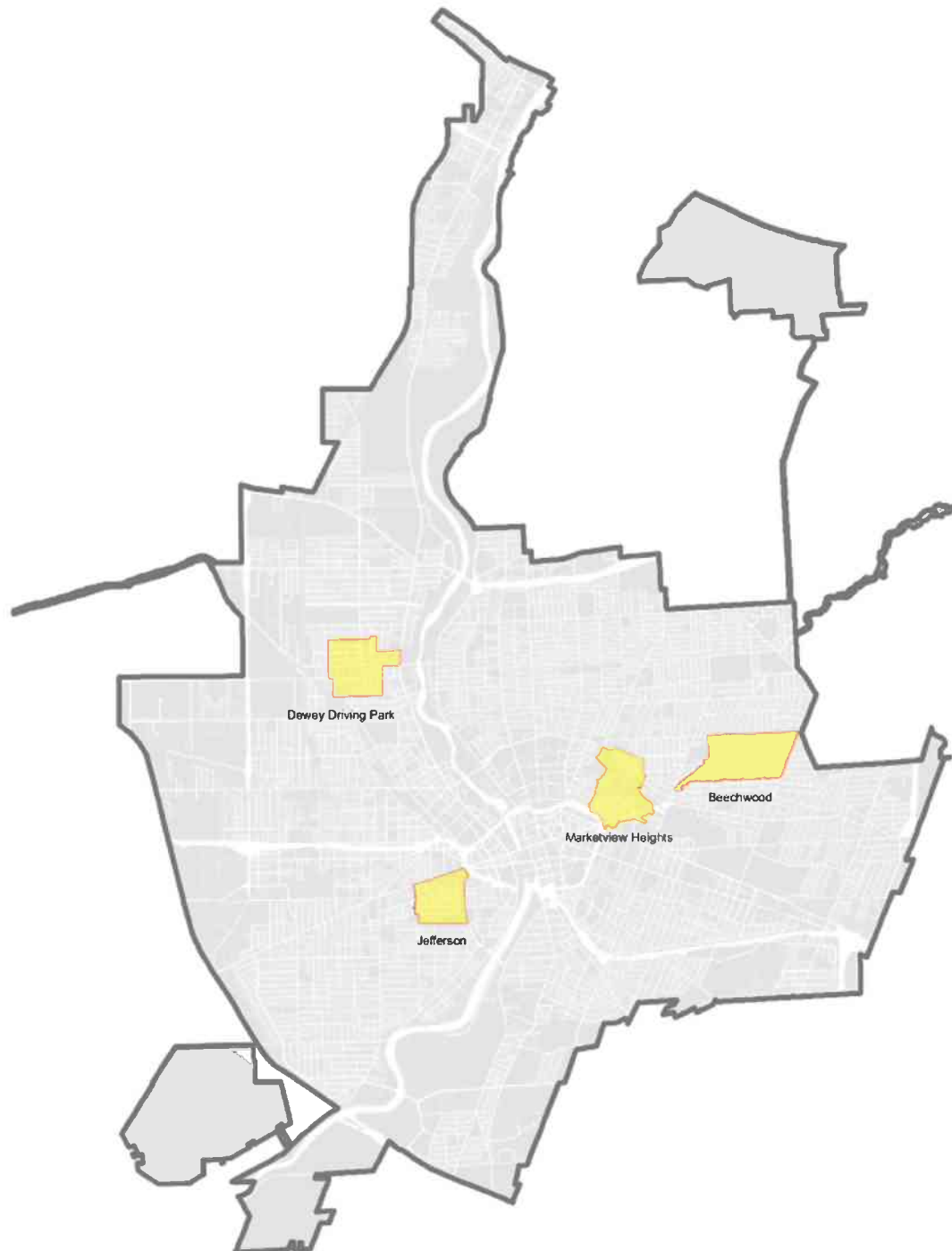


# Rochester Focused Investment Strategy: FIS Area Common Themes, Strategic Implications, and Best Practices

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## Table of Contents

Introduction.....	3
Crime .....	4
Weak homeownership demand, but excellent opportunities to promote homeownership .....	7
Improving Housing Conditions for Homeowners and Responsible Landlords.....	9
Housing Oversupply.....	10
“Problem” properties .....	11
The challenge of neighborhood image-building.....	16
Greening the neighborhood .....	18
Community engagement.....	20
Obtaining public input and managing multiple planning processes and public input .....	22
Employment connections.....	24
Bolstering commercial centers.....	27
APPENDIX: Winning Strategies In Neighborhood Revitalization .....	31

## Common Themes, Strategic Implications, and Best Practices

### Introduction

The information collected and organized in this document discusses the opportunities and challenges observed across the 4 Focused Investment Strategy Areas selected by the City of Rochester. We found that the following themes were prevalent in all four of the City of Rochester's Focused Investment Strategy areas:

- ❖ Crime
- ❖ Weak Homeownership Demand With Opportunities To Promote Homeownership
- ❖ Improving Housing Conditions For Homeowners And Responsible Landlords
- ❖ Housing Oversupply
- ❖ "Problem" Properties
- ❖ The Neighborhood Image Building Challenge
- ❖ Greening The Neighborhood
- ❖ Community Engagement
- ❖ Obtaining Public Input And Managing Multiple Planning Processes
- ❖ Employment Connections
- ❖ Bolstering Commercial Centers

This document provides an explanation of these issues, outlines their strategic implications for the FIS initiative, and identifies some best practices relevant to Rochester from places and organizations that have grappled with similar issues.

Before continuing, we offer one note on "best practices." Many of the "best practices" discussed in this document have been replicated in other places – sometimes even in Rochester – with varying degrees of success. A number of factors including staffing, leadership, funding and community support, fit with the organizational culture of the replicating organization, and other factors will affect the success with which any best practice is replicated in a given place. We believe that all of the best practices discussed in this document are worth serious consideration in Rochester, and that to the degree that versions of these practices may have been attempted with limited success, that past efforts be reviewed with an eye to these factors.



## Crime

All of the FIS areas appear to be experiencing significant problems with crime, ranging from violent crime, drug dealing, gang membership, and prostitution down to property crime, and minor quality of life issues such as graffiti, litter, etc. Several models are particularly powerful in understanding and preventing crime:

- **Developmental models** look at the life course and environmental and contextual factors in an individual's life that make them decide to join gangs, sell drugs, and commit violent crimes.<sup>1</sup> This body of research looks at how life events (victimization, exposure to violence), individual factors (e.g., gender, physical characteristics, health, age, and cognitive, socio-emotional, and behavioral functioning), family factors (e.g., family structure, socioeconomic status, values and beliefs), peer factors (e.g., attachment to peers, appropriateness of peers), community factors (e.g., neighborhood condition, schools, workplaces, and housing), and greater societal factors (e.g., cultural values, social norms and health, social, educational, and economic policies) interact to put individuals on a criminal path. Some researchers hypothesize that given these factors, individuals engaging in crime may be making what they believe is a rational choice that crime best meets their basic needs at this point in their lives, compared to the opportunities they perceive in other avenues. These models assert that effective prevention efforts must help people to build their skills, build a positive sense of their own identity as a force for good in society, identify and capitalize on opportunities to help themselves, and develop a sense of hope for the future. Mentoring, job training and placement, and both academic and life skills education are all programs that seek to deliver these outcomes.

Scholars such as William Julius Wilson have also commented on concentrated poverty as a factor impacting outcomes for youth.<sup>2</sup> Areas of extreme

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<sup>1</sup> See, for example: Comprehensive Strategy for Serious, Violent, and Chronic Juvenile Offenders (1993). U.S. Department of Justice, Office of Justice Programs, Office of Juvenile Justice and Delinquency Prevention.

<sup>2</sup> William Julius Wilson (1990). The Truly Disadvantaged: The Inner City, the Underclass, and Public Policy. University of Chicago Press.

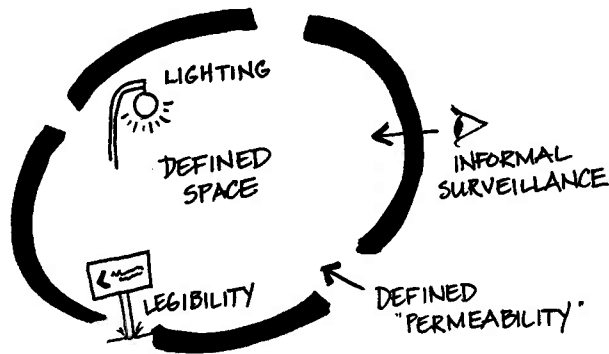
concentrated poverty, where youth may have limited exposure to working role models, make it much harder for young people to develop the skills and sense of optimism that they need to succeed in more “mainstream” environments. Turning to crime may be an adaptive strategy in a high-poverty environment. Reducing concentrations of poverty is therefore also an important strategy for improving public safety.

- The **collective efficacy model** identifies two neighborhood characteristics that translate social values into safe neighborhoods. The characteristics are 1) mutual trust among neighbors; and 2) a willingness to intervene for the common good.<sup>3</sup> This model thus emphasizes the importance of building relationships among neighbors, and helping neighbors work together on efforts that help them establish some control over their environment. Examples of such efforts – with the caveat that they must be genuinely led and implemented by residents– range from cookouts to community gardens to day-care cooperatives to neighborhood clean-ups and more. More generally, such efforts fall within the “Asset Based Community Development” model, which focuses on identifying and cultivating existing community strengths. This model is being employed in the Dewey-Driving Park FIS Area with funding from the Greater Rochester Health Foundation.
- The **Crime Prevention Through Environmental Design (CPTED)** model examines how physical design of a community can make it easier for residents to “police” public spaces and deter criminal activity. For example, well-placed, low-intensity lighting that does not create deep shadows is believed to be superior to high-intensity “security lighting” that limits the ability to see beyond its intense pool of light. Placing building windows that overlook public or semi-public spaces is also believed to deter crime, as are strategies intended to reduce the amount of through-traffic in a neighborhood. Design that prevents crime will create “defensible space” – space designed to heighten the sense of territoriality or resident sense of “ownership” over the space – and increase natural surveillance or “eyes on the street.”<sup>4</sup>

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<sup>3</sup> See: <http://poverty.smartlibrary.org/NewInterface/segment.cfm?segment=2480>

<sup>4</sup> See: Oscar Newman (1996), “Creating Defensible Space” – available on the internet at <http://www.huduser.org/publications/pdf/def.pdf>. Also see the international CPTED Association website at: <http://www.cpted.net/>.



CPTED MODEL

- The **Broken Windows** theory suggests that physical symptoms of disorder in a community (e.g. broken windows, graffiti, litter) send a message to criminals that no one cares about what is occurring in the community, and therefore embolden them to commit crimes.<sup>5</sup> The ideas were put extensively into practice by William Bratton as Chief of Police for Boston, MA and subsequently other cities.

A **balanced strategy** that seeks to incorporate key lessons from each school of thought of the preceding models may be most likely to achieve progress in reducing crime.

#### *Strategic implications*

- Consider promoting developmentally oriented approaches as a response to issues around youth violence, gangs and involvement in drugs. These approaches must provide youth with job opportunities, mentors who can help them make good choices, and programs that develop their skills, positive self-image, and sense of hope for the future. Best practices models include the Manchester-Bidwell Craftsmen's Guild in Pittsburgh, PA; the Harlem Children's Zone; and specifically on the issue of gang violence, streetworker programs such as the Institute for the Study and Practice of Nonviolence in Providence, RI and CeaseFire in Chicago, IL.<sup>6</sup>

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<sup>5</sup> See James Q. Wilson and George Kelling (1982). "Broken Windows." Atlantic Monthly. Available on the internet at: [http://www.manhattan-institute.org/pdf/atlantic\\_monthly-broken\\_windows.pdf](http://www.manhattan-institute.org/pdf/atlantic_monthly-broken_windows.pdf)

<sup>6</sup> Websites: Manchester Bidwell Craftsmens Guild: [www.manchesterbidwell.org](http://www.manchesterbidwell.org). Harlem Children's Zone: [www.hcz.org](http://www.hcz.org). Institute for the Study and Practice of Nonviolence: [www.nonviolenceinstitute.org](http://www.nonviolenceinstitute.org). Cease Fire: [www.ceasefirechicago.org](http://www.ceasefirechicago.org).

- Support programs and resident-led efforts to promote “collective efficacy” - similar to the concept of “neighborhood self-management” that “Neighborhoods of Choice” planners such as David Boehlke endorse. This will require a substantial investment in activities that may be criticized as “soft” or too “social” but need to be defended and implemented. An ice cream social needs to be understood as a critically important element not only for crime prevention but for boosting neighborhood management outcomes. It may also require painstaking attention to integrate “neighborhood management” activities into actions that might otherwise simply be implemented by a nonprofit or city agency. This topic is discussed in greater detail later in this document, including its linkages to homeownership in the section entitled “Community Engagement.”
- Seek to promote CPTED principles when conducting public works projects, park restoration, and real estate development activity. These measures should also take into account how to promote other important goals at the same time – such as improving neighborhood connectivity to other parts of the city, and creating a positive image of the neighborhood that builds confidence. Require all City-funded developments and projects to adopt CPTED principles, and coordinate with the Rochester Police Department to promote appropriate implementation of these principles.
- Use real estate projects not only to rid the neighborhood of “problem” properties, but also to diversify neighborhood incomes and reduce concentrated poverty.



### **Weak homeownership demand, but excellent opportunities to promote homeownership**

In the FIS Areas, it is generally much less expensive to own a home than to rent, if one limits the comparison to contract rents vs. mortgage PITI. Substantial maintenance needs of many homes in the area obviously alter this equation, but nevertheless, the FIS Areas are astonishingly affordable places in which to buy a home and are easily among the most affordable urban neighborhoods in the country.

Therefore, all of the FIS Areas enjoy a very unique opportunity to promote homeownership for moderate-income households. Increasing homeownership, in turn, can drive neighborhood revitalization in several ways, as was recognized in the highly successful revitalization efforts by Neighborhood Housing Services of Battle Creek, MI :<sup>7</sup>

- Homeowners can invest in and improve properties, leading the market to higher property values;
- Their choice to move into and invest in the neighborhood tells a positive story about what is happening;
- Homeowners tend to engage more in the social fabric of the community and therefore are key contributors to “neighborhood self management.”

That many properties appropriate for homeownership continue to be purchased by investor owners is a telling sign of just how weak the homeownership market is for these neighborhoods. The problem is clearly not one of affordability, and therefore providing additional subsidies to write down the cost of home purchase is probably not a particularly good strategy to drive demand (especially because writing down the purchase price depresses neighborhood house prices). Indeed, a household who requires a subsidy to purchase a \$40,000 home is probably not ready to be a homeowner. They need a decent job, first.

Instead, the focus needs to be on creating a housing and neighborhood product that is attractive to potential buyers. Most homebuyers will shun neighborhoods that have derelict buildings, visible signs of crime, or other factors that increase the risks to them of buying a home there, so these issues must be dealt with. On the other hand, most people also choose a home and a neighborhood not for the mere absence of problems, but for the presence of positive amenities like a great housing product, friendly neighbors, convenient and attractive commercial services to walk to, and so forth. Creating, growing, and marketing these amenities thus needs to be a critical part of the effort, in addition to addressing problems.

#### *Strategic implications*

- Position increasing homeownership rates in the FIS areas at the front and center of revitalization efforts.
- Put a high quality housing product on the market to attract new homeowners: Use acquisition/rehab/resale as well as strategic infill, and build/rehabilitate homes to a high standard. Rochester has such a standard in place with the HOME Rochester program. In addition to the standard

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<sup>7</sup> See article by David Boehlke, “Leveraging Home-Ownership Promotion as a Tool for Neighborhood Revitalization.”



HOME Rochester represents an under-utilized delivery system available to the FIS areas. The quality of the housing product and the program's efficiency are significant resources.

- Set prices for these properties as high as the market will bear (or even higher, and provide offsetting subsidies) to lead the market upwards.
- Focus efforts on properties that are at a pivotal point where they may change status soon – e.g. about to come on the market; owner is looking to sell; or at risk of falling into abandonment – and where an intervention would make it possible to find a homebuyer for the property. Importantly, note that it may not always be necessary to actually purchase, rehab and resell a property in order to influence who buys it – a critical point given limited resources. There may be opportunities to assist in marketing properties that are coming on the market to good buyers, and to attract these buyers through provision of fix-up incentives. Some neighborhood revitalization efforts have hired “Realtors on retainer” to provide strategic guidance on how to find good buyers for particular properties, as well as on neighborhood marketing generally. Others have provided financial incentives to existing homeowners to help market properties to friends and family, or to serve as “neighborhood ambassadors” to help prospective buyers feel comfortable about the neighborhood. (Examples include Syracuse, NY and Lincoln, NE).
- For each neighborhood, work to identify particular market niches that might be swayed to buy a home in each area and target marketing messages to these groups. (See discussion on “image,” below).
- Connect homeowners to the revitalization process. Provide financing products that encourage owners to improve their properties. Engage homeowners in projects where neighbors work together and get to know one another. Let the neighborhood know about the homeowners who are choosing to buy and improve homes in the neighborhood.
- Use subsidy to cover appraisal gaps to support people to improve their homes, but be careful about using subsidy to close affordability gaps for very-low income families to purchase homes. Ensure that homeowners are being positioned to succeed and are able to handle the ongoing costs of maintaining a property.

## **Improving Housing Conditions for Homeowners and Responsible Landlords**

Improving housing conditions is a common goal across all of the FIS areas. Many properties – both rental and owner-occupied – need maintenance work that the owner is interested in performing, if they can access the right resources. Along with flexible, “user friendly” loan products to assist homeowners and landlords in

rehabilitating their properties, we recommend considering the following ancillary strategies:

- Offer home maintenance / post purchase training;
- Leverage the expected influx of new weatherization funds to reduce property operating costs while taking care of some rehabilitation needs;
- Offer landlord training. Beyond training, a landlord technical assistance program could connect landlords to a list of recommended property management firms and tenant screening servi



### Housing Oversupply

Most of the FIS areas have been the subject of discussions, and in some cases active proposals, around building new housing stock. Earlier housing market studies have demonstrated that Rochester suffers from an oversupply of housing. Therefore, strategies meant to increase affordable housing production are not an appropriate revitalization tool. The FIS areas suffer from weak demand, not an insufficient or overly expensive supply of housing.

The guiding principle for housing strategies in the FIS areas should be to end up with a **better** housing product than what currently exists – **not more** housing product.

This recommendation should not be construed as meaning that no housing development work should occur. Old, unappealing housing product may need to be replaced with more attractive, quality, housing product, either through substantial rehabilitation or selective demolition and infill. However, substantial additions to the housing stock (e.g. by developing on large tracts of vacant land, or pursuing significant vacant lot infill activity when the lots might instead be readily split between adjacent owners) should be approached cautiously, inasmuch as they exacerbate the housing oversupply, unless it is clear these projects can attract a new market niche that would not otherwise consider the neighborhood or the city.

### *Strategic implications*

- Avoid squeezing new units onto smallish infill lots that are better split between adjacent owners or reprogrammed in other ways (e.g. off street parking);
- Avoid for now large-scale new housing developments on large vacant tracts of land, especially ones that emphasize affordable housing. Land bank these tracts until the demand is restored, or consider other uses;
- When deciding whether to rebuild or land bank and what to rebuild, consider factors such as:
  - Whether a greater neighborhood amenity could be created by using the land for a purpose other than housing (including relatively low-cost uses like side yards, gardens or off-street parking);
  - Whether rebuilding contributes to reinforcing a key “node” of development in the neighborhood, or leaving the land vacant would seriously disrupt the rhythm of structures on the street;
  - What kind of housing product could be built that would help to increase homeownership and attract target markets to the area – for example, is there an opportunity to provide housing product (e.g. lofts in highly walkable locations, “green” housing) identified in the Rochester Housing Market Study as highly attractive to key markets?



### **“Problem” properties**

All of the FIS properties suffer from a few particular properties that radically alter the image of the neighborhood for the worse. These properties are generally either:

- *Investor-owned rental properties* that are in very poor condition, with neglectful landlords and often highly problematic, transient tenants who are bouncing from property to property. In addition to reducing the value of surrounding real estate and the attractiveness of the neighborhood to potential homeowners and investors, these properties appear to host drug-related activity and prostitution;
- *Vacant properties* otherwise similar to the above; or
- *Mini marts* that sell a poor variety of goods, often unpackaged and at high prices, see a lot of loitering happening outside, and that are widely thought to be engaged in drug sales in some way.

The properties are a nuisance both in terms of their physical appearance and the behaviors that occur there. There appears to be widespread agreement that comprehensive revitalization is simply not possible without first removing the blighting influence of these properties. A variety of tools may be effective at gaining control of these properties to reprogram them, and to keep the problems from reappearing. In selecting among these tools, “problem properties” need to be recognized as a symptom of weak demand for a neighborhood as much as a cause of it. Strategies to address these properties must take great care to be boosting the image and market for the neighborhood.

#### *Strategic implications*

- Basic code enforcement techniques should be continued, but given the urgent nature of the problems these properties are creating, additional efforts should be made to gain a greater degree of control over these properties. Specific techniques to consider are:
  - Implement an easily accessible and editable database that maintains an up to date list of problem properties in each of the FIS areas tracking ownership, condition, and occupancy. Make the review of the list and disposition strategies for each property the responsibility of one of the FIS area stakeholders or team members and find a way to efficiently communicate the information to the FIS team. Properties should be earmarked for highest and best potential use as soon as they are identified as problem properties be it homeownership, rental or demolition.

- File nuisance lawsuits, in which a court may order property owners to take very specific steps to abate nuisances to the community.<sup>8</sup> Nuisance lawsuits do not necessarily have to be filed by the City government, although funding is needed to carry out the lawsuit. The establishment of a housing court (ideally empowered to hear complaints about commercial properties as well) may help to expedite legal actions of this nature. A variety of cities have established housing courts including Buffalo NY, New York City, Providence RI, Boston MA, Cleveland OH, San Diego CA, and others.
- Partner with social service agencies providing rental assistance to screen landlords who may participate in their programs, and enforce strict standards for property maintenance and upkeep if landlords wish to rent to tenants receiving rental assistance. Landlords might also be required to participate in landlord training programs, or even to employ certain property management firms from a pre-approved list.
- End the practice of selling tax liens to investors, at least for “problem properties” located in FIS Areas. Tax foreclosure represents a possible way to gain control of a property and dictate the subsequent disposition of the property. In the long run, it is likely to increase total tax revenues to the City as it puts properties on a more productive track.
- Building receivership programs should be established for both residential and commercial property, in partnership with the court system. Both Chelsea and Worcester, MA have successfully addressed problem properties by employing these programs. A receiver is appointed by a court (often a specialized housing court) to rehabilitate and manage property that has persistent, unremediated code violations or otherwise poses a threat to public health and safety due to mismanagement. The receiver rehabilitates the property, manages it for a proscribed period of time (with all the powers that the manager would typically have, including evicting and leasing to tenants, collecting rent, property maintenance, etc.), and places liens on the property that are typically senior to all other liens. The owner must repay all these expenses and may then resume management of the property. Otherwise, the receiver can move for foreclosure of the property. In Rhode Island, a judge may actually order that a property in receivership be torn down under some circumstances, and the

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<sup>8</sup> “Nuisance” is a legal term generally meaning any physical aspects of or behaviors that occur on a property that threaten public health, safety and welfare, or that unreasonably interfere with the enjoyment of property of adjacent owners.

receiver may also request the court to order the sale of the property, with terms and conditions for the sale set by the judge. A handbook to housing receivership created by practitioners in Chelsea, MA is available.<sup>9</sup> A Worcester, MA nonprofit program, Worcester Community Housing Resources, runs a loan fund that provides funding that receivers need to fix up the properties they are managing.<sup>10</sup> The City of Chicago has also operated a successful receivership program, including a loan fund that enables receivers to make building improvements, through its Troubled Building Initiative.<sup>11</sup>

Note that the viability of such programs obviously depends on the enabling state legislation. This legislation should be examined, and potentially may need to be amended to allow for the effective operation of such a program.

- Negotiated sale of the property could also be pursued, with the pressure resulting from code enforcement activities, nuisance lawsuits, and/or receivership liens potentially encouraging the sale.
- Finally, eminent domain takings could also be pursued if necessary. Establishment of an Urban Renewal District would be needed to facilitate such procedures.
- Once purchased (or acquired as a result of tax lien foreclosure or receiver foreclosure), properties would be programmed for the previously identified best use. Properties identified as good opportunities for homeownership could be addressed by a HOME Rochester-like program. If it is clear that the property is best suited for use as a rental based on its size or configuration it could be conveyed to a responsible landlord, possibly a nonprofit developer; subsidy could be provided through affordable rental housing sources

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<sup>9</sup> A Handbook for Receivership of Abandoned and Problem Housing. Chelsea Restoration Corporation. Available on the Massachusetts Housing Partnership website at:  
[http://www.mhp.net/community\\_initiatives/resources.php?page\\_function=list&resource\\_category\\_id=72](http://www.mhp.net/community_initiatives/resources.php?page_function=list&resource_category_id=72)

<sup>10</sup> The program director is a colleague of the principal author of this report, and may be available to answer questions.

<sup>11</sup> See:  
<http://www.occ.treas.gov/cdd/Newsletters/spring08/articles/nonprofits/cdn08spring12.htm> ; also see Robin Drayer (1992). "Saving Housing Through Receivership: The Chicago Experience." Shelterforce Magazine, Issue #65.

(such as tax credits or DHCR's Small Projects Program) to rehabilitate the properties to a high standard and turn them into a neighborhood strength through responsible property management.

- Avoid employing techniques that publicize and project the magnitude of the problem property to an even greater degree, such as large and imposing "no loitering" signs on commercial buildings and/or "shaming" signs ("a slumlord owns this property"). Such techniques only reinforce the perception that the neighborhood is not a desirable place to live.
- For at least some problem properties, it may make sense to work on a lower level of the "Civil Force Continuum," trying the simplest solutions first for potentially more rapid resolution:<sup>12</sup>

**1. Communicate:** Can the problem be solved by getting enough credible information to the right people [e.g. the owner; codes officials, etc.]? If not...

**2. Educate:** Can the problem be solved by educating an individual or offering to assist a particular guardian? If not...

**3. Raise the stakes:** Can the problem be solved by involving more people who can exercise leverage over reluctant enablers, guardians, or both? If not...

**4. Issue a final warning:** Could the problem be solved by communicating that legal action may be considered if the problem escalates further? If not...

**5. Take civil action:** Can the problem be solved by lawsuit [e.g. a nuisance lawsuit], and if so, who should bring the suit?

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<sup>12</sup> John Campbell (2001). "Solving Chronic Nuisance Problems: A Guide for Neighborhood Leaders." The Enterprise Foundation. Available online at: <http://www.practitionerresources.org/cache/documents/19720.pdf>





## The challenge of neighborhood image-building

Most of the FIS Areas appear to be wrestling with a negative image among at least some segments of the population – and many stakeholders reported a belief that the City in general has a negative image among people who live outside it. Some of the negative “stories” that are communicated about the FIS areas include high and rising levels of crime, especially drugs and violent crime; that the neighborhoods are generally undesirable places to live or are becoming less desirable; that people and businesses are disinvesting in the neighborhood; and that the quality of education is poor.

In part, some of these negative images are fueled by the media. The physical image of the neighborhoods – in particular, visible signs of disinvestment and disorder that are present in most of the FIS areas – may also be a contributing factor. Lastly, of course, there is often some degree of truth to these negative stories, although there is also data that contradicts the image (for example, some elementary schools in FIS areas have achieved fairly strong academic performance compared to other City schools).

Neighborhood revitalization depends not only on City investments but also (indeed primarily) on the private investment choices of individuals and businesses. Private investment depends on the confidence individuals and businesses have in the future of the neighborhood, which in turn is highly dependent on the image of the neighborhood. *The image that needs to be communicated in order to promote neighborhood investment is that:*

- *These neighborhoods are desirable places to live with great amenities and good value for your investment;*
- *Not only public but private investment is occurring and this is a neighborhood that is on the way up; and*
- *Good people and businesses are choosing to move into the neighborhood and invest in it.*

Particularly powerful messages can be created by drawing attention to the people in the neighborhood who have choices about where to live and are choosing to invest in the neighborhood. This communication needs to happen both through formal means – e.g. newsletters, media placements, and websites that can reach both internal and external audiences about what is happening – and through



informal means that generate a “buzz” in the neighborhood about positive developments.

### *Strategic implications*

- Support the establishment of formal communications strategies (e.g. a neighborhood newsletter or website) that highlight positive developments in the neighborhood. Critically important highlights include: profiles of recent homebuyers and of homeowners who have made significant investments in their property; descriptions of community events that show off the neighborhood as a fun and friendly place to be; profiles of businesses, parks, or other neighborhood assets; and the like.
- Support efforts that generate positive, informal communication. Examples include holding open houses of recently remodeled houses or house tours for Realtors and neighborhood residents; holding small social events like block parties and ice cream socials for neighbors to get to know one another where a few conversations are seeded about recent positive developments (e.g. meeting the great new people who just moved in); connecting groups of people around neighborhood assets (e.g. “Friends of the Park” or “Friends of the Library”), etc.
- Promoting FIS and City investments in the area may be a political necessity, but is generally not an effective way to build neighborhood image. Many people are reluctant to live or invest in a neighborhood that has so many problems where special attention from the local government is highlighted. If signage or banners are to be employed, avoid signs announcing the area as an FIS area. Instead try to communicate messages about the desirable nature of the area, especially any unique features of the neighborhood that make it attractive (for example, the historic homes on graceful tree-lined streets in the northern section of the Dewey-Driving Park area).
- Changing the subject away from the negative stories by simply finding other, more positive things to communicate, may be more effective than trying to refute negative stories. Similarly, avoid investing in negative communication that hypes the presence of a problem (such as the large “no loitering” signs on storefronts).
- The development of formal neighborhood marketing plans that identify target audiences and messages may be a worthwhile investment. Communications should be targeted to the groups or market niches that may be most likely to respond positively. In particular, it would be worth additional conversations with Realtors, recent homebuyers, and others to understand what target markets are most likely to consider purchasing and investing in each FIS area. Generally, these homebuyers will be people who have a higher tolerance for risk and/or who are more familiar with the neighborhood (common “early adaptors” who buy homes early in a

revitalization process have included neighborhood renters, artists, the gay community, singles, people who grew up in the neighborhood, and people who work nearby). Communications should then be directed in ways and using language that speaks as directly as possible to these audiences.

- Some models to consider for neighborhood image-building and marketing efforts include the Patterson Park Neighborhood Association in Baltimore, MD (see: [www.pattersonparkneighbors.org](http://www.pattersonparkneighbors.org)). Other examples are discussed in the Appendix to this report. There is also the Live Baltimore campaign ([www.livebaltimore.com](http://www.livebaltimore.com)), a city-wide marketing initiative that links to neighborhood marketing efforts; this initiative is not that different from the Rochester City Living marketing initiative. Neighborhood marketing consultant Marcia Nedland (based in Ithaca, NY) also has a number of helpful materials on her website including “Top 10 Neighborhood Marketing Principles.”<sup>13</sup>



## Greening the neighborhood

As discussed in the Draft Rochester Right Sizing and Green Infrastructure Task Force Report, the declining population of Rochester demands a strategic approach to “right sizing” the city that could create very substantial opportunities for adding attractive green spaces and green infrastructure to the city. These challenges and opportunities are evident in all of the FIS areas, which have large numbers of vacant buildings and lots. Some of the areas have spaces with concentrated vacancies sufficient to be considered for being one of the 40 blocks that are reprogrammed (such as the area around Davis and Augusta Streets in Marketview Heights). Others

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<sup>13</sup> See:

<http://fallcreekconsultants.com/documents/Top%20Ten%20Neighborhood%20Marketing%20Principles.pdf>

have vacant lots that may be a significant community asset if they are reprogrammed as community gardens, extended side yards for neighboring properties, urban agriculture uses for collections of lots, or off-street parking in neighborhoods such as Marketview Heights that have parking shortages.

It should also be recognized that cities with declining populations are over-zoned for commercial space, beyond their housing oversupply. Commercial corridors with relatively high traffic volumes cannot be developed with commercial uses all along their length without significant overbuilding occurring. Nor are these higher-volume streets likely to be as marketable for residential uses. There may be opportunities to convert frontages along some streets with attractive greenspace for the length of an entire block or more, and over the long term possibly even to stitch these green spaces together to create paths for bicycles and pedestrians.

A variety of cities have capitalized on the opportunity for turning vacant land into green infrastructure, with Philadelphia as one of the most notable. Within that city, the story of New Kensington CDC and its neighborhood-based vacant land initiative is very applicable to the challenges faced by the FIS areas (see [www.nkcdc.org](http://www.nkcdc.org)). NKCDC's "Open Space Management Program" assists residents with establishing community gardens, developed a community-run Garden Center, conducts various beautification efforts, and has also sponsored land use planning work for the Delaware Riverfront.

In addition to Philadelphia and New Kensington, New York City is another community that invested substantially in community gardens on vacant land – much of which became vacant during a “weak market” period that shares some similarities with Rochester’s current situation. The New York City Parks Department runs a GreenThumb program that provides grants and technical assistance to a network of over 600 community gardens serving 20,000 residents throughout the city ([www.greenthumbnyc.org](http://www.greenthumbnyc.org)).

### *Strategic implications*

- Establish and/or strengthen the support network (both funding and technical assistance) to drive community-based “green infrastructure” development in the FIS Areas. More generally, consider how green spaces created by reusing vacant land can form part of a larger green space system, as suggested in the Task Force report.
- Promote a set of decision rules to help neighborhoods plan whether vacant lots (either ones that already exist or are to be created through demolition) have potential for reuse as side yards, community gardens, or landscaped off-street parking.
- Consider establishing “mini greenways” along stretches of higher-traffic-volume streets that connect denser nodes of development, for example along Jefferson Avenue in the Jefferson FIS area.

- Consider supporting urban agriculture efforts for larger tracts of vacant land. These efforts can also deliver significant community economic benefits. An excellent model is the South Side Community Land Trust in Providence, RI, which combines youth education, urban farming, community gardening, farmers' markets, and community-supported agriculture programs within its mission ([www.southsideclt.org](http://www.southsideclt.org)).



## **Community engagement**

All of the FIS areas enjoy the presence of many formal community organizations who are very much engaged in the improvement of the community. Rochester is unique, as many urban neighborhoods in other cities are not so lucky as to have this rich of a community infrastructure.

At the same time, the engagement of established community groups is not a substitute for the engagement of everyday community residents in the critical activities of “neighboring.” For a neighborhood to be healthy, “neighboring” activities need to occur outside of the auspices of any formal organization. It appears that these everyday linkages between neighbors are not as strong as they need to be. In several of the FIS Areas, stakeholders mentioned transient tenants who are hard to engage. High levels of crime – and reports of crimes where neighbors were afraid or unwilling to speak up – also speak to neighborhood management challenges.

**Building social capital in the FIS areas is different from building the organizational infrastructure or promoting the programs of community organizations,** although community organizations can play a key role in building social capital. Simply having strong community organizations is not enough. Community building is not outreach to the community about initiatives that government or other organizations are undertaking. It is about building peer-to-peer connections between neighbors. Neighborhoods need strong social networks, regardless of whether they are tied to an organization.

It is also important not to assume that the only way to build social capital is to form a lot of block clubs and/or neighborhood associations, or to grow city-sponsored forums such as NBN. Block clubs, neighborhood associations, and the NBN process

are indeed a form of social capital, and a useful one for handling many neighborhood issues. However, they are far from the only source of social capital that neighborhoods need. All kinds of informal, semi-formal, and formal groups make up the network of relationships that is needed to manage neighborhood change – ranging from sports leagues to baby-sitting cooperatives to PTA's to people who get into conversations on their front porch with passers-by. Government and community groups can support the development of this social capital by 1) working to reduce crime, 2) providing attractive public spaces, and 3) working to increase homeownership rates. They can also support (but should be careful not to control) activities and programs that help neighbors get to know one another, including activities that have no other purpose than that. Within the FIS Areas, the Maplewood Neighborhood Association (with the cookouts and “welcome wagon” events it holds) and SWAN / the Montgomery Neighborhood Center (with its community band and community gardens) are examples of helpful roles neighborhood groups can play to build social capital that can function outside the group itself.

The FIS areas may also be good candidates for the “Healthy Blocks” programming that has been implemented by NeighborWorks® Rochester. One example of an activity this program has undertaken is a series of neighborhood potluck suppers that were specifically targeted at getting University of Rochester students and longer-term residents to know one another. The suppers actually resulted in a student becoming a block club captain on their block, but more importantly, they created a web of social relationships that will help people manage everyday neighborhood issues. Most “Healthy Blocks” efforts have occurred in neighborhoods with higher homeownership rates than the FIS Areas – and efforts to boost the homeownership rate in these areas will make it easier to connect people. However, it is still more than reasonable to pursue social-capital-building work even in a neighborhood of renters – neighborhood management is a critical ingredient of a healthy neighborhood regardless of tenure patterns. NeighborWorks® Rochester's success in doing this work with a highly transient population (students) underscores that point.

### *Strategic implications*

- Recognize that strategies discussed earlier around boosting homeownership, providing quality public spaces, and enhancing safety are also helping to set the stage for a more socially connected neighborhood.
- Seek to integrate “neighborhood management” into projects and programs as possible. Ask neighbors for short, informal commitments to help out – the benefit they derive is to see an immediate, positive change and to get to know one another. Supporting small groups of neighbors in identifying and carrying out small improvement projects at their own initiative would be most preferable. Refer to the discussion in the section on “community input” for some models that have worked in this way.

- Try not to overwhelm neighborhood management efforts with city or nonprofit agency staff. That said, providing administrative support can make it easier for good things to happen. On a related note, “Community uplifts” appear to be very positive and useful events, and by all means should be continued, but do not consider them to be a substitute for neighborhood management-building efforts if they are primarily organized and carried out by city agencies and formal neighborhood nonprofits.
- Provide funding and other support for neighborhood groups and non-profits that are creating informal and quasi-formal venues for neighbors to get to know one another (e.g. the SWAN community band, community potlucks, etc.)



### **Obtaining public input and managing multiple planning processes and public input**

Neighborhoods in which the FIS Areas are located have engaged in a substantial amount of planning work that does not specifically focus on the FIS Area per se, but which is nevertheless highly relevant. In effect, FIS Areas are subject to multiple planning processes, which provide a rich array of information, ideas, and potential partners, but also presents some challenges in coordination.

A related challenge - not only for the FIS Areas but for all community planning processes - is how to seek public input. Planners are often expected to hold regular community meetings where residents are asked to read documents, serve on steering committees, and generally devote a lot of time to meetings. It is important to recognize that most neighbors want to engage with their neighborhood on a level that delivers immediate and tangible benefits to them and not in groups that seem to meet endlessly for the purpose of meeting. Neighbors may be willing to provide ideas for how to improve the neighborhood and feedback on neighborhood projects that government or nonprofits have proposed. But most people want to get other benefits – like socializing with other neighbors, making changes directly in the neighborhood that are of immediate interest to them, and just having fun in the very few hours they can spend away from work and family. **Efforts to engage neighbors in providing input and in the direct work of community improvement therefore usually are most successful when they are relatively**



**informal, involve relatively low levels of affiliation, are fun, and are explicitly action- and next-steps-oriented.**

A national “best practice” organization in community building is Lawrence Community Works in Lawrence, MA.<sup>14</sup> Their principle organizing strategy is to support “Neighbor Circles” where groups of roughly 8 families come together to discuss things they could do to improve the neighborhood.

Another model to consider is the LISC “Sustainable Communities” process. The process in Providence, RI has involved a team of 20 resident volunteers meeting one-on-one with over 100 other residents and neighborhood stakeholders. These conversations identified like-minded groups of people who were interested in similar projects, and organizers are now connecting them specifically to get those projects done. Project ideas included soccer tournaments, community cleanups, a youth build-a-bike (bike repair and recycling) program, an arts center, a day laborer center, “Friends of the Library” and “Friends of the Park” groups. At the same time, the conversations provided a wealth of input on potential projects and programs for implementation by the City and nonprofit groups. A community festival is being planned that – in addition to having a lot of music, food, and fun in the park – will host a “neighborhood expo” where groups working on neighborhood projects large and small (from a group organizing “movies in the park” to a nonprofit planning a major real estate project) can set up a booth to let people know what they are up to, recruit new friends, and get feedback in an informal setting.

#### *Strategic implications*

- Consider creating and/or supporting “Action Groups” as a primary modus operandi for FIS implementation going forwards. “Action Groups” could be formal or informal, fluid groups of people and organizations who share an idea for a project, program, or group of projects they would like to implement to improve the community. In some cases, City staff may be the initiators and primary implementers of an Action Group. In other instances, however, the City may simply be supporting an initiative that a formal or informal group of people is trying to work on to improve the neighborhood, regardless of whether that idea was conceived of within the formal FIS planning process.

These groups do need a “champion” with particular interest in and capacity for implementing the idea. Depending on the capacity of the “champion,” City FIS staff and/or community organizers or other staff working for neighborhood nonprofits may need to help support these groups by

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<sup>14</sup> Organizational website at: [www.lcworks.org](http://www.lcworks.org). Also see Bill Traynor (2007). “Building Community in Place: Limitations and Promise.” Available online at: <http://www.leadershiplearning.org/node/617>.

connecting them to people and organizations who can help “make it happen,” providing information and data that may be helpful for planning, and connecting them to funding opportunities. Regular participation at FIS team meetings should not be a requirement of action group members, although periodic events and meetings that help Groups communicate with each other about what they are doing could be very useful.

- Consider organizing an annual “Neighborhood Expo” event similar to the Providence Sustainable Communities event which provides an opportunity for networking, information sharing, and feedback with an emphasis on fun and community building .
- Consider supporting community groups who would organize informal, one-on-one or small group neighbor-to-neighbor conversations as a way of seeding “Action Groups,” recruiting residents to join existing Action Groups as appropriate, and/or enhancing the City’s understanding of neighborhood priorities.



## Employment connections

Helping neighborhood residents to find jobs is a priority issue throughout the FIS areas. There are proposals afloat to increase job training and placement services directly in FIS areas as well as to attempt to create jobs for neighborhood residents on FIS projects. Many older industrial cities face the challenge of finding ways to improve economic conditions for lower-income families despite declining manufacturing sectors and dwindling jobs. As Bruce Katz puts it, the challenge is not only to create “neighborhoods of choice,” but also “neighborhoods of connection:”

*A true rebirth of distressed areas (and the cities in which they are located) will only occur if we make these places neighborhoods of choice for individuals and*



*families with a broad range of incomes and neighborhoods of connection that are fully linked to metropolitan opportunities.<sup>15</sup>*

Because of the need to link neighborhoods to metropolitan opportunities instead of creating self-sufficient neighborhood economies, we suggest that while there are certainly neighborhood-level employment initiatives that would be appropriate for FIS investment, the employment challenge must be thought about primarily at the Citywide and regional level.

Another Brookings Institution report prescribes the following policy steps to boosting employment for low-income residents of older industrial cities – identifying them primarily as roles for state government:

- Invest in state-of-the-art vocational training systems that give residents the skills they need to compete;
- Give low-wage workers ready access to the work benefits they deserve to make work pay; and
- Help low-income families to build wealth and assets through programs and legislation that reduce the costs of being poor.<sup>16</sup>

Certainly, city and regional governments have a role to play in strengthening vocational training systems. The aforementioned Brookings report specifically recommends the expansion of workforce delivery systems to better serve the needs of inner-city residents, via:

- Partnerships between states, cities, and nonprofits to “design and fund programs to teach new and hard-to-employ workers – young adults, new immigrants, the chronically un- or under-employed – the basic skills needed to survive in the workplace.” These skills include computer skills, English, and other basic job and life skills.
- Resources for “all types of post-secondary institutions – including vocational and technical schools, community colleges, and four-year universities – to create or expand programs to help inner-city workers develop the ‘hard’ skills required for jobs in growing sectors... or in specific regional industry clusters. These programs should be designed in close and on-going collaboration with industry leaders, business groups, and private sector

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<sup>15</sup> Bruce Katz (2004). “Neighborhoods of Choice and Connection: The Evolution of American Neighborhood Policy and What It Means for the United Kingdom.” Brookings Institution Research Brief.

<sup>16</sup> Jennifer Vey (2007). “Restoring Prosperity: The State Role in Revitalizing America’s Older Industrial Cities.” Brookings Institution Metropolitan Policy Program.

intermediaries and should include internship, apprenticeship, and networking opportunities that can help students make direct connections with potential employers both within the city and throughout the wider metropolitan area.”

- The “creation and growth of workforce intermediaries... that can help low-income workers establish career pathways to good jobs, and help businesses access the job ready employees they need to succeed.” The report cites workforce intermediary programs in Ohio, Pennsylvania and California as models.<sup>17</sup>

Beyond these recommendations by Brookings, we believe that government can also play a role in improving transportation systems to strengthen linkages between FIS areas and the jobs and amenities that residents need. Finally, we also acknowledge that creating “neighborhoods of choice” may in and of itself be one aspect of a regional economic development strategy, insofar as vibrant urban neighborhoods may help to attract creative entrepreneurs to the city.

### *Strategic implications*

At the neighborhood level:

- Encourage greater linkages between existing workforce development programs and FIS Areas. For example, Rochester Works has indicated an interest in establishing a neighborhood-level presence in certain Rochester neighborhoods, with the potential for locations in or near the FIS areas.
- Encourage the expansion and linkage of existing and planned vocational and/or apprenticeship programs to FIS Area projects. Specific examples would include a YouthBuild program to engage young people in housing rehabilitation work, and the proposed establishment of a barber training program in Dewey-Driving Park.
- Analyze and evaluate potential investments in transit services that might better connect FIS Area residents to jobs (for example, more direct bus routes between the Jefferson FIS Area, downtown, and the University of Rochester).

At the Citywide and regional level:

- Promote continued dialogue between the City government, regional workforce investment programs, and regional employers to discern the opportunities for enhancing job opportunities for FIS Area and other inner city residents, especially new and “hard to employ” workers.

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<sup>17</sup> Ibid.



## Bolstering commercial centers

Economic and population declines in Rochester have hit not only its housing sector, but also its commercial areas. Traditional neighborhood commercial areas must also grapple with growing competition from automobile-oriented strip development on arterial streets in the city as well as in suburban locations. In the face of these forces, stakeholders in the FIS areas are attempting to solidify commercial nodes either within or close to the FIS boundaries. The reality is that Rochester is not likely to be able to support the square footage of commercial development it has in the past, so hard choices are necessary.

Most “best practices” that strengthen traditional neighborhood commercial centers follow some variant of the National Trust for Historic Preservation’s four-pronged “Main Streets” approach:<sup>18</sup>

- **Design:** Creating an inviting atmosphere through streetscape and façade improvements, rehabilitating buildings to a high standard of design that also honors historic architecture in the neighborhood, and ongoing maintenance of buildings and public spaces. Main Street programs will generally offer both design services and low-cost funding to encourage these improvements. They also operate programs providing everyday cleaning, landscaping and maintenance of streetscapes.
- **Economic Restructuring:** Increasing the competitiveness of existing businesses, while recruiting compatible new businesses that strengthen the overall commercial mix in the neighborhood. A critical element of economic restructuring is careful market research to determine the uses that can be supported given spending patterns in the area population, existing competition, and realistic projections of market capture. In areas that have seen only student-level market research, we would encourage investment in professionally-led studies (a low-cost but professionally-led study is being

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<sup>18</sup> [www.mainstreet.org](http://www.mainstreet.org)

performed by a SUNY professor for the Maplewood neighborhood, with the help of students). Follow-up on these studies is then needed with the help of commercial real estate brokers and other professionals who can recruit targeted businesses.

- **Promotion:** Coordinate efforts to build a positive image of the area and market it the neighborhood to investors, business owners, residents, and visitors. Note that efforts to promote commercial areas to residents and visitors might be effectively integrated with efforts that promote residential investment (that is, communicate a message that, say, Dewey-Driving Park is a great place to both live and shop).
- **Organization:** Helping merchants, commercial property owners, and other stakeholders to work together, crafting and implementing a coordinated plan to increase investment and attract new businesses and customers to the area. This organization is usually formally expressed in a Merchant's or Business Association. Funding may be provided through Business Improvement District (BID) structures, where property owners agree to pay a special tax assessment that is then devoted towards funding programs for the neighborhood commercial area. A best practice to examine in this regard is New York City. Neighborhood commercial areas throughout NYC now operate a variety of programs through their BIDs, including extra security, street cleaning and maintenance, promotional programs, business recruitment, and other efforts.<sup>19</sup> Rochester does have an existing BID on Monroe Avenue.

A city with extensive success utilizing the Main Streets approach is Boston, MA. Boston has 19 Main Streets programs that it supports in neighborhoods across the city through a central Main Streets office. Its design department offers services in commercial storefront renovation, urban design, and graphic design, as well as matching façade grants. Its economic restructuring efforts include careful study of consumer habits and economic opportunities to expand and attract businesses, backed up with a recruitment program and networking events. Organization efforts include technical assistance and funding for local main street programs, a corporate buddy program, and annual events programming. A variety of (fairly traditional) promotional programs are offered, and the Boston Main Streets program has added a fifth prong – technology – to help small independent businesses catch up to the technology expectations of vendors, customers, and suppliers.<sup>20</sup> While Boston is larger than Rochester and many of its commercial districts are denser, many

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<sup>19</sup> Links to all 60 of NYC's Business Improvement Districts can be found at:  
<http://www.nyc.gov/html/sbs/html/neighborhood/bid.shtml>

<sup>20</sup> A report on the Boston Main Streets program is available at:  
<http://www.mainstreet.org/MediaLibrary/BostonMainStreetsAnnualRpt2003.pdf>

communities much smaller than Rochester have also had success with Main Street approaches, including Littleton, New Hampshire and Burlington, Vermont.<sup>21</sup>

Micro-businesses (businesses with 5 or fewer employees) may have potential to create jobs and strengthen the overall neighborhood business mix. While these enterprises have a high rate of failure, they also account for almost 90 percent of US businesses. New funding is being made available through the Small Business Administration for capital and operating for microbusiness lending programs. These programs often combine technical assistance with small loans; businesses may qualify for larger loans as they build a credit history. Several models for microbusiness lending exist, with Accion USA as one of the best known.<sup>22</sup> There are also a number of municipal programs such as in Boston, Sacramento and a number of nonprofit and credit-union Community Development Financial Institutions (CDFIs). Community-Wealth.org maintains a list of “best practice” CDFI programs on its website.<sup>23</sup>

### *Strategic implications*

- Consider implementing a formalized Main St approach in FIS Areas (or for commercial corridors that are nearby in the case of areas such as the Jefferson FIS Area that do not have significant commercial nodes within their boundaries per se)
- Consider how micro business technical assistance and financing efforts might be expanded within the city.
- Carefully define where commercial nodes should be supported. Increasing transportation linkages to other commercial areas could be more appropriate for some FIS Areas than boosting commercial development within the FIS boundaries. For example, the Jefferson Avenue FIS Area is served by a full-service supermarket only 1 mile away, but there are no direct bus routes to the area and many residents do not have cars. An obvious solution is to create better transit connections (irrespective of the potential to develop an additional supermarket somewhere within the Southwest sector – most likely not within the FIS area itself). The definition of the commercial nodes for each FIS area will be an important step and must be customized to make use of each area’s assets and needs. For instance, in the Marketview FIS area the Public Market is clearly the best candidate to

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<sup>21</sup> See a list of “Great American Main Streets” award winners at <http://www.preservationnation.org/travel-and-sites/travel/gamsa/>

<sup>22</sup> [www.accionusa.org](http://www.accionusa.org)

<sup>23</sup> See <http://www.community-wealth.org/strategies/panel/cdfis/models.html>

become the commercial node. This differs significantly from the nodes in other areas.

## **APPENDIX: Winning Strategies In Neighborhood Revitalization**

Material is excerpted from the NeighborWorks® Training Institute Course:

NR 311: Diagnosing and Developing Winning Strategies to Revitalize Neighborhoods.

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## **Winning Strategies in Neighborhood Revitalization**

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### **Community Impact of Chattanooga, Tennessee “Buy-Hold Fund”**

#### **Information About Organization:**

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#### **Outcome:**

The issue of addressing key for sale properties in a speculative and investor dominated real estate market is a difficult one. Often buildings that could attract homeowners and be a force for neighborhood stabilization are purchased by investors and used for low-quality rentals. In the same way, vacant land that has the potential for development lies fallow. The Buy-Hold Fund in Chattanooga is an innovative approach to acquisition of key buildings and land as a key first step in neighborhood turnaround.

#### **Background:**

Community Impact is a non-profit organization created to assist the City of Chattanooga and lessen the burden of government by bringing together both public and private resources and directing such resources to accomplish positive neighborhood change. Community Impact’s mission is to carry out a comprehensive revitalization strategy in targeted neighborhoods. Community Impact is supported by the Lyndhurst Foundation, other local foundations, and the City of Chattanooga. It partners with a number of entities, including Chattanooga Neighborhood Enterprise (CNE), on a range of revitalization activities. Community Impact began operation in 1999, focusing on four neighborhoods. A key first step was a neighborhood planning process that focused on strengthening the market position of these neighborhoods and building a higher level of social connection among neighbors.



The Buy-Hold Fund was developed as a strategy for one of these neighborhoods – ML King. ML King is an older, primarily African American neighborhood adjacent to Chattanooga's downtown. As an older, minority neighborhood it suffered from negative perceptions and a set of low expectations about what it could be as a neighborhood. Because it was a poorer neighborhood, many social service organizations located their facilities and special needs housing there, further concentrating poverty and reinforcing the negative image. The neighborhood leadership, however, had a different perspective and vision. During the planning process they identified the need to attract younger, more affluent households to the neighborhood. They also resented the fact that social service organizations were almost always located there, feeling this only reinforced an image of the neighborhood as a last choice. The leadership recognized the potential the neighborhood had with its architecturally interesting housing stock and great location. They saw an opportunity to build a racially and economically diverse community.

One obstacle to achieving this vision was a dysfunctional real estate market that operated with very low expectations for the neighborhood. Many of the grand, single family homes were passed by word of mouth from one investor to the next who would convert these homes to multiple units and rooming houses. These transactions, which could have been opportunities to transform the neighborhood, only served to reinforce a pattern of decline.

The traditional mechanism for addressing problem properties was a purchase-rehab-resale program. This involved finding a building, negotiating with the owner, developing a rehab scope, negotiating with lenders and government officials to determine the right subsidy package doing the rehab project and trying to find the right buyers who could qualify for the subsidy but still afford the monthly costs of homeownership. This process was often time consuming and complex.

The Buy-Hold Fund was set up as an alternative. The idea was basically this: compete successfully against absentee investors to acquire properties to get them out of the speculative market, hold them until a plan can be put together for their disposition, and then sell them to an owner occupant/rehabber or a developer with financing to develop them in a neighborhood-friendly way. The idea was that ML King would never become the neighborhood it could be unless some of these buildings and land parcels were taken out of the hands of low-end investors and transformed. The Buy-Hold Fund was designed to operate in some ways like the investor, only with more favorable outcomes for the neighborhood.

After the initial success of the Buy-Hold Fund in the ML King neighborhood, the use of this tool was extended to the three other target neighborhoods – Bushtown, Highland Park, and Southside.

## **Components:**

**Resident Involvement.** A key to the success of the Buy-Hold Fund was resident involvement in identifying key problem buildings. In each neighborhood residents identified buildings they saw as obstacles to the revitalization of the neighborhood.

**Flexible Capital.** The Buy –Hold Fund was capitalized with a grant of \$500,000 from the Lyndhurst Foundation initially along with a subsequent investment of \$100,000. This capital was used to acquire and hold key properties and vacant land parcels for future development. It was sufficiently flexible to allow the kind of acquisition activity necessary to make the Fund work.

**Process.** The Buy-Hold Fund decisions were made by a small committee that included a staff person from the Lyndhurst Foundation, staff from the Community Impact Fund, and staff from CNE. The process was designed so acquisitions could take place quickly

**An entity to acquire properties.** CNE, which had new leadership, saw the potential opportunities in the ML King neighborhood and was the entity that took title to properties. A local realtor acted as a straw buyer to make offers.

## **Outcomes:**

Since its inception in 2001, the Buy-Hold Fund has financed the acquisition of 16 buildings and 20 vacant lots. Of these only eight are currently awaiting development. All the rest have been developed, with either rehab or new construction. This represents approximately \$2.9 million in reinvestment.

## **Lessons:**

- An approach like the Buy-Hold Fund only makes sense only if it is strategic. This means the Fund is taking risks on properties that can have a real impact on the neighborhood. The first Buy-Hold property was a large, vacant single family home that had been used as a drug house. It was acquired by CNE, received an exterior facelift, and was sold to a young family who completed the project with financing from CNE. This building could have easily fallen into the hands of an investor and become another rooming house. The change on this property, both on the physical side and in bringing in a household willing to make an investment, was significant and helped become a billboard for a changing neighborhood.
- Dealing with owners of troubled properties will often require higher acquisition costs. These higher costs only make sense when there is an

offsetting impact benefit. Not all houses can produce this benefit and the acquisition should focus on those that do.

- This was a program that initially focused on facilitating development of properties by homeowners rather than by CNE. This component was designed to minimize the risk of developing the properties. The focus was on providing a loan for acquisition and rehab for a new homeowner. The risk here was a marketing risk – trying to find a buyer who wanted to undertake a major rehab. Any group that wants to replicate this has to be fairly savvy in understanding who their target market is and how to promote these buildings successfully. As the program expanded into neighborhoods viewed as riskier, the buildings and lots were either developed by CNE, other non-profits, and in some cases private developers.
- The Buy-Hold Fund demonstrates just how important the control of key buildings and parcels of land is to a revitalization effort. The use of the Buy-Hold Fund is credited with moving the original four neighborhoods over the tipping point where they are experiencing substantial levels of new investment and incumbent upgrading.

## **Winning Strategies in Neighborhood Revitalization**

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### **Belair-Edison Neighborhoods Inc. Building on Neighborhood Assets Through Community Projects**

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#### **Outcome:**

Building on neighborhood assets is a key ingredient in any revitalization strategy. The experience of Belair-Edison Neighborhoods Inc. illustrates how an organization can use a range of special projects to reinforce the positive elements in a community.

#### **Background:**

Belair-Edison Neighborhoods Inc. is a non-profit working in Northeast Baltimore. It is a fairly large neighborhood, with close to 7,000 households and a major recreational facility- Herring Run Park.

The community organization had traditionally operated in a reactive mode. Neighbors would come in and make complaints and the organization would call the appropriate city department to get action. This mode of operation began to change when the organization became part of the Healthy Neighborhoods Initiative in Baltimore. The Healthy Neighborhoods Initiative, pulled together

under the leadership of several Baltimore foundations, focused on developing neighborhood leadership around positive community projects and stabilizing real estate values.

Participation in the Healthy Neighborhoods Initiative helped the local organization change their approach. Rather than be reactive to neighbor's complaints, the organization asked what people were willing to do about the problems that concerned them. Residents were encouraged to reach out to other like-minded neighbors on their blocks and convene them for a block meeting. Rather than deploy limited staff resources to follow up on neighbor complaints, staff focused on organizing neighbors at the block level to work together to solve problems and make their blocks better.

The organization moved dramatically from a reactive to a proactive organization. The projects described in this case study illustrate the range of ways the organization developed leaders and increased the focus on neighborhood assets.

## **Components**

**The Ice Cream Social.** Building on the principle that people can't help but be positive when ice cream is involved, Belair-Edison began to sponsor ice cream socials in the neighborhood. A number of people wanted to do clean-ups and address specific problems. They were encouraged to organize an ice cream social on their block. These new block leaders were provided with dry ice, a couple of tubs of ice cream, and a table they could set up on the block. The Ice Cream Social was a vehicle to surface neighbors, get them involved in the block organization, and find those neighbors that wanted to play a bigger role in problem solving.

The Ice Cream Socials were held in conjunction with the National Night Out to Fight Crime, which Belair-Edison changed to Night Out to Meet Your Neighbors. Neighbors were encouraged to turn their house lights on and participate in the event.

The genius of the Ice Cream Social was to use a positive, fun event to get neighbors together. Many times groups start having meetings that focus on problems and after a short time leaders burn out and actions dissipate. The principle of the Ice Cream Social was to recognize the first key step is to get people knowing each other and to enable people with the same set of values to work together to make their block better.

**Pick Your Neighbor Parties.** This event addressed local residents concerns about increased investor purchases of single family homes and the flipping of properties by investors. It helped empower people to begin to exercise some influence on the local real estate market. As an organizing strategy it shifted neighbor's complaints about for-sale houses and investors buying them for rental

to getting neighbors focused on using their relationships with friends and family to bring in new homeowners.

The basic idea was to work with local realtors in hosting an open house on for-sale properties. Belair-Edison Neighborhoods Inc. would contact the listing agent and offer to host an open house for the property, supplying some refreshments and generating visitors. The organization would then encourage neighbors on the block to invite their friends, family, and co-workers to the open house and to attend it themselves. In addition the open house would be publicized in the neighborhood newsletter which had a circulation of over 6500. Sometimes Belair-Edison staff would prepare a rough scope of work showing how improvements could be made in the property and financed with a special Healthy Neighborhoods loan. These were very successful events in drawing new buyers to the neighborhood.

**Movies in the Park.** The Movies in the Park event in Belair-Edison was one of the first in Baltimore. The idea behind it was to create a venue for families to enjoy being in Herring Run Park. Since Herring Run Park was the neighborhood's biggest asset, it could provide a vehicle to get people together.

There was an old park equipment shed that had a significant amount of wall space upon which a film could be projected. The Belair-Edison organization rented a generator for power and a popcorn machine and showed movies on DVD against the wall. This event was done four times a year. It was enormously successful in bringing people together and was replicated in a number of Baltimore parks

**Bow Wow Pow Wow.** Another event related to promoting Herring Run Park as a neighborhood asset was the Bow Wow Pow Wow. Recognizing the neighborhood had a lot of dog owners, Belair-Edison Neighborhoods Inc. sponsored a dog event – a dog parade through the park. The dog walk was coupled with a number of dog-related contests. This again was a way of bringing neighbors together and getting people familiar with the walking paths in Herring Run Park.

**Rehabber's Pot Luck.** This simple event was a progressive dinner among a group of teachers who purchased HUD homes under a special program where teachers could purchase these homes at a reduced rate. These teachers were also using a special loan from Belair Edison Neighborhoods Inc. to carry out the rehab on these properties. The fundamental idea here was to highlight the neighborhood asset of homeowners doing improvements and to get people together who shared the challenge of remodeling an older home.

People who were rehabbing would agree to prepare a dish (e.g. appetizer, main course, dessert) and people would visit the homes and eat. This gave people who were either doing a rehab or contemplating a rehab a chance to meet other like-minded neighbors going through the same experience. It gave people an

opportunity to see other work and share information about contractors and suppliers.

Once again Belair-Edison Neighborhood's Inc. saw an asset – people fixing up – and figured out a way to leverage that asset to get people more engaged with each other. It also provided a way to signify that there was a value in rehabbing your home – that other people were doing it and you could, too – and it took some of the fear out of the process. The monthly dinners helped create a culture of home improvement and positive investment in the neighborhood.

**The “BelHair-Edison Health, Wellness, and Beauty Festival.”** The commercial district in Belair-Edison had a high concentration of hair and beauty salons. While some saw this concentration as a negative the organization saw a way to turn it into a positive by focusing a neighborhood festival around the ideas of health and beauty.

Neighborhood festivals are ubiquitous in Baltimore and there is always a challenge to find the right angle that can make a local festival stand out. The concentration of businesses related to hair care and beauty offered an opportunity to create an event where people could come together around personal care and to have fun at the same time.

## **Results**

These activities engaged hundreds of people and helped create an image for Belair-Edison as a great neighborhood. The organization saw housing values rise steadily over the past two years and saw the number of for-sale homes decline by almost half.

## **Lessons Learned:**

There are several key lessons that can be learned from the experiences of Belair-Edison in carrying out these projects.

- **Neighborhoods decline when somebody stops doing something and other neighbors follow suit.** This may be letting one's grass grow longer than others or not painting the porch. These individual decisions add up and make neighborhoods vulnerable as people start to lose confidence. The key ingredient in reversing this is to get people doing positive things that can start to restore confidence in the future of the neighborhood.
- **Neighborhoods that are not in trouble usually organize around positives. The challenge is to organize in the same way in**

**neighborhoods that are often seen as troubled.** Belair-Edison, like many neighborhoods can often be looked at as a problem place. In attempting to revitalize the neighborhood it is essential to focus on building up neighborhood assets so that these assets, rather than neighborhood negatives begin to define the neighborhood.

- **It is important to move from reacting to problems as an organizational style to getting neighbors to take action.** This is a key principle in organizing and it was put into play in Belair-Edison. Activities like the Ice Cream Socials and the Pick Your Neighbor Parties were efforts to get neighbors more actively engaged in neighborhood self-management.
- **There are always more positive people than negative people.** When neighbors came into the office to complain they were encouraged to find other neighbors who wanted to be positive forces for their block and they could usually find people who shared their concerns and wanted to do something.
- **Actions by neighbors are directly related to property values.** The organizers often made the point that when people stopped investing in the care and upkeep of their properties or were letting undesirable new owners purchase, they were, in effect, throwing money away. Every action neighbors took had something to do with the stability of their property values.



## **Winning Strategies in Neighborhood Revitalization**

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### **Neighborhoods Inc. of Hammond Best House on the Block Contest®**

#### **Information About Organization**

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#### **Outcome:**

The Neighborhoods Inc. Best House on the Block Contest® is a simple, effective mechanism for generating curb appeal improvements and stimulating community pride. It has been successful in generating a “buzz” about home improvement and in leveraging private resources to improve the look of the neighborhood.

#### **Background:**

Neighborhoods Inc. of Hammond, Indiana (NI), is a non-profit community development corporation in operation since 1998, whose mission is improving neighborhoods in the Calumet region of Indiana and Illinois. NI makes housing rehab loans, organizes community activities, and undertakes projects that enhance neighborhood stability.

In 2002, NI held a “Meadows in Bloom” landscaping contest in Hammond’s Meadows neighborhood that drew 14 participants resulting in \$12,000 in improvements with a \$900 cash outlay. NI discovered that a competitive improvement contest generates widespread participation. Previously, NI coordinated holiday decorating contests in the State Line area of Hammond and Calumet City. The results of these projects indicated that the same concept might work in a competitive contest for curb appeal improvements.

In spring 2003, homeowners in three Hammond neighborhoods were invited to enter the NI Best House on the Block Contest® which offered prizes of \$100-\$1,000 to the top five entrants in each neighborhood. Winners were selected based on the impact of exterior improvements made to each home. All entrants received at least \$50 and a chance to win a valuable door prize at an awards ceremony.

### **Components:**

Component parts of the “Best House on the Block Contest”® are straightforward:

**Identifying the project area.** This is done by the sponsoring entity with influential NI input. Project areas range from 200 to 2,000 houses.

**Direct mail approach and response.** Contestants are identified through as many as three direct mail shots. The direct mail strategy was developed by Keith Speaks, Executive Director of NI, who has substantial private sector experience designing direct mail campaigns. Direct mail generated a significant response.

The homeowners mailing includes a contest entry form. NI staff then photographs the home of each entrant to document its original look.

**Project period & staff consultation.** NI provides a 2-hour consult to give the homeowner ideas about how curb appeal can be effectively improved and to plan the project. Each contestant usually has 5-6 months from the application deadline to complete their project.

**Award ceremony.** The evening celebratory award ceremony includes contestants, friends and family, contest sponsors, NI board members and staff and local media. Door prizes are given and food is provided. Winners are announced and cash prizes given. Winners are often ecstatic and the event creates a substantial “buzz”.

**Evaluation.** Participants are required to answer a survey that indicates how much they spent, where they purchased materials and/or services and other data. This data is analyzed to determine the total dollar amount of improvement and the business generated for local businesses. This data is important in gaining support for subsequent contests.

**Determination of project costs.** As NI has received requests to replicate this contest, it is important for the inquiring organization to know what it costs to deliver the project so that those costs can be recovered from sponsoring entities. Costs include printing and postage, staff time, mileage reimbursement, etc.

## Results:

The project yielded overwhelming results in terms of impact and leverage. Investment of about \$12,000 in cash prizes yielded nearly \$265,000 in curb appeal upgrades on 65 houses ranging from \$800-\$20,000. NI staff documented the number of households that improved their property, but didn't enter the contest. This information was procured from contest entrants, so it reflects only projects they personally knew of. There were two more improvements per entrant. So, almost 200 homes were improved during this contest. Tens of thousands of motorists, neighbors, business people, and visitors saw dozens of NI's "Contest Entrant" signs. Other local governments and businesses began to approach NI about replicating the project. As a result, NI has contracted to deliver the contest in two adjoining municipalities – Calumet City, Illinois and Highland, Indiana. Five other communities have shown interest in this program.

## Lessons:

The experience of developing and implementing the NI Best House on the Block Contest® has taught NI some valuable lessons:

- **Motivation produces results.** Even small prizes create a heightened interest among neighbors to make improvements. When neighbors see "Contest Entrant" signs they often call NI to get more information and enter the contest. Entrants see other entrant's signs and this often results in friendly competition, which causes more improvements than entrants originally plan for. Even people living outside the contest area make improvements when they see these signs.
- **Direct mail can be effective.** Because of the Executive Director's experience the mailings were well designed and effective. Specific, proven direct mail techniques can yield good results.
- **Sponsors get many benefits.** The contest concept is easily understood and sponsor municipalities or companies all received praise from participants and the media.
- **People enjoy this.** This contest is really about making home improvement a fun activity. Of particular value is the awards ceremony to which contest participants bring friends and neighbors.
- **Awards are based on the impact of improvement and not on how much money was spent.** Photos taken by staff early and

after the process document the impact. Highland, Indiana posts before and after shots on its website that show what can be done in that community.

- **Scientific and consistent evaluation is key.** Developing a disciplined system to determine the value of improvements and other “ripple effect” work helps NI calculate economic and physical impacts. This helps get support from municipal and business sponsors.

Please note that the name NI Best House on the Block Contest® is registered in the U.S. Patent Office. Permission to use this name must be approved by Neighborhoods Inc.

## **Winning Strategies in Neighborhood Revitalization**

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### **Fairmount Community Development Corporation Internship Program**

#### **Information About Organization:**

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#### **Outcome:**

Many neighborhood organizations utilize interns to assist them in carrying out their work. Sometimes the internship experience can be a valuable one both for the intern and the organization. But if not carefully planned, the internship can feel like a make work exercise for the intern and miss the mark in adding value to the organization. The experience of Fairmount CDC shows how effective planning of the internship project and mentoring for the intern can be key in insuring a valuable experience for both parties.

#### **Background:**

Fairmount Community Development Corporation works in North Philadelphia. A small organization with only one full-time staff person, the CDC has had to be very organized in utilizing volunteers and interns. Key to success has been a clear work plan that covers the over-all activities of the organization and outlines potential projects for interns and volunteers. This work plan provides a context to effectively engage interns in meaningful activities.

As a Philadelphia organization, Fairmount CDC has access to students from the University of Pennsylvania. The University has an organized work study plan that helps support internships. The local organization pays 15% of the students

stipend which is approximately \$12.60 per hour, while the university pays the balance through a work study grant. Most student interns have come from urban planning, sociology, or public policy.

### **Components:**

The key components in Fairmount CDC's approach to the internship program are as follows:

**Providing interns a menu of work opportunities.** The fact that Fairmount CDC has a clearly structured work plan helps in providing specific, defined projects for the interns

**Orientation to the organization and to the neighborhood.** Interns are expected to spend their first week walking around the neighborhood, stopping and visiting with local businesses in order to get a feel for the community. This "walking around" time is valuable in grounding interns to the neighborhood context. In addition, interns review the neighborhood plan and recent grant applications the organization has submitted. This gives the intern an understanding of the organization and its mission.

**Early project planning with the Executive Director.** After the first week the Executive Director sits down with the intern to find out what excites them about the organization and the neighborhood. The Director and the intern then plan the project that will emerge during the intern's tenure.

**Expectations.** One of the most important components of the intern program is communicating the expectation that the intern is a project manager charged with the responsibility to deliver whatever project is planned. While the intern meets on a regular basis with the Executive Director, interns have a lot of leeway in managing their projects. Some of the recent projects completed by interns have been the development of a neighborhood newsletter, initial organizing work for a business association, development of design guidelines for Fairmount Avenue( a local commercial strip) using a template developed by the Philadelphia City Planning Commission, and a fundraising plan for a local arts event.

**Concluding the project.** Near the end of the internship the intern and the Executive Director identify any pieces of the project that have not yet been completed so these remaining components can be managed either by another intern or by a volunteer. This is an important step to insure that there is effective follow-up and things are not dropped. The Executive Director also takes the intern out to lunch at the end to evaluate the internship experience.

### **Results:**

Over the last three years the organization has effectively used six interns on projects ranging from organizing a local business group to developing design standards for rehab projects.

### **Lessons Learned:**

There are several key lessons from the internship program at Fairmount CDC that can be useful for other organizations hoping to maximize the value of their internships.

- **Develop and communicate a high level of expectations.** At Fairmount CDC interns are viewed as professionals responsible for managing their time and their projects. They are also responsible for asking questions when there is something they don't understand or when they need guidance. Clarity around expectations helps the intern have a more meaningful work experience.
- **Pick good, discrete projects.** Given that an intern's time is limited it is essential they select projects that can be completed. This is also a factor in motivating the intern. Many organizations often have these kinds of discrete projects that often don't get done. Carefully identifying these projects in advance can create "low hanging fruit" that can be successfully be tackled by the intern.
- **If the organization has certain standards they have to be made clear.** Such things like how to answer the phone, standards for written materials, and accounting for time have to be made explicit for the intern.
- **Projects delivered look good on the intern's resume.** Another reason for discrete, doable projects is they are assets for the intern as they seek full-time employment. Being able to produce a deliverable project can enhance the intern's project management skills and build self-confidence.
- **Interns benefit from this experience.** Because the work of the intern is taken seriously and interns are expected to perform as professionals there is a high level of satisfaction among interns who have worked at Fairmount CDC.