Intervention**

In light of these dynamics, local leaders chose to invest a year in re-organizing a small nonprofit, as the primary vehicle for re-developing the neighborhoods. This organization was set up as a partnership of city government, foundations, lenders, and corporations, but it also had significant participation by residents who primarily came from the three target neighborhoods. These individuals formed the board, hired the staff, and raised the resources needed for the first five years of operation.

The first principal target site was the Historic Northside (bounded by Wahba and West streets east and west, and by Capital Avenue, NE and Emmert Street on the south and north). This neighborhood consisted of more than 800 structures ranging from single family homes and small apartment buildings (most of which were converted large houses) to scattered commercial properties and numerous institutions, such as churches, schools, the Y-Center, the Art Center, and the largest hospital. Like the Eccles and Jefferson Historic District, this part of Battle Creek included some of the finest historic properties in the city and was adjacent to the best housing in the older parts of the town. The western edge was defined by both a junior high school, the major city high school, by the public library, and by the first buildings of downtown.

The overall housing market was very soft, even among the better quality houses and there was persistent abandonment with two or more abandoned houses per block on the western side and less than one such house per block on the eastern side. Sales were sluggish and maintenance standards were correspondingly low. Relative to the recently merged parts of the city, crime was high and the negative perceptions were even higher. Indeed, these negative perceptions about the neighborhood may have been the most important hurdle the Historic Northside faced, even though it had once been the premier address in the city.

![Historic Northside Neighborhood](Battle Creek, Michigan)
Although the resources could be used in all three neighborhoods, initially most were used in the Historic Northside. The loan fund was capitalized with about $8 million over the first eight years and another $4 million was used to develop properties. Some of that investment was non-recoverable and some was invested in retail and other properties in the neighborhoods. City-wide, about $100,000 was available annually for special projects, such as block events, community festivals, and neighborhood marketing initiatives. Annually, an additional $40,000 was spent on resident leadership training for all the neighborhoods. In all cases these numbers do not include the staff costs involved.

The initial phase of intensive reinvestment was seen as a five-year project with about five years of winding down those efforts. Since this was such an important neighborhood for the city due to proximity to downtown, the rich institutional life, and the presence of the schools, it was understood that some services would probably always continue, especially those programs aimed at developing resident leaders.

From the very beginning there was interest in measuring the impact of the interventions. A major five-year study was put in place to determine larger changes in neighborhood life and in housing values. However, in more obvious terms the most noted changes were:

- Nearly two hundred new homeowners, especially in the western half of the neighborhood, and related impacts such as higher sales prices, quicker sales, and the end of abandonment
- Much better property maintenance, such as major investments in roofs, re-siding, foundation repairs, new furnaces, upgraded plumbing and electrical services, and kitchen and bath improvements, as well as better day-to-day property upkeep such as lawn mowing, raking, and removal of trash

Lessons for Ogden City

Although substantially smaller, Battle Creek’s Historic Northside is remarkably similar to the East Central neighborhood of Ogden. Any visitor would surely see the parallels in terms of location to downtown, presence of public facilities such as libraries, art centers, recreation sites, and major churches. Further, the history of the two places is also similar, in terms of historic structures and past status as well as the on-going location of the high schools. Finally, each place is clearly defined by very busy edge streets and a few important through streets, all of which serve the whole city.

The differences are also important. In the East Central neighborhood many more houses are smaller and newer than in the Historic Northside and the social and housing problems are more diffused and less concentrated on a few blocks. In the Historic Northside there were perhaps a greater income range, with a long record of stable integration but a consistent pattern of on-going outmigration by more affluent households.

In many ways the East Central neighborhoods are simply a much larger version of the Historic Northside. In all likelihood, East Central will need to employ most of the intervention strategies that were used in Battle Creek. However, in order to be able to address such a large area, it is likely that Ogden will need to look at the East Central neighborhoods as a collection of at least eight neighborhoods, each requiring specific strategies and targeted resources.

After ten years of aggressive intervention, the Historic Northside now is seen as a neighborhood of choice for a broad range of income groups in Battle Creek. The image of the place is that of an older, well managed, safe, and attractive historic community. Although still impacted by issues around schools, race, and income, the real estate market is strong enough that prices are stable even in the current economic slowdown. The place is seen as a well-main­tained older community with good standards of house improvements and yearly upkeep and good public facilities. And the reputation of the place as a neighborhood where diverse neighbors are actively involved in the daily life of the blocks, the community and the institutions.

**1990 Calhoun County**

Table 7: Comparing Housing Stock to Potential First-Time Homebuyers

<table>
<thead>
<tr>
<th>A. Income Range (Percent of Area Median Income)</th>
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<th>D. Excess of Demand (Potential Buyers) over Supply (Available Housing Stock)</th>
</tr>
</thead>
<tbody>
<tr>
<td>0% to 30%</td>
<td>376</td>
<td>556</td>
<td>179</td>
</tr>
<tr>
<td>30% to 70%</td>
<td>978</td>
<td>574</td>
<td>(404)</td>
</tr>
<tr>
<td>70% to 127%</td>
<td>728</td>
<td>859</td>
<td>(31)</td>
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<tr>
<td>127% to 185%</td>
<td>652</td>
<td>568</td>
<td>(84)</td>
</tr>
<tr>
<td>182% +</td>
<td>192</td>
<td>374</td>
<td>182</td>
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<tbody>
<tr>
<td>0% to 20%</td>
<td>874</td>
<td>150</td>
<td>(723)</td>
</tr>
<tr>
<td>20% to 51%</td>
<td>1,466</td>
<td>530</td>
<td>(1,116)</td>
</tr>
<tr>
<td>51% to 90%</td>
<td>676</td>
<td>739</td>
<td>63</td>
</tr>
<tr>
<td>90% to 120%</td>
<td>127</td>
<td>621</td>
<td>494</td>
</tr>
<tr>
<td>120% +</td>
<td>74</td>
<td>80</td>
<td>56</td>
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<tr>
<td>0% to 40%</td>
<td>209</td>
<td>345</td>
<td>136</td>
</tr>
<tr>
<td>40% to 79%</td>
<td>453</td>
<td>298</td>
<td>(155)</td>
</tr>
<tr>
<td>79% to 138%</td>
<td>270</td>
<td>401</td>
<td>(131)</td>
</tr>
<tr>
<td>138% to 198%</td>
<td>238</td>
<td>282</td>
<td>52</td>
</tr>
<tr>
<td>198% +</td>
<td>99</td>
<td>238</td>
<td>139</td>
</tr>
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</thead>
<tbody>
<tr>
<td>0% to 28%</td>
<td>528</td>
<td>94</td>
<td>(435)</td>
</tr>
<tr>
<td>28% to 56%</td>
<td>534</td>
<td>181</td>
<td>(355)</td>
</tr>
<tr>
<td>56% to 99%</td>
<td>176</td>
<td>348</td>
<td>172</td>
</tr>
<tr>
<td>99% to 143%</td>
<td>37</td>
<td>282</td>
<td>245</td>
</tr>
<tr>
<td>143% +</td>
<td>20</td>
<td>390</td>
<td>270</td>
</tr>
</tbody>
</table>

Fewer eyesores, including demolition of more than twenty properties, de­­densification of dozens of large structures, renovation of more than a dozen abandoned houses, and upgrading of nearly twenty commercial sites.

Substantial increase in the participation of residents in community projects, especially beautification and image-building efforts such as banners, specialty house lighting, park improvements, and block cleanups.

Improved and expanded community facilities, including the commitment of the school board to re­­invest in the high school, an expanded campus for the Catholic school, expanded or new facilities for the Congregational, Lutheran, and Christian Science churches, building of a new community services headquarters by the Charitable Union, and the decisions by the hospital to reject its planned move and to invest $70 million in new buildings on-site.

This large scale of impact was accomplished through the strategies and tools listed above and with the active participation of the city government through its public works programs, parks department, and housing agency, as well as major funding gifts. Further, city funds were fun­­ded through the downtown TIF since parts of the neighborhood were eligible. Additional sup­­port came from four foundations as well as major annual gifts from lenders and corporations.
Context
Located in western Michigan near the shores of Lake Michigan, Holland is a city of about 35,000 in a metro area of 112,000. Holland is 30 miles from Grand Rapids, 175 miles from Chicago and 150 miles from Detroit. It is the largest population center in Ottawa County, which has an employment base that is still largely focused on manufacturing (about 40% of all jobs). Major employers are concentrated in the furniture, office equipment, food, and automobile-related manufacturing industries, including Johnson Controls and Magna Donnelly (both automotive systems), Herman Miller and Haworth (both office furniture), and Heinz and Bil-Mar Foods. In the last ten years Ottawa County has experienced the third fastest population growth of the 83 counties in Michigan. The County leads all other Michigan counties in the production of turkeys, ornamental nursery crops, blueberries and perennials.

Holland was first settled in 1847 by a group of Dutch immigrants escaping religious oppression and economic depression in the Netherlands. Today, 45% of the population claim Dutch ancestry; 26% German. Ottawa County and Holland city also have a substantial and growing Hispanic and Latino population, originally due to Mexican immigration for work in the blueberry fields, though now Hispanic and Latino households are employed in many types of manufacturing and service jobs.

From 1920-1940, the downtown residential and commercial areas of Holland suffered the consequences of early sprawl as families with choices moved out further and further. The older housing stock left behind was more affordable than that in the surrounding townships and therefore attracted a greater percentage of lower-income families. Remaining senior citizens on fixed incomes made up a large percentage of neighborhood residents. Because the housing stock, infrastructure, and population was aging, investment (and crucially, reinvestment) in these homes declined. The demographics of the community began to change in the late 1940’s and early 1950’s when Hispanics, largely Mexican and Tejano migrant workers, came to Holland to work in agricultural jobs. Many families stayed and found permanent work with local manufacturers, and also chose downtown neighborhoods as the most affordable.

Urban renewal thinking in the 1960’s and 1970’s led to changes in zoning which reflected the belief that these downtown homes would be eventually razed for high-rise residential and other new construction. When this did not happen, the area has since been down-zoned back to R1 and R2. These zoning changes and demand for affordable rental units set the stage for single-family homes to be divided into two and three units. Crime increased in the late 1980’s and 1990’s as Holland became a convenient stopover for drug dealers traveling between Chicago and Detroit. Organized gangs tried to make inroads into the local community to establish their drug trade and gang-related crime further increased. Disinvestment intensified and by the 1990’s, city government decided something had to be done about high crime rates in downtown neighborhoods.

Intervention
In 1995, the City of Holland adopted a Housing Goals and Policies document that clearly defines what a “good neighborhood” is in Holland, and lays out a core series of interventions and outcomes to be used in distressed neighborhoods, tailored to accommodate each neighborhood’s special character. Characteristics and standards are included in the appendices as a valuable tool for clarifying the end product of revitalization (see “Good Neighborhood Characteristics and Standards”).

While these characteristics and standards were being developed, the City had already begun its intervention in downtown neighborhoods with Neighborhood Watch organizing and a U.S. Department of Justice Weed and Seed program. As this and other crime interventions began to show results, attention turned to the physical blight in the neighborhood. Leaders wanted to apply some of the techniques from a successful Main Street program to the residential areas of the center city, and their planning resulted in the “Ourstreet” program, operating in a tightly-focused target area of about 30 blocks. This area includes a small historic district and a commercial corridor, as well as many blocks of standard residential housing.

The primary purpose of Ourstreet is to stimulate physical improvements to neighborhoods by providing proactive “on the street” assistance to homeowners, landlords and tenants – in order to create a good neighborhood as defined in the City’s Housing Goals and Policies. The Ourstreet Committee, made up of both residents of the target area and the community-at-large, representatives of other organizations, oversees progress of the program, though the City government administers the program. Additional resources were brought to bear on the target area when Holland won a $500,000 Neighborhood Preservation Program grant from the Michigan State Housing Development Authority (MSHDA) in 1999. This highly flexible grant was intended to revitalize neighborhoods by intervening in image, market, physical conditions and neighborhood management to create a neighborhood of choice.
Interventions included:
1. Substantial physical improvement through street and sewer replacement, purchase-rehab loan programs, single-family de-conversion incentives, design standards and design assistance, homeowner education, paint and siding incentives, landscaping incentives, and driveway improvement incentives.
2. Crime and safety work through a community-policing program.
3. Neighborhood organizing, including traditional organizing techniques as well as block grants for landscaping, Good Neighbor Awards, the Neighborhood Leadership Academy, and a Neighborhood Liaison intended to organize and connect people, services, city departments and others in order to assist people in solving their own problems.

Crime rates have declined precipitously in the O大街 target area, while housing values, home-ownership rates, and building conditions have improved. Neighborhood leaders have emerged and grown in number and strength, and play a significant role in managing day-to-day issues and planning for the future. The target area has gradually expanded by about 30% as successes freed resources and attention to be focused in a larger area.

Lessons for Ogden City
There is much to be learned from reviewing the principles that guided this intervention. At least four principles are critically important for consideration in Ogden. They are:

Clarity on the Outcome of Revitalization
- The City of Holland knew that it is needed to be clear about the end product of revitalization in order to achieve it. In 1992, a Housing Advisory Commission (HAC) was created to advise city council on housing needs in the city and the policies necessary to address these needs. In 1995, the council adopted a Housing Goals and Policies document that clearly defines standards for a “good” neighborhood with acknowledgement of image, market, physical conditions and neighborhood management issues. These standards allow for a variety of strategies to be employed, as long as they are successful in bringing neighbors to these standards, and allow for a reasonable assessment of the value of various programs and strategies.
- Several of these standards, and related core strategies, may be relevant to issues in the East Central neighborhoods. Whatever one thinks about the specifics of Holland’s goals, there is no denying the value of having clear goals for three important issues: stabilizing property values, managing rental housing, and encouraging a sustainable distribution of low-income households.

Stabilizing Property Values
- Holland acknowledges that stable growth in housing value is necessary to encourage and protect continued investment in properties by owners, including major maintenance and discretionary housing improvements. The City sets a goal for housing values, which is that property values for housing in all neighborhoods should remain stable commensurate with positive income growth with the local and regional economy.
- As applied in Ogden, this goal would recognize that neighborhoods compete with each other in many ways, including as a sound financial investment. In order to compete for households with choices, neighborhoods must offer reasonable returns on investment consistent with that offered by similarly-priced neighborhoods.

Managing Rental Housing
- The City of Holland called for concentrations of rental housing in the downtown neighborhoods to be reduced through conversion of existing single-family rentals into owner-occupancy and through conversion of multi-family homes that were feasible for single-family use. This strategy for the downtown neighborhoods is to be complemented by development of an affordable housing component (10-15% of the units) in new rental developments over 10 units. Remaining rental housing units are to be effectively managed to assure high quality units that are not a negative influence on their neighborhoods.

- The de-densification of structures built as single-families is consistent with Ogden City's approach in the Jefferson Avenue Historic District and could be expanded to other sub-neighborhoods in East Central, such as the northwest quadrant.

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1990 Allegan County

| Table 7: Comparing Housing Stock to Potential First-Time Homebuyers |
|-------------------|-------------------|-------------------|-------------------|-------------------|
| A. Income Range (Percent Above Median Income) | B. Potential Number of Homes Available on Market (Supply) | C. Potential First-Time Homebuyers (Demand) | D. Excess of Demand (Potential Renters) over Supply (Available Housing Stock) |
| 0% to 35% | 59 | 257 | 64 |
| 35% to 65% | 483 | 219 | (261) |
| 65% to 114% | 596 | 430 | (128) |
| 114% to 163% | 347 | 228 | (119) |
| 163% + | 103 | 193 | |

Table 6, Col. I Table 4, Col. D Col. C - Col. B

1990 Allegan County

| Table 6: Comparing Housing Stock to Potential First-Time Homebuyers |
|-------------------|-------------------|-------------------|-------------------|
| A. Income Range (Percent of Area) | B. Potential Number of Homes Available on Market (Supply) | C. Potential First-Time Homebuyers (Demand) | D. Excess of Demand (Potential Renters) over Supply (Available Housing Stock) |
| 0% to 22% | 97 | 54 | (43) |
| 22% to 44% | 1,665 | 102 | (561) |
| 44% to 68% | 934 | 357 | (577) |
| 68% to 100% | 261 | 305 | 44 |
| 100% + | 143 | 397 | 254 |

Table 5, Col. I Table 4, Col. D Col. C - Col. B

1990 Ottawa County

| Table 7: Comparing Housing Stock to Potential First-Time Homebuyers |
|-------------------|-------------------|-------------------|-------------------|-------------------|
| A. Income Range (Percent of Area) | B. Potential Number of Homes Available on Market (Supply) | C. Potential First-Time Homebuyers (Demand) | D. Excess of Demand (Potential Renters) over Supply (Available Housing Stock) |
| 0% to 27% | 61 | 205 | 144 |
| 27% to 55% | 1,448 | 432 | (53) |
| 55% to 96% | 1,517 | 718 | (799) |
| 96% to 137% | 482 | 458 | 56 |
| 137% + | 26 | 73 | 46 |

Table 6, Col. I Table 4, Col. D Col. C - Col. B

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| 0% to 35% | 71 | 72 | 61 |
| 35% to 65% | 230 | 113 | (97) |
| 65% to 114% | 281 | 128 | (42) |
| 114% to 163% | 226 | 98 | (128) |
| 163% + | 48 | 79 | 30 |

Table 6, Col. I Table 4, Col. D Col. C - Col. B

2000 Allegan County

| Table 6: Comparing Housing Stock to Potential First-Time Homebuyers |
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| A. Income Range (Percent of Area) | B. Potential Number of Homes Available on Market (Supply) | C. Potential First-Time Homebuyers (Demand) | D. Excess of Demand (Potential Renters) over Supply (Available Housing Stock) |
| 0% to 22% | 18 | 22 | 4 |
| 22% to 44% | 318 | 60 | 255 |
| 44% to 68% | 282 | 206 | (76) |
| 68% to 100% | 103 | 250 | 280 |
| 100% + | 22 | 294 | 272 |

Table 6, Col. I Table 4, Col. D Col. C - Col. B

2000 Ottawa County

| Table 6: Comparing Housing Stock to Potential First-Time Homebuyers |
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| 0% to 27% | 397 | 305 | 102 |
| 27% to 55% | 432 | 718 | (799) |
| 55% to 96% | 458 | 482 | 56 |
| 96% to 137% | 56 | 60 | 4 |
| 137% + | 53 | 61 | |

Table 5, Col. I Table 4, Col. D Col. C - Col. B

2000 Holland City

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| 0% to 20% | 30 | 56 | |
| 20% to 40% | 351 | 206 | 245 |
| 40% to 60% | 282 | 206 | 76 |
| 60% to 80% | 300 | 250 | 280 |
| 80% + | 22 | 294 | 272 |

Table 6, Col. I Table 4, Col. D Col. C - Col. B
Distributing Low-Income Households

• Holland is striving for a mix of incomes in all neighborhoods, ideally with no more than 10-15 percent of any neighborhood’s residents low-income. A further objective is to eliminate any “low-income” census tracts where the percentage of low-income households exceeds 51%. To accomplish this mix, the City advocates development of programs to attract a diverse income base and in particular, attract middle-and upper-income households back into downtown neighborhoods in a manner that does not dis-enfranchise existing neighborhood residents. The city also strives to include an affordable housing component in all new development so that higher-income census tracts have choices for lower-income households.

• Again this concept has direct relevance to Ogden as shown by the City’s commitment to reaching out to middle-income households in most of its highly innovative new projects downtown, along the river, and on Jefferson Avenue.

Focus on Small Neighborhoods to Achieve Impact

• The initial Ourstreet target area was small enough to show visible improvement to most neighbors quickly with the resources available. Expansions came after successes were achieved. At that point some resources could be re-deployed and additional resources could be identified. Moreover, the early successes provided a scenario that other areas could follow and refine.

• The East Central area of Ogden probably has six to eight neighborhoods, defined by similar style and age of housing stock, natural and manmade boundaries such as ravines or major streets, homeownership rates, and standards of property maintenance. Each of these areas will require strategies to be applied differently to achieve success, and each is small enough by itself to be able to achieve visible results, depending on the resources available. The question is how many of these neighborhoods can be taken on at one time, and which should be addressed first.

Administration by Local Government

• Unlike many notable revitalization efforts, this one was administered by city government without the use of a nonprofit structure. Staff members assigned to the Ourstreet program are office in the neighborhood. However, in order to guarantee that the Ourstreet program was taken seriously and that it would necessarily impact the delivery of many other city services and programs, program administration was housed directly in the city manager’s office. This internal structure has many advantages in a city government that is outcome-oriented and fairly non-bureaucratic: salary and benefits adequate to attract talented staff, knowledge of housing policy and city neighborhoods, ability to navigate other city services and programs, program administration was housed directly in the city manager’s office. This internal structure has many advantages in a city government that is outcome-oriented and fairly non-bureaucratic: salary and benefits adequate to attract talented staff, knowledge of housing policy and city neighborhoods, ability to navigate city programs, policies and personalities quickly.

• However, many cities like Ogden lack the growth and financial capacity to fund this sort of initiative out of city funds. Indeed, one of the key reasons for creating a non-profit structure is to leverage government resources with private sector and foundation contributions that are critical in achieving scale and in offering incentives to all income groups. Since most government resources dedicated to housing are income-restricted and since most philanthropic institutions don’t give grants to city governments, opportunites are usually quite limited. In fact, the City of Holland funds over-income household incentives through general revenue. Lacking this, it may still make most sense for Ogden to pursue some kind of nonprofit structure for neighborhood intervention.

Attention to Physical Signals That Determine Confidence

• The Ourstreet Program has a few features that are unusual in neighborhood interventions and acknowledge the importance of creating visible signs of positive change, in order to inspire confidence in the future of the neighborhood. Another way to look at this is that the City and the Ourstreet neighbors are “controlling the message” about the neighborhood by controlling the exterior conditions of the neighborhood through direct action and incentives. These include:
  o Complete street and sewer replacement, which made a big statement early on about the seriousness of the City’s commitment to the Ourstreet effort.
  o The Design Assistance Program, which encourages high-quality renovation and rehabilitation of target area properties. The program will pay for up to five hours of professional design services by participating architects/designers. Design services include renovation or rehabilitation of target area properties and/or landscape design services. All exterior work on properties receiving design assistance must be submitted for review and approval by the Ourstreet Design Sub-Committee before construction starts.
  o The Driveway Improvement Program, which dramatically improves the streetscape by providing incentives for property owners to encourage them to pave their driveway and driveway approach.
  o Landscape Blitz encourages block participation through landscaping. The blitz offers residents in the target area access to landscaping materials, landscape design, and assistance with the installation of materials.

The success in Holland, Michigan demonstrates that troubled neighborhoods can be turned around if there is a sound plan with clear outcomes, willingness to undertake manageable target areas, a commitment to consistent, well-funded administration, and attention to details on each block. This sort of complex intervention is unusual but not impossible with broad-based buy-in and sufficient resources and support. It is important for readers of this case not to take away the lesson that a Driveway Improvement Program is a useful tool, anymore than is a Landscape Blitz. The individual programs that work in one neighborhood may not have relevance just a mile away. What is important is how the city or the intervention vehicle (such as a Neighborhoods Inc. of Battle Creek or some other such entity) uses such programs.
We have reviewed the relevant market data for Ogden. We have considered rates of anticipated growth in the city, the county, and the state and the capture rate for various segments of the rental and homebuying spectrum. There is on-going need for affordable housing on the part of low-income households in the county and in Ogden. We believe that this need is presently being met, however, in three material respects.

- First, a sizeable portion of the affordable housing needs of low-income people in Ogden are being met by on-going disinvestment in the East Central neighborhoods. The result is an effective rendering of large sections of East Central into a concentration of the region’s least stable households on one hand and the struggling immigrant households on the other.

- Second, there is a downward shift on the housing ladder in Ogden. This means that households able to afford contract rents at $600 a month, for instance, occupy properties suited for households able to afford less. This occurs when housing costs outpace incomes for one or several groups and this is the case in Ogden. This illustrates that a large number of households in Ogden living in East Central are housing-cost burdened. We identified a cohort of residents in East Central who aspire to live elsewhere but can’t afford to do so and thus occupy housing beneath their maximum affordability. As a household with $24,000 in annual income occupies space otherwise affordable to households at $18,000 a year, the $18,000 a year households lives in housing otherwise affordable for someone making still less. It is at these levels where supply becomes tightened thus creating incentives for owners to subdivide yet again.

- Third, the county’s affordable housing shortage is effectively being disproportionately placed on the shoulders of Ogden in general and specifically on the neighborhoods of East Central Ogden. Consequently, the costs of concentrated low-income households have been shifted from the county to Ogden and within Ogden from the East Bench and elsewhere to East Central. There is no evidence of a mixed-income housing market in Ogden or Weber County whereby households of one income are smoothly mixed among households of other greater and lesser incomes distributed geographically on a more or less even basis. Ogden is doing more than its fair share and Weber County is doing less than its fair share.

We outline these points to draw attention to the challenge of intervening in the housing market with the purpose of revitalizing the neighborhoods of East Central Ogden. East Central’s neighborhoods cannot be revitalized without disaggregating the present concentration of low-income households. Furthermore this must occur both soon and fast enough to stem further decline through the continued loss of the few strong East Central households that remain.

- All interventions by the city of Ogden must result in reduced rates of poverty, reduced real numbers of households in poverty, and reduced numbers and percentages of low-income households in East Central.
- All interventions by the city of Ogden must result in increased property values (both real and compared to citywide median rates of annual appreciation).
- All interventions by the city of Ogden must result in decreased time that houses for sale are on the market in East Central.
- All interventions by the city of Ogden must result in improvements in the standards of care for homes and apartments in East Central.

All of these outcomes underpin whether the interventions are generating confidence and normalcy in the housing market in East Central.

Without an intervention that banks properties, concentrates redevelopment, acquires foreclosed houses and re-sells them to a new buyer market at a higher standard, and in general functions aggressively to counteract current decline through these efforts and a strong intervention in the schools, the estimated 750 or so remaining strong households still in East Central will leave over time. Their potential departure is reinforced by the consistently slipping standards that prevail throughout East Central, most especially exemplified by properties held by a small number of slum landlords operating with impunity in Ogden. Fail to shut down the tolerance for poor property management by a small handful of degenerate owners, and those households struggling to be good neighbors will give up and move as fast as they can to whatever they can afford.

A successful intervention can be done in one of two general ways.

1. A place like East-Central-Ogden can become economically integrated by adding non-poor households.
2. Alternatively, East Central can shed poor households; so long as the net is a reduced percentage of low-income households within a single geographically bound area that is on par with all other housing submarkets.

Both represent paths to the crucial goal of repositioning a new East Central Ogden not unfairly burdened with the city’s and region’s poor while at the same time not unaffordable. We think the key is to recast the challenge of economic integration as a challenge of identifying, building upon, and marketing strengths in East Central in a way that appeals to a larger number of strong households, regardless of income.

To do this – to retain strong households and begin marketing the positive ripple effects of successful retention to others – we think work should be conducted on four geographic fronts and that East Central should be sub-divided into smaller subareas. We recommend that work be concentrated and we recommend that the decision about where to concentrate scare resources be based not on greatest need but areas of greatest likelihood of positive immediate impact on the market. In other words, changing the market in East Central means identifying the location of concentrated strength and building on it with targeted, focused investments, contrary to the overall trend of previous Ogden efforts.
Neighborhood Taxonomy

czb has evaluated all of the 80 blocks comprising the two square miles that constitute East Central. We have examined relevant MLS and other market and census data and have conducted windshield analysis of all 8,000 properties at least once. czb uses an approach that categorizes properties into three groups. For the purpose of developing an intervention strategy for East Central, czb has applied the following categories to East Central:

1. Healthy or Transitional in the Direction of a Functional Market
   • Standards appear stable or improving for 65 percent of the block

2. Transitional in the Direction of Disinvestment
   • Standards slipping on more than 25 percent of the block

3. Distressed
   • The market is dysfunctional on at least 20 percent of the block, AND
   • At least 50 percent of the block has experienced slipping standards

We suggest specific interventions for each block type. With unlimited resources, each type of intervention can take place wherever necessary. However, with limited means, our recommendation is to allocate resources in a concentrated fashion where the greatest impact can occur. Of the 80 blocks in East Central, we concluded that:

• 11 blocks were healthy or clearly transitioning or quickly capable of transitioning in the right direction, which means continuing to be or becoming a neighborhood of choice (13.75 percent)
  o Though none of the 11 healthy blocks in East Central is perfect – each has some problems – for the most part the problems that exist are minor.
  o All of these blocks are between Harrison and Jackson, with concentrated strength along Van Buren between 25th and 27th.

• 44 blocks were transitional and heading in the wrong direction (55 percent)
  o Though every one of the 44 transitional blocks has some strengths that are holding back disinvestment, the dominant conclusion the market makes on these blocks is that values are declining.
  o The majority of these blocks are between Quincy and Jefferson, with concentrated strength along Monroe and Quincy, and promising recovery potential near St. Josephs.

• 25 blocks were distressed and showing obvious, significant, and pervasive signs of financial and social disinvestment (31.25 percent)
  o With one exception, all of the 25 distressed blocks have marketable assets somewhere, but the key point is that the distress nearly or has completely overwhelmed these strengths.
  o These troubled blocks are located in packets mainly along Adams and 26th, Porter at several junctures, and variously between 25th and 20th and between Adams and Fowler.

We considered how to allocate scarce resources given this breakdown of East Central. There are pluses and minuses to a variety of interventions, but we favor building on strength. Not surprisingly, strong blocks adjoin other strong blocks, and strengths and weaknesses grade over distance. From this taxonomy, we have developed a strategic intervention that is geographically based and which informs the sequence we think makes most sense for repositioning the market.
The concept of a dominant taxonomy can be misleading. Though the dominant characteristic in the Harrison-Jackson segment of East Central is healthy, there remain large sections of this segment that are experiencing slipping standards. There is troubling pocket blight in the form of abandonment and shoddy upkeep that must be tackled. This is true for each of these general areas. The point of providing these boundaries is not to circumscribe within them a certain approach, though each subarea will do best with an intervention tailored to its norms. Rather it is to illustrate that, generally speaking, the closer to downtown one gets, the weaker and more dysfunctional the real estate market. Therefore, resource scarcity argues to start nearer Harrison to generate returns on the city’s investment to retain strong households. At a finer grain of detail, this is true north to south. The further south one gets from 20th, the weaker and more dysfunctional the market below Monroe.

East Central comprises a larger share of Ogden than one might think. It has a population of 16,747 (21 percent of Ogden, up from 1990) among 5,736 households. One fifth of the city live in Ogden.

The home-ownership rate for the area is 34 percent of all households. Two important statistics jump out. Among single-family detached dwellings in East Central, the homeownership rate is 68 percent. This compares to an overall owner-occupancy rate of 61 percent citywide and single-family detached owner occupancy rate city wide of 79 percent. Second, the strongest section of East Central – between Jackson and Harrison – is all but entirely comprised of detached single-family dwelling units.

We draw four conclusions.

1. First is that the city aspiration of a 50 percent ownership goal can only be reached by either coop or condo conversion of existing multifamily units (and we do not think there is a strong market for this in East Central), or by thinning the presence of multifamily units (net reneter reduction) and when appropriate, backfilling new single-family construction.

2. Second, we find significance in the structural owner-occupancy rate. Because in East Central 68 percent of the detached single-family homes are owner occupied, to get the overall owner-occupancy rate (38%) to go up to 50% the City of Ogden has to add an additional 673 owner-occupied units. In terms of the single family (detached) homes, that works out to 673 out of a possible 947 renter-occupied houses or a 71 percent capture rate. This is high enough an aspiration that the City needs to be thinking it may take upwards of a decade to achieve this numerical goal. Whatever intervention the City of Ogden decides on, it needs to account for such a high capture rate and/or target the attached and 2-4 unit structures alongside of efforts to convert multifamily properties when appropriate.

3. Problems undermining market normalcy in East Central are a complex function of both class and ethnicity.

A number of factors come together to dampen market strength in East Central. Chief among them is a self-reinforcing cycle of low standards of property upkeep by owners and low standards of occupancy by residents. There are three main and interconnected causes of the proliferation of these factors.

- First is that it makes economic sense for renters and absentee owners alike to serially disinvest – which over time confirms declining property values and renders it nearly impossible to market to higher grades of tenants.

- Second is that the overwhelming majority of renters in such conditions lack both the social and economic wherewithal to tend to properties at or above prevailing middle class standards for Ogden. The situation is worsened by the fact that a common feature among tenants who are undocumented immigrants is that the landlord will report them to the Immigration and Naturalization Services if they complain, which means they are afraid they would be deported back to their home countries. Besides the fear of reprisal, many tenants of substandard buildings are loathe to complain about their conditions because they are not hopeful that their complaints will lead to any action. Part of a City of Ogden revitalization effort in East Central should take account of this fear. If the goal is to reposition East Central as a neighborhood of choice, the greater fear should be among absentee landlords concerned about failing to cure problems than among immigrants about retribution.

- Third is that a high percentage of low-income households are comprised either of large and extended families or of many non-related adult laborers pooling resources to afford contract rents.

East Central has too many households who don’t know how to take of their homes and yards and who don’t behave very well as compared to middle class standards. East Central also has too many absentee owners who don’t know better or who don’t care what the impact may be of their substandard property maintenance on the neighborhood or city as a whole.

As regards Hispanics in East Central, this situation is worsened by the fact that a common feature among tenants who are undocumented immigrants is that the landlord will report them to the Immigration and Naturalization Services if they complain, which means they are afraid they would be deported back to their home countries. Besides the fear of reprisal, many tenants of substandard buildings are loathe to complain about their conditions because they are not hopeful that their complaints will lead to any action. Part of a City of Ogden revitalization effort in East Central should take account of this fear. If the goal is to reposition East Central as a neighborhood of choice, the greater fear should be among absentee landlords concerned about failing to cure problems than among immigrants about retribution.

Coming to the United States in hopes of greater opportunities for work and education for their children, immigrants regardless of country of origin (Croatians in Hartford, Haitians in Brooklyn, Lebanese in Cincinnati, Hungarians in Jersey City, Guatemalans in Los Angeles) often find they must work endless hours just to pay rent and other costs. Because wages are low and housing costs relatively high, they often depend on social networks to find a place to live. This often means overcrowding into units with others. As Neil Richman at UCLA has pointed out, “immigrant workers also often find being up socially isolated beyond their immediate living and work environment.”

Many residents of disinvested neighborhoods aspire to take advantage of the many benefits of homeownership in the U.S. and participate in “the American Dream.” Our team confirmed this in conversations with residents. Long-term mortgages and many government and lending programs designed to encourage homeownership among low-income residents make it possible for some to purchase homes and build equity.

In East Central, these factors are permitted to germinate by virtue of the absence of a strong regulatory framework in place designed to undermine nuisance behaviors that negatively affect property values and which contribute to declining neighborhood strength. When a lack of a strong set of codes in place to deal effectively with problem residents and absentee owners combines with a constant flow of weak, high mobility, low-income households coming into East Central, the result is toxic, especially if the connective tissue of the community is fragile.
In the case of East Central, a large percentage of these weak, high mobility, low-income households are first generation immigrant laborers from Mexico, and a large percentage are poor whites.

1. Hispanic residents of East Central do not comprise a monolithic population
   a. Though mostly renters, there are a few owners
   b. Though mostly financially weak with attendant credit and other related problems, there are numerous strong renter households that are upwardly mobile
2. The pervasive Ogden view is that the presence of a growing low-income Hispanic population is undermining East Central. This view overlooks the fact that concentrations of white residents who are poor practice the same substandard behaviors.

Both of the above populations share two crucial characteristics that should inform any intervention strategy.

- First is that low standards of occupancy by residents come in all colors and ethnicities; the best predictor of behavior is income and social status.
- Second is both population groups have subgroups of weaker and stronger households and the stronger households are going to leave East Central the first chance they get if they are not given a good reason to stay.

1. Intervening in East Central, as this report points out numerous times, means undertaking several sets of activities simultaneously. The pattern of immigrant households coming to the US (with extremely low incomes and consequently living in severely overcrowded conditions) places extraordinary wear and tear on houses and yards and streets. By virtue of unbroken word of mouth transfers, it is crucial that a combination of code enforcement and efforts that build on strength occur.

Our experience is that substandard resident behavior – by Hispanics, blacks, whites, or anyone else – is the single most important factor that inhibits demand.

- Crime and perception of crime increase when neighborhood conditions are substandard and when it becomes acceptable to keep properties in poor states of repair.
- Signals are sent to others that low-level crime is acceptable, and low-level crime is the best predictor of higher-level crime.
- Signals are sent to others that low standards are acceptable, and for many low standards are equated with the presence of crime. School quality is a crucial element in shaping how is that for the neighborhoods in the present stage of evolution of East Central, they are important but not the central factor. (As East Central becomes a community of choice, an unimproved school situation will loom larger)

At the same time, the trick is not to rid a place of substandard resident behavior but to locate areas of a community where strong behaviors are the norm and grow that area instead.

Substandard behavior that negatively affects market strength takes numerous forms.

- First, is that low standards of occupancy by residents come in all colors and ethnicities; the best predictor of behavior is income and social status.

Examples of substandard behavior by residents that affect the property are:

- 1. Low levels of maintenance on the exterior of the property
- 2. Cars parked on front yards
- 3. Trash receptacles not ever making it to the rear of the house after collection
- 4. Low levels of yard maintenance
- 5. Couches on the front porch
- 6. Poorly maintained window and door treatments

Behaviors such as these are brought by newcomers to the neighborhood. They are easily dealt with in countless communities across the country through swift, even-handed, aggressive inspections, write-ups, fines, and serious consequences for owners failing to make required changes (see nuisance ordinance section in appendices). newcomers bring with them norms from their last places of residence. For middle-class households, they bring with them the norms of mowing the grass and painting the house. While there are always exceptions, the predominant norm is what defines the street.

An intervention can attempt to redirect some behaviors. More upkeep. Regular watering. Weekly mowing in the summer. Porch lights. Mailboxes. Usually changes in norms result not by starting in the areas of town where the problems are most persistent, but rather where they are least. Elsewhere in this report we make clear to start with and build on strength. Addressing pocket blight in the strongest parts of East Central and infilling vacancies there with strong households from elsewhere is the approach we recommend. Concretely, intervening by use of tools like Pride Blocks has the positive effect of increasing neighbor-to-neighbor relations and thus strengthening the community's capacity to manage itself through ever-changing market dynamics.

Examples of substandard behavior by residents that affect the community are:

- 1. Public drunkenness and urination
- 2. Trash accumulation
- 3. Loitering
- 4. Solicitation
- 5. Loud music

Behaviors such as these are trickier to address than property maintenance problems. Interventions again rely on public enactment and subsequent enforcement of minimal standards. However, through trickiness, it is still possible. The key is to design the standards and enforce compliance in a way that genuinely recognizes such behaviors are ultimately rooted in class and not ethnicity.

Both examples – of behaviors that affect property and those that affect the social environment – can and do negatively impact property values as they soften demand. As such they both should be differentiated from negative impacts to properties and communities that are insidious in effect but not intent. An example of this would be per se overcrowding. Eight adult men occupying a two bedroom house for economic reasons will invariably put a strain on the house, the yard, and the street. Though such overcrowding often is at the leading edge of other genuinely pernicious behaviors, the underlying input of the former is social while the latter is economic. Consequently they merit different approaches.

For social problems, Ogden will need to focus attention on organizing, paying special attention to the unique challenges faced by immigrants lacking health insurance, livable wages, marketable English-speaking abilities, and discrimination in housing and mortgage markets.
For economic problems, Ogden will need to focus attention on preserving a stock of af-
fordable housing options and loan products marketed to immigrant households otherwise
unable to participate in the private housing market with ease, and so do while removing
many problem properties as possible from the inventory for future redevelopment pur-
poses. This is all the more an issue in light of the pervasiveness of overcrowding.

- Overcrowding
  i. This is an enormous issue in many low-income communities, mainly for economic
     reasons. And as has been pointed out, it takes two forms.
     1. The first is a function of extended families occupying one unit.
     2. The second is unrelated adults living together to pool resources.
     In either case wear and tear becomes a huge issue. And if the cultural norm of
     residents – in either scenario – tilts towards behaviors the broader market finds unac-
     ceptable, property values fall. Examples would be hanging out on the porch in large
     numbers. Parties late at night. Loud music.
  ii. “Overcrowding in 2004 however is a far different issue than in years past. The his-
      tory of how overcrowding is handled in public policy makes the issue appear cut
      and dried, and noncontroversial. This appearance, however, is far from the truth.
      Technically, crowding per se is only an indicator—an objective measure—of the
      per room density of people in their housing, or persons per room. Overcrowding
      expresses a normative judgment about the degree of crowding that shows up on the
      measure. This judgment applies a standard by which society declares crowd-
      ing beyond a particular density unacceptable.” (Dowell Myers, JAPA, 1996)

- In such cases there are two lessons for Ogden, and one question.
  i. The problem of overcrowding is by itself an objectively measured health and safety
     issue and can be subject to regulation and enforcement. The problems of behavior
     (loud music, for instance) can likewise be subject to regulation and enforcement.
  ii. The issue of large extended families is more problematic. Though low-income,
     new immigrant households historically have large families, so too do typical Utah
     Mormon households."

4. The main takeaway is not that home ownership per se is the right goal. Or that a
   50 percent rate of ownership is the right or wrong goal. Rather that rates of home
   ownership is merely one indicator of several of neighborhood health and market
   functionality. The City of Ogden’s goal thus should be less about adding home
   owners than about using interventions to change the image and market of East
   Central in such a way as to encourage home ownership and reinvestment by strong
   households. What East Central wants is market functionality and this derives from
   strong households (center or owner) demanding to live there.

Interventions must take note of this gradualism. Based on this observation, we believe
there are five primary areas of activity that should take place concurrently or sequentially
depending on the availability of resources.

1. Retain and Reinvest Between Harrison and Jackson

2. Concentrated Neighbor Strengthening Activities Between Jackson and Monroe

3. Rebuild the Harrison Street and 25th Street Corridors as Gateways

4. Land Bank, Reclaim, and Aggressively Code Enforce Along Adams Avenue Corridor

5. Let the market run its course between Jefferson and Monroe, especially between 20th
   and 25th.

The efforts would take note of the fact East Central remains the market of concen-
trated properties with values between $60,000 - $120,000, whereas properties valued at
$125,000 in Ogden are found elsewhere. East Central is where there is a glut of afford-
able housing for low-income households, so interventions must not add to this oversup-
ply. The recommended sequence builds on strength moving from Harrison west, towards
downtown.

These efforts all must be geared towards producing results in four main areas:

- IMAGE
  (How East Central is Perceived)

- MARKET
  (How Well or Poorly East Central Housing Markets Work)

- PHYSICAL CONDITION
  (The Level of Upkeep of East Central Housing Stocks)

- NEIGHBORHOOD SELF MANAGEMENT
  (Ability of East Central Residents to Manage Change)

Retain and Reinvest Between Harrison and Jackson

The highest priority areas are the two eastern portions of East Central Ogden, each above
Jackson, one north of 25th to 20th. The other is south of 25th to 30th. These two
areas are the remaining pockets of unsuitable residential strength in East Central, and
therefore, the backbone of any rebuilding effort. Residents here are committed to Ogden
for the most part – especially between 24th and 30th. Households here are maintaining
their homes to a high standard, and only a handful of areas of pocket blight exist and can
thus be quickly remedied at nominal cost. Aggressive, robust efforts must be made to ret-
ain these households. The outcomes are low turnover, increased levels of reinvestment,
raised neighborhood standards, elimination of pocket blight, and substantial conversion
of vacant properties into owner occupants.

- Numerous households in this area are just waiting for a reason to build an addition,
  strip off old aluminum siding, reframe windows, put on a new roof, or install new
  landscaping. Presently it makes too little sense to make such a commitment, with
  slipping standards through East Central, diffused city interventions that lack impact,
  and burgeoning greenfield development throughout North Ogden and elsewhere.
  Actively marketed, well-priced financing made available to these households is a
  must.

  - In spite of the strength of many of the households in this area, there is an inadequate
degree of community interrelations.
    o Neighbors do not interact as frequently as needed to spur serious reinvestment.
    More attention needs to be paid to bringing the community stakeholders together.
    o Resources that can spur neighbor-to-neighbor activities such as beautification
      will be especially beneficial. 27th Street is an excellent corridor to look at. There is
      a lot of strength in the form of property maintenance, and good social norms along
      27th, but too many of the homes lack curb appeal and high impact front landscaping.
      o Together, the need for additional greenery; the need for East Central to communi-
        cate positively to those passing along 27th, and the need to bring the community
together, the city should make resources available to highly concentrated fashion
  to block groups willing to manage the implementation of corridor beautification.
  There are at least numerous streets between 25th and 30th and Harrison and
  Quincy where this could occur, such as:
    • Fowler between 29th and 28th
    • Eccles between 29th and 28th
    • 29th between Jackson and Van Buren
    • 29th between Quincy and Jackson
    • Binford between Quincy and Jackson
    • 27th between Jackson and Van Buren
  
  o The City should develop a process where the impacts become as magnified as pos-
    sible and the activities as well known as possible. At roughly $15,000 per block,
    six blocks of activity the first year, and 12 in years two and three would mean a
    significant beautification impact in a concentrated space. This is approximately
    $500,000 of "CDBG-eligible ‘area-wide improvement monies’" over three years
    that will have a major impact on market confidence. If it is linked to good neigh-
    bor activities, this investment will generate substantial confidence among house-
    holds teetering on the fence about whether to stay or go.
  
  - A handful of abandoned properties dot the area between Harrison and Jackson.
    Generally they are exceptions not the rule.
    o Every abandoned property in this segment must be acquired promptly, upgraded
      above the standard for the street and resold above market to move the market for-
      ward. Altogether there are less than 20 such properties in this area. At an average
      acquisition and rehabilitation and sale cost of $173,000, approximately $3.5M of
      activity needs to occur. If the City of Ogden chooses to create a Healthy Neigh-
      borhood organization and properly capitalize it or, alternatively a citywide-operat-
      ing CDC, we believe with the right consultation, twelve sales could occur between
      January 2005 and December 2006.

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Concentrated Neighbor Strengthening Activities Between Jackson and Monroe

Intense beautification, modest property repair, acquisition and rehab-activity must occur in this area, all connected to concentrated neighbor/community-building activities. Outcomes are turnover of vacant properties, increased standards, increased owner occupancy, reduced signs of distress, and reduced densities.

- Specific combinations of latent strength and opportunity exist south of 26th to 28th, particularly anchored around the Mercado at 26th and Quincy.
- Beautification funding available to resident groups in this area should be designated based on resident articulation of use of funds and demonstrated capacity to work together.

Harrison Street and 25th Street Billboards

Repositioning the lower side of Harrison Boulevard between 20th and 30th is a top priority. This is a substantially problematic corridor. It pushes away anyone remotely inclined to head towards downtown.

- The 91 properties along Harrison (west side) are billboards for the neighborhoods behind them. They loudly announce that properties in these neighborhoods are poorly maintained. They illustrate that standards are low.
- Along Harrison everything from furniture on the front porches to worn indoor-outdoor carpeting sends powerful negative signals to the market. While these and substantially worse conditions exist in East Central, having these conditions on the leading edge of Harrison is a recipe for continued marginalization. The one section of homes (Crown Homes development) that are better maintained – between 23rd and 22nd – orient their backs to Harrison and are behind an iron gate protecting a suburban cul-de-sac, sending a signal to beware. Additional measures to soften this signal would be beneficial. The proposed outcome is a complete transformation of the land and improvements on the lower side of Harrison, from a strip of six dozen marginal properties in poor condition to a welcoming front of homes or public space that establishes a permeable membrane to East Central, one that causes drivers along Harrison to turn into East Central.

- The same thing applies to 25th Street between Quincy and Madison where substantial disinvestment predominates. Aggressive infill must occur on 25th, the only such area of East Central where we recommend a housing production program.
- The priority area is the 25th Street Corridor between Harrison and Washington. This is one of several east-west thoroughfares that cut through East Central. Speed on all of them far exceeds the norm for a safe, family-oriented community. But curing this problem – which the city must do – won’t address the demand problems of East Central. People penetrate East Central begrudgingly or with caution if they are not living in East Central. Staff members at the Eccles Arts Center speak forthrightly about being committed to the city, and staying put, but they drive in with their doors locked. If they or their customers come from Harrison, they come in on 25th or 26th and in both cases are put off by streets that have too many missing teeth and have uncoordinated signage.

Adams Corridor

Adams becomes a problem at 27th and remains vexing until 25th. Porter is a problem throughout and between 30th and 28th and between 26th and 25th. There is no excuse for continued failure to exercise legal authority to reclaim properties not properly managed sufficient to produce public benefit, using the powers of eminent domain. The city should move aggressively to condemn problem properties, fines them to responsible property managers, move for aggressive evictions and tight asset management, or demolish them outright upon acquisition and establish a land banking strategy. It is in the public interest to remove blighted multifamily structures on Porter between 25th and 26th from operation. Pocket blight must be tackled aggressively otherwise the signal sent to owners teetering on the edge of staying or going is the wrong signal.

- Properties along Adams are among the worst maintained in the city, powerfully and negatively impacting the work underway along Jefferson between 25th and 28th. It must be a high priority to take these properties out of the building inventory altogether until the market shows signs of confidence.
- There is no question but that the Jefferson Avenue Historic District work is a successful icon that the city must build upon. It provides the anchor and model for future similar efforts along the 25th Street Gateway corridor into East Central we recommend.
- Two parts of East Central are negatively impacted by the carryout activities of small alcohol distributors at Porter, Adams, and 21st. Sales of carry-out singles and drive-through purchasing have a profoundly negative effect on market confidence between Adams and Madison both north and south of Monroe. Council will want to consider regulating these practices.

Market Running its Course While Neutralizing Weaknesses Between Jefferson and Monroe

There are too few resources to activate interventions in all 80 blocks. Approximately 38 blocks should receive incentive-oriented interventions (this does not include the Adams Corridor). For the most part, the remaining 50 blocks must be left to market forces while the City does what it can to neutralize problem properties. These 42 blocks are almost all between 25th and 26th. In this part of East Central the main challenge is to neutralize the negative perception imposed on the business district along Jefferson and west, and also imposed on the stronger areas of East Central below Harrison but above Quincy. A good deal of the negative influence comes from the blocks between Jefferson and Monroe and 22nd and 28th. This means enforcement of code compliance, cracking down on unacceptable absentee landlord behaviors, removal of problem properties through selective demolition and infill greening combined with land banking.

Together, these five threats organized along interventions that intentionally shape image, market, physical condition, and neighborhood self-management, are designed to soften the harsh edge of Harrison and create an opportunity to reintroduce the Ogden and county market to East Central.
Strategic Observations and Next Steps

Over the past few years Ogden has been dramatically re-shaping itself, especially in its historic districts, downtown and adjacent neighborhoods. Some of this renewal is the result of recovering market forces, but much of the renewal is the result of the innovative actions of the city government, visionary civic leaders, and committed investors.

Now that renewal has begun, it is critical that this progress be reinforced and sustained. To do this, the leaders of Ogden will need to realistically assess what is currently happening, what can be done, and what capacities will be required.

In straightforward terms, East Central is in competition with other neighborhoods and has competitive disadvantages in at least four areas. The image is generally negative due to a variety of factors including confusing ethnic transition, long-term absentee ownership, and business decline. The real estate market is seen as weak with too many foreclosed structures, vacancies, too numerous for sale houses, continued purchases by landlords, and lower-than-desired prices on homeowner properties. The physical conditions are sordid with some blocks in good repair but others exhibiting under-maintenance of houses, businesses, institutions, lots, and even some public spaces. There is a sense that the various sub-neighborhoods are no longer cohesive enough and neighborly enough to deal with the increasing concerns about crime, schools, and other urban issues.

If we look at the case studies, it is clear that there are a number of different strategies that could substantially address these concerns. The case studies suggest that neighborhoods like Del Ray, Manor Park, and Fillers all were quite different but each benefited from growth nearby and were able to use unique tools to leverage reinvestment outcomes. In the Boise case study, the key focus was on the impact of foreclosed properties and the ability of a community to turn this into a positive if part of a larger, market-oriented strategy. In the other five cases – South Lawyers Lane, ML King, Harrison Park, Historic Northside, and Oakstreet – the communities chose multi-faceted strategies which reversed past losses of social and financial equity through targeted interventions.

The challenge for Ogden will be selecting the right mix for East Central to address the image, market, physical conditions, and social connectedness issues that are undermining the neighborhoods. The case studies are particularly helpful in eliminating options that likely won’t be effective. For example, code compliance is seldom used as a primary tool and in some cases was only applied very selectively. Similarly, none of the case studies showed a community using large-scale development of low-income housing as a tool for revitalization. Further, the limits of commercial revitalization also are apparent.

At this point, it appears that Ogden will need to look at a multi-faceted approach that clearly repositions the image and market of the neighborhoods while setting higher property maintenance standards and greater resident involvement. Such a broad approach will obviously need to be tailored in some way to make it feasible. In the case studies at least three techniques are used. In most situations the local leaders were willing to target to a clearly defined neighborhood or even to just one part of a neighborhood. Further, there was a solid commitment to a targeted market niche, which was seen as critical to sustained renewal. Finally, there was usually attention to specific kinds of properties – vacant lots, foreclosed houses, higher end for sale properties, etc.

This kind of targeting appeared to work best when all three were employed simultaneously. Successful communities selected a small defined area and focused on specific market groups and particular kinds of properties. Moreover, the various effective interventions continually tailored the targeting to the scale and the flexibility of the available resources. Finally, in each case a careful decision was made about how the intervention would be operated: through an existing organization, through the city government, or through a new group set up to carry out the strategies.

The fundamental challenge for local leaders is, therefore, clearly defining the desired outcomes, selecting the targets, creating the strategies, finding the right resources, and developing the necessary delivery capacity. Surely, these decisions cannot be made easily. Although this report was not primarily charged with facilitating this determination, some initial observations can be made based on past experience and on the nine case studies. These points appeared:

1. Geographic targeting
   - East Central is simply too large to be a single target. It must be broken into manageable parts with the work beginning on those parts with the greatest potential for success or at least those parts with a high level of viability. It might be best to select a “corridor or gateway” strategy that limits the geography only to key streets and entry points or it might be best to select those parts of the area with the greatest appeal for strong buyers or those areas with the most number of opportunity properties. Regardless of the basis, the key is having a target of reasonable size.

2. Market targeting
   - East Central lacks enough stable working- and middle-income buyers, homeowners, and long-term renters, so the market focus must be on re-dressing that imbalance. This will require marketing campaigns that attract such households. Since different parts of the neighborhood might be chosen, it is possible that more than one target group could be selected. For example, there could be a simultaneous strategy of attracting new buyers from outside the neighborhood while aggressively identifying the most stable renters to become first-time homeowners.

3. Property targeting
   - East Central is negatively defined by certain eyesore problem properties, but many of these are large and difficult to deal with. Fortunately, one significant group of problem properties consist of foreclosed, vacant houses that can be readily redeemed and sold, especially for middle-income homeowners. At the present vacant lots are largely in interior locations, but there might be a plan to develop at least one site for new construction in order to broaden the types of properties available and, therefore, increase the pool of buyers.

4. Resource development
   - East Central lacks the special lending and capital resources that will make it more competitive with newer neighborhoods, so there will need to be funds designated as risk-capital or incentive-capital to give this community an advantage. Since the target populations are working to middle-income households, these capital resources need to have few, if any, income restrictions on use. To supplement these resources, there will need to be substantial operating funds to make sure that buyers and borrowers in the neighborhood are assisted to successful outcomes. This requires trained, professional staff with clear mandates.

5. Delivery capacity
   - East Central is a troubled neighborhood that will require years of special interventions to return it to health. A designated organization will need to be responsible for this process. Such an organization can reside in the city government or the housing authority or be an independent nonprofit, but in any case it needs to be charged with the outcome of re-building social and financial equity in the neighborhood.

Experiences in other cities suggest a city program, housing agency, or organizational entity will need to be created with the following abilities:

• Ability to be created quickly and efficiently

Once there is a community commitment to revitalizing a neighborhood, it is important to act promptly to sustain momentum for a large scale project. If there is an existing agency, program, or nonprofit, this might be the most efficient way to initiate change. If the current group is understaffed or over-committed, then such a selection might actually slow down action and results.

• Ability to act entrepreneurially to seize opportunities

Intervening in neighborhood real estate markets requires an organization that can see investment and development opportunities and act on them quickly. The ability to buy key properties and rehab and re-sell them is often needed as is the capacity to acquire properties and combine them for re-development by private investors.

• Ability to serve customers and undertake projects without all the restrictions of a governmental agency

For many laudable reasons, most government agencies must serve customers on a first-come, first-served basis and must follow strict rules regarding public disclosure of each financial transaction. An effective organization working in neighborhoods needs to be able to easily target specific groups of customers and to acquire and sell properties without public hearings.

• Ability to attract non-governmental funding from corporations, foundations, and individuals

Regrettably, few government agencies are successful in soliciting donations. The public perception is that the government should fund its own programs. Independent organizations are able to solicit funds from a variety of sources, based on a long history of Americans supporting worthy causes in their communities.
Successful community organizations need to seek out and grow a pool of participants and volunteers to allow for a wide range of activities, from block-based clean-up projects to participation on the organization's board of directors. In many cities this pool of individuals can exceed hundreds and can be called on to support numerous auxiliary community functions.

- Ability to attract and expand a broad-base of participants and volunteers

Other resources could be gotten if the group is designated a Community Development Financial Institution (CDFI), but such a designation is primarily helpful if the group intends to undertake lending or to sponsor a locally-based bank or credit union.

The attached chart provides a very rough summary of these characteristics of a number of different approaches. The chart isn’t as helpful as it could be, because so many local organizations are actually hybrids that mix parts of many models.

For example, many bank-owned community development corporations have become CDFIs and many housing authority development corporations network with each other and participate in national training programs. Nevertheless, there are general features of each model that results in consistent patterns across the country and these are reflected in this chart.

Based on the experiences in the case study cities and based on the chart, it will be difficult to be successful in the proposed sorts of endeavors without a nonprofit vehicle for the delivery of the interventions in the targeted sites. The flexibility of a nonprofit will give an Ogden community-based initiative the advantages needed for success at a scale that will make a difference in the dynamically-changing city neighborhoods. Such an organization will usually have these characteristics:

- Ability to act entrepreneurially to seize opportunities
- Ability to link to national training networks, programs, and resource opportunities
- Ability to undertake new initiatives quickly
- Ability to participate in the city’s political process and policy-making procedures and oversight
- Difficulty to attract non-governmental funding from corporations, foundations, individual donors, and individual volunteers
- Ability to attract and expand broad base of participants and volunteers
- Ability to undertake new initiatives quickly
- Ability to participate in the city’s political process and policy-making procedures and oversight

Program IN

<table>
<thead>
<tr>
<th>Ability to act entrepreneurially to seize opportunities</th>
<th>Ability to link to national training networks, programs, and resource opportunities</th>
<th>Ability to undertake new initiatives quickly</th>
<th>Ability to participate in the city’s political process and policy-making procedures and oversight</th>
</tr>
</thead>
<tbody>
<tr>
<td>Housing Authority</td>
<td>A</td>
<td>C</td>
<td>C</td>
</tr>
<tr>
<td>City Government</td>
<td>A</td>
<td>C</td>
<td>C</td>
</tr>
<tr>
<td>Public Agency</td>
<td>B</td>
<td>C</td>
<td>C</td>
</tr>
<tr>
<td>Private Corporation</td>
<td>A</td>
<td>A</td>
<td>B</td>
</tr>
<tr>
<td>Contracted Nonprofit</td>
<td>B</td>
<td>B</td>
<td>A</td>
</tr>
<tr>
<td>Conventional CDC</td>
<td>B</td>
<td>B</td>
<td>A</td>
</tr>
<tr>
<td>Healthy Neighborhoods Organization</td>
<td>B</td>
<td>A</td>
<td>A</td>
</tr>
</tbody>
</table>

Code:  
A = relatively easy to achieve.  
B = achievable with some difficulty.  
C = difficult to achieve.

It will be a public-private partnership.

To get broad-based support, the emerging organization should be a partnership group with participation by local government officials, corporate leaders from lending, real estate, and other businesses, civic leaders from service clubs, religious groups, and other community groups, citizens of target areas including diverse populations, and customers of the loan products, the counseling services, the block projects, or other efforts.

No one group "owns" the partnership; instead there is a balance of skills, viewpoints, and interests.

It will have a corporate structure with a board of directors and active stakeholders.

To assure openness in the operation of this vital organization, Ogden should require an actively involved board of directors who are drawn from a larger pool of stakeholders, who are sometimes called the "corporate membership" and might number 80 to 100 persons. Because policies deal with difficult issues of fairness, the board will need about 15 to 19 individuals who meet at least monthly and should utilize a committee system to oversee the variety of organization, staff, and corporate tasks required of the board.

Moreover, each model has specific advantages and disadvantages regarding funding opportunities. Nationally, extra resources are usually available for groups designated as a CHODO or Community Housing Development Corporation, but there are strict rules about the independence of the group and its board make-up which must reflect a majority cross-section of the area served.
It will be operated as a business venture and decisions will be based on sound investment principles and careful attention to sources of funding.

The intent of the organization is to re-establish a community as a good place to make sound investment decisions. As such, the organization should operate as much like a business as possible. Although clearly some activities will require subsidies and some business investments won’t pay back immediately, the general goal is to promote investment that is customer and market driven, that produces fees or has assured funding, and that is properly capitalized to support long-term stability for the organization. This kind of work is unlike that currently provided by the housing authority and the city government.

It will identify market niches, both in terms of the geography targeted and the customers served.

Much like a bank-owned community development corporation, an organization in Ogden should invest in such a way that markets are strengthened and new customers are developed. This is usually best done by being very clear about the sites selected for the work and about the specific groups of customers being sought. The goal is not to replace any successful private market activities, but to improve the market so that traditional lenders, real estate agents, developers, and investors can thrive in the revitalized neighborhoods.

It will contract with or coordinate with city government, other governmental units, nonprofits, and corporations.

Since the organization will be taking on an enormous challenge, it is critical that it partner closely with all other groups that share the value of market-driven neighborhood renewal. This will require that the organization be very clear about the financial and social aspects of its strategies and that it challenge other groups to work with or through the new organization. If the organization were seen to be a subsidiary of another public or private entity, this collaboration would be very difficult.

It will solicit funds from a broad range of public and private sources.

Resources in Ogden will be limited simply because the city is not a major center for finance or foundations or national corporations nor is its development community expanding rapidly. It is unlikely that totally private resources (available to most bank-based community development corporations) or totally public funds (available to most city or housing authority agencies) will be sufficient in size or flexible enough in scope. Therefore, in Ogden, it is likely that the organization will become an independent nonprofit.

Based on these critical characteristics, it appears most likely that an independent nonprofit organization will be required for Ogden to address a substantial goal like neighborhood revitalization in an area as large as the East Central neighborhoods. What is less clear is whether this should be a free-standing organization or whether it should be affiliated with a larger similar organization serving other nearby areas.

Regardless of whether the group is fully-independent or part of another regional organization, the basic costs will be much the same after the first year or two. Experience in other cities similar in size to Ogden suggests that this organization will require a significant community commitment for at least five years before it can stabilize and be partially self-supporting. Typically these organizations require about $600,000 in annual salaries and benefits and about $250,000 in operating costs such as office space, insurance, supplies, etc. Further, most organizations offer special programs that can not recover much of their costs, so typically about $150,000 is set aside annually for such activities.

Staffs usually consist of six to eight professionals. Typically they are:

**Executive Director**

The executive director oversees all of the functions of the organization including representing the organization at all public events; overseeing staff activities, facilitating board operations, fundraising, reporting, and assuring grant compliance.

**Administrative Assistant**

The administrative assistant manages the office, maintains all corporate records, prepares correspondence, and meets all customers.

**Rehab/Construction Specialist**

The rehab/construction specialist analyzes all properties to assure code compliance, suggests good design and upgrades, monitors all construction, and approves any construction draws.

**Sales Facilitator/Counselor**

Although specific duties vary with the programs undertaken, the sales facilitator/counselor usually works directly with customers and real estate agents to encourage sales and upgrades of houses and, in some cases, works with lenders or the internal lending pool to facilitate appropriate lending for homeowners and homebuyers.

**Outreach Specialist**

The outreach specialist works on the target blocks to encourage self-help improvement projects, to expand resident participation in the neighborhood activities, and to assist the residents in marketing the neighborhood as a place of choice.

**Marketing and Communications Director**

The marketing and communications director is responsible for marketing the products and services of the organization to the various customers, for aiding the neighbors in promoting the neighborhoods, and for assuring the executive director in communicating the efforts and results of the organization to the media, the funders, and the general public.

In some cities additional programming require specific staff such as lending officers and property development specialists. These tasks are usually tied to specific investment strategies. For example, if the board chooses to undertake direct lending, then a loan office is usually needed, both for preparing the loans and for addressing any delinquencies. Or, if the board determines that direct development projects are desirable, a trained specialist is usually needed to oversee the acquisition, management, renovation, and re-sale of the houses.

Without greater clarity about the particular strategies selected, it is difficult to project the amounts of capital funding needed. In most communities, practical experience demonstrates that about two dozen properties must be addressed each year and each property will require about $20,000 in special capital (i.e., below market rates, lending ratios at 120% of appraised value) this means about $500,000 a year in non-conventional lending capital. However, in most cases there will also be a need for about $2,000,000 in conventional capital as well.

To meet such substantial expenses requires a variety of funding sources. These include fees charged to customers, interest on investment capital and loans, grants from foundations, corporations, and government, gifts, and “profit” on specific development projects. In general, the more investment capital and the stronger the targeted customers, the less the reliance on grants and gifts. If the community decides to serve more troubled neighborhoods or lower-income households, then the public costs go up. If the community does not provide a significant capital base, then annual fundraising must be higher. Each community determines how best to match costs with the outcomes being sought.
Logic Model for Intervening in the East Central Neighborhoods of Ogden, Utah

Central to repositioning the neighborhoods of East Central Ogden is the work of rethinking how the city approaches the challenges posed by those neighborhoods. While the city has assembled a wide array of programs, those programs do not collectively build a whole that is appropriately demand-responsive. The programs utilized by the city are output-oriented instead of directed towards impacts. czb recommends that Ogden redesign its array of HCD programs according to the following logic model.

<table>
<thead>
<tr>
<th>Assumptions</th>
<th>Activities</th>
<th>Resources</th>
<th>Outputs</th>
<th>Outcomes</th>
<th>Impacts</th>
</tr>
</thead>
<tbody>
<tr>
<td>Assumptions</td>
<td>In order to succeed, the specific assumptions must be true.</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Activities</td>
<td>In order to directly address our challenges, we will do the following specific things.</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Resources</td>
<td>In order to accomplish our set of activities, we will need the following.</td>
<td></td>
<td></td>
<td></td>
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</tr>
<tr>
<td>Outputs</td>
<td>Once accomplished, these activities will lead to these immediate results.</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Outcomes</td>
<td>If accomplished, the activities will lead to certain specific changes in the near- and mid-term.</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Impacts</td>
<td>If accomplished, our work will yield specific change.</td>
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</table>

Most of the time when cities attempt to intervene in the cycle of decline in disinvestment in neighborhoods, they use program funds without regard to the market. This results in a common and unnecessary failure to use funds to stimulate confidence. This is often cemented by an institutional tendency to measure success using a yardstick that calibrates such measureables as the number of units rehabbed. The market does not care about the number of units rehabbed in a neighborhood area like East Central. The market wants standards to be higher. Behavior to be better. Program dollars thus should only be used if in their use and flexibility it is possible to trigger these changes. In this way a house that is rehabbed is only a means to a larger end.

The definitions that czbLLC recommends Ogden use are as follows:

Assumptions: In order to succeed, the specific assumptions must be true.
Activities: In order to directly address our challenges, we will do the following specific things.
Resources: In order to accomplish our set of activities, we will need the following.
Outputs: Once accomplished, these activities will lead to these immediate results.
Outcomes: If accomplished, the activities will lead to certain specific changes in the near- and mid-term.
Impacts: If accomplished, our work will yield specific change.

In hindsight this logic model seems quite obvious. Yet it is almost never used. And when used, it is rarely used properly.

Assumptions about East Central

One party’s assumptions are another’s deeply held convictions. Our analysis of the housing and related markets and submarkets provides the following clear takeaways:

A. East Central Ogden is not one neighborhood, but as few as four and as many as six. Each has a different set of norms, a different housing typology, and thus a different target market. The connection to strategy is that each submarket or neighborhood needs a specific and individualized identity campaign to reach its target market.
B. East Central Ogden has too many low-income households. The connection to strategy is that it is inappropriate to use housing and community development dollars that if used would not reduce the total number and the percentage and the concentration of low-income households in East Central.
C. East Central Ogden has too much pocket blight and too many sections with slipping standards. The connection to strategy is that growing the rate of home ownership is only valuable as an input if the outcome is higher property maintenance standards.
D. East Central Ogden is a collection of neighborhoods that are going to be hard to market to families if the school problem is not addressed. The link to strategy is that the school problem must be addressed to retain strong families or to attract new strong ones. Furthermore, since the school problem cannot be addressed overnight, attention must be given to alternative/additional target markets, such as young families whose children are not yet of school age or households without children. It is in the attempt to attract households without children that particular care must be given to the redevelopment and marketing strategies under consideration for downtown.
E. East Central Ogden suffers from irresponsible property ownership on the part of a small handful of owners, brokers, agents, and subprime sharks. The link to strategy is not reliance on greater code enforcement, though greater code enforcement is necessary. Rather the link is slow increases in standards that spur confidence needed for additional subsequent increases, which in turn will begin to change the calculus being used by some absentee landlords.

It is these assumptions that will drive the activities that are undertaken by the vehicle you choose to intervene in East Central. Most cities make the fatal error of deciding which activities they will undertake (or fund) based on the resources they have. This is a mistake. Most federal programs provide resources that are not well conceived for the work of stimulating demand. Your assumptions drive your desired activities and the cost of those activities drives your search for and deployment of resources.
SMART Framework/Test: SPECIFICITY

The intervention(s) proposed by czbLLC all confirm to the SMART test. Interventions must be:

S  Specific
M  Measurable
A  Aggressive
R  Relevant
T  Time-Limited

Every intervention into the neighborhoods of East Central Ogden on the part of the city, whether alone or in partnership with future organizations or institutions, must individually and collectively satisfy the SMART test. When laypersons are reviewing intervention strategies, they should be able to see quickly and clearly how the proposed activities of the city or its partners satisfy this test.

**Specific**

Interventions should be specific in a number of ways.

- Since the problems in East Central are weak-demand problems and not affordable supply shortage problems, responses to the market in East Central should focus specifically on demand.

- Since the area known as East Central is comprised of not one but as many as six discrete neighborhoods, each with a slightly different place in the market owing to architecture, age and quality of stock, nature of evolution of renovations and additions, present tenancy, and local customs, interventions need to be highly specific in terms of geography.

- Since the East Central area of Ogden is comprised of diverse stocks and people, interventions that aim to stimulate and grow demand need to be highly specific in terms of target market. czbLLC hopes the Riverside Charter School effort continues to blossom into a realized new institution capable of delivering the quality education Ogden children deserve in the public school system. What’s more, the realization of such a promising school as Riverside becomes a crucial component of any marketing efforts tied to East Central. Without improvement in the schools, the housing stock in much of East Central will be difficult to market. Interventions need to show exactly what the specifically intended market is for each neighborhood of East Central, and how that the stocks can appeal to that target market.

- Since one of the canaries in the proverbial coalmine of neighborhood disinvestment is the dual presence of low rates of home ownership and rising concentrations of poverty, it makes sense to stabilize East Central through efforts to spur higher rates of home ownership. Interventions should be very specific about homeownership goals in terms of rates of annual increase.

<table>
<thead>
<tr>
<th>Geography</th>
<th>Demand</th>
<th>Market</th>
<th>Tenure</th>
</tr>
</thead>
<tbody>
<tr>
<td>Specific</td>
<td>Focus on certain areas; do not treat all of East Central as one area</td>
<td>Not a Supply shortage</td>
<td>Which group for which stock? What data is being used to match the two?</td>
</tr>
</tbody>
</table>
SMART Framework/Test: MEASURABILITY

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Measurable
Interventions should be measurable in a number of ways.

- East Central suffers from weak demand that is low in response to a) superior competition from other places, and b) continual decline of the stocks in east Central that confirm its weak market position. Interventions to spur and grow demand should result in a set of revitalized neighborhoods in East Central. The success of the interventions should not be measured by the volume of new home sales, for instance, nor by the number of people counseled, nor by the total dollar activity. Such measures would merely total the outputs of the activities undertaken. Instead, the baselines Ogden will want to use to measure the success of its interventions are:
  - Rate of home ownership compared to city median
  - Poverty rate compared to Weber County median
  - Duration on market of houses for sale compared to city median
  - Refinance and reinvestment rates compared to city median
  - Longitudinal resident satisfaction surveys comparing EC to city
  - Longitudinal city impression surveys of non EC residents
  - Rates of positive change in property values and contact rents comparing EC to city

<table>
<thead>
<tr>
<th>HO Rates</th>
<th>Poverty Rates</th>
<th>DOM Satisfaction</th>
<th>Resident Non Resident Property Values Δ</th>
</tr>
</thead>
<tbody>
<tr>
<td>Measurable</td>
<td>EC v City</td>
<td>EC v County</td>
<td>EC v City</td>
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</tbody>
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Aggressive

The market is relentless. It is harsh. It issues verdicts without mercy. It also moves fast. Though we tend to think of real estate as an investment instrument that requires patience, we do this in comparison to alternative instruments like stocks and bonds which are traded quickly and which have low transaction costs. This is misleading in revitalization work. The market does not care how bad the neighborhood was in the past; it only cares how good it is compared to alternative real estate instruments today with comparable cap rates. It only cares about what is available today by comparison.

Aggressive interventions must by definition be targeted and well advertised. To move the invisible line of East Central from Jackson to Monroe, changes must be swift and noticeable. Resources deployed must be marketed and concentrated. 200 new porch lights diffused across 8,000 properties over two square miles is meaningless. 12 new home buyers across 800 acres is of little use. Those 12 buyers have to all be on Fowler between 27th and 29th to make a difference.

Interventions are aggressive when:

1. A given block is "tipped" by a critical mass of interventions. In neighborhood revitalization work this means affecting at least 15 percent of a block at once.
2. The resources deployed lead the market.
3. Demand for additional resources begins to provoke the private sector to provide them.

SMART Framework/Test: AGGRESSIVE

The intervention(s) proposed by czbLLC all confirm to the SMART test. Interventions must be:

S Specific
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A Aggressive
R Relevant
T Time-Limited
SMART Framework/Test: RELEVANT

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Relevant
There must be a connection between activities and outcomes. If the activities being undertaken generate outputs that cannot easily be shown to trigger desired outcomes, then the inputs are not relevant.

What is an example of this?

The three-story walkup on the east side of Adams at 28th is a serious problem property. Given its location, the upside of its future value is limited. With these limitations it would be tempting to redevelop this property into a fully renovated apartment building for low-income households using equity from the Low Income Housing Tax Credit or Historic Tax Credit programs. In such a scenario the city would have to weigh competing issues. Ultimately the city would need to decide if it is better to renovate for a future use as affordable housing or buy and hold until the Adams corridor improves and makes possible an alternative redevelopment scheme.

If the activity doesn’t provide a clear path to the outcome desired – which in East Central is increased demand by the middle class – then it is not relevant and must be avoided.
SMART Framework/Test: TIME-LIMITED

The intervention(s) proposed by czbLLC all confirm to the SMART test. Interventions must be:

- S Specific
- M Measurable
- A Aggressive
- R Relevant
- T Time-Limited

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Time-Limited

SMART Revitalization efforts do not go on indefinitely. Each input has a ticking clock. Results-oriented community development has outcomes that are due by a certain date. Only in this way is there accountability – by whatever entity is responsible for intervening.

It may be specific to set a goal of 24 buyers but it is not time-limited unless those buyers are in the pipeline by a pre-determined date.

Passing the time-limited test means that interventions:

1. Have an end date
2. Objectives must be achieved by a prescribed date
3. The prescribed date is publicly known
4. The date can be flexible but negotiations are public
Rethinking Current Ogden Programs

Rethinking Current Ogden Programs
czb was not asked to make specific comment on the City of Ogden’s performance. Annually all entitlement jurisdictions submit a report to HUD outlining five-year strategies in a number of areas. However, since all current and recent interventions in Ogden ostensibly designed to intervene in the decline of city areas like East Central have been funded primarily with HOME and CDBG funds and others leveraged by HUD monies, we concluded we’d be remiss to fail to make a few points that may be helpful to the city.

After reviewing the document, we were left with one over-arching outcome question: how might the City of Ogden use future funds differently to stimulate demand in East Central?

And we were left with one over-arching process question: why hasn’t the city updated a 1995 Community Vision statement that would be appropriate to the market looking for signals of investment, and ultimately has changed pieces of the image to Madison. Instead the lack of targeted and concentration diffused impact, confused a mindset in cities to respond to funding programs by having local programs and a handful of projects but not really tying them together strategically.

How this unfolds in Ogden can be understood by looking at the development of the Riverfront neighborhood in the context of the oversupply of housing in East Central for low and moderate income households high vacancy rate at the Colonial Courtd development of mixed use townhouses along 25th fellow, undeveloped American Can building and other near downtown structures.

The underlying urban design emphasis of the forthcoming Riverfront neighborhood is very sound. We aren’t sure the market can support 670 new units downtown and capture the estimated 673 new owners needed in East Central to reach the city’s stated tenure rate goal of 50 percent ownership, though. To the degree that the identified market segments for the Riverfront are differentiated from those identified for lower 25th and also from those identified for East Central however, these numbers are probably attainable. In any case, Ogden needs an enlarged bona fide middle class and such efforts underway to generate new supply are sound and the projected seven year build out is sensible.

Still, we recommend caution. Slow absorption of the town homes on lower 25th is a sign that such development is out front of the current market. A recent study by Brookings notes that “if housing permits lag household growth in a metropolitan area, then the central city will not lose households and may actually gain them. In contrast, the more that new housing permits exceed household growth in a metropolitan area, the more likely the central city will lose households. But if the city’s share of the area’s permits is large enough, the city can escape household loss and can grow.”

Brookings noted that “the domino-like process of decline has progressed to where it now affects old [neighborhoods].” Consequently, “decline is expanding the opportunity for low-income households, most of whom live in privately owned properties, to have a suburban address.” The report goes on to state that “possibly two factors cause most of the variation in disparity between building permits and growth among the areas: land costs and strength of the local economy. Where the economy is weakest and land costs are lowest (East Central neighborhoods adjacent to downtown) may be where high permits-to-growth ratios are most likely to occur.”

What we recommend be reconsidered is not a set of disconnected programs full of independent projects leading presumably to something as nonspecific as a “creative, functional community,” but instead the creation of a set of projects linked by the intention to encourage the housing market to invest and reinvest. What we recommend is projects that are geographically connected with the goal of raising standards and increasing neighbor-to-neighbor connectedness. The goal is not more housing, per se; the goal is more of the right kind of housing in the right places that appeal to the right market. The goal is not more affordable housing. The goal is safer neighborhoods. The goal is cleaner streets.

Ogden City is not well served by using goals such as becoming a “creative, functional community,” or “an aesthetically pleasing city,” where “quality activities are accessible to all,” with “diverse, safe, and attractive neighborhoods,” built on a “thriving and broad-based economy,” within a “treasured natural environment.” Desirable though these goals may be, they are platitudes. They are also highly abstract.

Instead the city wants its neighborhoods to be “communities of choice” able to compete successfully in the region for strong households able to put down roots and invest elsewhere. With the objective in mind of making East Central a community of choice, the Legacy Park Subdivision is not north of Monroe but to the south. The Jefferson Avenue Historic District is not cut off from other high-impact projects.

What we recommend is that Lincoln Town Homes (Phase II) does not target house- holds at 80 percent of median in an area where the median of the neighborhood is but $225,710; instead it targets households at 120 percent of median is delayed. All Own- ership’s clients become home owners above Monroe, if not Quincy. Preference for home owner rehabilitation financing is given to owners closest to high impact projects like the Jefferson Avenue Historic District. The Methodist Church vacating its property across from the Eccles Arts Center is acquired and banked even if that means resources are available in areas of greater need. Code compliance monies ($131,800) are spent along Adams in a targeted fashion, not diffused some here and some there.

The Porch Light program is the best example of a good idea that suffers from a “project mentality.” Though some effort was made at targeting, implementation suffered from two shortcomings. First the impact of $35 lights all in one tenth of East Central would be dramatically greater than it is now. Second the goal of the effort was defined as the need to have better lighting. What czb recommends and would seek to assist with in a Healthy Neighborhoods Initiative, for instance, is the use of the need for lighting and the work of installation as tools to bring neighbors together to install the lighting as a community. Crime isn’t the first priority in this case, it’s the perception of crime which is a function of the absence of the community sufficiently pulling together.

Finally, much was made in the CAPER report of such challenges as subprime lending, poor creditworthiness of low-income households, consumer debt, and in-migration of weak households. Yet in our interviews with residents, we detected very low levels of community involvement or awareness of community-based partnerships and genuine public participation at a high level. It is our view that advancing the housing and neighbor-hood goals of the city in East Central absolutely requires the development of one or more meaningful vehicles that tap into and grow the latent strengths of the residents in East Central.
See CD-ROM for tables.
Good Neighborhood Characteristics and Standards

Demographic Characteristics
• Neighborhoods do not contain substantial concentrations of low-income populations. This considers the following to be a good rule of thumb: For a community of roughly 5,700 households, which may consist of two to three distinct neighborhoods, no more than 200 households should be at or below 60 percent of median, and these 200 households must be geographically dispersed throughout the community in concentrations not exceeding 10-12 units. No more than 500 households should be at or below 80 percent of median (with certain exceptions). At least 75 percent should be at median or higher.

Housing Characteristics
• There is a mix of housing options that will accommodate housing needs for various household sizes and income levels.
• Tenant and owner-tenant ratios are reasonably close to the ratio found in the [region].
• Neighborhood property value trends are similar to [regional] area value trends.
• Neighborhood housing is occupied at or below the designed or allowed capacity for number of persons in that dwelling.
• The neighborhood does not contain long-term publicly or privately held vacant structures that are abandoned, or generally left vacant with no active or sincere effort to secure tenants or new owners.
• Private property is maintained in good repair including neighborhood businesses and institutions, residences and outbuildings, lawn and landscaping, and driveways and parking areas. Repair and maintenance is occurring as a result of pride in property and neighborhood, good business sense, and peer pressure with a diminishing involvement of enforcement procedures and reduced reliance upon public funding sources. Rental properties are visibly indistinguishable from owner-occupied properties.
• Neighborhood housing design is compatible with and enhances the scale and character of existing development along neighborhood streets and is of an architectural style that compliments, enhances, and builds upon the character of neighboring structures.
• Housing unit density is appropriate to neighborhood needs and characteristics, while providing a range of housing types and costs at levels that the neighborhood can support. Housing density and placement provides for both public and private outdoor space in a variety of scales.

Social Characteristics
• The neighborhood is organized with associations and watch organizations that provide neighbors with opportunities to develop neighborhood identity, effect change in the neighborhood and community and to access community and other resources.
• Neighbors are provided opportunities to be involved in regular social and recreational events at neighborhood gathering places such as schools, churches, and parks that facilitate neighborhood identity and allow neighbors to meet and become familiar with one another.

Environmental Characteristics
• The neighborhood is reasonably quiet and not subjected to excessive traffic, industrial, or other noise.
• The neighborhood is not subjected to disproportionate environmental hazards or nuisances such as odor, dust, contaminated soils, lead paint and asbestos contamination, radon, and other such detrimental impacts.
• A high level of safety from crime is achieved through neighborhood policing, neighborhood watch programs, and citizen commitment to neighborhood and community.
• Dispersed and reasonable traffic flow is facilitated by a grid network of streets that features traffic calming to encourage pedestrians and bicycles while providing safe travel for vehicles. High volume through-traffic arteries do not cut through neighborhoods but are located in corridors around neighborhoods and offer many points of access into and out of the neighborhood street grid.

Facilities And Services
• Public infrastructure such as streets, sidewalks, street and pedestrian lighting, utilities (such as water, sewer, electricity, and gas), trees and landscaping, etc., are functioning properly, maintained in a timely fashion, and are aesthetically provided in a manner which encourages and supports the character and identity of the neighborhood.
• Recreational areas for both active and passive activities are provided reasonably close (5-10 minute walk), maintained in excellent condition, and are programmed with a variety of recreational opportunities available to all residents.
• The neighborhood is serviced by quality public transportation that is a viable alternative to private transportation for all residents.
• There are well-maintained schools of the highest educational quality that also serve as neighborhood community centers.
• The neighborhood has commercial activity adequate to meet the daily needs of the neighborhood for food, banking and other services, but does not contain commercial development incompatible with residential and other neighborhood-supportive uses.
• There are opportunities for work located both within and adjacent to neighborhoods (small neighborhood-scaled service and retail jobs) and within the metro area (large-scaled commercial and manufacturing).
• Civic and government facilities and services are provided in or easily accessible to the neighborhoods.
Codes, Standards, Norms and Regulations

Problem properties bring down neighborhoods. Merely fixing them – the bromide taken for the last 30 years – hardly ever returns a neighborhood to healthy market condition. Repositioning East Central and neighborhoods like it in Ogden to become communities of choice in part requires that the City of Ogden:

• Take steps beyond the historic and tired approach to problem properties – deifying code enforcement – and implement alternatives.
• In crafting such an alternative, design an appropriate regulatory framework suitable to breaking the cycle of substandard absentee owner behavior and unacceptable tenant activity.

Code enforcement for its own sake will not suffice, a point made repeatedly throughout this report. In 2002 in Los Angeles, there were more than one million code violations on record. That is, more than a million citations had been issued with no effect. We reiterate: code enforcement not tied to larger purpose will not work. Should code enforcement be aggressive? Yes. Without question. What must it be tied to? The aim of reconnecting neighbors.

The subtlety here is that when the goal of code enforcement is compliance, it rarely works. In such cases, buildings may well be less noncompliant, but the underlying social fabric of the community that permitted physical deterioration to occur in the first place, and which facilitated a weak image, is never adequately addressed. Except for hot market regions with exacerbated supply shortages where demand has to be satisfied somewhere, it is only a matter of time before old norms resurface when code enforcement itself is the goal. There are two underlying elements that have to be addressed:

1. Households and owners alike in East Central now have to be mobilized to improve standards
   a. Strong renter households need to be identified and encouraged to reinvest in East Central – even if that means (which it will) somewhere in East Central other than where they are presently living. This helps break the cycle of serial disinvestment.
   b. Absentee owners must be held accountable for substandard property ownership.

2. The spigot of households with poor standards must be turned off.
   a. As properties become vacant, they must be downsized, reclaimed, and held or redeveloped for higher use. This makes the area less attractive to incoming weak households who know by word of mouth that extremely affordable housing opportunities are present.

When the goal of code enforcement is better neighbor-to-neighbor engagement and higher degrees of community wherewithal, the design and implementation of code enforcement becomes a tool and not an end in and of itself. Neighbors begin to use a tool and in use of the tool begin to establish a stronger sense of community and slowly replace old substandard norms with newer higher standards more attractive to the broader marketplace.

The tools a community wants in such cases must be aggressive and must trigger action. The action that is triggered must be meaningful. There must be a definitive City of Ogden commitment to funding a cadre of staff able to perform inspections and draft aggressive write-ups. It should be clear to all that the city has adopted a zero tolerance posture on nuisance abatement to curb unacceptable behavior, and a zero tolerance posture on substandard property maintenance to curb deterioration.

The best example we’ve seen of serious and court-tested code enforcement intentionally designed to tackle problems ranging from flipping to inadequate upkeep of the buildings to failure to mow lawns regularly, comes from Toledo, Ohio. Some of the language in use in the Toledo ordinances derives specifically from regulations in place elsewhere such as Portland (OR), Freehold (NJ), Milwaukee (WI), Kansas City (MO), and Arlington (TX).

See CD-ROM for Toledo Ordinance.
The process of “flipping” is neither new nor unique to Ogden. It is a commonplace. It takes many forms. And it is almost always found in neighborhoods where the majority of tenants and would-be tenants have neither good credit nor a solid grasp of how to determine if the information provided by brokers and agents is trustworthy. We spoke with several tenants and contacted numerous agents operating in Ogden—many listing and selling with name-brand national realtors—and concluded flipping is not at all unusual in certain sections of East Central. Direct intervention in the process through local regulations is hard to enact, difficult to implement, and slow to mater.

Still, there are three important points to emphasize:

First is that the City should understand flipping so it can recognize it and the dangers it poses to the city’s property values and tax base.

Second, through strong outreach and homeowner and tenant education, demand can be curtailed.

Third, creative use of landbanking takes properties off the inventory and removes them from active use.

Some of the elements of flipping are as follows:

Buyers are often encouraged to inflate their assets to appear more creditworthy.

Brokers tend to offer to take care of everything, effectively directing clients to specific lenders.

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Brokers tend to offer to take care of everything, effectively directing clients to specific lenders and providing them with attorneys in partnership with the broker.

Often flipping involves mortgage application fraud. When this is the case, there are laws in place that can be used.

Low-income households are easy targets for a range of exploitations related to neighborhood decline, from predatory lending to equity stripping to flipping. At the very least, Ogden could implement stricter local regulations regarding home inspections prior to sale.

The net of repeated flipping is that it affects poorer communities where buyers are most financially vulnerable, thus tending to further destabilize neighborhoods because more low-income tenants default and the signals sent to the larger real estate market confirm the worst sentiments about the community.

To residents of Northern Utah not living in Ogden, one sentiment predominates if they think about Ogden at all. Ogden is a place to avoid. Residents of Northern Utah we spoke with didn’t refer to cities highly. Cities are urban places, they told us. For a traditional values family living in sprawling northern Utah, urban means grime. It means older houses. It means poverty. It means crime. It means terrible schools. When our team spoke randomly with people we encountered at the Layton Hill mall, and at chain restaurants in the area south of Ogden—the Symphony Homes—Applebees-Olive Garden crowd—“urban” was unacceptable because urban was not clean, was without good homes, was not without poverty, not without crime, and without good schools. When pressed to think not just about cities but specifically about Ogden, reactions intensified. Not only did people describe Ogden as3 unsafe and dirty with terrible houses, it was empty. No downtown. Dings. People repeatedly told us that one good block becomes a terrible block around the corner. When our team engaged Ogden residents, in both formal and informal settings, we detected two themes relevant to the work of revitalizing East Central.

First, Ogden residents talking about East Central sound much like non-Ogden residents speaking about Ogden. Bench residents living above Harrison used terms like “ghetto” and “slum” to describe East Central, terms ordinarily associated with larger cities with severe multigenerational poverty and concentrations of distressed public housing, neither of which is a factor in Ogden. Patrons of businesses clustered along 12th Street and across Harrison from Weber State regarded the area as “full of illegals”, “dangerous”, “drug-infested”, “full of felons”, and “slummy”. Asked to distinguish between parts of East Central like the historic district versus Adams and 28th, Ogden residents not living in East Central could not. When we spoke with East Central residents, these themes remained constant, but at a lower level of abstraction. Residents in the subdivision on 22nd Street and Harrison felt their cul-de-sacs were great but that they “wouldn’t dare let their kids into the ghetto on the "other side of Monroe". Residents of modest pillow homes at Brinker and 19th thought their street was "fine" but that just over "by Rushman and Quincy there are gangs." East Central residents we talked with spoke of informal boundaries, all of which our team confirmed. East Central is not one area, in spite of how non-East Central residents generalize. There are distinct parts to East Central, each with different challenges, norms, and stocks, each with a potentially different target market.

Second, Ogden residents—whether East Central or not—spoke about Ogden in terms and with body language that implied an inferiority complex. While Ogden residents who did not live in East Central bemothed the older inner neighborhoods, they were simultaneously well aware of Ogden’s reputation outside the city as a place to avoid. While residents of East Central living in the better areas like those between Jackson and Harrison and 3rd and 27th had plenty to condemn about the “other side of Monroe”, or the “terrible schools”, or the “deadness” of Washington Boulevard, they were simultaneously well aware of their own East Central neighborhoods’ reputation within Ogden as a place to avoid.

2000 US Census

US Census Tracts 22 & 28

The executive director instrumental in steering Neighborhoods Inc in the right direction in Battle Creek was David Boulle, an associate with zab and a primary contributor to this document.