

# Healthy Neighborhoods

## Creating Neighborhoods of Choice in Weak-Market Cities: A Hartford, Connecticut Case Study



The Neighborhoods of Hartford, Inc.

By Donald J. Poland, AICP



### ABOUT THE AUTHOR

Mr. Poland is an urban geographer and professional planning consultant with over fifteen years experience in land use planning, community development, and neighborhood reinvestment. He has worked in public, private, and non-profit sectors as a municipal planning director, planning and development consultant, and as executive director/CEO of the Neighborhoods of Hartford, Inc, Healthy Neighborhoods program.

Mr. Poland is a currently an independent planning consultant specializing in housing and neighborhood redevelopment strategies utilizing the Healthy Neighborhoods approach. He was the first and only executive director for the Neighborhoods of Hartford, Inc. who developed and implemented the NHI program and strategy for four years. Mr. Poland currently a consultant for and assisting the St. Bernard Parish, Louisiana, with post-Katrina planning and land use strategies.

Mr. Poland is a member of the American Planning Association. He is President of the Connecticut Chapter of the American Planning Association and is a certified member of the American Institute of Certified Planners.

Mr. Poland earned a Bachelor of Arts degree, majoring in Geography and Psychology, from Central Connecticut State University and studied at Bolton University, Bolton, England. He earned a Master of Science degree in Geography with a concentration in Planning, from Central Connecticut State University.

Mr. Poland has taught world regional geography as an Adjunct Lecturer at Saint Joseph College and teaches introduction to geography and urban geography at Manchester Community College. He also teaches introduction to planning at Central Connecticut State University. He was awarded the Connecticut Homebuilders 2003 Outstanding Land Use Official Award and was recognized by the Hartford Business Journal as one of Hartford's Forty Under Forty business and community leaders. Mr. Poland is a licensed private pilot and lives in Hartford's North Frog Hollow Neighborhood.

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## DEDICATION

I dedicate this book to my loving parents, Donald and Marie Poland.

Donald J. Poland

Hartford, Connecticut

July 2008

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## ACKNOWLEDGEMENTS

Writing this book has been a great challenge and an exciting experience that would not have been possible without the encouragement and support of many friends, family members, and professional colleagues. I would like to take this opportunity to thank the many individuals who have contributed directly and indirectly to my writing this book. I thank Elliot Ginsberg, Neighborhoods of Hartford, Inc. Board President, for his belief in the Healthy Neighborhoods approach, for his neverending leadership of NHI, and for encouraging me to publish this book about Healthy Neighborhoods and our success in Hartford. I also want to thank the members of the NHI Board of Directors and especially board members Bob Kantor and Bill Breetz for their time, efforts, and dedication to NHI and their support of me as executive director.

I wish to thank all the corporations and foundations that supported NHI and our programs. Specifically, I want to thank Rick Porth and Peter Rosa at the Hartford Foundation for Public Giving and Andrea Budd at the Phoenix Foundation for their support and assistance when it was most needed. I also want to thank State Senator John Fonfara for his support.

I wish to thank the Healthy Neighborhoods practitioners and consultants Marta Howell, Marcia Nedland, and Michael Schubert for their writings and teachings that have influenced many aspects of the Healthy Neighborhoods model as well as my perspectives on Healthy Neighborhoods. Also, thank you to Charles Buki for his teachings and his assistance in developing the NHI reinvestment strategy.

I want to thank my friends and colleagues David Corrigan, Bruce Hoben, and Chris Smith for taking the time to read and comment on the final draft of this book. Their recommendations were both helpful and insightful. I thank my close friend John Orofino for listening to my frustrations about affordable housing production and conventional strategies that never seem to improve neighborhoods. I thank Cynthia Russell for her neverending support for NHI and for her work with NHI at the Connecticut Housing Investment Fund (CHIF). Cynthia and all the staff at CHIF worked tirelessly helping NHI to develop, implement, and manage the NHI loan fund.

It goes without mention that I need to thank the staff of NHI: DL Chandler, Beverley Marshall Dawes, Shawn Holloway, Maurice Robertson, and Marilyn Santiago. I cannot say enough good things about all of them. If it were not for their dedication, commitment, and hard work, NHI would not have succeeded. I also thank all of the residents of the NHI Rising Star and Pride Block neighborhoods who have participated in our program. They are the true agents of change in their neighborhoods.

Thanks so much to my sister and editor Linda Poland for the countless hours she spent reviewing and editing the four working drafts of this book. I could not have done this without

her. Also thanks to Dwight Merriem for his encouragement and his assistance in getting this book published.

And last, I need to thank my friend and mentor David Boehlke. David's theories and strategies have improved the neighborhoods and the lives of so many people. His commitment to improving neighborhoods is ceaseless. He has been a great mentor to me, teaching me so much about neighborhoods and the Healthy Neighborhoods approach. His review, comments, advice, and assistance with this book have been invaluable to me and to making this book tell the Healthy Neighborhoods story. He supported me in my role as executive director of NHI and in my efforts in writing this book. Without David there would be no Healthy Neighborhoods model, and this book could never have been written.

## FORWARD

### BY DAVID BOEHLKE

The idea seems so straightforward. Simply said, neighborhoods can't thrive unless houses retain or increase their value and unless enough residents are committed to maintaining their homes and overseeing their communities. The whole notion just seems self-evident. Declining home values and a failing sense of neighborly responsibility translates into a community that few of us would choose to call home.

Of course, like most simple ideas, complex and challenging questions quickly surface. Why do some neighborhoods fail while most succeed? Can a cycle of disinvestment and disengagement be reversed? How can this be done? Which failing neighborhoods have the potential to thrive again? And, of course, what must government, businesses, civic leaders, and residents do to make this turnaround happen?

Donald Poland has written this book to answer such questions through a discussion of the Healthy Neighborhoods concept. He looks at the theory, both in general and in detail. He discusses how neighborhoods in Hartford, Connecticut used and refined the concept. And he provides practical steps to make the ideas succeed in real situations. He does this from the perspective of a trained planner and as a practitioner of the Healthy Neighborhoods approach. In brief, he has thought through the dynamics of neighborhoods in decline and identified numerous strategies to achieve positive community change. In the process, he got his hands dirty, learned lessons, and put the results down on paper for all of us to discover practical tactics for effective community change.

His major case study is based on Hartford, Connecticut. This is a fortuitous choice since the initiative in that city reflects a set of circumstances that led to both successes and failures. At the core of the founding of this initiative were a mayor and a team of civic leaders, all of whom recognized that Hartford needed to sustain and increase the number of homeowners as the city faced dramatic transformation. They also acknowledged that many of the existing public and nonprofit programs required unsustainable levels of subsidy --- sometimes as much as \$100,000 a unit. Moreover, these large investments had not triggered the desired change. There wasn't nearly enough bang for the many dollars invested. It was vital to find new ideas that moved beyond just more housing subsidies. They were open to trying new approaches just like so many cities must do in today's resource-strapped era.

The second factor that makes Hartford such a good case study is that a variety of strategies was used in different types of neighborhoods. This meant the ideas were applied to housing ranging from imposing historic structures, to modest post-World War II ranch houses, and to 1920's two and three family homes. Beyond these physical differences, the residents were a remarkably varied lot. The values, skills and experiences of the participating

neighbors ranged from old hands at community change to people who had never participated in their neighborhoods beyond waving to people on their block.

Finally, the Hartford civic leadership accepted that change would not happen through a new city agency, a bank lending initiative, or workshops in neighborhoods. Instead, these leaders determined that some of the key decisions would need to be made by a community-based board of directors; some should be the responsibility of neighbors, and many decisions would have to be trusted to a well-selected professional staff. This meant setting up procedures and structures that took ideas and applied them to real conditions. Results would need to be measured by effective outcomes and not by producing arbitrary lists of activities.

Realistically, it is only through applying the Healthy Neighborhood ideas on the blocks that we can test the power of the concept. I know this because I first experimented with the concept after 15 years of applying conventional initiatives in literally hundreds of neighborhoods in cities across the county. What I had to accept was most of the patchwork efforts had failed to achieve any real success. Housing had been fixed, but real estate markets hadn't recovered. Residents had been involved, but a change in behaviors- especially neighborliness- hadn't taken root. I needed to work in a place that truly wanted to address neighborhoods and not just housing. Moreover, it must be a place that valued the role of residents as the long-term agents for neighborhood health.

That place turned out to be a small, distressed city in Michigan. Battle Creek in the early 1990's was only beginning to deal with the globalizing economy that is still radically transforming it and other cities across the nation. Ten years earlier, the city had put in place programs to deal with outdated infrastructure, job creation, and downtown renewal. But civic and political leaders knew that the neighborhoods remained troubled. There were the usual measures of physical decline, such as abandoned properties, severe under-maintenance, shrinking tax base, and out-migrating homeowners as well as the predictable social maladies, including underperforming schools, concentrating of the poor, rising crime, and increasing youth problems such as teenage pregnancies and drug use.

To address these concerns local leaders put together comprehensive interventions for the schools, police, health systems, and city government, but it was understood that something more was still needed. They reached out to many national groups that dealt with urban decline but soon learned that most of the programs primarily spoke to repairing or adding housing. But Battle Creek didn't lack housing. In fact, the local housing market was one of the most affordable in the nation, which is just another way of saying that housing prices were severely depressed. More housing didn't seem like the answer when so much housing was underused, vacant, and even abandoned.

After a thoughtful and inclusive community process, it was decided to focus on the older neighborhoods, which suffered from under-maintenance, negative reputations, low levels of homeownership, and a profound sense of disengagement by too many of the residents. After carefully examining what was working well and what wasn't working in each neighborhood, a set of strategies were put in place for three distinct clusters of neighborhoods, each of which showed a marketable potential under layers of distress. These neighborhoods were neither the healthiest nor the most troubled. They came to be known as "in the middle", but they were in no way uniform. Each was distinct and each had to be served through

appropriate strategies that reflected their specific issues, the availability of resources, and the impact on the larger community.

The development of site-specific strategies didn't undermine the general organizing principles that defined the approach. Four themes were consistently addressed: promoting of positive images for each place, strengthening the real estate market, reinforcing strong standards of good maintenance, and reinvigorating resident involvement on the blocks and in the larger community. These four themes became the defining approach to dealing with older neighborhoods in the city, and eventually, the ideas were refined to become the core of the Healthy Neighborhoods approach to community change.

This process of distilling the ideas has taken place in a score of places across the country. In some places only one or two of the central concepts was put into operation. In other places all of the elements were introduced as a comprehensive approach to change. In every place there was a fundamental agreement that housing demand, not housing supply, was the controlling issue and a further agreement that positive change was not sustainable without broad resident commitment to involvement and to neighborliness.

Today there are advocates for these ideas working in communities in dozens of states. These individuals have become the authors and editors of more advanced versions of the concept. Although Donald Poland cites only a few of these innovators, it should be emphasized that no one person or group is the founder of this unique approach to community change. The Healthy Neighborhoods concept is just the synthesizing of ideas that have long been in use but needed to be organized in a workable framework.

The author examines that framework in a detailed way that helps all of us understand how the concept and strategies could be effective in at-risk neighborhoods across the nation. By moving beyond just a brief article or monograph, Donald Poland has created the first comprehensive study of the Healthy Neighborhoods concept. For putting this study in print he deserves appreciation from all of us.

David Boehlke  
March 20, 2008  
Washington, D.C.

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## AUTHOR'S NOTE

David Boehlke is credited and recognized as the founder of the Healthy Neighborhoods approach to neighborhood reinvestment. Since his development of Healthy Neighborhoods, Boehlke has worked closely with a number of community development experts who have followed his teachings and have utilized his Healthy Neighborhoods approach in the course of their own work to improve neighborhoods. This book is an exploration of the Healthy Neighborhoods approach.

Charles Buki, Marcia Nedland, Michael Schubert, and Marta Howell are four Healthy Neighborhoods practitioners who have implemented and continue to utilize Boehlke's Healthy Neighborhoods approach. More important, each of these individuals has added significantly to the specifics of strategies within that approach. Therefore, while the Healthy Neighborhoods model is the creation of David Boehlke, the Healthy Neighborhoods school of thought has been expanded by each of these individuals. In addition, I have added to the Healthy Neighborhoods model through the work of Neighborhoods of Hartford, Inc. (NHI) and the implementation of Hartford's Healthy Neighborhoods strategy.

The close working relationship between Boehlke and those of us who have followed in his Healthy Neighborhoods footsteps has created an interesting scenario in referencing material within this book to specific individuals. While most of the concepts expressed in this book will be new to most readers, they have very much become common knowledge to Healthy Neighborhoods practitioners. Therefore, it has been difficult at times to attribute specific strategies or comments to one individual. In addition, other than the "Great Neighborhoods – Great Cities" report published by the Goldseeker Foundation and consulting reports and presentation material produced by the other practitioners, this book serves as the first comprehensive publication about Healthy Neighborhoods. Therefore, there are limited sources to reference. In addition, the evolution of Healthy Neighborhoods within this group of practitioners has been very fluid, with each person borrowing from and adding to the work of the others. The same has been true for NHI and the author. Ideas, concepts, teachings, and comments from Boehlke and the others were used as a foundation and modified or built upon to create and implement NHI's programs in such a way that best fits the unique circumstances and conditions in Hartford.

Therefore, citations are provided to specific reference material and the individuals wherever a source exists and is known. In some cases, where information is common knowledge but does not appear in any specific reference material, it is referenced to the individual who is most associated with the concept. Where strategies implemented by NHI were based on the work or teachings of a specific individual but were modified to meet NHI's needs, that individual is credited in the text.

As a Healthy Neighborhoods practitioner who has been immersed in the Healthy Neighborhoods model, both in theory and in practice, for over four years, it is my honor and privilege to write this, the first comprehensive book on the Healthy Neighborhoods approach to neighborhood reinvestment. However, this book would not be possible if it were not for David Boehlke's Healthy Neighborhoods model and all that I have learned from Boehlke, Buki, Nedland, Schubert, and Howell.

**PREFACE**  
**DONALD J. POLAND, AICP**  
**THOUGHTS AND COMMENTS ON HEALTHY NEIGHBORHOODS**  
**AND THE NEIGHBORHOODS OF HARTFORD**

In September 2003 I was the director of planning and development for the town of East Windsor, an outer-ring suburban community 12 miles north of Hartford. I was lived in a high-rise apartment complex in Hartford's North Frog Hollow neighborhood and had put a down payment on property just two blocks away from my apartment, part of a neighborhood redevelopment project know as Mortson Street and Putnam Heights.

Mortson Street and Putnam Heights were two side-by-side blocks of blighted and abandoned properties. The buildings were historic worker housing built in the late 1800s architecturally know as "Perfect Sixes" because the two sides of these three-story, six-unit apartment buildings mirrored each other. The North Frog Hollow neighborhood had been impacted greatly by the market crash of the late 1980s and became known for large-scale drug and gang activity in the 1990s. Mortson Street and Putnam Heights, like many blocks in the neighborhood, had become severely distressed. To make matters worse, a rash of arsons burned a large number of the buildings on these two blocks.

The city of Hartford had taken control of most of the properties through tax foreclosures, and a partnership of community development corporations (cdc), a for-profit developer, and a number of other partners had proposed the redevelopment of these two blocks that would transform the three-story, six-unit buildings into two owner-occupied townhouse buildings, creating 60 units in total. By September 2003 Mortson Street had been completed and the developers were working on the construction financing for Putnam Heights. Although the neighborhood had improved somewhat since the 1990s due to a decline in gang violence, it was still very distressed because of continuing drug dealing and other crimes. In spite of these issues, I wanted to be a part of this redevelopment.

The neighborhood market was very weak and the sale price of my property was \$115,000 with a forgivable second mortgage of \$80,000 as long as I occupied the property for seven years. My unit was three stories, 960 square feet per floor, with the first two floors finished as a three-bedroom, two-and-a-half-bath home, with eight-and-a-half foot ceilings. The third floor was unfinished, and the unit had an unfinished basement. I could not wait to move in.

In mid-2003 I read a few newspaper articles about the Mayor's Homeownership Task Force and the launching of the Rising Star Block and Pride Block program. However, I did not know anything about David Boehlke or his Healthy Neighborhoods strategy. In late October I saw a classified ad for the position of executive director for the Neighborhoods of Hartford, Inc., a new nonprofit organization that formed to implement the Rising Star Block and Pride Block Program that resulted from the Task Force. While I was very happy in my position with East Windsor, running a nonprofit designed to implement a homeownership and neighborhood reinvestment program in Hartford appealed to me, since I would soon be moving into my new home on Putnam Heights. So I applied for the position.

In December 2003 I had my first of four interviews, and in late January 2004, I was offered the position. At that time I had never worked for a nonprofit, let alone run one. Nor did I know much about the Healthy Neighborhoods strategy other than the 20-page publication "Great Neighborhoods, Great Cities" written by David Boehlke and published by the Goldseeker Foundation in Baltimore. What I did know was that when I read Boehlke's explanation of Healthy Neighborhood a market-based approach, it made perfect sense to me. As a geographer by training and planner by career, I held a unique perspective on development and development-related issues, seeing them as being more driven by market factors than by regulatory or government programs. Healthy Neighborhoods seemed like a perfect fit for me.

When I started work at NHI, in February 2004, the task ahead of me was a great challenge. I needed to get a nonprofit organization up and running and to implement the reinvestment strategy at the same time. So, every day I learned how to run a nonprofit and how to implement a Healthy Neighborhoods strategy. A number of challenges that I never anticipated would become major issues: city politics, union labor issues, bureaucracies, turf battles, and resident expectations that did not always match our strategy. Every day seemed to have a new issue or obstacle to deal with, but I was excited, passionate, and determined to succeed in my new job and, more important, to improve Hartford's neighborhoods.

Learning the Healthy Neighborhoods strategy seemed easy at first. It did not take me long to feel like I "knew" Healthy Neighborhoods and had a clear understanding of what I was doing. However, looking back over my experience, I have realized that learning about Healthy Neighborhoods is a never-ending process. There is always more to know and to understand.

I will never forget the first time I met David Boehlke. I had talked with him a number of times on the phone, but this day was his first visit to Hartford since I had started the job only a few weeks earlier. Boehlke's energy and passion were exhilarating. His knowledge of neighborhoods, housing, and market conditions were far greater than that of anyone I had ever met. And his belief in Healthy Neighborhoods and a need for a change in how we address community development was very evident [something that I later realized for myself and became very committed to]. However, I had one issue with David's Healthy Neighborhoods concept that I did buy into. And I never told David or anyone, not even my board of directors.

David and I walked around in one of the target areas, discussing the Healthy Neighborhoods approach, NHI's strategy, and properties in this neighborhood. David kept on talking about the little things. "Picture this property with flowers along the front walk. What about a new storm door on this property? What if those hedges were trimmed?" To be honest, this all seemed like fluff to me, and I thought, "I'm a planner. I understand neighborhoods. I

have done neighborhood plans. I don't know how this guy thinks he will change this neighborhood by planting some flowers and hanging a new front door." However, it was my job to implement this strategy, and he was founder of the concept, so who was I to question his ideas? So I kept my mouth shut and got to work.

Looking back after four years of implementing NHI's Healthy Neighborhoods strategy and learning from David every step of the way, I see how little I truly knew or understood about neighborhoods, and, more important, how little I understood David's Healthy Neighborhoods strategy. It was not just about planting flowers, hanging a new storm door, or trimming the hedges. It was about strategy -- getting residents to understand the importance of these little things. It was about residents reacting to those little things and feeling better and more confident about their properties, blocks, and neighborhoods. It was about building neighborly relationships that foster community. It was about how this confidence translates into investment, financial and social.

Ironically, these very issues, the little things that I did not buy into or understand, would be one of my and NHI's biggest challenges. The hard part was not the residents and individuals who participated in our programs, but convincing those who viewed us from the outside that the little things mattered and getting them to buy into the strategy. From the outside, many people saw or only wanted to see pretty flowers, trimmed hedges, and new storm doors. What they did not understand or see was the slow but steady transformation that was occurring in the neighborhoods. They didn't see improved property maintenance and appearance, the increased standards of neighborliness, or the confidence that residents now had in their properties and their neighborhoods. Most of all, they didn't see the real impact that collectively all of these little things were having on the real estate markets in the neighborhoods.

Neighborhoods are not static. They are living, changing environments that evolve over time. Each neighborhood was developed at a specific time to meet then-specific market demands and consumer preferences. Unfortunately, market demands and consumer preferences change, and in some cases, once vibrant and successful neighborhoods struggle to compete within current local and regional housing/commercial markets.

These older urban or even suburban neighborhoods are characterized in many cases by a smaller housing stock with fewer amenities than are being built today and that no longer meet the needs of many of today's homebuyers. The homes may have one or more deficiencies (no garage; a small one-car garage; only two or three bedrooms; one bathroom; a cramped, outdated kitchen; or a smaller lot).

More often than not, these neighborhoods have a housing stock that has "good bones" and was built to last. Yet the market for these homes is soft, and they struggle to compete for buyers and much-needed investment. In many cases, new home buyers in these neighborhoods have never owned a home before, don't understand the importance of property maintenance, and, in some cases, have very limited means to invest in their properties. As a result, in most cases property values are lower than the regional average, and property values don't increase as much as in other newer neighborhoods. These market factors create an environment where investment is limited, neighborhood norms related to property maintenance change, property conditions deteriorate, and neighborhood conditions stagnate or decline.

There is no magic cure, single solution, or quick fix for these neighborhoods. You can't just build new housing on vacant lots or rehab vacant buildings and expect these neighborhoods to change. The issues facing the neighborhoods and the reasons for their decline are *not the lack of housing*. Vacant lots, blighted buildings, and undervalued properties are the result of other, more critical issues. Nor can you expect any transformation of a neighborhood to occur overnight. It took years, if not decades, for these neighborhoods to decline and become what they are today. Creating meaningful change and sustainable improvements requires hard work, commitment, political will, and a long-term investment strategy to bring them back. While it may be hard work and take many years, such a turnaround is possible.

The Healthy Neighborhoods approach is what makes it possible. Boehlke has provided the community development profession and weak-market cities and neighborhoods a theory and a method for improvement for these neighborhoods. He has provided a strategy that can and does create positive change in weak-market neighborhoods as well as creates greater stability and opportunities for those neighborhoods and cities to compete in the regional market. Boehlke has also created an approach that is far less costly and positively impacts far more units of housing than traditional housing production strategies. I say this with confidence and conviction because I have implemented a Healthy Neighborhoods strategy in weak-market neighborhoods and have seen the changes and improvements happen firsthand.

For over four years I have immersed myself in the implementation of the NHI Healthy Neighborhoods strategy. I have also worked within the community development profession and have come to understand neighborhoods and the programs that we as community development professionals have used and still use to try to create change. And I have listened very closely to what Boehlke is saying and to the others who work with him say to teach and promote the Healthy Neighborhoods approach.

In addition, I have worked side by side with residents, planting flowers and trimming hedges. I have talked with them face to face and heard them say how good they feel about their property and their neighborhoods. I have closed many loans for families who want to invest in their homes and call their neighborhood "home" for a long time. I have monitored the real estate market, crunched the numbers, and seen the stability that has been created by the NHI program. I have also seen the once-vacant lot or boarded-up house developed by a private developer with no assistance or subsidy. I have seen these developers successfully build a new home or rehab an existing house and sell that property for a profit on a block that, prior to the NHI program, no one ever would have considered investing in without securing appraisal-gap financing or other forms of subsidies.

But this book is not about me, or Boehlke, or what NHI has accomplished in Hartford. This book is about every weak-market (also called middle-market) neighborhood in America. It is about those neighborhoods that exist in most every city and older suburb that time, the market, and investment have passed by. It is about that neighborhood that you know should be so much better than it is, the neighborhood where properties are undervalued and investment in property repairs and maintenance has declined or stopped all together. This book isn't just about Hartford. Think of those neighborhoods that you work in and struggle to improve. I think back to East Windsor and its Warehouse Point Neighborhood, a weak-market neighborhood that underperformed. I recall utilizing \$500,000 in Community Development Block Grants (CDBG) funds to improve sidewalks and storm water drainage, a public

infrastructure project that we implemented with the intent of improving the neighborhood. The project was the best that I could do as a planner, but I always knew sidewalks and drainage would not improve the neighborhood. What I did not know was how to create an active real estate market.

Now I ask myself these questions every day: Is it good enough for me as a community development professional and planner to accept that providing much-needed affordable housing to low-income families in distressed neighborhoods is the best we can do? Can we forget about the assumption that if we stop suburban sprawl, we can force people back into these older neighborhoods regardless of the market conditions and personal choices of consumers? When will we stop assuming that if we build enough new or rehabbed housing in a neighborhood that has little or no demand for housing, things will change? When will we stop pretending that public infrastructure improvements (streetscapes) will improve and change a neighborhood? I ask also, can we do better? Can we create demand where none exists? Can we create neighborhoods that can compete in the regional housing market for residents, homeowners, and investment? Can we reduce or slow suburban sprawl by creating competitive neighborhoods that can attract residents, homeowners, and investment? Can we provide affordable housing and create neighborhoods of choice at the same time?

Yes, we can! But best efforts, hard work, and numerical goals for the number of new housing units created are not enough. We need hard work and best efforts based in theory, method, strategy, and implementation that are driven by outcomes. Healthy Neighborhoods is just that -- a comprehensive model to create real and sustainable positive change in neighborhoods. This book is about how we create Healthy Neighborhoods.

Donald J. Poland, AICP

February 2009

Hartford, Connecticut

## FORMAT OF BOOK

This book is divided into two parts. Part one includes an introduction and the theory and method behind Healthy Neighborhoods. Part two is a detailed account of the Neighborhoods of Hartford, Inc., Healthy Neighborhoods Program as implemented in Hartford, Connecticut, and the lessons learned from that program. Chapter 15 provides a sample of how a Healthy Neighborhoods strategy is developed in a distressed neighborhood.

Some aspects of the Healthy Neighborhoods theory are repeated in a number of chapters within the book. This is done to allow each of these chapters to be used on their own without the need to reference other chapters.

## **INTRODUCTION**

### **A NEW APPROACH TO COMMUNITY DEVELOPMENT AND NEIGHBORHOOD REINVESTMENT**

*Healthy Neighborhoods is a new approach to community development and neighborhood reinvestment. After many years of neighborhood decline and disinvestment, Hartford's Mayor's Homeownership Task Force realized that it was critical to develop neighborhoods of choice. This book explains Healthy Neighborhoods, in both theory and practice, and how the strategy was developed and implemented in Hartford, Connecticut.*

Often we think of neighborhood reinvestment, in terms of what an outside investor, city agency, or organization can do to improve a neighborhood. However, *residents* working together to improve the overall appearance of their blocks and neighborhood and investing their time, effort, and money to improve their properties are the foundation of any Healthy Neighborhoods reinvestment strategy. Through the actions of *residents* taking effective control of their neighborhood, momentum is created to improve properties, increase property value, create wealth, and attract and retain homeowners. As a result of empowering residents, Hartford's Rising Star Blocks and Pride Blocks identified by the Neighborhoods of Hartford, Inc., are becoming healthy neighborhoods, places where existing residents want to stay, new residents want to live, and most residents want to invest.

For many years Hartford has faced an aging housing stock. Moreover, as of the 2000 Census, less than 18 percent of the housing stock in Hartford is single-family residential units, resulting in one of the lowest homeownership rates (24.6 percent) in the nation. With almost 20 years of disinvestment in many neighborhoods, and limited resources to invest, the city of Hartford needed to develop a strategy to increase investment in housing and homeownership. In 2002 Mayor Eddie Perez authorized a Homeownership Task Force to study Hartford's low homeownership rate and develop a strategy to increase homeownership and investment in the housing stock. The task force identified the needs to stabilize existing neighborhoods, focus on the strengths of neighborhoods, and create investment and wealth within the city. The task force also realized that the conventional methods for neighborhood redevelopment were not working. High-cost, high-subsidy, scattered-site housing production projects were not creating enough impact and change to have meaningful, positive effects on the city as whole.

Developing and implementing a strategy to successfully create change in weak-market neighborhoods is a difficult challenge in any city. In Hartford the challenges were much greater. Decades of population loss to the suburbs; slow recovery from a real estate market

crash in the late 1980s that reduced residential property values by 40 percent, followed by years of disinvestment; and a housing stock that is predominantly multifamily were just some of the challenges that Hartford faced.

The Neighborhoods of Hartford, Inc. Rising Star Block and Pride Block Healthy Neighborhoods program grew out of the Mayor's Homeownership Task Force and was one aspect of the mayor's homeownership initiative. Launched and incorporated in April 2003, NHI received its 503(c) 3 status in February 2004. Between April 2003 and February 2004 the NHI Steering Committee and the mayor's office worked with consultants David Boehlke and Charles Buki (a nationally recognized housing and neighborhood expert and an associate of Boehlke) to develop a strategy that would provide the greatest opportunity to retain existing homeowners, attract new homeowners, increase housing investment, and improve/stabilize Hartford's neighborhoods.

Following the launch of NHI, a citywide analysis of neighborhoods was conducted the NHI Steering Committee, Boehlke and Buki, and the mayor's office and from this, 17 target areas were identified. These target areas included five Rising Star Blocks and 12 Pride Blocks, all neighborhoods that Buki defined as "neighborhoods in transition" or "middle neighborhoods" that provided the best chance for reinvestment and offered diversity in housing type that would most likely be able to retain and attract homeowners and compete in the greater housing market.

Using Boehlke's approach to neighborhood reinvestment, NHI began to develop a strategy for positive change in the target areas. Charles Buki states: "Healthy neighborhoods are as dynamic as others. But whereas distressed neighborhoods lack the capacity to manage the changes that accompany the forces all neighborhoods are exposed to, healthy neighborhoods are buoyant in rough seas. Healthy neighborhoods grow their strengths and become stronger. Healthy neighborhoods compete successfully for scarce investments." (Charles Buki, [www.czb.org](http://www.czb.org)) NHI's goal was to turn these neighborhoods in transition into healthy neighborhoods that could compete for resources and investment and could effect changes in Hartford and the larger community.

Boehlke and Buki don't just define and identify the characteristics of a healthy neighborhood; they also provide a context in which a reinvestment strategy must be developed. Boehlke and Buki recognize the characteristics of neighborhoods and both the internal and external market factors that influence neighborhoods. Through this recognition of these market forces, a reinvestment strategy can be developed that will manage change by positively influencing the market.

Boehlke identifies four consumer decision-making factors -- choice, competition, confidence, and predictability -- that are essential to a neighborhood reinvestment strategy. Boehlke also identifies four elements of change -- image, markets, physical conditions, and social connections -- that must be included in a strategy to develop healthy neighborhoods. These principles formed the foundation of the NHI Rising Star Block and Pride Block Healthy Neighborhoods program.

## The NHI Strategy

Neighborhood redevelopment in Hartford, as in many cities, has traditionally focused on the neighborhoods that Buki identifies as distressed neighborhoods, those characterized by social and economic disinvestment, abandonment, and conditions that can be prohibitive to reinvestment. NHI's focus is unique in that it targets its efforts in neighborhoods *in transition*; that is neighborhoods that have not yet reached Buki's distressed level. The Rising Star Blocks and Pride Blocks are the neighborhoods that with a little care, confidence, financial investment, and leadership can become Healthy Neighborhoods. They provide the greatest opportunity to retain existing homeowners, attract new homeowners, and compete in the greater housing market. By focusing on the assets and strengths of these areas, NHI has developed and implemented programs that work to move these neighborhoods from being "neighborhoods in transition" to "healthy neighborhoods." The Mayor's Task Force and NHI recognized that implementation of a Healthy Neighborhoods strategy in *in-transition* neighborhoods costs a fraction of the traditional, mostly production, strategies in distressed neighborhoods.

NHI terms Boehlke's "social connection" neighborhood management." To that end, the Healthy Neighborhoods approach and implementation strategy has four key programming components: targeting resources, building community, creating investment, and promoting quality design. Targeting resources refers to both the implementation of the program in small geographic areas (the Rising Star and Pride Blocks) and NHI's ability to partner with other organizations and the city to provide services. For example, NHI has partnered with another nonprofit organization, The Knox Park Foundation. Working with the Foundation, NHI organized four tree-planting events in the West End Rising Star Block that had the participation of more than 70 residents who succeeded in planting close to 100 trees.

Many neighborhoods in transition lack a sense of community among their residents. The NHI Neighborhood Programs provide the foundation of our Healthy Neighborhood approach by building neighborly relationships. Through these neighborhood programs which NHI cultivates an environment that is conducive to managing neighborhood change. NHI builds a sense of community by focusing on civic engagement, social equity, and empowering the residents to better self-manage their properties and neighborhoods. NHI breaks from the traditional advocacy approach to community organizing and focuses on resident engagement. NHI's primary goal is not to organize residents to be vocal about their neighborhoods and the problems that need to be addressed, but to encourage residents to become engaged in their community and neighborhood and to take a proactive role in creating positive change.

NHI's reinvestment strategy is based around the NHI Home Investment Loan Fund. In weak-market neighborhoods, private investment (by homeowners and investors) into properties can become stagnant or nonexistent, creating disinvestment, a decline in the quality of the housing stock, and stagnant or declining property values. NHI's goal is to create active real estate markets within the target areas. The intent of the loan fund is to create investment and momentum by seeding the market for further investment. The loan product is aimed at three categories of rehabilitation: exterior renovations that improve appearance, interior improvements that reduce deficiencies, and additional improvements that add value.

The NHI strategy argues that by targeting loans into small, well-defined areas and by targeting properties in need and properties in visible locations, NHI will maximize the impacts

of these investments and move the market in a positive direction. In addition, when residents see neighbors investing in their property, they are more likely to invest in their own property.

For neighborhood reinvestment and rehabilitation to work, NHI believes that housing rehab and construction must be of high quality and of a design in line with the existing characteristics of the neighborhood. It is crucial that home improvement projects maintain the architectural character of the structure, neighborhood character, and historic character to ensure that investment adds value. To accomplish this, NHI has produced a design manual for the target areas aimed at educating residents and contractors about the value of good design and teaching some basic design concepts.

Collectively the NHI programs create a comprehensive strategy that targets the neighborhood image, market, physical conditions, and neighborhood management of each of the target areas. The Healthy Neighborhoods approach to reinvestment treats a neighborhood as a system, recognizing the many physical, social, and market factors that affect the neighborhood. Moreover, NHI targets those conditions or behaviors that create an environment that is not conducive to investment. The approach is driven and measured by outcomes (i.e., neighborhood improvement), not outputs (i.e., numbers of units built or repaired).

### **Conclusion**

This book demonstrates the Healthy Neighborhoods approach to neighborhood reinvestment in both theory and practice. It explains the neighborhood as a system that underlies the Healthy Neighborhoods theory. In addition, it explains the Healthy Neighborhoods theory and why that approach works. Finally, it provides a detailed look at why and how Hartford developed a Healthy Neighborhoods strategy while examining the implementing organization, the Neighborhoods of Hartford, Inc.

The book demonstrates the success of NHI and the Healthy Neighborhoods strategy in creating meaningful and sustainable change in neighborhoods and provides insight into the lessons learned by NHI in implementing this program.

Healthy Neighborhoods is not a quick fix to neighborhoods but a long-term investment strategy that manages change in neighborhoods. We must remember that weak-market neighborhoods did not decline overnight, and their decline was not the result of one action or one event. Many factors and influences, and many years, even decades, of declining market conditions, deteriorating neighborhood norms, lack of confidence, and underinvestment created the realities that these neighborhoods face today. Recovery requires a comprehensive strategy, flexible resources, innovative approaches, political will, commitment, and time.

## CHAPTER ONE

### AFFORDABLE HOUSING PRODUCTION AND OTHER COMMUNITY DEVELOPMENT STRATEGIES

*This chapter discusses and challenges the conventional approach to community development and neighborhood revitalization and the primary strategy utilized, affordable housing production. While affordable housing is needed and can be a significant tool in community development and creating positive change in neighborhoods, it should not be the end goal. Over the past three decades, Hartford has constructed thousands of new housing units on vacant lots and in blighted/rehabbed buildings, yet the city has seen little change or improvement in the neighborhoods. More important, the production strategy may actually undermine the existing weak and fragile real estate market and further burden already distressed neighborhoods.*

*Housing provides shelter, neighbors create community. Building community, creating stronger social connections and relationships, observing high standards of neighborliness, and ensuring the neighborhood's ability to fend off threats, manage day-to-day issues, and manage change is what neighborhood reinvestment and community development is about.*

*This chapter also discusses concerns related to the ever-increasing push for increasing homeownership and mixed-income developments. While homeownership provides opportunities and many benefits, caution is required when attempting to increase homeownership. Caution also must be taken with the trend to develop mixed-income developments.*

The work of community development and neighborhood reinvestment is difficult, to say the least. Weak real estate markets, outdated housing stock, deteriorating properties, and poor public perceptions make creating positive change in neighborhoods even more difficult. Distressed neighborhoods are also often home to the poor, new immigrants, and in many cases, ethnic and racial minorities. Concerns for the need to provide affordable housing for low-income households and fear of displacement from gentrification have driven the community development profession, funding institutions, and government (federal, state, and local) to implement policies, programs, and strategies that address the need for affordable housing. But these policies, programs, and strategies do not address the neighborhoods themselves or the conditions in these neighborhoods.

Therefore, the aim and outcome of community development and neighborhood reinvestment have been too often focused on the production of affordable housing. Success is measured by the number of units produced, households serviced, and as of late, the number of new homeowners, not by significant improvement and sustainable change to neighborhoods. In many cases, as in Hartford, production of affordable housing is primarily achieved in distressed, low-income neighborhoods, like Hartford's North Frog Hollow neighborhood, where vacant lots and abandoned buildings are readily available because the market is weak with little or no demand. While such production is promoted as community and neighborhood redevelopment, it is done with little regard for the existing conditions in the neighborhoods or with consideration of the larger real estate market forces that drive investment and consumer decisions. While many like to believe that the goal or outcome of affordable housing production is neighborhood redevelopment, the fact is, it is not.

The affordable housing production approach to neighborhood redevelopment is driven by the availability of vacant sites, abandoned properties, and subsidized financing. It is also driven by our existing government and nonprofit programs that target low income and moderate-income households. It is not based on sound planning principles, reinvestment strategies, market conditions, or consumer choice. The scattered-site approach, based on site availability, dilutes the impact of resources to such an extent that the overall impact to neighborhoods is minimal at best. For example, redeveloping five, 10, or 20 units of housing on one or two blocks in a distressed neighborhood with more than 3,000 housing units overall will create little or no change in that neighborhood. In addition, since these affordable housing developments tend to be in the weakest of the weak-market neighborhoods, the largest amounts of subsidies are required to make these developments happen. In many cases, the direct subsidies will never be recouped, or it may take 15 to 20 years of tax revenues from the properties to cover the subsidies. In some cases, the units produced are blighted and vacant again before enough taxes have been generated to cover the initial subsidies. The cost of this approach is significant, and with limited resources in a weak-market city like Hartford, these costs are not sustainable. Redeveloping Hartford's neighborhoods through this approach would cost hundreds of millions of dollars. Even if that type of money were available, it would not guarantee success.

Over the last 30 to 40 years, affordable housing production has been seen as an end nationwide, but it has failed to create any substantial change or improvement in the quality of life of residents or in the real estate markets within the majority of distressed, weak-market neighborhoods and cities. This is evident in the North Frog Hollow neighborhood in Hartford where conditions have not significantly changed, although the city, state, and many nonprofit housing organizations have spent years, even decades, producing affordable housing units that have required millions of dollars in tax breaks, low-income and historic tax credits, Community Development Block Grants (CDBG), and other forms of subsidies to complete these housing redevelopment projects. Yet today, North Frog Hollow is still a distressed neighborhood characterized by deteriorating housing conditions, high poverty levels, high crime rates, and a weak real estate market that cannot attract any significant or meaningful private investment other than highly speculative, flip-oriented, absentee investors.

The cycle of poverty, crime, disinvestment, and deterioration of the housing stock continues. Yet the main approach to neighborhood redevelopment is the continued building of more housing (mostly affordable) in neighborhood markets with little or no demand for

additional housing. In some cases, individual buildings and blocks have been redeveloped once, twice, and even three times as affordable housing neighborhood redevelopment projects. With an oversupply of housing even at the time of redevelopment and no new demand created, the redevelopment project of 15 year ago becomes blighted once again.

The need for affordable housing is real, and the desire to provide affordable housing to low-income families is an honorable one, but where, when, and how the strategy of affordable housing production is employed as a neighborhood reinvestment strategy has failed to improve neighborhoods. Over time, the community development profession learned that the clustering of low-income households in public housing projects created more negative outcomes than the original, well-intentioned plan to provide housing for low-income families. Since then, we have attempted to correct or change those strategies through the demolition of those public housing projects, the dispersion of those residents through voucher programs, and the redevelopment of those projects with lower densities (suburban/urban design), providing for a greater mix of incomes, and even homeownership units. However, we have failed to recognize that many of these affordable housing production strategies are still clustering low-income households into low-income, distressed neighborhoods. The only difference now is that the land and buildings are not publicly owned and managed as was the case with public housing projects.

An example of this clustering of low-income households can also be seen in Hartford's North Frog Hollow neighborhood. In recent years many redevelopment projects in the neighborhood have been clustered together in a very small geographic area. Park Terrace I (42 units), Park Terrace II (72 units), Brick Hollow (50 units), and the Zion Street project (24 units) have created close to 200 units of low-income housing in a very small six-block area. In addition, these 200 units of housing have cost millions in federal, state, and local government dollars. While these projects have provided low-income affordable housing and transformed historic blighted buildings and vacant lots into newly renovated housing, they have done little to change or improve the neighborhood. This approach to redevelopment, the creation and concentration of low-income households in a neighborhood that is already distressed and has hundreds, if not thousands, of low-income housing units, will only further stress the neighborhood and city resources.

After decades of redevelopment projects, the North Frog Hollow neighborhood is still one of Hartford's most distressed neighborhoods. It is characterized by a low- and very-low-income population, an aging and deteriorating housing stock, a weak real estate market, and all of the negative traits and characteristics associated with a distressed neighborhood, i.e., crime, poverty, litter, graffiti, drug dealing, and so on. After decades of investment in the production of affordable housing in the neighborhood, little has changed in its conditions. More important, years of primarily producing low-income housing and clustering low-income households have caused the neighborhood real estate market to be undermined, and subsidy and low-income restrictions (many for 30 years) have all but sealed the fate of this neighborhood as a low-income neighborhood even though some of those restrictions have or will soon expire. In addition, no new market (demand) was created for this or existing housing, further exacerbating the problem.

This affordable housing production approach has led to the construction of many new housing units but has not created any new markets (demand) for these new units or existing units, undermining the already fragile housing market. City agencies and nonprofit social-

service providers are overwhelmed by the issues associated with this neighborhood and the needs of its residents and, further, struggle to provide adequate basic services. Yet we continue to burden the neighborhood with more households that require more services. If the production of affordable housing as the sole strategy for community development and neighborhood redevelopment continues, in another 30 years, the entire North Frog Hollow neighborhood (or other similar neighborhoods throughout the country) could become low-income, restricted housing neighborhoods.

If, the only goal of community development was to provide affordable housing for low-income households, then we have succeeded using an affordable housing productions strategy. However, if the goal of community development is to improve neighborhoods and provide greater opportunity for those that live in those neighborhoods, then we have fallen far short of success. *The fact is, we have confused the goal of producing affordable housing with the aim of community development and neighborhood reinvestment.* We have come to believe that rehabilitating and building housing (bricks-and-mortar construction projects) is the end goal or accepted outcome of community development. We act as if redeveloping a block of blighted buildings as new housing units will be enough to change the neighborhood. However, this production of housing is done in a vacuum with little or no consideration for market factors, consumer preferences, and social ills that impact neighborhoods. Low-income tax credits, appraisal-gap financing, and other creative financial strategies are employed to make these projects pencil-out where no market demand exists for the projects because of deteriorated or declining neighborhood conditions. In fact, these financing tools were developed because of the problem. With no market (demand) for new housing units, rather than targeting the market factors that have diminished or failed, the community development profession targets financing with creative subsidies to produce more housing in neighborhoods where we know the demand is limited.

If we were to approach community development with the intent of improving neighborhoods, not just building housing, then we could implement strategies to improve the market, thus creating demand and improving the neighborhood. We would not build more housing where oversupply and low or no demand exists, and we would not cluster more low-income households into distressed neighborhoods with already high concentrations of such households.

Consider some of the factors that exist in a distressed neighborhood:

- Supply exceeds demand.
- Residents with the means to leave do.
- The neighborhood image is so poor it cannot attract outsiders with choices to move in or invest.
- The existing or remaining residents are mostly low-income households with little means and few or no choices of neighborhoods or housing.
- The neighborhood does not have the social, political, or financial ability to fend off threats or leverage resources.

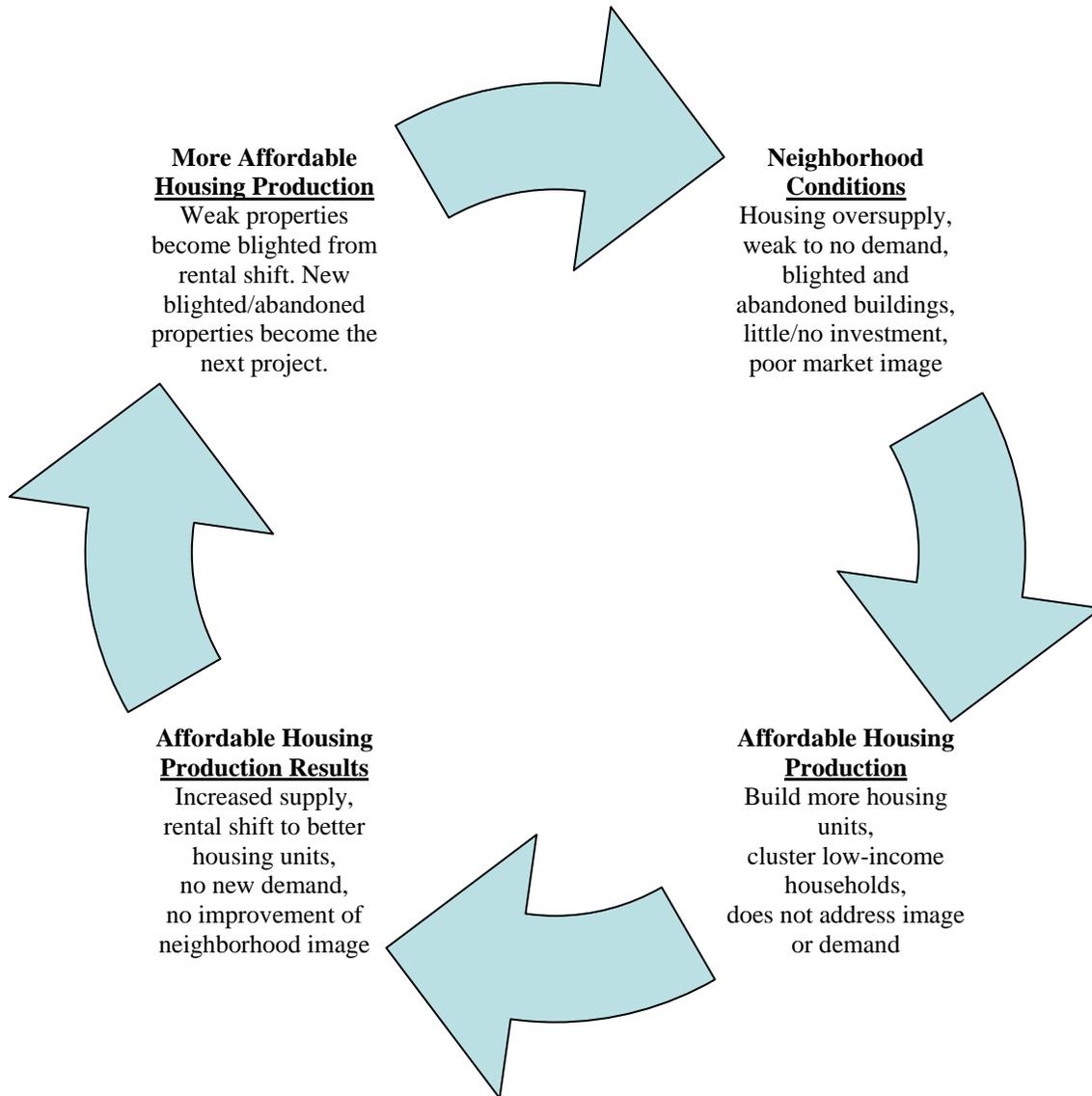
Based on these conditions, is this a place where we should add more housing? Is this a place where we should cluster larger concentrations of low-income households with

significant needs for services and support? And what happens when we add more, newer and modern housing units into this weak-market neighborhood with an aging, outdated, and deteriorating housing stock?

- Supply increases but demand stays the same.
- Few, if any, new residents are attracted from outside the neighborhood, since no new demand is created.
- The new units attract the existing neighborhood residents with the greatest means or who are the most savvy to move into the newest and best housing units they can afford within the only neighborhood they can afford.
- The residents drawn to the new housing units create the first move in a rental/housing shift within the neighborhood. Additional existing residents within the neighborhood will upgrade (shift) into the better existing housing units (the best they can afford) vacated by the first movers. After a few upgrades/shifts occur, the weakest or most distressed existing units in the neighborhood can no longer retain existing residents or attract new residents because of weak/no demand.
- These weak and distressed properties/units in the neighborhood then become abandoned. The cycle begins again with these newly vacant and abandoned properties becoming a future neighborhood redevelopment project that produces more affordable housing.

The following diagram provides a summary of the cycle of affordable housing production that occurs when affordable housing units are produced in a distressed neighborhood without creating a market (demand) for new housing.

**Figure 1**  
**Affordable Housing Production Neighborhood Reinvestment Cycle**



Some may argue that this is a natural process within the marketplace and within the laws of supply and demand, that the recycling/replacing of housing continually upgrades the housing stock. However, the process is not naturally occurring; it is a result of government policies that favor affordable housing production as a community development strategy. It undermines the market and creates this continual cycle of subsidized investment and abandonment. The recycling and upgrading of the housing stock would be an acceptable method if it were a replacement strategy and the outcome was to replace the existing housing stock with newer, modern housing. However, if our objectives or outcomes are to improve neighborhoods, create competitive urban neighborhoods, improve the quality of life, and

provide greater opportunity for residents, then only recycling and upgrading of the housing stock does nothing to achieve these objectives and improve those neighborhoods.

Unfortunately, affordable housing production has been the predominant means (indeed, in many cities or neighborhoods, the only means) of neighborhood redevelopment in the most distressed neighborhoods, and as we have indicated, it has fallen short in succeeding to improve neighborhoods, not because it is wrong to produce affordable housing for low-income households. Rather, it has fallen short because it is a well-intended approach in the wrong location at the wrong time, utilizing the wrong strategy.

This is not to say that affordable housing production cannot or should not occur. Affordable housing is needed, and its production can be a successful tool when properly used within the context of a citywide or neighborhoodwide reinvestment strategy, not as an end as it is used now. The goal of affordable housing production is honorable and worthy. As a society we need to provide housing opportunities that are clean, safe, and affordable for low-income households. However, we cannot continue to mistake affordable housing production for the work of community development and neighborhood redevelopment without addressing the other key factors in the market to create demand for housing and neighborhoods.

In response to some of the failures of affordable housing production, a new trend in community development has emerged that is a shift away from low-income developments to mixed-income developments. While mixed-income developments may produce fewer low-income housing units, we still need to be cautious about where we locate these developments. This type of development may be well suited to a healthy suburban neighborhood or community. However, it may not be the right choice in urban, weak-market neighborhoods and cities, because mixed-income developments still add low-income units to urban markets with an already high portion of low-income units.

For example, 36 percent of Hartford's housing units qualify as affordable housing under the State of Connecticut Affordable Housing laws that require communities to plan for and construct a minimum threshold of 10 percent affordable housing within a community. Most communities in Connecticut do not meet the 10 percent threshold. Therefore, Hartford's 36 percent affordable housing demonstrates an unfair share of regional affordable housing. This high percentage of the total housing stock as affordable is the result, noted earlier, of 30 years of program and policies that have clustered low-income households into weak-market neighborhoods. So even if Hartford stopped producing affordable housing developments and implemented the new mixed-income style developments, it would still be adding more affordable housing units in neighborhoods (and in the city as a whole) that already have unreasonably high percentages of housing units restricted as affordable. If we are to create change and improve weak-market neighborhoods, we need to refrain from further production of affordable housing and clustering of low-income households. When adding supply and when implementing reinvestment strategies, we need to focus on attracting the working class and middle class back to these weak-market neighborhoods and weak-market cities. Mixed-income developments in weak market neighborhoods may also be the wrong strategy, at the wrong time, in the wrong location.

The following table was developed by Marcia Nedland and Michael Schubert, Healthy Neighborhoods consultants and associates of David Boehlke. The table contrasts the affordable housing production strategy with a neighborhood reinvestment strategy.

**Table 1**  
**Contrasting Affordable Housing Production and Neighborhood Reinvestment**

	<b>Affordable Housing Production</b>	<b>Neighborhood Reinvestment</b>
<b>Purpose</b>	Increases the supply of affordable housing in a community where it is scarce. Addresses an income group and its ability to secure safe, decent, affordable housing.	Increases demand for housing in neighborhoods that have little demand or at the wrong time. Addresses a neighborhood real estate market and makes changes so that it makes economic sense for residents and others to invest time, money, and energy there.
<b>Geography</b>	Any size, but often larger than one neighborhood, city, county, etc.	Targeted areas where demand is weak; small enough to create visible changes in neighborhoods with the resources available.
<b>Customer</b>	A particular income group, usually below 80% median.	The neighborhood as a real estate market protects current investments and encourages new ones. Serves all incomes.
<b>Customer Service</b>	Limited options in finances and choice of neighborhoods may mean lower expectations of customer service.	Greater options financially and/or in choice of neighborhoods means high expectations for customer service.
<b>Programs</b>	One or two housing products intended to provide or improve housing at low cost.	Multiple programs tailored to the neighborhood, intended to influence choices of positive investment in neighborhoods.
<b>Marketing</b>	Focus on rules, restrictions, especially income. Great emphasis on funding source requirements. First come, first served.	Focus on customer wants to encourage investment choice in targeted neighborhood. Negative message eradicated. Income not emphasized. Proactive marketing to desired target markets.
<b>Housing Standards</b>	“Decent,” safe, and sanitary. Extras determined by affordability.	High-quality improvements to increase homeownership equity, emphasis on visible exterior treatments that inspire confidence and positive investment by others. Houses as “billboards.”
<b>Decisions</b>	Influenced only by maximizing affordability to target income groups.	Influenced by potential impact on the neighborhood market and on potential choices of various investors, including those with modest incomes.
<b>Measures of Success</b>	Outputs: number of people served, units produced, loans closed, etc.	Outcomes: resident satisfaction, increased real estate values, improved building conditions, reduced crime rates, etc.

Based on the work of Marcia Nedland & Mike Shubert as presented at a neighborhood program in Hartford, CT, on June 14, 2007. The table was further enhanced by Donald Poland, Neighborhoods of Hartford, Inc.

We need revised policies and strategies of how we conduct community development and neighborhood reinvestment. If we are to improve neighborhoods in a meaningful way, the transformation is about more than how we revitalize distressed neighborhoods like North Frog Hollow. It is about how we redevelop our weak-market cities and make them competitive in the regional housing market. Hartford's North Frog Hollow, based on its historic character, large multi-family housing units, and location (access to highways and proximity to state offices, downtown, and large corporation offices and jobs), is a neighborhood that should be able to attract private investment and homeowners with the means to invest. It should not be a distressed neighborhood that suffers from such a poor market perception. However, our policies and strategies have undermined market forces and have left this neighborhood and many like it unable to attract any significant private investment.

As mentioned earlier, if we continue to focus all of our limited resources on distressed and weak-market neighborhoods within weak-market cities, we will never have enough money to create significant and sustainable change. We will never create the types of neighborhoods that can attract and retain homeowners, renters, and investors who have the means to choose other neighborhoods and other communities.

This transformation needs to be a shift in theory and in the approaches and strategies we employ. We need to understand that by improving neighborhoods, we will better provide for all residents. We need to target our limited resources in a meaningful way that creates the greatest impact. We need to target the conditions of the neighborhood and market as the outcomes, rather than the production of affordable housing units. We must create market demand where there is none. We must create value, equity, and social investment. We need a new way that provides hope, confidence, and opportunity for the neighborhood's residents today and for new residents tomorrow.

To understand why affordable housing production strategies have not succeed in creating better neighborhoods and how to create better neighborhoods, we need to better understand consumer/resident behaviors and neighborhoods. Nationally recognized neighborhood strategist David Boehlke discusses four key components of market factors and individual (consumer/resident) investment considerations related to managing change in neighborhoods; they are choice, competition, confidence, and predictability. Boehlke in "Great Neighborhoods, Great Cities" defines these as:

**Choice:** Understanding that people make choices about where to buy, what to buy, when to invest, and how much to invest.

**Competition:** From suburbs, apartments, and other neighborhoods. It is not enough for a neighborhood to be a good place to live; the neighborhood must be able to attract residents even as its competitors change every year.

**Confidence:** Older neighborhoods are often a confusing mixture of perceptions and behavior. Residents want confidence affirmed by neighbors investing in their homes or new residents moving in and investing.

**Predictability in Community:** Residents want predictability. New neighbors are considered good neighbors when they notice and abide by the prevailing norms.

Affordable housing production as the primary or sole strategy for neighborhood redevelopment is contradictory to these basic principles. It does little or nothing to address Boehlke's four key factors. Most households, when choosing to buy or rent housing, look to obtain the best quality housing, neighborhood, and community (services, including schools) that they can afford. Low-income and very-low-income households, usually have little or no choice, since the only places they can afford tend to be in the most distressed neighborhoods (neighborhoods of last resort). However, neighborhoods are not static; they are living environments that compete for residents, resources, and investment. The more resources a neighborhood has, the better the housing stock, the more continuous the investment, and the better the quality of life. Thus, healthy neighborhoods attract more capable residents with greater financial means.

This does not, however, mean gentrification. Gentrification is an intentional and complete transition or overhaul of a neighborhood from low income to wealthy. The Healthy Neighborhoods approach is about taking an underperforming neighborhood and making it perform as it typically would be already if not for disinvestment. It is about attracting a mix of incomes, not just low-income households. It is about creating wealth through home appreciation for existing homeowners. Healthy neighborhoods with quality housing stock, low crime, strong services, and community assets attract residents and investment. Confidence of residents/owners is continually reinforced by the behaviors and investments of new residents, confirming that the neighborhood is a place in which to live and invest. This also provides predictability; it demonstrates that investment makes sense today and will still make sense tomorrow.

Distressed neighborhoods are not places of choice. They cannot compete for residents and investment and do not provide confidence and predictability. They are neighborhoods that send the negative message to the market that residents do not care and that this is not a place worthy of investment. To add supply and further undermine the existing fragile market destroys confidence and predictability.

Boehlke also defines four attributes of neighborhoods that he believes must be considered when developing neighborhood reinvestment strategies. More important these attributes are the key levers of change that a reinvestment strategy should focus on -- image, markets, physical conditions, and social connection. Boehlke defines these attributes as:

**Image:** In an asset-oriented strategy that builds both household and neighborhood equity, it is important to promote a positive identity. That for older neighborhoods to compete successfully, they need to draw on their assets and tell their unique stories (for example, historic homes, urban parks, and so on). Residents and outsiders will see the neighborhood as attractive.

**Markets:** Each neighborhood has a unique market niche. All investments must reinforce the housing market and increase home values. Investment in one property improves the value of all properties within the neighborhood.

**Physical conditions:** We need to target outcomes, not outputs, because numbers don't tell the story. Outcomes measure whether the neighborhood is improving as a place for residents to invest and to build equity and neighborly connections.

**Social connections (neighborhood management):** Prospective homeowners and residents – not community development corporations, government agencies, or other funders – are the most important neighborhood decision makers. Traditional approaches often subsidize households with the greatest needs and provide housing as an end itself. Instead, we need to work to create and improve social connections by engaging residents in their neighborhood and community.

When developing a strategy for redeveloping a neighborhood, we must understand the behaviors or social/physical norms of the neighborhood that create an image for it. And we must remember that image sends a message to the market. If we don't address the factors that influence neighborhood image, it will be difficult, if not impossible, to change how the market perceives that neighborhood and to create demand for the neighborhood and housing. According to Boehlke, "Every house (building) is a billboard." (Great Neighborhoods, Great Cities, 2004) This means that every property sends a message (an advertisement) about image, investment, and market. That message can be positive or negative. A well-maintained property sends a positive message to the market that residents/owners feel confident about the neighborhood and are willing to invest in their property; poorly maintained property, just the opposite.

We must understand the neighborhood's assets, how to build upon these assets, and how they play a role in creating or tapping that unique market niche to attract more residents, resources, and investments. Buki refers to this when he states "Every neighborhood has a unique story to tell." (Charles Buki, [www.czb.org](http://www.czb.org)) This story is used to market the neighborhood. Outcomes, not outputs, measure whether a neighborhood is improving. Conventional community development strategies count the number of affordable housing units produced, low-income families housed, or number of projects completed as measures of success. However, such numbers do not tell the whole story or even tell us whether the neighborhood is improving. In many cases these numbers show the neighborhood is not improving, regardless of how good the numbers look. Rather, measuring outcomes such as improved property maintenance, clean streets, increased property investment, higher standards of neighborliness, and other such factors tell whether the neighborhood is truly improving.

### **Homeownership Program**

Homeownership programs constitute strong neighborhood reinvestment strategies. The many benefits of homeownership are well documented. In most cases neighborhoods with higher percentages of homeowners are more stable than those with higher percentages of renters. It is also well documented that the largest financial asset of most middle-class households is the home. More important, home value appreciation during the term of the mortgage represents an effective savings plan and means of wealth creation.

Therefore, increasing the opportunities for homeownership for low- and moderate-income households has become a significant part of community development strategies. In addition, increasing the percentage of owner-occupied housing units in neighborhoods has also become a common strategy to stabilize neighborhoods. This has been the case in Hartford, a city with only a 24.6 percent homeownership rate according to 2000 U.S. census data. As with many cities, Hartford has many programs provided by the city, nonprofits, and even private lenders

to encourage and increase homeownership. These programs include homeownership education, down-payment assistance, closing cost assistance, flexible loans, and so on.

These programs are most often based on the assumption that homeownership provides opportunity to households. It is seen as the path to the middle class and a chance at the American Dream. In addition, homeownership is seen as a way to create greater stability for neighborhoods. And these assumptions are mostly true. However, we must be cautious and not lose sight of the neighborhood markets where we provide these low- and moderate-income households their first homeownership opportunity.

When a family buys a home in a healthy and stable neighborhood, most likely, the property value will increase with the natural increase in the market over the life of the mortgage. As the mortgage is paid down and the property increases in value, equity is earned, creating both wealth and leverage to invest in and maintain the property. However, a home purchase in a neighborhood that is stagnant or has declining values does not generate equity from property appreciation. While some equity may be earned from paying down the mortgage, the value of equity may not meet the cost of the needed investment and repairs required to maintain the property.

A goal of providing greater opportunities for low- and moderate-income households is to achieve the benefits of homeownership. However, homeownership opportunities in weak-market neighborhoods with stagnant or declining property values are less apt to realize the full range of benefits from homeownership. Most notably, there is likely to be little or no wealth creation through property appreciation and loan payments.

Another concern in weak-market neighborhoods including Hartford's is the limited ability of homeowners to invest in their homes and maintain their properties. Be it through government or nonprofit homeownership programs or the private lending market, more flexible lending tools have helped lower income households achieve homeownership. However, this does not necessarily mean they will be able to afford owning and maintaining the home over the life of the mortgage. The result is often deferred maintenance and a decline in property condition. In weak-market neighborhoods this frequently results in further decline of the neighborhood and declining property values.

As planners and community developers, we need to be cautious about how we effect the honorable goal of increasing homeownership opportunities for low- and moderate-income households. If we measure success only by the number of new homeowners, it may be tempting to qualify households to meet our numerical goals. Doing so may cause greater financial hardship for low- or moderate-income families and further limit their opportunity to build wealth. In addition, if increasing homeownership is a key goal to our neighborhood strategy and we measure success by numbers of new homeowners, we may cause more damage to those neighborhoods we try to help if those new homeowners do not have the means to maintain their homes.

This is not say that we should not promote homeownership for low- and moderate-income households. However, when promoting homeownership as a strategy in neighborhood reinvestment, we must not create undue hardship for households or undermine future investment in neighborhoods.

A number of other conventional techniques and strategies utilized in community development and neighborhood revitalization include code enforcement, rehab loan programs, credit and financial counseling, and neighborhood advocacy. Public infrastructure investment, most often in the form of streetscape programs, is another common strategy for community development and neighborhood reinvestment, most often utilized in commercial areas, the theory holds that if we improve the appearance (image and physical conditions) of the area, the market or neighborhood will improve. However, targeting image and physical conditions without a comprehensive strategy for the rest of the neighborhood and without regard for the market and social connections is like building a two-legged stool. It does not work.

Many, if not most of these strategies focus on problems and issues, rely on government regulations or standards, target low- and moderate-income households and neighborhoods, and exhibit no regard for the greater market. As with affordable housing production and homeownership initiatives, they are all valid and useful strategies for improving neighborhoods. However, they are often used as standalone measures and are viewed as indicators of change or even as the ultimate goal or end point. The Healthy Neighborhoods strategy, using a more holistic approach, believes that improved neighborhood conditions, high standards of property maintenance, high standards of neighborliness, social and financial investment, and increased property values should be the desired neighborhood outcomes.

Boehlke provides a table in “Great Neighborhoods, Great Cities” (reproduced below) that compares conventional revitalization strategies to the Healthy Neighborhoods approach. It summarizes his philosophy for neighborhood revitalization, enumerating the elements that provide the greatest chances of creating meaningful change and neighborhoods of choice.

**Table 2  
Comparison of Approaches to Revitalization Conventional Versus Healthy  
Neighborhoods**

<b>Issue</b>	<b>Conventional</b>	<b>Healthy Neighborhoods</b>
<b>Purpose</b>	Make houses safe and code-compliant.	Restore real estate market values so people can invest confidently.
<b>Strategy</b>	Repair as many houses as possible in as large an area as possible.	Select properties for maximum visual market impact.
<b>Consumer</b>	Focus on houses and households with greatest needs.	Respond to severe problems, but focus on houses and diverse homeowners with good potential for strengthening prices and raising housing maintenance standards.
<b>Programs</b>	Use government subsidies to create standardized programs and to distribute grant dollars by regulation.	Develop a variety of flexible incentives for residents to achieve specific outcomes and to serve the desired market segment.
<b>Standards</b>	Enforce minimum standards.	Create expectations of quality rehabilitation and good design.
<b>Support</b>	Assist borrowers with debt problems, affordability, and subsidy needs; provide classes on budgeting and home repair.	Provide all needed consumer support services; market the neighborhood; and encourage block projects, pride in community, and resident leadership.

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## CHAPTER TWO

### HEALTHY NEIGHBORHOODS: A NEW APPROACH TO COMMUNITY DEVELOPMENT AND NEIGHBORHOOD REINVESTMENT

*This chapter provides an in-depth look at the theory behind the Healthy Neighborhoods approach to neighborhood reinvestment. While Chapter I provided a look at some of the basic concepts and key elements of creating change in neighborhoods, this chapter will provide a deeper understanding of the Healthy Neighborhoods theory, approach, and strategies.*

#### HEALTHY NEIGHBORHOODS – THE BASIC MODEL

Affordable housing production as a community development strategy has succeeded in renovating housing and providing new housing for low- and moderate-income families, but it has too often fallen short in creating meaningful improvement in neighborhoods. If the aim of community development and neighborhood redevelopment is to improve neighborhoods, we must change the way we go about it. Current methods have not been effective. Adding supply where demand is nil is not the answer. We must start looking at neighborhoods as multifactoral systems and enhance those factors that work while reducing or eliminating those factors that do not. This means moving away from the affordable housing production model as a means to an end for community development and look instead to an asset and market-based approach of neighborhood improvement. The Healthy Neighborhoods approach to neighborhood reinvestment offers an opportunity to better focus our efforts and investment dollars to create positive change in neighborhood markets and to allow neighborhoods to compete for residents, homeowners, and investment.

Boehlke first developed the Healthy Neighborhoods approach while running a nonprofit neighborhood organization, Neighborhoods Inc., of Battle Creek, Michigan. During this time Boehlke experienced the frustration that so many community development professionals know, that is, while working hard to improve neighborhoods, very few improvements actually occur. Most of the community development organizations that Boehlke had been involved with before Neighborhoods, Inc. or that he witnessed in Battle Creek operated revolving loan funds for both the purchase and rehab of properties aimed at first-time homeowners, especially existing residents. Like most purchase/rehab loan programs offered by nonprofits and government agencies, they required applicants be income-qualified. This means that to qualify for a loan, the applicant had to make 80 percent or less of the median regional income, a common strategy for providing opportunity to low- and moderate-income households.

Boehlke experience frustration with these income-qualifying requirements. For example, a family earning 70 percent of the median income could qualify as first-time home buyers for a low-interest loan and would purchase a home in a targeted neighborhood. However, as with many low- and moderate-income first-time homeowners, they struggled with the cost and responsibility of homeownership and, in many cases, could not afford the much-needed improvements and basic yearly maintenance of the property. As a result, many of the properties were not improved and even further deteriorated. Boehlke found that even after hundreds of loans and new homeowners, little actually changed in the neighborhood.

On the other end of the loan application spectrum was the applicant who earned 90 percent of median household income who would be denied a loan because he or she made too much money to qualify for the loan program based on the income limits. Boehlke came to realize that this family at 90 percent of median income would be an asset to the neighborhood, could better afford the house, and would have the means to invest and care for the property. However, this family was shut out of the neighborhood. Meanwhile, the neighborhood attracted only households of lesser means, and the loan program furthered the clustering of low- and moderate-income households into already aging neighborhoods with housing stocks that were obsolete and in need of much investment in comparison to newer, modern homes.

Another area of frustration was with the rehab loan program. In a typical scenario, an applicant might apply for a \$30,000 loan to replace the roof, upgrade the kitchen, and add a small addition to the master bedroom to accommodate a master bathroom. The house might be a 1,000-square-foot ranch with one bathroom and three bedrooms. The home might be valued at \$100,000, and the owner, having paid a down payment and subsequent mortgage payments for five years, would owe \$90,000 on the property. The loan program requirements did not allow for the total loan amount to exceed the market value of the property. Therefore, the applicant would be approved for only \$10,000 and could do the new roof and some minor upgrades to the property but not the kitchen upgrade and additional bath. Such ranch homes were already struggling to compete for buyers in the regional housing market, where demand was high for homes of 1,200 square feet or more. The outdated kitchen and one bathroom for a three-bedroom home were considered significant deficiencies. If the owner couldn't upgrade the home, increase the square footage, and add that second bathroom, the home could not compete in the market led by consumer preferences for more space, updated kitchens, and two bathrooms. The rehab loan programs played into this trap by not allowing loans beyond the market value of the home. Were this same situation applied to all the properties in a particular neighborhood, that neighborhood would never have a chance to improve, modernize, generate additional equity, or compete in the regional housing market.

This realization and the frustration led Boehlke to think about the factors that relate to the rise and fall of neighborhoods and how to effect change in neighborhoods. He began looking at various programs and loan products and how they impacted the neighborhoods. Through his work at Neighborhoods Inc., Boehlke started to make changes in how programs were implemented and quickly began to see significant neighborhood changes. Through this work Boehlke developed the Healthy Neighborhoods approach to neighborhood reinvestment. (For a more detailed account of Battle Creek and Boehlke's perspective on Healthy Neighborhoods, please read *Great Neighborhoods, Great Cities*, by David Boehlke, published by the GoldSeeker Foundation, Baltimore, Maryland, 2004.)

While many individuals and organizations within the community development and neighborhood redevelopment profession use the phrase “healthy neighborhoods,” Boehlke and Buki have developed a definition of a “Healthy Neighborhood” and the specific market and behavioral conditions associated with those neighborhoods. In addition, they have created a targeted and systematic approach to address the market factors and personal choices that influence the neighborhoods and create effective change.

Buki states:

The term “healthy neighborhoods” is in some ways like the term “smart growth.” Just as no one would admit to being in favor of “dumb growth,” it is axiomatic that we all favor healthy neighborhoods.

But what does this mean, and why the need for clarity?

In short, ever since Kretzmann and McKnight articulated their vision for “asset-based community development” (Building Communities from the Inside Out, 1993), we’ve all become supporters of healthy neighborhoods, and in the process, the term has become somewhat meaningless.

When we say “healthy neighborhoods” we do not mince words. We believe that lack of income should not disqualify people from growing up and living in nurturing communities. We also believe that a concentration of low-income households usually does exactly that.

So when we say “healthy neighborhoods” we mean a place where it makes sense for people to invest their time and energy and money. (Charles Buki, [www.czb.org](http://www.czb.org))

He goes on to say:

It is true that we are sheltered by the roofs of our houses. But it is also true that we are nurtured by the communities that surround us and cradled by the neighborhoods where we live.

Healthy neighborhoods are as dynamic as others. But whereas distressed neighborhoods lack the capacity to manage the changes that accompany the forces all neighborhoods are exposed to, healthy neighborhoods are buoyant in rough seas. Healthy neighborhoods grow their strengths and become stronger. Healthy neighborhoods compete successfully for scarce investments. (Charles Buki, [www.czb.org](http://www.czb.org))

A key factor to this approach is to better understand neighborhoods, how they function, and the market factors that exist in them. Buki has developed a system of identifying and categorizing neighborhoods based on their common characteristics: distressed neighborhoods, neighborhoods in transition, and healthy neighborhoods. These three classifications form the foundation for understanding the inner workings of a neighborhood and the forces at play in it. It is only after identifying the various characteristics of neighborhoods that effective strategies can be developed to address the specific conditions and begin the transition to healthy neighborhoods. The following table provides a summary of the characteristics developed by Buki that define these classes of neighborhoods.

**Table 3**  
**Neighborhoods Classes and Characteristics**

	<b>Distressed Neighborhood</b>	<b>Neighborhood in Transition</b>	<b>Healthy Neighborhood</b>
<b>Image</b>	Residents who can leave, <i>do</i> . Nonresidents shun the neighborhood socially, politically, and otherwise.	Residents' behaviors are not fully confident or unconfident. Residents and outsiders have a wait-and-see attitude, resulting in too few signs of investment and confidence.	Residents are confident about the direction of the neighborhood. Outsiders think the neighborhood is a good place to live and work (even though they might not choose to live there).
<b>Market</b>	Supply is overabundant. The few investment opportunities tend to be highly speculative, or, if residential, "flip-oriented" in nature and attractive to slumlords. Real estate values are well below regional median. Not even "urban pioneers" have the stomach to invest here, unless severely mitigating locational rationales known to exist. There is almost total racial homogeneity. There is no threat of gentrification. Usually a plethora of low-income housing.	Supply and demand bounce back and forth, resulting in a kind of equilibrium that generates "affordable housing" due to persistently marginal neighborhood conditions. Real estate prices rise and fall slightly periodically. The market appears to urban pioneers as a good buy-low opportunity. Racial and economic homogeneity are relatively modest to low; usually a good degree of "fleeting" diversity. Under the right circumstances, gentrification is a potentiality.	Supply is less than demand. Housing prices rise at rates at or better than the regional median. Residential time on market for listings is shorter than the regional median in most cases. In-movers are always at least as good or better for the neighborhood as out-movers There is little to no speculation because of persistently high entry prices.
<b>Self-Management</b>	Neighbors lose nearly all fights against threats; most threats go unchallenged. Most problems linger, creating new norms that impact image and markets negatively. Little activity reveals the degree of care needed to grow these neighborhoods into the next tier. A resulting "prisoner's dilemma" of self-fulfillment ensues.	Neighbors win some & lose some fights against threats. Some problems that arise are solved quickly; others linger. Often this occurs in concentrations by blocks, too spotty to be neighborhoodwide. Public institutions are sometimes but unreliably accountable. Properties communicate a very mixed degree of care.	Neighbors manage change and threats. Problems that arise are solved quickly. Public institutions are held accountable and are accountable. Properties communicate a high degree of care. Behaviors outside the norm that are a detriment to reinforcing confidence are quickly curtailed.
<b>Physical Conditions</b>	Properties are characterized by social and economic disinvestments. Almost no properties can generate enough equity to leverage reinvestment. It does not make economic sense for residents or outsiders to invest in this neighborhood.	Properties are inconsistently invested in. Physical fabric has many missing teeth. Most properties don't generate enough equity to leverage reinvestment. Underinvested properties are beacons to buy-low opportunities	Properties continually receive reinvestment. Properties are in a high state of repair. Public property enhances the value of adjoining private property. It makes social and economic sense to invest above the market.

Based on the work of Charles Buki.

The three-neighborhood-type classification system should not be approached as three rigid categories, but as a continuum. Not all neighborhoods will fit clearly into one category. Rather, they may possess characteristics of two. For example, a neighborhood may possess characteristics of both distressed to in-transition or from in-transition toward distressed. Regardless, these classifications provide a context for understanding a neighborhood and its existing conditions and for developing a strategy tailored specifically toward that given neighborhood to create effective change.

The characteristics of Healthy Neighborhoods set a goal or expected outcome for neighborhood reinvestment strategies. Defining Healthy Neighborhood provides insight into the strategies to be employed to move a neighborhood toward the characteristics of a healthy neighborhood.

A healthy neighborhood is a place:

- Where it makes economic sense for people to invest time, energy, and money,
- Where neighbors have the capacity to successfully manage the day-to-day issues in the neighborhood, and
- Where neighbors feel confident in their investment and the future of the neighborhood.

Boehlke and Buki not only define and identify the characteristics of what a healthy neighborhood is, they also provide a context in which a reinvestment strategy can be developed. How they approach a strategy for managing change and developing a framework for results is what separates their approach from conventional neighborhood planning strategies that focus solely on eliminating negative conditions. The common planning assumption is, if we remove the negative conditions, people and investment will return and improve. The Healthy Neighborhoods approach recognizes the need to address and remove negative conditions. However, it takes the process further by emphasizing the need to build from strengths, leverage assets, rebuild the social aspects of community, and market the neighborhood.

Boehlke and Buki recognize the characteristics of neighborhoods and both the internal and external market factors that influence neighborhoods. In addition, they recognize that consumers and residents make choices and decisions when buying homes or investing in their existing homes and communities. (These factors are also true for investor properties.) Through this recognition of personal choices, consumer preferences, investment decisions, and market forces, a reinvestment strategy can be crafted that will manage change by influencing the neighborhood market.

Boehlke identifies four factors or considerations related to the behaviors of consumers and residents that are essential to a neighborhood reinvestment strategy. While these four factors were mentioned earlier in this book, they are so crucial that we need to revisit them again.

### **Boehlke: Neighborhood Investment – Managing Change Is the Challenge**

**Choice:** Understanding that people make choices about where to buy, what to buy, when to invest, and how much to invest.

**Competition:** From suburbs, apartments, and other neighborhoods. It is not enough for a neighborhood to be a good place to live; the neighborhood must be able to attract residents even as its competitors change every year.

**Confidence:** Older neighborhoods are often a confusing mixture of perceptions and behavior. Residents want confidence affirmed by neighbors investing in their homes or new residents moving in and investing.

**Predictability in Community:** Residents want predictability. New neighbors are considered good neighbors when they notice and abide by the prevailing norms.

Boehlke also identified four similar principles or factors related to the existing neighborhood and real estate market that form the foundations (or can be viewed as levers of change) for developing a strategy to create effective change and move a neighborhood toward becoming a “healthy neighborhood.” They are the following:

### **Healthy Neighborhoods Principles – A Framework for Results**

**Image:** In an asset-oriented strategy that builds both household and neighborhood equity, it is important to promote a positive identity. For older neighborhoods to compete successfully, they need to draw on their assets and tell their unique stories (for example, historic houses, urban parks and so on). Residents and outsiders will see the neighborhood as attractive.

**Markets:** Each neighborhood has a unique market niche. All investments must reinforce the housing market and increase home values. Investment in one property improves the value of all properties within the neighborhood.

**Physical conditions:** Target outcomes, not outputs. Numbers don’t tell the story. Outcomes measure whether the neighborhood is improving as a place for residents to invest and to build equity and neighborly connections.

**Social connections (neighborhood management):** Prospective homeowners and residents – not community development corporations, government agencies, or other funders – are the most important neighborhood decision makers. Traditional approaches often subsidize households with the greatest needs and provide housing as an end itself. Instead, we need to work to create and improve social connections by engaging residents in their neighborhood and community.

It becomes clear that it is crucial to understand the investment behaviors and expectations of residents and the framework potential of change in a neighborhood. Moreover, these factors function as a neighborhood system of owners, buyers, renters, investors, and behaviors and conditions that allows for the creation of neighborhood reinvestment strategies that target the specific conditions and behaviors of any given neighborhood.

Marcia Nedland of Fall Creek Consultants has developed an eight point summary of the Healthy Neighborhoods approach that helps to further explain this approach and how we create change.

1. A Healthy Neighborhood is defined as a place where it makes economic sense for people to invest time, money and energy; where neighbors successfully manage day-to-day issues, and where neighbors feel confident in their investment and the future of the neighborhood.
2. In this approach, the focus is on helping people participate in the real estate market rather than just protecting them from it.
3. Particularly in weak markets, the strategies are mostly about cultivating demand for homes and rental units in a neighborhood that has little or no demand rather than producing supply. However, a key value is to create a place that is attractive and affordable to a variety of income groups. (In stronger markets, strategies may be more focused on creating an affordable supply.)
4. Production of affordable housing in this approach, when applied to place-based revitalization, is used as a tool for revitalization rather than an outcome unto itself.
5. Progress is measured by tracking quality-of-life indicators and neighborhood confidence rather than units produced and people served, on outcomes rather than outputs.
6. The Healthy Neighborhoods approach values the residential real estate market as a key indicator of neighborhood health and believes that home value represents the capitalization of all neighborhood assets. As such, improvement strategies focus on this area.
7. This approach values intensive, meaningful, and ongoing discussion and relationship building with neighbors. It supports the idea of neighbors defining outcomes while practitioners offer insight into strategies and tools to get there. It makes the work of an organization about achieving the outcomes desired by neighbors rather than delivering programs on behalf of funders or politics.
8. This approach considers investment in neighborly relations, civic participation, resident leadership, and the creation of social equity as important as the financial investment in property. It follows the belief that great neighbors make great neighborhoods. (Marcia Nedland, [www.fallcreekconsultants.com](http://www.fallcreekconsultants.com))

As stated earlier, the conventional approach of affordable housing production as community development strategy focuses on adding supply where little or no demand exists. The Healthy Neighborhoods approach recognizes the need to increase demand before implementing strategies to add supply. Since this is a significant change in how we perform neighborhood reinvestment, it is important to understand how to increase demand for housing in a neighborhood where there is little or none. The question is, How do we intentionally change neighborhoods to grow demand? Buki provides seven steps to how we accomplish this. They are:

1. Read neighborhoods to determine what's working and what's not working in terms of people's decisions to invest or not and why. (What is working and what is not working as relates to image, market, physical condition, and neighborhood management?)

2. Set outcomes and measures for healthy neighborhoods. (What are the specific outcomes related to improving neighborhood image, market, physical condition, and social connections [neighborhood management]?)
3. Choose the tactics/strategies that will best achieve these outcomes (i.e., community building, investment, design, infrastructure).
4. Assess and strengthen capacity to deliver revitalization strategies (organization, partners, products, services, structure).
5. Implement strategy.
6. Measure progress toward outcomes, not activities.
7. Develop new approaches when old ones are obsolete based on changes in the market.

Buki's seven steps provide the context and framework for development of a Healthy Neighborhoods investment strategy. More important, they emphasize the need to read the specific conditions of a given neighborhood, develop a strategy tailored to that neighborhood, focus and measure progress toward outcomes, and make sure the strategy is flexible and able to change with improving neighborhood conditions.

The idea of creating healthy neighborhoods is not about the production of housing, building a pool of qualified homebuyers, streetscape (infrastructure) improvement projects, code enforcement, health and safety rehab, or the next highly visible redevelopment project (i.e., convention centers or stadiums). Healthy Neighborhoods is about targeting those market conditions -- social change, personal choices and the conditions in neighborhoods -- that have deteriorated over many years or decades and developing strategies to make these neighborhoods healthy and competitive again. Understanding the framework of neighborhood conditions, personal choices, and the levers of change provides us with the Healthy Neighborhoods strategy.

While implementing the NHI Healthy neighborhoods strategy in Hartford, common themes and underlying principles to creating meaningful and sustainable change became evident. Therefore, the following nine Axioms of Healthy Neighborhoods were developed while implementing Hartford's Healthy neighborhoods strategy:

1. **Every property is a billboard.** Each property sends a message to neighbors, property owners, outsiders, and the market about the neighborhood. This message can be positive or negative.
2. **Investment in one property benefits all properties.** The strategy must create an environment of property maintenance and investment. When homeowners invest in their property, they are investing in the block and neighborhood. This investment sends a positive message to their neighbors and the market. Unfortunately, the opposite is also true; lack of investment or maintenance in one property negatively impacts all properties. This is why it is so important to create investment.
3. **Behaviors are contagious.** Positive or negative behaviors of residents are contagious. If one or more residents stops investing in or maintaining their properties, this behavior can spread through the neighborhood. The opposite is true when residents start investing in and improving their properties.

4. **Confidence precedes investment.** Property owners, investors, or homeowners will not invest in their property if they do not feel confident in the neighborhood and their property. We must build confidence to generate investment.
5. **Demand can be stimulated.** Conventional strategies are often based on recognizing that no demand exists but subsidizing developments anyway. However, without new demand, the neighborhood never changes. We need to create demand before we add supply. Demand is created by improving the neighborhood image, creating confidence to drive homeowner investment, and improving the quality of housing and property maintenance on display.
6. **The market adjusts for subsidies.** Subsidizing development in distressed markets where no demand exists rarely creates value. The market adjusts for the subsidy and remains the same as before. We need to create value where where property is undervalued.
7. **Rebuild community is first – then address housing.** Rebuilding community first creates confidence that will eventually generate investment, adding value and creating demand. Building housing does not build community.
8. **Great neighbors make for great neighborhoods.** Building community is about developing neighborliness. We need to create an environment where neighbors know their neighbors, look out for one another, help each other, and socialize.
9. **Great neighborhoods make for great cities.** Neighborhoods are what make a city. Building from strengths, targeting investment where it will have the greatest impact, and creating strong neighborhoods are what will create a thriving and competitive city.

This chapter has provided an understanding of the theory behind the Healthy Neighborhoods approach. However, if we are going to transform how we approach community development and neighborhood reinvestment, we need to change how we think about neighborhoods.

### **Neighborhoods as a System – Dr. W. Edwards Deming**

While implementing Boehlke's Healthy Neighborhoods approach in Hartford, NHI also utilized the teachings of Dr. W. Edwards Deming (internationally known quality control guru and the man who revolutionized Japanese industry) to better understand how neighborhoods function and the effects of the strategies that are implemented to change neighborhoods. His teachings about a system and variation were utilized by NHI to both best implement the NHI strategy and to further Boehlke's Healthy Neighborhoods theory of recognizing each neighborhood as a system.

Deming's theory and teachings, based on the statistical theory of variation, explain what a system is and how to best manage a system to improve quality. The same theory and concepts that have been applied to business and government can be applied to the work of community development and neighborhood reinvestment and to the Healthy Neighborhoods approach. More important, when applied to the Healthy Neighborhoods approach, Deming's theory provides a solid explanation of why this approach to neighborhood reinvestment works and demonstrates that we need to change how we approach neighborhoods.

Deming defined a system as “a network of independent components that work together to try to accomplish the aim of the system.” (Deming, *The New Economics*, 1993) He claimed that a system is dependent on the following:

A system is a network of independent components that work together to try to accomplish the aim of the system. A system must have an aim. Without an aim, there is no system. The aim of the system must be clear to everyone in the system. The aim must include plans for the future. The aim is a value judgment. A system must be managed. It is important that an aim never be defined in terms of a specific activity. (Deming, *The New Economics*, 1993)

This definition of a system also applies to neighborhoods. Neighborhoods are not static places that exist only in present time. They have a past, are ever-changing, and have a future. They are made up of businesses, residents, organizations, government entities, infrastructure, cultures, behaviors, and market factors. The profession or business of community development and neighborhood reinvestment is a process, or system, of managing neighborhood change to achieve desired outcomes.

The Healthy Neighborhoods approach recognizes that neighborhoods are a systems that the factors related to image, market, physical conditions, and neighborhood management are all part of the neighborhood system. Therefore, community development, utilizing the Healthy Neighborhood approach, works on the entire system -- a *neighborhood* -- not just on the individual components of a neighborhood system through creation of housing or the improvement of infrastructure.

Deming also identified the importance of the concept of variation within a system. He defines two kinds of variation, common causes and special causes. Deming in *The New Economics* discusses his mentor Dr. Walter Shewhart:

Shewhart “invented a new way to think about uniformity and nonuniformity. He saw two kinds of variation – variation from common causes and variation from special causes. Common causes of variation produce points on a control chart that over a long period all fall inside the control limits. Common causes of variation stay the same day to day, lot to lot.” (Deming, *The New Economics*, 1993)

Common-cause variation occurs naturally within a system. For example, in the context of a distressed neighborhood, property code violations are a common cause variation. Code violations are naturally occurring results of undervalued properties, weak mark conditions, and disincentives for investment and property maintenance.

“A special cause of variation is something special, not part of the system of common causes. It is detected by a point that falls outside the control limits.” (Deming, *The New Economics*, 1993) For example, a blighted property destroyed by fire is a special-cause variation.

The most important aspect of common and special causes of variation is to understand how we react to them. Deming adds, “Dr. Shewhart also saw the two kinds of mistakes in attempts to improve results:

1. To react to an outcome as if it came from a special cause, when it actually came from common cause of variation.

2. To react to an outcome as if it came from a common cause, when it actually came from special cause of variation.” (Deming, *The New Economics*, 1993)

So how do common-cause variation and special-cause variation relate to community development, neighborhood reinvestment, and the implementation of the Healthy Neighborhoods approach? We need to understand the difference between common cause and special cause variation within the neighborhood system. Only then can we develop appropriate strategies to eliminate special-cause variation and minimize common-cause variation. For example, the property code violations and poor property maintenance in a neighborhood are most often approached as if they were a special cause of neighborhood decline or blight. Conventional community development strategies, based on that assumption, attempt to eliminate the special cause; they issue violations and fines, assuming that the owner can be coerced into investing in the property when the market realities create no reason for the owner to invest. In addition, the repairs and investment created by code violations, citations, and fines most often completed to comply with the code, are not of high-quality workmanship, and do not use appropriate or quality materials. This approach treats a common cause of variation, the weak demand for housing in the neighborhood, as if it were a special cause.

The property code violations and poor property maintenance are actually common causes of variation that naturally exist within the weak neighborhood real estate market. Poor neighborhood image, deferred maintenance, declining property values, and numerous other conditions in the neighborhood create or contribute to a weak neighborhood market and little or no demand. The neighborhood system is not working. The neighborhood has anemic demand for housing and cannot attract residents, owners, or investment. The neighborhood market is fragile and weak, and oversupply of housing when little or no demand exists results in poorly maintained, blighted, and even vacant properties.

Unfortunately, most planners and community developers make the first of Shewhart’s two identified mistakes; they treat code violations and poor property maintenance as a special cause, assuming that eliminating code violations (enforcing building, housing, health, and zoning codes) will improve the neighborhood. However, by making this mistake and forcing property owners to make the minimum repair required by code we further undermines the fragile and weak market, creating a cycle of poor property maintenance that further undermines the need for high-quality investment that improves the quality of housing on display. The vicious cycle is reinforced.

The Healthy Neighborhoods approach does not make this mistake. It recognizes that neighborhoods function as a system and accepts that neighborhood image, market, physical conditions, and social connections are key levers of change within the neighborhood system. Therefore, to eliminate property code violations and poor standards of property maintenance, we must work on the neighborhood system, refrain from focusing on code violations or from adding additional supply, and improve the existing system to encourage investment and create demand. The Healthy Neighborhoods approach targets strategies to rebuild the market, create demand where none exists, and provide confidence in the neighborhood.

The Healthy Neighborhoods approach is driven by outcomes. Is investment occurring? Are property values rising? Do stakeholders (residents, owners, investors) feel better about the neighborhood? This is contrary to conventional community development strategies that measure success statistically: the numbers of blighted properties eliminated, the numbers

housing units produced, or the numbers of new homeowners? The Healthy Neighborhoods approach ascribes to Deming's belief that numerical goals are meaningless and that the way to improve quality and production is to improve the system.

An example of this was in 2002 when the mayor of Hartford set a goal to increase homeownership by five percent (from 25 percent to 30 percent homeownership) in five years. While this sounds like a laudable goal, upon closer examination it is problematic. First, a five percent increase in the homeownership rate (from 25 percent to 30 percent) is really a 20 percent increase in the total number of owner occupied housing units. This is a much larger task than it sounds when presented as a five percent increase from 25 percent to 30 percent. Second, based on the existing housing stock in the city, to achieve that goal, 2,500 owner occupied units would need to be generated in five years. This would require an additional five hundred units per year and assumes there would be no increase in the number of rental units. It should be mentioned that during this same time period 1,000 new rental units were proposed and being developed in downtown Hartford alone, not to mention other rental production developments in the neighborhoods.

Using Deming's theory, one should ask "By what method?" If you can increase homeownership now without a plan, why did you not do it last year or the year before? Even if a production strategy or plan is developed to construct 2,500 new homeownership units, where is new demand to occupy these units? Unfortunately there is often the dual assumption that 1) if we build it, they will come. 2) subsidies can be used to create a market. The first assumption seldom works in a weak and fragile market, and the second can actually reinforce market failings.

Numbers and numerical goals are meaningless without a plan and a method to achieve the desired outcome. The Healthy Neighborhoods approach is about a method, a plan or strategy for improving neighborhoods and creating market demand. Healthy Neighborhoods does not count production numbers as measures of success. It measures outcomes, such as increased investment, high quality property maintenance and repair, rising property values, and confident stakeholders based on the specific desired outcomes of the reinvestment strategy that is implemented.

Deming's teachings complement Boehlke's Healthy Neighborhoods approach. Deming explains what a system is and the importance of improving the system. Boehlke has never specifically noted that a neighborhood is a system, but the four key levers of change and outcome based strategy, recognizes that a neighborhood is a system. The community development profession must also recognize that neighborhoods are a system, and that if we are to improve neighborhoods, we must work on all aspects of the neighborhood system.

## CHAPTER THREE

### HEALTHY NEIGHBORHOODS HOW-TO MANUAL

*This chapter demonstrates how to implement some of the Healthy Neighborhoods strategies and techniques discussed in this book. It covers how to organize a block or neighborhood, how to conduct a fresh eyes block walk, and how to market a block or neighborhood.*

#### **How to Organize a Block or Neighborhood**

The Healthy Neighborhoods approach to organizing a block or neighborhood is different than conventional organizing strategies that are based on targeting issues and creating resident advocacy. The Healthy Neighborhoods approach to community organizing is instead based on improving neighborhood and community assets and it aims to create a neighborly place where residents know, help, and look out for one another.

The NHI program began its organizing efforts late in 2003 with a number of press releases and press conferences held in each of the target areas to announce the designation of groups of blocks or individual blocks as both Rising Star Blocks and Pride Blocks. These press releases and conferences were intended to attract attention to both the areas and to the new program. Their purpose was also to begin promoting a positive message of change in these areas. Once a block was designated and announced, NHI assigned that area an outreach coordinator to work in the neighborhoods, engage residents, and implement the Healthy Neighborhoods strategy.

The outreach coordinators initially distributed flyers to every household in the neighborhood announcing the first meeting date and its location. NHI staff, members of the NHI board, city officials, and a national team of outreach specialists attended these initial neighborhood meetings to introduce the residents to the Healthy Neighborhoods strategy. It was at these meetings that potential community and block leaders were identified for follow-up with the outreach coordinators.

During the initial organizing phase of the target areas, the outreach coordinators spent most of their time in assigned areas, knocking on doors, introducing themselves, and getting to know the residents of the neighborhoods. Once resident leaders were identified, the outreach coordinators encouraged them to host neighborhood and block meetings in their homes. (For large neighborhood meetings community centers and churches were used.) Flyers were distributed to all households announcing these meetings, and the outreach coordinators began working with the residents to develop and implement events and programs that would target the desired outcomes of Healthy Neighborhoods.

The following is a step-by-step summary of how the NHI Healthy Neighborhoods strategy was implemented within the target areas.

**Table 4**

**NHI Healthy Neighborhoods Program Implementation - Organizing Blocks**

<b>Intervention Steps</b>	<b>NHI Action</b>
<b>Step I. Organizing</b>	Door-knock and get to know residents. Secure a meeting location (resident's home preferred). Flyer and door knock to get residents to the meeting. Hold meeting(s) to discuss the program, the benefits, and expectations.
<b>Step II. Resident Buy In</b>	Identify residents who appear the most interested and enthusiastic. Meet with them individually to further sell the program and develop relationships. Encourage them to discuss the program and its benefits with their neighbors.
<b>Step III. Leadership</b>	Identify potential resident leaders. Encourage them to become more involved.
<b>Step IV. Fresh Eyes Walks</b>	Organize and schedule a block walk. Walk a block other than the target block first. Discuss positive and negative conditions. Then walk the target block. Identify items that could be removed, repaired or replaced. Identify items that could be added to improve the block or properties.
<b>Step V. First Project</b>	Provide residents with samples and ideas for block projects. Encourage residents to come up with a block project. Organize, schedule and announce the block project. First project should be fun and have an impact that makes the residents feel proud of their neighborhood and efforts.
<b>Step VI. Ongoing Projects</b>	Develop and organize seasonal projects (2 or 3 per year) that create change, improve curb appeal, build neighborliness, and keep the momentum.
<b>Step VII. Investment</b>	Discuss the importance of investment. Remind residents that investment in one property benefits all properties. Encourage residents to consider investing in home improvements. Provide information on the NHI design services and loan program. Track resident investment (home improvement projects).
<b>Step VIII. Marketing</b>	Discuss the importance of marketing with the residents. Encourage residents to create a neighborhood identity. Neighborhood branding. Encourage residents to be ambassadors and promoters for their neighborhoods. Have residents promote available properties to friends, relatives, and co-workers.
<b>Step IX. Real Estate</b>	Track real estate listings and sales in neighborhoods. Contact real estate brokers and agents and inform them of the NHI program and benefits. Encourage agents to host an open house for neighborhood residents. Promote available properties to residents. Promote property sales to residents. Meet with and introduce new owners to the neighbors.
<b>Step X. Sustainability</b>	Work toward a sustainable, continuously healthy neighborhood. Encourage residents to continually maintain their properties. Promote neighborliness and long term relationships with neighbors.

It should be noted that the process was not as regimented as the list may imply. That is, one step did not need to be completed before the next could be started. For example, the eighth step, marketing indicates comprehensive marketing of the neighborhood or block to the greater market once conditions have improved. This does not mean that marketing does not happen until the previous seven steps have been completed.

When implementing these strategies to create healthier neighborhoods, the organization, its staff, and the residents always focus on the outcomes of improving neighborhood image, market, physical conditions, and neighborhood management. All projects, events, and programs work toward creating high standards of property maintenance and high levels of neighborliness. Resident confidence and pride are key factors in the success of neighborhoods, and the residents need to be the driving force in the process. No matter how well-intentioned, outsiders cannot force change on a neighborhood. Residents must be the agents of change.

### **How to Organize a “Fresh Eyes” Block Walk**

Every neighborhood and block sends a message to the residents that live there and to the greater market. The message can be positive or negative. For healthy neighborhoods the message sent is most often positive, demonstrating pride, confidence, and investment. For distressed neighborhoods the message is frequently negative, demonstrating a lack of pride, little or no confidence, and little investment. The NHI Rising Star and Pride Block program targeted the in-transition neighborhoods or neighborhoods-in-the-middle. These are neighborhoods and blocks that sent mixed messages to the market. While some properties were well maintained and demonstrated pride, many were not so well maintained. It is important at the onset of the program for residents to understand that their properties, blocks, and neighborhoods send a message to the market.

To educate the residents on this concept and to assist the residents in identifying potential projects aimed at improving the physical conditions and image of their properties and blocks, NHI implemented a block walk strategy. The block walks are called “Fresh Eyes Block Walks,” a term that implies looking at the block as an outsider would coming to the neighborhood for the first time. The strategy was developed by Marta Howell and provided to NHI as part of a staff training session conducted by Howell and Boehlke. NHI further tailored the strategy to best meet the needs of NHI’s program and circumstances. The following is a summary of how NHI implemented these “Fresh Eyes Block Walks.”

1. **Preparing Residents for the Block Walk:** Before going on a block walk, prepare the group by facilitating a discussion about choice. This can be done in one of the resident’s driveways or front lawns.
  - Start with a little icebreaking exercise by asking everyone to pair off and tell each other why they chose to live where they do. Remind everyone that we all have non-negotiables about where we live (size of house, price of house, closeness to school or church, etc.) and that they should try and think about why they chose this specific neighborhood.
  - Then have each resident report to the group why he or she chose this neighborhood. Listen carefully for words that indicate the neighborhood had an “absence of negatives” (no vacant houses, no drugs, no poorly managed

and maintained rental houses, no dilapidated houses, etc.) or a “perception of positives” (feels safe, looks clean and nice, looks well-cared for, feels friendly, etc).

- Make two lists: Absence of Negatives and Perceptions of Positives
  - Lead a discussion about how most people choose to invest in a neighborhood because of their perceptions of the neighborhood’s positives. The aim of the NHI program is to get the residents to invest their time, their effort, and their money in the neighborhood. To accomplish this, the focus must be on the positives. This may mean that first the residents have to eliminate some negatives. One of the initial reasons for doing block projects is to eliminate negatives.
2. The next step is to practice the “fresh eyes block walk” by walking a block where none of the participants lives before walking on the actual block where you want to do planning. This allows the residents to view and discuss the conditions of the block openly without criticizing their neighbors and to view the block in a more critical way than they would their own.
  3. Encourage participants to observe everything – positives and negatives, facts and perceptions. It is important not to make explanations or excuses – every observation is valid.
  4. Both during and after walking the non-resident block, make sure to take the time to record everyone’s observations.
  5. Review the residents’ list of block walk observations and compare it to the original list of Perceptions of Positives. Revise the list of positives with resident observations as needed.
  6. Then walk the target area block with the residents. Once again allow them to make observations and comments on those observations. Again, make no explanations or excuses, just observations. Encourage residents to discuss their observations.
  7. Once again, review the resident list of block walk observations and compare it to the list of Perceptions of Positives. Revise the list of positives with additional resident observations as needed.
  8. Encourage the residents to discuss the “positives” and encourage them to consider working on improving the positives on their block.
  9. Assist the residents to brainstorm about potential block project ideas that will eliminate negative conditions. All ideas should be considered and residents should be creative about how these ideas could be implemented as a block project.
  10. Compare the list of potential projects with the program’s eligible activities and the desired outcomes of the program. Facilitate the conversation so that the residents understand that they can decide which projects or events they want to have based on the needs of the block, program eligible activities, and the desired outcomes. Facilitate the discussion to assist the residents in reaching a group decision on which projects they want to do.

The Fresh Eyes Block Walk technique was a very useful tool for NHI and its residents. It helped residents understand how conditions that have become the norm may not be acceptable

to the greater market or may take away from the overall character of a block or neighborhood. NHI has found that residents often do not realize the negative aspects of specific property conditions until they have gone through this process. For example, NHI had one resident comment that his rusted chain link fence in the front yard had been in that condition since he purchased the property and he just accepted it as his fence. After completing a block walk he wanted to remove the fence because he recognized how bad it actually looked. It can also be helpful to walk a block that is healthier than the target area block. This will allow residents to notice positive conditions that are absent from their own block. These conditions may be as simple as well trimmed bushes and hedges, and flower pots or gardens, or as substantial as well maintained exteriors of properties and recent renovations.

## **Marketing & Neighborhood Image**

As mentioned earlier, marketing is a critical aspect of the Healthy Neighborhoods approach to neighborhood reinvestment. Neighborhood assets must be highlighted, and positive stories about the neighborhoods need to be shared. Therefore, any Healthy Neighborhoods initiative requires a marketing strategy to properly convey positive messages about the neighborhood. The strategy needs to be both internal to the neighborhood residents and external to the greater market.

Marketing activities can be formal or informal. NHI has found that a mixture of both is best. Formal actions may include handouts, websites, and press releases of positive events. Informal actions may include encouraging residents to promote properties for sale to friends and relatives, hosting open houses for neighbors and friends, and developing neighborhood projects that attract positive attention to the neighborhood.

Marcia Nedland of Fall Creek Consultants has been the leader in developing marketing strategies for neighborhoods based on the Healthy Neighborhoods model. NHI utilized many of the principles developed by Nedland as the foundation for marketing the NHI target areas. The following are guiding principles developed by NHI (based on the work of Nedland) for implementing the marketing strategy in Hartford.

**Marketing a Neighborhood (not the organization):** Often neighborhood and community development organizations focus their marketing efforts on their organization and programs. They promote who they are, all the good that they do, and the programs they offer. Unfortunately organizations can lose sight of or fail to recognize that marketing is not about the organization, marketing is about the neighborhoods. While it is understood that there is a need for marketing the organization, marketing efforts need to focus primarily on the neighborhood. These efforts should include telling the story of the neighborhood, including its history, its current strengths, and where it is heading in the future. This helps to create a sense of place and distinguish the neighborhood from other areas.

**Positive Neighborhood Stories:** Most of the stories that we hear about weak-market neighborhoods are negative. They tend to be news stories about crime and poverty. Some stories may be about neighborhood organizations that are drawing attention to blighted properties and absentee landlords in an attempt to get government agencies to address these problems. Neighborhood residents and outsiders don't often hear positive stories about weak-market neighborhoods. To improve neighborhood image, the Healthy Neighborhoods approach requires the promotion of positive neighborhood stories. What is working? What good things are happening in the neighborhood? Neighborhood residents should be

encouraged to identify their neighborhood's assets. These may include, but are not limited to parks, schools, community centers, churches, community events, and even business.

**Real Estate Marketing:** The Healthy Neighborhoods approach recognizes that weak-market neighborhoods have depressed real estate prices. The goal of Healthy Neighborhoods is to create an active and competitive real estate market. To achieve this, residents need to be engaged and involved in the market. Available properties in the neighborhood need to be identified and promoted. This can be by word of mouth, open houses for real estate agents, webpage postings, or other forms of advertisements. Promoting neighborhoods is critical to aid in the creation of an active and attractive real estate market. Moreover, available properties on both ends of the spectrum should be promoted. Let's say a problem property on the block that has been owned by an absentee landlord comes on the market. The best thing residents can do is promote this property to their friends, family, church group, and co-workers and promote their block or neighborhood as a good place to live. The same goes for the well-kept property owned by the same family for decades. As residents age and move, it is helpful for neighbors to be aware of properties that become available and to do whatever they can to attract the right buyer to ensure the property remains owner occupied and stable.

**Niche Markets:** While the desired outcome of Healthy Neighborhoods may be to move the neighborhood to a place where it will better compete in the greater market place, the aim needs to be realistic. It is understood that not every buyer in the market will choose to live in a specific neighborhood. However, the neighborhood can be positioned to appeal to greater segments of the market. Therefore, it is important to identify those specific market segments that are most likely to choose to live in the neighborhood and target them. Once the market segments have been identified, messages can be tailored specifically for those segments. For example, a niche market may be young professionals or non-traditional households.

**Property Maintenance and "Curb Appeal":** This is directly related to the concept that every property and every block sends a message, positive or negative, to the neighborhood residents and market. The new message needs to be positive and a message of change and improvement. This is what the majority of NHI's block projects focused on.

**Spokespersons:** Any good marketing strategy controls the message. Neighborhood marketing strategies are no different. Having one, two, or more residents who understand the Healthy Neighborhoods approach, are positive about their neighborhood, and love where they live is very important. Prepare them to speak about the neighborhood and to promote the positives.

The development and implementation of a neighborhood marketing strategy is one of the best tools to create change in a neighborhood. The strategy must focus on the positives and target the outcomes of improving the neighborhood image, market, physical conditions, and neighborhood management.

The techniques demonstrated above do not apply only to the implementation of a Healthy Neighborhood strategy. These techniques can be utilized and implemented by any neighborhood or community organization.

## CHAPTER FOUR

### THE MOVE TOWARD HEALTHY NEIGHBORHOODS

*This chapter discusses the shift from conventional community development strategies to the Healthy Neighborhoods approach to neighborhood reinvestment that has been slowly occurring in the community development profession. More and more communities have realized the need to build from strengths using asset and market based strategies.*

The Mayor's Homeownership Taskforce discovered the Healthy Neighborhoods concept late in 2002, and by spring of 2003 David Boehlke was assisting Hartford to develop a market based approach to neighborhood reinvestment. However, Hartford was not the first community to implement a market-based approach to neighborhood reinvestment.

A slow shift away from conventional community development approaches toward neighborhood redevelopment has been occurring across the country. Communities of varying sizes and differing economics have been moving toward asset and market based approaches to neighborhood reinvestment. Battle Creek, Michigan; Cleveland, Ohio; Hammond, Indiana; Memphis, Tennessee; Richmond, Virginia; and Baltimore, Maryland have all implemented asset and market based approaches to neighborhood reinvestment. Most of these cities base their strategies on Boehlke's Healthy Neighborhoods model. The most recent program to be developed and launched is Philadelphia's Neighborhoods Now program.

Boehlke first developed his Healthy Neighborhoods approach in Battle Creek, Michigan while he was the executive director of Neighborhoods, Inc. of Battle Creek. Boehlke explains in his publication, "Great Neighborhoods, Great Cities" that in the early 1990's Battle Creek was faced with the same problems that plague many American cities. He writes, "Battle Creek was a small city with big-city problems...drugs, unemployment, teen pregnancy, vacant houses, failing schools, and declining commercial areas. While Battle Creek's newer neighborhoods were successful and healthy, its older neighborhoods were not and could not compete for investment." Boehlke states, "They also had negative images, sales prices were too low to encourage investment, poor home improvement standards, and few residents willing to promote the neighborhood or even cooperate with each other."

Community leaders in Battle Creek knew that further weakening conditions in neighborhoods or a larger percentage of distressed neighborhoods would create an even greater strain on the city as a whole and that things needed to change. The in-the-middle neighborhoods (Buki's in-transition neighborhoods) with assets needed to become "places of choice" that could "compete to retain and attract households with sufficient resources to keep

the houses and blocks in good condition” (David Boehlke, Great Neighborhoods, Great Cities, 2004). Soon Boehlke developed and implemented his Healthy Neighborhoods strategy. Boehlke explains, “Over eight years, housing prices in the target neighborhoods nearly tripled and reached a level where ownership and quality improvements became good investments.”

### **The Baltimore Healthy Neighborhoods Program**

In 1998 a group of community leaders from Baltimore visited Battle Creek to see what had been accomplished there and how it was implemented. A pilot program was launched in Baltimore in 2000 by the Baltimore Community Foundation (BCF). Based upon the program’s success, Healthy Neighborhoods, Inc. (HNI) was established in 2004 to lead, manage and implement the healthy neighborhoods program and strategy.

According to HNI, a healthy neighborhood is “a place where it makes sense for residents to invest their time, effort, and money, and where neighbors are willing and able to manage everyday community issues” (Healthy Neighborhoods, Inc, www.healthyneighborhoods.org, 2005). HNI targets those “middle neighborhoods” that are strong but have undervalued real estate markets. These neighborhoods generally have not received large amounts of public funding or other resources and programs because they are not considered to be distressed neighborhoods, where conventional community development programs have focused.

The aim or goal (outcomes) of HNI is to stop these neighborhoods from becoming distressed by:

- Restoring real estate market value so people can invest confidently, and
- Increasing the social fabric of the target communities.

HNI accomplishes these outcomes through four key strategies (Healthy Neighborhoods, Inc, www.healthyneighborhoods.org, 2005):

- Focus on and enhance positive aspects that can be touted as benefits, not the problems of a neighborhood.
- Build household and neighborhood equity to encourage predictable increases in the area’s market value.
- Use residents as investors and leaders.
- Use outcome measures rather than output numbers to judge improvement.

The HNI program is designed a bit differently than the Neighborhoods of Hartford program. HNI is an umbrella organization that utilizes Healthy Neighborhoods strategies to support existing neighborhood organizations in their implementation of their programs and strategies. The HNI strategies include “operating support for the local organizing agency in each neighborhood, grants for neighborhood projects, rehabilitation loans for homeowners and technical assistance support.” (Healthy Neighborhoods, Inc, www.healthyneighborhoods.org, 2005)

Similar to Hartford’s program, “HNI targets a set of blocks in a given neighborhood, working first with those areas that appear to be stable but are in fact fragile and that have weak but still functioning markets.” (Healthy Neighborhoods, Inc,

www.healthyneighborhoods.org, 2005) This is the common theme of building from strength that exists in all the Healthy Neighborhoods strategies. Conventional community development focuses resources and programs in the most distressed neighborhoods that have little or no assets or economically viable real estate markets to build from. Even with large amounts of resources and subsidies, strategies in the most distressed neighborhoods struggle to make a significant difference or to create sustainable change. Targeting resources and strategies into middle or in-transition neighborhoods provides a greater return on investment with fewer resources and most often, few or no subsidies.

### **Philadelphia's Neighborhoods Now Program**

In 2004 the Philadelphia Neighborhood Development Collaborative (PNDC) in partnership with the Community Development Partnership Network (CDPN) began work on developing a neighborhood reinvestment strategy for Philadelphia. CDPN was a nationwide community development organization that assisted local community development organizations. While the organization has since shut down operations, it played an important role in the movement toward asset and market based strategies. In 2003 CDPN issued a report "Building a New Framework for Community Development in Weak Market Cities." This report recognized "neighborhoods compete with one another for investment, and those located in the city encounter stagnant markets and decline" (Brophy & Burnett, "Building A New Framework for Community Development in Weak Market Cities," 2003) in its discussion on regional housing markets. Thus, the Healthy Neighborhoods strategy helps selected neighborhoods to better compete for owners and investors.

In 2005 CDPN and PNDC issued a report, "Toward a Healthy Neighborhoods Strategy for Philadelphia: An Exploration of Best Practices and Program Options." This report was a comprehensive review of Healthy Neighborhoods strategies and included case studies of four communities implementing these approaches. In addition to Baltimore and Hartford, the report studied programs in Memphis, Tennessee and Richmond, Virginia.

The Memphis *Competitive Neighborhoods of Choice* program was developed by the Memphis Community Development Partnership. Using the Healthy Neighborhoods approach, the program targets three neighborhoods and aims to transform them into "places where people would choose to live in by stabilizing real estate markets, restoring confidence in neighborhood businesses, increasing community pride, and strengthening civic involvement" (CDPN, "Towards a Healthy Neighborhoods Strategy for Philadelphia," 2005).

Richmond's *Neighborhoods in Bloom* program is an asset based approach, not modeled on but similar to the Healthy Neighborhoods approach. The program is managed by the Richmond Department of Community Development. It promotes housing renovation, restoration, construction, and sales in the select neighborhoods. The program is targeted into six neighborhoods and has a strong focus on marketing, design, and historic preservation. The goal is to attract people and private investment back to the neighborhoods.

### **Rochester's Healthy Blocks Program**

One of the more recent and more interesting programs to be initiated is in Rochester, New York. In 2004, NeighborWorks® Rochester (NWR), was conducting a strategic planning process for their organization and programs. NWR was looking for an approach to create investment and positive change in weak-market neighborhoods in Rochester. NWR learned

about the Healthy Neighborhoods approach and programs that were being implemented in other cities and began to look into those programs. NWR took a close look at the Baltimore program and then contacted David Boehlke for assistance in developing a strategy for Rochester.

The program Rochester developed is called the Healthy Blocks program. This program encourages the creation of neighborhoods of choice in the city of Rochester. It targets in transition neighborhoods that with a little assistance could become healthy neighborhoods. The program encourages residents to get involved by addressing housing, quality of life, safety, business development and beautification issues. The Healthy Blocks program was initially launched in 2005 on a very small scale (four blocks and 150 homes) and as collaborative project between NWR and the Swillburg Neighborhood Association. The intent was to start small, demonstrate success, gain support, and then slowly expand the program.

In 2006 the Swillburg target area was expanded from 150 homes to an area with 850 homes. In addition, in 2006, NWR in collaboration with the 19<sup>th</sup> Ward Community Association and the Sector 4 CDC, launched a second Healthy Blocks target area, know as the 19<sup>th</sup> Ward. This new area includes a total of 140 homes. NWR reports that they have experienced significant success with their strategy. Community participation among residents is way up, investment has increased, and the appearances of the blocks are improving.

Each of the Healthy Neighborhoods programs discussed above is designed on the same or similar principles of Boehlke's Healthy Neighborhoods. *How* the specific programs are designed and implemented varies from city to city. This is because the Healthy Neighborhoods strategy is not a one size fits all model. It recognizes the different markets, environments, organizations, political structures, and other factors that influence the development and implementation of a neighborhood reinvestment strategy. At the same time each of these programs recognizes the same principles of Image, Market, Physical Conditions, and Neighborhood Management.

The Neighborhoods of Hartford model that is discussed in the remainder of this book is loosely based on the Baltimore program. However, the organizational structure, service delivery, and program strategies differ in many ways. Community leaders from Philadelphia visited both Hartford and Baltimore and decided on an organizational structure similar to that of Baltimore for their program. It is what will work best for them, based on their unique circumstances. It is not that one program is better than the other; rather it is the Healthy Neighborhoods theory and strategy that matters.

These four communities are just a few examples of the many cities and communities that are implementing asset-and market-based approaches to community development and neighborhood revitalization. More important, the Healthy Neighborhoods approach to neighborhood reinvestment is having success in the variety of locations in which it is being used.

**PART TWO**  
**IMPLEMENTING HEALTHY NEIGHBORHOODS IN HARTFORD**

*Beginning in Chapter Five this book will provide a detailed account of how the Healthy Neighborhoods approach was developed and implemented in Hartford, Connecticut.*

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## CHAPTER FIVE

### HARTFORD'S HISTORY & CHALLENGE

*This chapter provides a historical context for Hartford and how it came to be where it is today in terms of community development and neighborhood reinvestment. It also explores why the Neighborhoods of Hartford, Inc. was formed to implement the “Healthy Neighborhoods” approach to neighborhood reinvestment in Hartford. The reader should keep in mind that while Hartford’s history, conditions, and market factors are unique, the general circumstances that exist in Hartford’s weak market neighborhoods are similar to those of all weak market cities and neighborhoods.*

At the turn of the twentieth century, Hartford was one of the richest cities in the nation. It was known for publishing, manufacturing, financial services, and insurance. Mark Twain, J.P. Morgan, Harriet Beecher Stowe, Fredrick Law Olmsted and Samuel Colt are just a few of the wealthy and influential people that came from Hartford or called Hartford home. Hartford’s Yankee ingenuity and Puritan work ethic made it a leader in commerce and industry.

Today, the city of Hartford is 18 square miles, has a population of around 125,000, and has approximately 50,000 housing units. Hartford is the economic and geographic center of the Greater Hartford Region, which is still one of the wealthier regions in the nation, but the vast majority of the region’s wealth and population resides outside of the Hartford city limits. Downtown Hartford is the economic center of the region with over 60,000 jobs (15% of the labor market) and large corporations that include United Technologies, The Hartford, Aetna, and The Phoenix Companies.

Hartford is made up of 17 neighborhoods, many of which are stable, healthy neighborhoods that compete relatively well within the regional housing market. However, Hartford is faced with the same challenges as most American cities: high crime rates, underperforming schools, a high demand for social services, and significantly higher taxes than the surrounding suburbs within the region.

When looking back at the city of Hartford’s decline and the region’s growth and prosperity, there are two significant factors that have negatively influenced Hartford and specifically impacted its housing market. These two factors are the increased suburbanization

of the Greater Hartford Region and the economic recession or housing market crash of the late 1980's.

According to the U.S. Census, in 1950 Hartford's population was 177,397. By 2000 the U.S. Census reported Hartford's population at 124,121. In 50 years the city of Hartford lost over 50,000 residents. During that same period of time, the Capitol Region (Hartford and its 28 surrounding communities) grew in population from 418,191 to 721,320, a 72 percent increase. (The Hartford Metropolitan Statistical Area has a population of 1.2 million.) So while the region grew by over 300,000 persons, the city itself lost over 50,000 residents. This loss of population and the decline in household size left Hartford with thousands of vacant housing units.

When the economic recession and the crash of the real estate market hit in the late 1980's, the entire region was impacted and experienced decreases in real estate values. However, Hartford was hit harder than the rest of the region. In 1990 the city of Hartford had 139,739 residents and 57,433 housing units. By 2000 Hartford had lost 14,000 residents and the total number of housing units decreased to 50,644. By 2002, the total number of housing units decreased to 50,421 before a slight increase in 2003 with 50,722.

In 1990 the median home value in Hartford was \$133,300. The market bottomed out in 1996 with a median home value of \$79,900. By 2000 the median home value had recovered to \$93,900.

The impact of both suburbanization and the crash of the real estate market in the late 1980's on Hartford and its neighborhoods were significant. A 30 percent loss in population over the last 50 years and a 40 percent decrease in residential property values between 1989 and 1996 left Hartford with many abandoned and vacant properties (totaling over 6,000 housing units) and in overall economic distress. While Hartford's residential property values declined by 40 percent by 1996, the suburban values also declined on average by about 20 percent. This created a situation in which many middle and working class households in Hartford that previously could not access the suburban housing market, now could due to the 20 percent decrease in residential property values. Therefore, those households with the financial means to move out did.

Unfortunately this migration to the suburbs left those with the most limited fiscal means in Hartford and created a greater disparity between Hartford and its suburbs. Many of Hartford's once vibrant and successful neighborhoods became neighborhoods of last resort for the vast majority of the region's low income households. Today, 30 percent of Hartford's residents are living at or below the poverty level.

Through the late 1990's extensive efforts by the city, including tax foreclosures on properties, the demolition or mothballing of vacant, blighted properties, and the demolition and de-densification of public housing projects began to create some change and stability in the neighborhood housing market. Improving overall economic conditions allowed for a state subsidized an appraisal gap financing program that targeted abandoned buildings in distressed neighborhoods as part of the funds for large scale, downtown redevelopment projects and downtown housing developments funded primarily by the State. However, with appraisal gap financing program was averaging approximately \$40,000 per unit and sometimes costing as much \$100,000 per unit or more in the most distressed neighborhoods. It was evident that this approach was not going to be sustainable as a reinvestment strategy unless hundreds of

millions of dollars were available to subsidize the redevelopment of neighborhoods and blighted properties.

In addition to the loss in population and weak market conditions, Hartford also had a third factor impacting its ability to improve its neighborhoods. This was the fact that Hartford has one of the lowest homeownership rates (24.6%) in the country for a city of its size. This is primarily due to the characteristics of the existing housing, in particular a very limited stock of single-family homes. Less than 15% of Hartford's housing stock is single family detached; another 4% is townhouse or condo style homes; and over 50% of Hartford's housing stock is 5-units or more. In addition, 36 percent of Hartford's housing units qualify as affordable housing as defined by the State's affordable housing legislation. (Most of these housing units were developed with low-income tax credits).

The loss of population, depressed real estate values, and loss of wealth has caused many properties in Hartford to fall into a state of disrepair. Combined, these conditions created a very weak housing market with more supply than demand. In addition, a significant portion of Hartford's housing stock was suffering from years and in many cases decades of deferred maintenance and disinvestment. A significant issue associated with the deferred maintenance was the size of Hartford's one, two, and three family housing stock. Most of the housing stock was constructed during periods of greater prosperity in Hartford, thus creating a situation where property maintenance and rehab costs are very high due to the large size of the structures. The following table provides a summary of Hartford's housing stock.

**Table 5  
Housing - City of Hartford, U.S. Census - 1990 and 2000**

	1990		2000	
	# of Units	%	# of Units	%
<b>Total Units</b>	56,098		50,644	
<b>Occupied housing units</b>	51,464	91.74 %	44,986	88.83 %
<b>Vacant housing units</b>	4,634	8.26 %	5,658	11.17 %
<b>Owner-occupied housing units</b>	12,148	<b>23.60 %</b>	11,064	<b>24.59 %</b>
<b>Single Family</b>				
<b>Detached</b>	6,889	12.3 %	7,553	14.9 %
<b>Attached</b>	2,247	4.0 %	2,145	4.2 %
<b>2 Family</b>	5,878	10.5 %	6,028	11.9 %
<b>3-4 Family</b>	12,722	22.3 %	12,317	24.3 %
<b>5+ Family</b>	28,372	50.6 %	22,551	50.1 %
<b>Achievable Homeownership Rate*</b>		28.6 %		33.2 %
* Achievable homeownership rate - is the rate that would be accomplished if every homeownership eligible unit in a community had at least one owner occupant. Eligible units are defined as: single family, condos and townhouses and 2-4 unit detached homes. If you add up all the homes by property type and then assume 1 owner occupant per "building" - you get the achievable homeownership rate; e.g., a 2-unit home would have a maximum rate of 50%, a 3-unit- 33%.				

Source: City of Hartford Department of Development Services, Unpublished Report

As most people in the community development profession agree, homeownership can be a stabilizing force for the conditions of neighborhoods. Thus the low homeownership rate in Hartford caused significant concern related to the future of the city. However, it should be noted that the achievable homeownership rate, as shown in the table above, is only 33.2

percent, not a significant number in the context of creating stability within neighborhoods citywide.

Based on the housing stock within specific neighborhoods which consist of single and two family homes, some neighborhoods could achieve homeownership rates of over 50 percent or more. The retention of existing homeowners is critical to insure that homeownership not decline further in those neighborhoods with higher than the city average homeownership rate.

### **The Mayor's Home Ownership Taskforce**

In his 2001 campaign for mayor, Eddie Perez identified homeownership as a priority to stabilize Hartford's neighborhoods. As part of the campaign, Mayor Perez identified increasing homeownership from 25 % to 30%, as his number one priority. In March of 2002, due to Hartford's significant loss in population, weak real estate market conditions, and the very low homeownership rate, Mayor Perez convened a Homeownership Task Force to look at the issues related to low homeownership and other associated housing issues in Hartford. The task force was made up of 21 community and resident leaders, many with significant experience in housing policy, development financing, and community development.

After four months of work the Task Force issued an interim report in September 2002. While the report identified many issues and included over forty specific recommendations, the report identified six major goals:

- Produce attractive, well-designed homes that give Hartford a competitive edge in the regional housing marketplace.
- Target housing investment in concentrated areas to maximize impact and insure long-term viability.
- Attract homebuyers from throughout the city, region and state.
- Streamline the site acquisition and production process for homeownership.
- Increase the number and capacity of developers and contractors to produce homes in Hartford.
- Expand the pool of resources to meet production and home purchase goals.

At this point the Task Force had yet to discover David Boehlke and the Healthy Neighborhoods approach to neighborhood reinvestment. However, a close review of the six goals shows that the Task Force was moving in the direction of an asset/market based approach. Providing quality housing, creating a competitive edge, targeting housing investment (a move away from scattered site development), and attracting homebuyers were key components of the first three goals. Moreover, building greater capacity was a strong theme in the last three goals. The Task Force also realized that a change in approach and strategy was needed, but they did not know what that strategy should be or how to best implement it.

In other portions of the report the Task Force also identified a need for a reinvestment strategy that could stabilize existing neighborhoods, encourage and create real estate investment and rehabilitation, build equity for owners, and create wealth through homeownership. In addition, the Task Force recognized that while it was very important to

increase homeownership, it was just as important to retain existing homeowners and make sure that the homeownership rate did not decline any further. If Hartford's middle neighborhoods were to further decline, the city could end up reaching a point of no return. Disinvestment would occur on such a large scale that relative property values would significantly decline to the point that remaining residents with means would abandon the city creating a dire situation.

The most notable statement by the Task Force was a recommendation for a dramatic change in housing policy for the city of Hartford. It is best described in the following paragraph taken from the Task Force Report:

“Perhaps the most important conclusion reached by the Task Force is the need to restate the City’s policy from one that stresses housing affordability in a vacuum to one that will focus on creating the greatest impact in neighborhoods and insures the best chance for long-term sustainability. We are recommending this be accomplished through geographic targeting for investment, by serving a broader range of incomes, by creating the infrastructure to support coordination of investment and development of activities and by producing housing that the market demands.”

The Task Force concluded that the conventional approach of affordable housing production, scattered site development with low-quality housing design and construction, was not working. They recognized that the affordable housing production strategy was not creating competitive neighborhoods that would be sustainable in the long term. This was a call for change, a transformation in how Hartford was to approach neighborhood reinvestment and create sustainable and competitive neighborhoods that would retain and attract residents, owners, and investment. This was not a call to stop all housing production, but to better coordinate and target housing production and investment to create the greatest impact in neighborhoods.

It was around this time that one of the members of the task force, Bob Kantor, then director of the Connecticut Fannie Mae Partnership Office, was participating as a panelist for a program on neighborhood reinvestment and housing at an out of state conference. David Boehlke was also a member of that panel. As Boehlke spoke of the Healthy Neighborhoods, Kantor began to see that the approach was similar to the goals that the Task Force had developed and that this might be a viable strategy for Hartford. Kantor asked that Boehlke come to Hartford, tour the city, meet with the Task Force and the mayor, and see if his strategy could be implemented in Hartford.

Boehlke came to Hartford and soon after that he and Charles Buki were retained by the city to assist in the development of a neighborhood reinvestment strategy for Hartford and to help with the formation of a non-profit organization to implement the strategy. The core objectives of the strategy would be to “build from strengths/assets,” target investment in well defined and manageable areas, and create neighborhoods that could compete for residents, homeowners, and investment.

Beginning in early 2003, Boehlke and Buki began an extensive analysis of the city, its neighborhoods, current policies and programs, and the development of a reinvestment strategy to improve Hartford's neighborhoods. This was the beginning stages of what would become the Rising Star and Pride Block program, a “Healthy Neighborhoods” reinvestment strategy

and the formation of the Neighborhoods of Hartford, Inc., a 501(c)3 non-profit organization that would implement the strategy.

## **CHAPTER SIX**

### **THE CREATION OF A HEALTHY NEIGHBORHOODS STRATEGY IN HARTFORD**

*This chapter describes how the recommendations of the Homeownership Task Force and the recruitment of David Boehlke evolved into a Healthy Neighborhoods reinvestment strategy for Hartford. The chapter also demonstrates how Boehlke and Buki developed the strategy, what factors they considered, and how an asset/market-based approach is developed. In addition, the chapter provides a detailed account of the formation of the Neighborhoods of Hartford, Inc. the organization that was created to implement this new approach to neighborhood reinvestment in Hartford.*

### **Hartford's Reinvestment Strategy**

In early 2003 David Boehlke and Charles Buki began working with the Mayor's office, city planning and housing staff, and members of the Homeownership Task Force to develop a neighborhood reinvestment strategy. Boehlke agreed with most of the findings and recommendations provided in the Homeownership Task Force report. Most notably, he agreed that there was a need to shift away from affordable production in distressed neighborhoods to an asset/market based approach and to target resources into well-defined geographic areas that would maximize investments and provide the greatest opportunity for success.

The theoretical concept behind this new approach was that neighborhood revitalization and reinvestment in the city of Hartford had traditionally been a scattered site approach that focused on the most distressed neighborhoods and required large amounts of fiscal resources (in most cases, subsidies and tax incentives) with little return on investment (limited impact on neighborhoods and the city as a whole). The new approach would be based on the concept that Hartford must "build from strength" and geographically target resources in a meaningful approach, maximizing outcomes and minimizing subsidies.

Community development and neighborhood reinvestment in Hartford, as with many cities, has traditionally focused on the neighborhoods that Buki identifies as "distressed neighborhoods." These are the neighborhoods characterized by social and economic disinvestment, abandonment, and conditions that can be prohibitive to investment. They are neighborhoods of last resort that the market and those with choice pass by. In Hartford, scattered site redevelopment projects in distressed neighborhoods that required large public

subsidies and produce a relatively small impact on the surrounding areas had been the norm for reinvestment programs. More important, most of these projects were planned and developed with little or no consideration of connectivity to other developments and community assets, and they did not necessarily consider the internal and external market factors that influence neighborhood markets. Most of the projects were based on the existence of blighted and abandoned buildings and the ability to gain control of those properties through tax foreclosures or other means. Therefore, availability of sites was the only real criteria being employed.

While some, if not most, of these developments were successful as individual projects that provided clean, safe, and affordable housing, they rarely provided any significant positive impact on the surrounding neighborhood as a whole. In addition, the cost subsidies for these projects (appraisal gap financing, tax breaks, and in some cases public dollars for infrastructure improvements) could run more than \$100,000 per unit. At these costs and with its limited impact, this approach was not viable in achieving long-term, sustainable change in the neighborhood or the city. What was needed was a new approach that was realistic about per unit costs while still having significant impact on the selected sites.

The new approach and model targeted those neighborhoods-in-transition that provided the greatest opportunity to retain current homeowners, attract new homeowners, and compete in the greater housing market. By focusing on the assets and strengths of these neighborhoods, the new approach provided the boost that the neighborhoods needed to move from being neighborhoods-in-transition to being healthy neighborhoods. Therefore, the first step in developing the strategy was to develop assumptions related to the housing market, test those assumptions on all of the neighborhoods within the city, and determine which neighborhoods or portions of neighborhoods were best suited for the initial implementation of the strategy.

The following are the generalized assumptions of the reinvestment strategy that were developed for Hartford's Rising Star and Pride Block program:

- Blocks and clusters of blocks experiencing falling rates of property value appreciation compared to the city median are not able to compete successfully for households that choose to live and/or invest elsewhere.
- Blocks and clusters of blocks unable to compete successfully have stocks of property and resident behaviors that are not in demand in the broader marketplace.
- Neighborhoods with clusters of uncompetitive blocks experience low and falling rates of home ownership/owner occupancy.
- Neighborhoods with clusters of uncompetitive blocks experience low and falling rates of reinvestment by existing owner occupants.
- Neighborhoods with clusters of competitive blocks experience high and rising rates of owner occupancy and existing owner reinvestment.
- Demand by the market to invest as owner occupants in neighborhoods with clusters of competitive blocks is strong and results in relative rising rates of property appreciation.

The following are the objectives developed by the consultants to improve the stocks of property and behaviors on display in the broader market.

- Raise the standards on display in the clustered blocks among existing residents regarding community/public behaviors to the point where broader preferences are met or exceeded.
- Raise the standards on display in the clustered blocks among properties regarding levels of property maintenance to the point where broader market preferences are met or exceeded.
- Increase the level of resident participation in standard setting activities on the blocks and in the clusters of blocks.
- Increase the rate of reinvestment in property upgrades by current owner occupants.
- Increase the rate of retention of strong households on the blocks and in the clusters of blocks.
- Increase the rate of homeownership in the neighborhoods of Hartford.

The following are the stock improving activities aimed at raising the quality of the supply of housing, streets, blocks, and clusters of blocks. The intent is to accomplish the above mentioned objectives and grow the volume, quality, and supply of neighborhoods that can attract investment.

- Evaluate the market conditions on nearly every residential street in Hartford to determine which blocks are in demand by the broader Hartford regional market of potential owner occupants.
- Identify those elements of individual properties, streets, blocks and clusters of blocks that are in demand by the broader Hartford regional housing market.
- Select those blocks and clusters of blocks able both to be repositioned in the Hartford regional housing market and to be affordable to middle market working class households.
- Select blocks and clusters of blocks with stocks of properties and behaviors in demand by the broader market or able to become in demand by the broader regional housing market in a time-effective and cost-effective manner.
- Organize current residents to undertake street and block improvement tasks that will upgrade to meet or exceed regional expectations.

The following are the assumed impacts of the strategy.

- The volume and nature of sales activity in selected areas improve compared to baseline measures.
- The supply of stocks of properties and resident behaviors become more marketable to the larger Hartford regional housing market.
- Demand increases for properties on selected blocks and in selected clusters of blocks.

- Demand for interventions in selected areas by non-selected areas increases.

With the theoretical strategy in place, Boehlke and Buki worked with the Mayor's office, city planning and housing staff, and members of the Homeownership Task Force to identify the neighborhoods or portions of neighborhoods in which to implement the strategy. It was determined that there would be three to five clusters of blocks called Rising Star Blocks and eight to twelve one-block segments of streets to be called Pride Blocks for the initial implementation of the program.

### **RISING STAR AND PRIDE BLOCKS SELECTION PROCESS**

From April 2003 to September 2003 the NHI Steering Committee, Boehlke and Buki, and the city of Hartford conducted a citywide neighborhood analysis and search to identify those areas of the city that would be most suitable for implementing the healthy neighborhoods strategy based on the previously identified assumptions, activities, and outcomes. The process of analysis and selection of the areas of neighborhoods to be targeted included consideration of the following characteristics and factors:

- Age, condition, size, type, style, and value of housing stock.
- Percentage of owner occupied units/properties.
- Neighborhood and property appearance and condition.
- Neighborhood demographics.
- Resident involvement in the community and resident leadership.
- Presence of a community organization working in the neighborhood.

Based on the above criteria, a citywide search began looking for those areas that would provide the greatest opportunity to implement the strategy. Driven by the concept that the most appropriate neighborhoods for the program would be neither the "healthiest or the most distressed" neighborhoods, the obviously "healthy neighborhoods" and "distressed neighborhoods" were quickly eliminated from consideration. After much analysis and evaluation, the clustered blocks of "neighborhoods in-transition" were identified and defined as the Rising Star Blocks. In general, these were areas with a housing stock that was primarily one and two-family homes that could retain and attract homeowners, had a homeownership rate greater than 35 percent and in many cases higher, had some residents that were already actively involved in their neighborhood or community, and had some form of community asset (park, school, community center, etc.) associated with the area.

The Pride Blocks were selected through a similar process. In other cities such as Baltimore where the Healthy Neighborhoods strategy was already being implemented, Pride Block designations tended to be within the cluster areas. The reason behind this decision was that one block within a target area would receive this special "Pride Block" designation for a year, and that block would get additional resources and attention. Since Hartford's Rising Star Blocks (cluster areas) were much smaller than those in Baltimore (was based on the neighborhood and housing characteristics and the size of Hartford compared to Baltimore) and because there was a desire to target areas within a larger number of neighborhoods throughout the city, it was decided to try a different approach and have the Pride Blocks be areas outside of the Rising Star clusters.

NHI developed an application process for blocks to apply to become Pride Blocks. NHI reached out to the Neighborhood Revitalization Zones (a neighborhood organizational structure that still exists in Hartford) for recommendations and applications for specific blocks within their neighborhoods to become Pride Blocks. Twenty-six blocks throughout the city submitted applications to NHI to become Pride Blocks. Those 26 applications were reviewed and analyzed by NHI, the city, and Boehlke and Buki based on the same criteria used for selection of the five Rising Star Block clusters. Based on the selection criteria and the assumed resources that NHI would have, a total of 12 blocks were selected as Pride Blocks.

The following is a summary of the criteria used to evaluate the 26 blocks that applied for designation as Pride Blocks.

**Size of Area** (number of housing structures) – an optimal range of twenty-four to thirty-six housing structures (not units) per block.

**Homeownership Rate** – a measure of the percentage of housing structures (not units) that are occupied by the properties' owners.

**Neighbor Involvement** – a measure of the degree to which the nomination demonstrates civic engagement on the part of residents on the block.

**Structural Conditions** – an assessment of the general condition of the housing structures on the block.

**Property Maintenance** – an assessment of the extent to which residents already maintain their properties, sidewalks and public spaces.

**Institutional Support** – the presence or absence of a commitment of support from a nearby commercial, educational, cultural or other institution.

**Visibility of the Area** – a measure of the extent to which neighborhood improvements would be visible to the greater community.

**Potential for Strong Impact** – in recognition of the desire to achieve early successes, an assessment of the potential for making a difference on the block utilizing the interventions available under the Healthy Neighborhoods initiative.

When all the selections were finished, a total of seventeen target areas were identified; five Rising Star Blocks (6-10 street clusters of approximately 250 properties each) and 12-Pride Blocks (one block street segments with approximately 30 properties each). These selected areas were thought to provide the best opportunity for the implementation of the reinvestment strategy. In addition, the selected areas also offered a diversity of housing types and a diversity of neighborhoods that would most likely be able to retain and attract homeowners and compete in the greater housing market. From small starter homes in the Behind the Rocks neighborhood to larger turn-of-the-century Victorian homes in the West End neighborhood, these areas would offer housing opportunities to a wide range of potential homebuyers. While each of the selected areas (Rising Star and Pride Blocks) clearly met the definition for in-transition neighborhoods, some of the Pride Blocks were located in neighborhoods that as a whole were clearly more distressed neighborhoods. However, the location of these blocks, the housing stock, associated assets, and positive change that was already occurring made these blocks more in-transition in character. While not specifically

intended to do so, these specific blocks also provided an opportunity to see how this strategy would work in more distressed neighborhoods.

### **Rising Star Block Communities**

The following section provides a general description of the neighborhoods that the Rising Star target areas are located within. The reader should keep in mind that the target area is just a small portion of each of these neighborhoods. In some cases the neighborhood as a whole is healthier or more distressed than the target area. The intent of this section is to provide the reader with a better feel for these neighborhoods. The neighborhood description section is followed by a table that provides general demographic information on each neighborhood.

#### **Northeast Neighborhood (Tower on the Green Rising Star Blocks)**

The Northeast neighborhood is located in the northern portion of the city and borders the suburban community of Windsor, Connecticut. The neighborhood is most associated with Keeney Park, a major Olmsted designed park that occupies a large amount of land in both Hartford and Windsor and is owned by the city of Hartford. There are also a number of cemeteries in this neighborhood, including the Old North Cemetery. The primary commercial area in this neighborhood is Main Street, which runs north out of downtown through the neighborhood and into Windsor. The neighborhood has good access to Interstate 91, the north-south highway that runs through Hartford. The Tower on the Green Rising Star area located closer to the northern end of this neighborhood is characterized mostly by single-family homes that tend to be modest capes and ranches in addition to some 2-family homes. This neighborhood and the homes in it offer a great opportunity for first time home owners.

#### **West End Neighborhood (The Historic West End Rising Star Block):**

Hartford's West End neighborhood is located about two miles west of downtown along Farmington Avenue, a main commercial artery that runs east and west from downtown Hartford and into West Hartford, a suburb to the west of the city. Mark Twain's famed house is located on Farmington Avenue in the Asylum Hill neighborhood, midway between downtown and the West End neighborhood. Next door is the home of Harriet Beecher Stowe. Much of the West End neighborhood is dominated by large Victorian homes. The largest estate-like homes are located north of Farmington Avenue, in a very stable and healthy portion of the neighborhood. Approximately 70% of the West End neighborhood is designated as a National Historic District. The West End is home to the University Of Connecticut School Of Law, the Hartford Seminary, and Elizabeth Park, a large park located in both Hartford and West Hartford and owned by the city of Hartford. Elizabeth Park is known for its large rose gardens, the first municipal rose gardens in the country. The commercial strip along Farmington Avenue provides much of the retail and service needs of the neighbors, and since around the year 2000, has had a rebirth with the opening of a number of upscale restaurants, cafes, and bars. The Historic West End Rising Star Block area is located in the southwest portion of the neighborhood, south of Farmington Avenue and bordering West Hartford. Most of the area is in a National Historic District. The historic Victorian homes are large, ranging from 2000 to 4000 square feet. They are mostly single-family homes with a smaller number of two and three-family homes. This is the only target area that includes some large apartment buildings, mostly along Farmington Avenue. The Historic West End Rising Star Block is the healthiest of all the target areas. However the age and size of the homes created a situation in

which maintenance is very costly and in many cases had been deferred for many years. This Rising Star area also experienced the negative effects of the more distressed areas to the south and east of the neighborhood.

### **Behind the Rocks Neighborhood (Sunset Behind the Rocks Rising Star Block)**

The Behind the Rocks Neighborhood gets its name from being located “behind” the rocky ridge that Trinity College sits atop. Below the ridge, along Zion Street, sits a small municipal park known as Rocky Ridge Park. While located next to Trinity College, the Behind the Rocks neighborhood is somewhat isolated from the college due to the significant change in elevation along the ridge. Behind the Rocks is a diverse neighborhood with a wide range of housing styles and types of housing stock. Portions of the neighborhood are dominated by multi-family apartments, others by large two and three-family homes, and some areas have only single-family homes. Two large public housing projects used to exist in this neighborhood, but have recently been razed and redeveloped into single family rental, lease to own, and owner occupied homes. These two projects had significant negative effects on this neighborhood in the past, especially on the Sunset Behind the Rocks Rising Star Block area. The Rising Star Block area is located about four blocks west of Rocky Ridge and is tucked away from commercial arteries in a predominately residential area. The Rising Star Block is made up of modest 1940’s single-family capes and ranches (small starter homes) laid out in a post-war 1940’s suburban style subdivision. This was one of the last large scale residential areas to develop in Hartford. The area would probably be healthier in nature if it were not for the decades it had to endure the high crime associated with the neighboring housing projects.

### **Blue Hills Neighborhood (Blue Hills Rising Star Block)**

Like the Behind the Rocks Rising Star Block, the Blue Hills Neighborhood was one of the last neighborhoods to develop in Hartford. The neighborhood is located in the northwest corner of the city, bordering both West Hartford and Bloomfield, another suburban community to the north of Hartford. The Blue Hills neighborhood is the most isolated neighborhood from the interstate highway system, but its southern portions are located along Albany Avenue, a major commercial artery that runs northwest from downtown into West Hartford. The University of Hartford campus, while accessed from West Hartford, is situated half in in the Blue Hills neighborhood of Hartford. A University of Hartford Performing Arts Center is planned to begin construction in 2008 and will be located in the Blue Hills Neighborhood. Mount Sinai-St. Francis Hospital is located in the center of the Blue Hills neighborhood, and the east side is bordered by Keeney Park. The entire Blue Hills neighborhood is dominated by single-family residential homes with some two family homes and a few large apartment buildings in the southern portion. The owner occupancy rate of 60% is the highest in the city, a result of its large proportion of single-family homes. There is a small neighborhood-scale shopping district on Blue Hills Avenue in the center of the neighborhood. The Blue Hills Rising Star Block area is located just west of the shopping district and is made up of medium-sized capes, ranches, and colonials. It is also laid out in a post-war 1940’s suburban style of subdivision.

### **South End Neighborhood (South End Rising Star Block)**

The South End neighborhood is located in the southeast portion of the city and borders Wethersfield, the suburb to the south of Hartford. The South End neighborhood includes three north-south commercial arteries that run from downtown into Wethersfield: Maple Avenue to the west, Wethersfield Avenue to the east, and Franklin Avenue down the center of the

neighborhood. Franklin Avenue, once known as Little Italy, has become an eclectic ethnic neighborhood dining area with many international cuisines. Goodwin Park and its golf course sit in the most southern portion of the neighborhood and stretch into the town of Wethersfield. Between the commercial strips, the neighborhood has a diverse housing stock ranging from single-family homes to large apartment buildings. The South End Rising Star Block area is located in the geographic center of the neighborhood. The Rising Star Block is a mixture of single, two, and three-family homes in a conventional urban style lot development pattern with small front yards and narrow driveways to the rear yard detached garages. The neighborhood conditions are most healthy to the south and more distressed to the north. The Rising Star Block is located in the transition zone between these conditions. Regardless, the South End Rising Star Block is the most stable and best maintained of the five Rising Star areas.

**Table 6**

**Demographics of Rising Star Area Neighborhoods as of 2000 U.S. Census**

Neighborhood	Racial Composition by Percentage				Median Income	Median Housing Sale Value
	African American	Asian	White	Hispanic		
Blue Hills	87.3	0.2	2.8	6.4	\$38,917	\$88,600
Behind the Rocks	17.9	1.8	13.3	63.3	\$30,572	\$84,950
West End	26.7	3.0	43.5	22.8	\$28,792	\$186,800
South End	12.6	1.1	35.5	44.6	\$31,350	\$85,250
North East	69.9	0.2	1.1	12.1	\$19,219	\$86,966
Neighborhood Average	42.88	1.26	31.16	29.84	\$29,770	\$106,513
City of Hartford	36.0	1.6	17.8	40.5	\$24,820	\$93,900

The above table shows the racial make-up, income levels, and housing values of each of these neighborhoods in comparison to those of the city as a whole. The Hartford regional median income in 2000 was \$53,305 and the median housing sales value was \$159,000.

### **Pride Block Neighborhoods**

The following section provides a general description of the Pride Block neighborhoods. While the entire neighborhood is described in detail, the target area is only one block within the neighborhood. In most cases the one-block Pride Block is as healthy, if not more healthy, than the surrounding neighborhood. When a Pride Block is located within a neighborhood that was already discussed above in the Rising Star neighborhood description, a less detailed description of the neighborhood is provided. The neighborhood description section is followed by a table that provides general demographic information on each neighborhood.

#### **Blue Hills Pride Blocks (3 - Upper/Lower Chatham Street & Ridgefield Street):**

Three Pride Blocks are located in the Blue Hills neighborhood. These include Chatham Street (an upper and lower section that are two different blocks) and Ridgefield Street. The two Chatham Street blocks are located in the south central portion of the Blue Hills

neighborhood. Upper Chatham has larger one and two-family homes. Lower Chatham contains all modest single-family homes. Both blocks are well maintained and stable, but they needed a little extra care and attention. The Ridgefield Street Pride Block is a long street with approximately 30 homes on one side of the street and Keney Park running the full length of the street on the other side. The residences are large, historic, single-family homes from the early nineteenth century. The condition of the homes varies greatly. Some are well maintained while others are much in need of long-deferred repairs and maintenance.

**Upper Albany Pride Blocks (3 – Milford Street, Deerfield Avenue, and Burton Street)**

Three Pride Blocks are located in the Upper Albany Neighborhood. Upper Albany is located along Albany Avenue about one mile from Downtown and stretching west to West Hartford. Albany Avenue is a major artery and a commercial strip. The Upper Albany Neighborhood is a distressed neighborhood that has seen years of disinvestment and has been hurt by high crime rates and violence. Milford Street is the farthest west of downtown and is a mix of single-and two-family homes from the 1920's and 1930's. Deerfield Avenue is located in the center of the Upper Albany neighborhood, and until changes started occurring around 2001, the street was rather distressed. However, in 2001 the Christian Activities Council, a Community Development Corporation, began to purchase properties, rehab them, and sell them to first-time home buyers. A total of five properties were rehabbed. The homes are large, historic, single-and two-family homes. Burton Street is located on the south side of Albany Avenue closest to downtown. The street has large historic single and two-family homes with much character. However the homes have suffered from many years of deferred maintenance.

**Barry Square Neighborhood Pride Blocks (2 – West Preston Street & Brownell Avenue)**

Barry Square is located just north of the South End neighborhood and is one of Hartford's oldest neighborhoods. Two Pride Blocks, West Preston Street and Brownell Avenue, are located in this neighborhood. The northern portion of Barry Square developed with mostly three-family properties and many multi-unit apartments. Brownell Avenue is located in the north of the neighborhood and is a mixture of two-, three-, and multi-unit structures. Trinity College is to the west of Brownell Avenue and the Institute of Living, a major medical facility, is to the east. The Learning Corridor Education Center, a collection of new public magnet schools, borders Brownell Avenue to the north. West Preston Street is located in the far southern reaches of the neighborhood, almost in the South End neighborhood. West Preston Street has a mixture of large single-and two-family homes.

**Parkville Neighborhood Pride Blocks (1 – Newton Street)**

The Parkville neighborhood is located south of the West End neighborhood and is one of Hartford's smallest neighborhoods. The neighborhood is most associated with the Park Street commercial district, which is a traditional urban strip with storefronts along the sidewalk below second floor apartments and office space. The neighborhood is a mix of relatively well-maintained residential areas, the Park Street commercial strip, and an industrial area built along the railroad tracks. The neighborhood is probably one of the city's most ethnically diverse areas, with a strong community center, library, and school complex that is the heart of the neighborhood. The Newton Street Pride Block is located in the center of the neighborhood on the north side of Park Street and has a mixture of small single-family bungaloes and two-family homes.

**Asylum Hill Neighborhood Pride Blocks (1 – Ashley Street)**

The Asylum Hill Neighborhood is the first neighborhood west of Downtown, and its eastern portions are really an extension of Downtown with both The Hartford Insurance Company and Aetna Insurance having their corporate headquarters located in the neighborhood. The neighborhood is most known for the Mark Twain House located on Farmington Avenue. The Ashley Street Pride Block is located just west of downtown and tucked away behind The Hartford’s campus. The street is a traditional urban street with ornate early-Victorian brick single and two family homes located close to the sidewalks.

**North Frog Hollow Neighborhood Pride Blocks (1 - Putnam Street)**

The North Frog Hollow Neighborhood is located just south and west of Downtown, bordering the State Capitol, state office buildings, and the courthouses. The Harford Courant, the oldest continually published newspaper in America, is also located on the northern edge of the neighborhood. North Frog Hollow is probably one of Hartford’s most dynamic neighborhoods, yet it is also one of the most distressed neighborhoods. The entire neighborhood is a National Historic District. Most of the housing in the neighborhood was developed in the late 1800’s and early 1900’s as worker housing for the many factories that existed in or near the neighborhood. The neighborhood is developed at a very high residential density with the majority of housing being three-, six-, and larger multi-unit apartment structures. The Putnam Street Pride Block is located south of Capitol Avenue and north of Park Street, a vibrant urban retail district. Putnam Street has mostly three-family historic brick structures and is the most distressed of all the Pride Blocks.

**North East Neighborhood Pride Blocks (1 - Capen Street)**

The Capen Street Pride Block is located in the southern portions of the North East Neighborhood, a few blocks west of Main Street. The surrounding areas are significantly distressed but the Pride Block portion of Capen Street has seen some recent improvements and investment with the construction of five new homes by Habitat for Humanity.

**Table 7**

**Demographics of Pride Block Area Neighborhoods as of 2000 U.S. Census**

Neighborhood	Racial Composition by Percentage				Median Income	Median Housing Sale Value
	African American	Asian	White	Hispanic		
Blue Hills	87.3	0.2	2.8	6.4	\$38,917	\$88,600
Upper Albany	82.0	0.6	0.7	10.1	\$24,702	\$85,033
Barry Square	14.0	0.9	25.4	54.9	\$23,640	\$83,833
Parkville	14.3	4.5	18.7	57.8	\$24,770	\$60,150
Asylum Hill	51.4	1.7	13.3	28.8	\$22,618	\$116,575
Frog Hollow	12.3	1.5	11.4	72.1	\$17,299	\$78,933
North East	69.9	0.2	1.1	12.1	\$19,219	\$86,966
Neighborhood Average	47.3	1.37	10.48	34.60	\$24,452	\$85,727
City of Hartford	36.0	1.6	17.8	40.5	\$24,820	\$93,900

The above table shows the racial make-up, income levels, and housing values of each of these neighborhoods in comparison to those of the city as a whole. The Hartford regional median income in 2000 was \$53,305 and the median housing sales value was \$159,000.

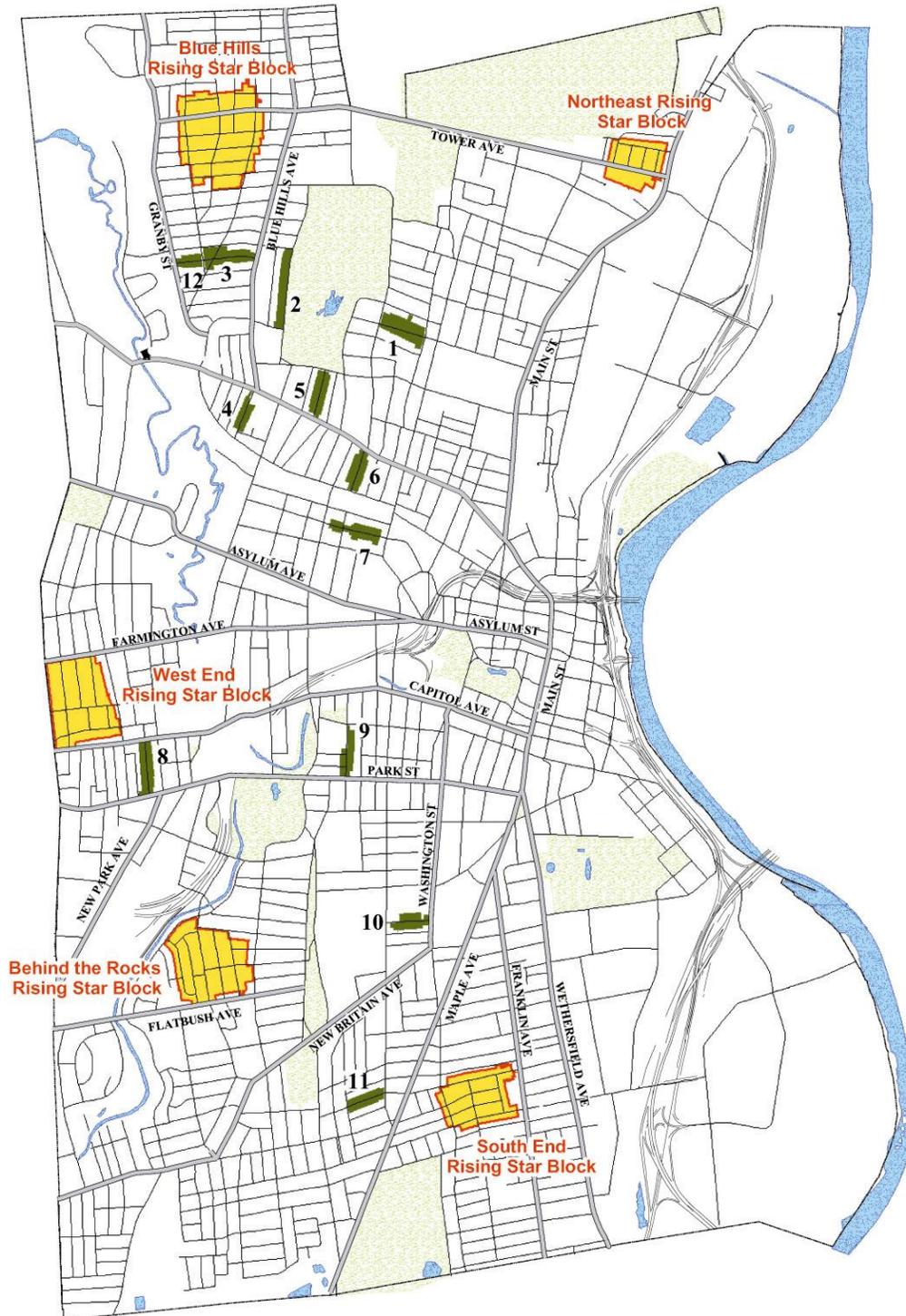
The following table provides a breakdown of the number of properties and number of units per property by target area and compared to the city totals.

**Table 8  
Rising Star and Pride Block Properties and Units**

<b>Area by Units</b>	<b>6 +</b>		<b>6's</b>		<b>4's</b>		<b>3's</b>		<b>2's</b>		<b>1's</b>	
<b>Rising Star Blocks</b>	<b>30</b>	<b>240</b>	<b>3</b>	<b>18</b>	<b>13</b>	<b>52</b>	<b>39</b>	<b>117</b>	<b>240</b>	<b>480</b>	<b>875</b>	<b>875</b>
Behind the Rocks	1	8	0	0	1	4	6	18	9	18	279	279
Blue Hills	0	0	0	0	0	0	3	9	37	74	290	290
South End	13	104	3	18	8	32	13	39	103	206	87	87
Tower on the Green	0	0	0	0	0	0	2	6	18	36	86	86
West End	16	128	0	0	4	16	15	45	73	146	133	133
<b>Pride Blocks</b>	<b>8</b>	<b>64</b>	<b>1</b>	<b>6</b>	<b>7</b>	<b>28</b>	<b>23</b>	<b>69</b>	<b>201</b>	<b>402</b>	<b>130</b>	<b>130</b>
Ashley Street	4	32	0	0	1	4	2	6	11	22	19	19
Brownell Avenue	2	16	0	0	2	8	3	0	11	22	3	3
Burton Street	0	0	0	0	1	4	2	21	10	20	10	10
Capen Street	2	16	0	0	0	0	1	3	13	26	14	14
Chatham Street	0	0	0	0	0	0	0	0	24	48	33	33
Deerfield Avenue	0	0	0	0	0	0	0	0	32	64	5	5
Milford Street	0	0	0	0	0	0	2	6	23	46	5	5
Newtown Street	0	0	0	0	0	0	0	0	31	62	10	10
Putnam Street	0	0	1	6	3	12	11	33	16	32	1	1
Ridgefield Street	0	0	0	0	0	0	0	0	1	2	27	27
West Preston Street	0	0	0	0	0	0	2	6	29	58	3	3
<b>RS\PB Totals</b>	<b>38</b>	<b>304</b>	<b>4</b>	<b>24</b>	<b>20</b>	<b>80</b>	<b>62</b>	<b>186</b>	<b>441</b>	<b>882</b>	<b>1,005</b>	<b>1,005</b>
<b>Area</b>	<b>5 +</b>		<b>3's &amp; 4's</b>				<b>2's</b>		<b>1's</b>			
<b>City of Hartford</b>	<b>n/a</b>	<b>22,551</b>	<b>0</b>	<b>0</b>	<b>n/a</b>	<b>12,317</b>	<b>0</b>	<b>0</b>	<b>n/a</b>	<b>6,028</b>		<b>9,698</b>
<b>RS/PB Totals</b>	<b>38</b>	<b>304</b>			<b>502</b>	<b>1,068</b>			<b>441</b>	<b>882</b>	<b>1,005</b>	<b>1,005</b>
<b>RS/PB %/City</b>	<b>1.5%</b>		<b>8.7%</b>				<b>15%</b>		<b>10.3%</b>			

There are a total of 1,570 developed properties within NHI's Rising Star and Pride Block areas. The 1,570 properties include a total of 2,281 housing units. This is less than five percent of the total housing units within the city of Hartford (50,644 total housing units). However, the Rising Star and Pride Block areas represent 10 percent of Hartford's single family housing stock and 15 percent of the two-family housing stock. In addition, 8.7 percent of the three- and four-unit structures are in the target areas. The one-, two-, and three-unit properties provide the greatest opportunities for retaining and adding home owners. The following map provides a visual location and geographic distribution of the Rising Star and Pride Block areas within the city of Hartford.

**Map 1**  
**Rising Star Block and Pride Block Locations**



## **RISING STAR AND PRIDE BLOCKS OUTCOMES & GENERAL STRATEGY**

In the spring of 2003 Boehlke developed the following summary of the outcomes and general strategy for the first two years of the NHI program.

The Neighborhoods of Hartford, Inc. is organized to achieve six principal outcomes as part of numerous on-going efforts to revitalize Hartford. When these six **outcomes** are achieved:

1. Blocks and clusters become places of pride and neighborliness.
2. Good standards of property maintenance on blocks and clusters are reinforced.
3. Homeownership is expanded and strengthened among all income groups in the targeted neighborhoods.
4. Levels of resident participation in neighborhood and community life are increased.
5. Physical improvements on the houses and in neighborhoods all follow good design principles.
6. Hartford, and especially the target neighborhoods, become marketable as great places to call home.

The overall goal of these six outcomes is to re-establish Hartford as a premier city in which people can confidently invest their resources and themselves. To achieve this ultimate goal, it is necessary to marshal financial and human resources committed to making Hartford a place where people choose to stay and reinvest and where new households choose to move and become part of a thriving city.

These resources are to be drawn from throughout the community and region and from national partners willing to support these outcomes. Local partners are critical to both short-term and long-term success, since there is a dual challenge.

First, the Neighborhoods of Hartford, Inc. must succeed both quickly and dramatically and second, the organization must be able to sustain success over the long-term. These kinds of dynamic changes require a clear plan with broad-based community support.

In essence, the plan operates on three levels:

- The *first* targets consistent investment in block-based, self-help projects.
- The *second* focuses on promoting selected neighborhoods in which to build reinvestment.
- The *third* envisions city-wide efforts around marketing, resident leadership development, and good design.

Making this effort operational will require that NHI provide at least the following services to the Rising Star Block and Pride Blocks:

- innovative lending
- property rehab assistance
- expert design advice
- financial counseling
- block, community, and housing development projects
- neighborhood marketing around strategic plans; and
- resident leadership development.

Fortunately many of these services could be provided through contracts with partners, but nevertheless, NHI will have to take a number of critical steps over the next few months. The resulting **activities** included:

1. Evaluate the market conditions on every street in Hartford to determine which blocks are in demand by the broader Hartford regional market of potential owner occupants.
2. Identify those elements of individual properties, streets, blocks and clusters of blocks that are in demand by the broader Hartford regional housing market.
3. Select those blocks and clusters of blocks able to be both repositioned in the Hartford regional housing market and affordable to middle market households.
4. Organize current residents to undertake street and block improvement tasks that will upgrade the appearance of the block or neighborhood to meet or exceed regional expectations.
5. Identify a supply of potential future home purchasers.
6. Identify a supply of current residents who are potential future reinvestors.
7. Improve the capacity of potential future home purchasers to invest.
8. Improve the capacity of potential future re-investors to invest.
9. Provide potential future home purchasers with links and access to stocks of houses, streets, blocks, and clusters of blocks of opportunities in healthy neighborhoods.
10. Provide potential future re-investors with links and access to resources needed to make intelligent reinvestments.
11. Develop a revitalization strategy for each cluster of blocks. Phase 2 and beyond are developed in partnership among NHI staff, consultants, residents and the city.

12. Develop a marketing plan for each cluster of blocks by NHI staff, consultants and residents.
13. Conduct a detailed demand analysis on competing sections of the region.
14. Conduct a trade area analysis for all selected clusters.
15. Assume turnover properties are rapidly acquired, held, upgraded and sold at or above the market whenever possible.
16. Incorporate architecture and urban design assistance into activities wherever appropriate.

The following table provides a summary of the NHI Rising Star Block and Pride Block Healthy Neighborhoods strategy at the beginning of the program in September 2003.

**Table 9**  
**Summary of the Rising Star Block and Pride Block Reinvestment Strategy**

Intervention Type	Rising Star Blocks (RSB's)	Pride Blocks (PBs)
<b>Number</b>	5 areas with 6-10 blocks targeted in clusters	12 blocks selected outside of Rising Star block neighborhoods.
<b>Goals</b>	Move generally stable but “tipping” areas into healthy neighborhoods. Raise property values by raising standard of home improvement and maintenance and general curb appeal of area. Additionally, utilize aggressive lending & marketing programs to induce reinvestment by existing and new property owners. One of the selected areas may involve more capital intensive activity.	Foster resident/consumer driven investments to improve appearance & livability of the block. Primarily will involve a package of modest improvements. Depending on resource availability, could have 2-3 blocks chosen that require more capital intensive real estate development activity.
<b>Program Description</b>	<p>Activities will include those described in PBs, but would also support more substantial property improvements reaching \$5,000-\$30,000. These will focus predominantly on generally stable areas with minimal blight and deterioration. Problem properties will be addressed. Focused neighborhood outreach activities to increase “neighboring behaviors,” resident led marketing activities, efforts to connect youth and adults. Will require identifying institutional partners (corporate, education, religious, small business) and determining partnering strategies. Block watches, welcome wagons, street-scape activities, paint parties, etc. will be on-going.</p> <p>One of the targets may involve a weaker area requiring more traditional real estate development activity and larger capital investment. This area will likely require major institutional sponsorship.</p>	<p>Initial grant money of up to \$10,000 per block for Pride Block projects. Then individual home repair projects at \$5,000 to \$30,000 per property. Interventions funded through grants or 0% or low-interest loans. The bulk of the activity would involve curb appeal interventions. Low-interest loans available for kitchen, roof and other upgrades.</p>
<b>Complementary Initiatives</b>	Efforts will be made to coordinate public safety, public works, business development & recruitment, and activities involving public schools and other youth development activities. This will require coordinated effort between RSB organizations, city departments and other funding programs.	When possible, similar activities as described with RSBs but given resource constraints, to a lesser degree.
<b>Resource Requirements</b>	<p>Typically \$250K-\$500K per target block cluster. Will involve grants, 0% and low-interest loans, as well as market rate loans for home purchases or refinance and rehab loan activity.</p> <p>4 clusters @ \$350,000 average - \$1.2 MM/yr                      1 cluster @ \$1.5MM average/yr.</p>	<p>Typically \$5,000 – \$50,000 investment per block. Some grants, 0% loans and low interest loans. 12 blocks w/ \$20,000 average - \$250,000/yr.</p>
<b>Selection Characteristics</b>	<ul style="list-style-type: none"> <li>• Demonstrates market strength characteristics</li> <li>• Predominance of owner-occupied housing structures</li> <li>• Minimal vacancy rate &amp; abandonment</li> <li>• Proven resident leadership</li> <li>• Institutional support</li> <li>• Sufficient number of properties on market</li> </ul>	<ul style="list-style-type: none"> <li>• Active resident interest</li> <li>• Demonstrates potential for success</li> <li>• Has appropriate housing stock</li> <li>• Perceived as a recoverable area</li> <li>• Civic institutions present</li> </ul>

By September of 2003 the Healthy neighborhoods reinvestment strategy was in place and all the target areas (Rising Star Blocks and Pride Blocks) were selected. Announcements of the strategy, program, and selected blocks began around the same time. An interim executive manager was provided to NHI by the United Way of Greater Hartford and a full time staff person was loaned to the organization from the Office of Mayor. Three contract staff were hired as Outreach Coordinators to begin work organizing and educating the residents on the program and strategy in the target areas. This work would continue over the next few months as the organization finalized its budget and funding sources and advertised and interviewed for its first executive director.

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## CHAPTER SEVEN

### THE NEIGHBORHOODS OF HARTFORD, INC. – STRATEGY & IMPLEMENTATION

*This chapter and the following three chapters provide a detailed account of how the Neighborhoods of Hartford, Inc. developed the Healthy Neighborhoods approach and reinvestment strategy into a comprehensive program and implemented the strategy. The chapter provides a summary of the program areas (Targeting-Program & Resources, Community Building-Neighborhood Outreach, Investment-Home Improvement Loan Fund, and Quality Design and Rehab-Neighborhood Design Services) and Healthy Neighborhood strategies.*

*Community Building-Neighborhood Outreach, Investment-Home Improvement Loan Fund, and Quality Design and Rehab-Neighborhood Design Services will each be further discussed in greater detail in the next three chapters.*

The Neighborhoods of Hartford, Inc. Rising Star Block and Pride Block Healthy Neighborhoods program evolved out of the Mayor's Homeownership Task Force and is only one portion of the Mayor's Homeownership Initiative, which also included a housing production strategy administered by the city of Hartford Development Services Department. While the Mayor was supportive of NHI and the Healthy Neighborhoods strategy, there was still a desire to devote significant resources to the conventional affordable housing production approach to neighborhood redevelopment. This dual-pronged approach was most likely driven by the Mayor's numerical goal of increasing homeownership by five percent (counting the number of new homeownership housing units). While the Homeownership Taskforce and NHI never recommended eliminating the housing production strategy, it was recommended that such a strategy should be implemented only as part of a larger housing and neighborhood reinvestment strategy. This difference in approach and strategy would serve to strain the relationship between NHI and the Mayor's Office over the coming months.

In February of 2004 NHI hired its first executive director. During the spring of 2004 NHI began its development and implementation of the reinvestment strategy and neighborhood programming. Additional outreach staff were added in the summer of 2004, increasing NHI's capacity for neighborhood programming. In August 2004 the NHI staff included an executive director, outreach manager (staffed by a person loaned from the city of Hartford), and four Outreach Coordinators. Therefore, it took from April 2003 (when NHI

was first incorporated) to August 2004 to get the Neighborhood Outreach portion of the program fully staffed.

The implementation of a Healthy Neighborhoods reinvestment strategy is a fluid and flexible process. As programs, activities, and strategies were developed and implemented, they were evaluated for their success (or lack of success) and then modified or abandoned, depending on their ability to achieve the desired neighborhood outcomes. Also, with the formation and creation of a new organization, budgets for both revenues and expenses were ever-changing as were projections for final staffing levels. NHI had to be flexible during the first 12 to 18 months in all aspects of the program and organization.

NHI was very successful during the first 18 months in raising funds to support its program. Local corporations and corporate foundations provided \$1.6 million to capitalize the loan fund and provide some dollars for operations. The city of Hartford provided NHI with \$1 million in CDBG funds to be used for outreach activities, staffing, and the loan program. Another \$500,000 in support was provided by the Fannie Mae Foundation and Surdna Foundation for the first two to three years for operation expenses, and a handful of other local funders provided additional support. The total amount of funds raised for the first four years of operation was approximately \$3.9 million dollars. This covered overhead, neighborhood programs and projects, design services, and the loan fund. General operations, overhead, neighborhood programs, and the loan fund required on average, about \$850,000 per year to operate the program.

Another early step was for the Board of Directors for the Neighborhoods of Hartford, Inc. to develop a mission statement. The NHI mission and objectives were developed in the context of the Healthy Neighborhoods reinvestment strategy. They were designed in such a way that they would address the four levers of change: image, market, physical conditions, and neighborhood management to ensure that the desired outcomes would be achieved.

### **MISSION STATEMENT**

The mission of The Neighborhoods of Hartford, Inc. is to build and strengthen neighborhoods throughout Hartford for the benefit of citizens of all economic levels.

### **OBJECTIVES**

*Increase home investment* – To create stable neighborhoods where residents invest in their property and build equity and assets.

*Create higher standards of property improvement and maintenance* – To empower residents to take pride in their property and create an environment where regular and long-term maintenance is the norm.

*Create higher standards of neighborliness* – To engage residents in activities and events that reinforce the benefits of being good neighbors and create a higher standard of neighborliness.

*Increase resident involvement in community life* – To promote and encourage residents' involvement in both their neighborhood and community.

*Market healthy neighborhoods* – To target these unique neighborhoods as great places to invest, live, and to be part of community. To promote city living.

*Increase the availability of more flexible financing for home purchase and home improvement* – To provide customer-friendly lending products appropriate to support a mix of new, renovated, and re-used properties.

*Increase homeownership* – To encourage existing homeowners to remain in Hartford and new homeowners to move to the city through the creation of healthy neighborhoods, in-fill development, and targeted marketing.

An additional objective was added about a year into the program following a series of discussions about the Mayor's production strategy. This objective reads:

*Coordinate housing production with city & CDC's* – To work with the city and CDC's to identify opportunities for housing production in and around our target areas.

## **NHI'S HEALTHY NEIGHBORHOODS REINVESTMENT STRATEGY**

The NHI Rising Star Block and Pride Block Healthy Neighborhoods program and strategies were developed using the Healthy Neighborhoods approach to reinvestment. Therefore, the programs and strategies were all developed with consideration of the four key factors to investment behavior and the four levers for neighborhood change. The following is a review of those eight factors.

### **Neighborhood Investment – Managing Change is the Challenge**

**Choice:** Understanding that people make choices about where to buy, what to buy, when to invest, and how much to invest.

**Competition:** From suburbs, apartments, and other neighborhoods. It is not enough for a neighborhood to be a good place to live; the neighborhood must be able to attract residents even as its competitors change every year.

**Confidence:** Older neighborhoods are often a confusing mixture of perceptions and behavior. Residents want confidence affirmed by neighbors investing in their homes or new residents moving in and investing.

**Predictability in Community:** Residents want predictability. New neighbors are considered good neighbors when they notice and abide by the prevailing norms.

The Healthy Neighborhoods approach requires that we focus our work on outcomes and the strategies must target the four levers of change. They are:

**Image:** In an asset-oriented strategy that builds both household and neighborhood equity, it is important to promote a positive identity. That for older neighborhoods to compete successfully, they need to draw on their assets and tell their unique stories (for example, historic homes, urban parks, and so on). Residents and outsiders will see the neighborhood as attractive.

**Markets:** Each neighborhood has a unique market niche. All investments must reinforce the housing market and increase home values. Investment in one property improves the value of all properties within the neighborhood.

**Physical conditions:** We need to target outcomes, not outputs, because numbers don't tell the story. Outcomes measure whether the neighborhood is improving as a place for residents to invest and to build equity and neighborly connections.

**Social connections (neighborhood management):** Prospective homeowners and residents – not community development corporations, government agencies, or other funders – are the most important neighborhood decision makers. Traditional approaches often subsidize households with the greatest needs and provide housing as an end itself. Instead, we need to work to create and improve social connections by engaging residents in their neighborhood and community.

The four levers of change provided the foundation for NHI's reinvestment strategy. All of NHI's programs, activities, events, and actions were targeted at one or more of these areas. The following table provides a summary of Boehlke's model for creating a reinvestment strategy to manage change and create Healthy Neighborhoods compared to NHI's interpretations of these factors and the strategies that were developed to work in these areas.

**Table 10**  
**Healthy Neighborhoods - Neighborhood Markets**

<b>Beohlke</b>	<b>Context of Strategies</b>	<b>The NHI Approach</b>
<b>Choice</b>	Understanding that people make choices as to where to buy, what to buy, when to invest, & how much to invest.	<b>Image:</b> Target areas are neighborhoods that have diversity in housing stock, ranging from small starter homes to large historic homes. Each target area’s housing stock provides a unique market niche. Most of the target areas have parks, schools, and other community assets associated with them. Improve the physical, social, & psychological aspects of the neighborhood to create a place where residents want to invest and want to live. Target property appearance and market areas to create a positive neighborhood and market image.
<b>Image</b>	Asset-oriented strategy that builds both household & neighborhood equity. For older neighborhoods to compete they need to draw on assets and tell a unique story; e.g. historic house, urban parks and so on.	<b>Market:</b> The target areas provide a wide range of neighborhoods and great diversity in housing stock that offer choice to buyers in the market. Resident block projects create a high standard of property maintenance, encourage private investment, and target conditions that detract from the neighborhood. By improving curb appeal, cultivating high standards of neighborliness, and seeding the market with loan funds, NHI creates competitive neighborhoods where residents and outsiders want to invest.
<b>Competition</b>	From suburbs, apartments, & other neighborhoods. “It is not enough for a neighborhood to be a good place to live; it must be able to attract residents even as its competitors change every year.”	<b>Physical Condition:</b> Neighborhood outreach programs and projects create resident confidence, demonstrate investment, increase property maintenance, cultivate neighborliness, and target outcomes. NHI surveyed existing property conditions of each property in the target areas at the start of the program and this data was used to target block improvements and rehab loans, maximizing impact and outcomes.
<b>Markets</b>	Each neighborhood has a unique “market niche.” All investments must reinforce the housing market & increase home values. Investment in one property improves the value of all properties in the neighborhood.	<b>Neighborhood Management:</b> Programs and neighborhood projects are designed to be “joint resident led initiatives.” This means NHI and residents work together to improve the neighborhood. The residents are the decision-makers for their neighborhoods. All programs include social equity components that focus on raising the standard of property maintenance and neighborliness within the neighborhood.
<b>Confidence</b>	“Older neighborhoods are often a confusing mixture of perceptions & behavior.” Residents want confidence affirmed from neighbors investing in their homes or new residents moving in and investing.	
<b>Physical Conditions</b>	Target outcomes, not outputs. Numbers don’t tell the story. Outcomes measure whether the neighborhood is improving as a place for neighbors to invest and to build equity and neighborly connections.	
<b>Predictability</b>	Residents want predictability. New neighbors are considered good when they notice and abide by the prevailing norms.	
<b>Neighborhood Management (Social Connections)</b>	Prospective homeowners & residents – not CDC’s, government agencies, or other funders – are the most important neighborhood decision-makers. Traditional approaches often subsidize households with the greatest needs and provide housing as an end itself.	

The NHI Rising Star Blocks and Pride Blocks Healthy Neighborhoods strategy is divided into four specific areas. The first one is more of a strategy, while the last three areas are both strategies and program areas. The four areas are: 1. Targeted Areas & Resources, 2. Building Community – Neighborhood Outreach, 3. Investment – Home Improvement Loan Fund, and 4. Quality Design and Construction– Neighborhood Design Center.

The following are summary descriptions of each of these four areas.

**Target Areas & Resources:**

The Healthy Neighborhoods approach promotes the targeting of financial and social resources to maximize impact and outcomes. The NHI program is targeted into well defined and manageable areas (Rising Star Blocks and Pride Blocks) each of which have unique character and assets that can be leveraged for investment and marketed. Through NHI’s programs and efforts, NHI targets as many resources and as much investment as possible. These resources can be from NHI, the residents, or other partner organizations. Targeting also occurs at the program level. Specific programs, projects, loans, and design resources are targeted at specific blocks, properties, and issues that will achieve the greatest impact.

**Building Community - Neighborhood Outreach:**

The Healthy Neighborhoods approach promotes engaging residents to take an active role in their blocks, neighborhoods, and communities. It is based on the belief that the residents are the most important stakeholders and decision-makers in the neighborhoods. NHI’s outreach program focused on engaging residents to become involved in their neighborhoods. This form of organizing is not an advocacy approach to neighborhood organizing in which residents speak out against or raise attention about negative things in the neighborhoods to get the city to provide more or better services. Rather it is based on positive actions and changes in the neighborhood.

NHI’s outreach focuses on reconnecting residents, building relationships, developing social equity, improving the appearance and behavioral norms of properties and blocks, and promoting these communities as neighborhoods of choice. This is accomplished through neighborhood and block projects that are developed and implemented by the residents. Most of these projects focus on “curb appeal” with the outcome of improved property maintenance and appearance. For example, residents may conduct a block clean up or landscaping and flower planting project. Residents work together to manage change, improve the neighborhood image and physical conditions, and create an active real estate market. This is the investment of time and effort as described in the definition of a healthy neighborhood.

**Investment - Home Improvement Loan Fund:**

The Healthy Neighborhoods approach promotes investment by residents of time, effort, and money. In weak market neighborhoods where property values are stagnant or declining, residents stop investing time, effort, and money because they lack confidence in the market and don’t expect a return on their investment. When they stop investing money, property maintenance and upkeep become deferred and properties decline in appearance and value, furthering the process of neighborhood decline. The key is to build confidence and get residents investing again. The investment portion of NHI’s strategy/program builds on the momentum and confidence created from the neighborhood outreach activities and programs. NHI encourages residents to invest in their properties and provides willing and qualified

property owners with flexible, low-interest loans to make improvements to their properties that reduce deficiencies, improve appearance, and add value to the properties. Such improvements include new windows, roof, paint/siding, kitchen and bath remodeling, and additions. This new investment of resident dollars in the form of loans rather than subsidies is intended to seed the market, create further momentum, encourage a culture of investment, and attract additional private dollars. Neighbors and outsiders see the improvements, recognize the investments, and start to believe this is a place where it makes economic sense to invest even more time, energy, and money. Property values rise as more and more investment occurs.

### **Quality Design and Rehab:**

The Healthy Neighborhoods approach encourages all investments to be of high quality so that they add value to properties and the neighborhood. Conventional rehab/loan programs operated by government agencies and non-profits tend to focus primarily on public health and safety issues. For example, the goal of conventional rehab is often to fix or repair broken or dangerous items. While we must address health and safety issues, this approach does little to add value to properties. In order to add value, rehab must be of high quality design and workmanship, and it must maintain or improve the character of the property within the context of the neighborhood. NHI's loan program and design services recognize this. Therefore, NHI provides design education, design services, and rehab/construction oversight to any resident investing in his or her property within the target areas. For example, NHI will assist the property owners in designing a project, selecting materials, bidding the project to contractors, and overseeing the construction. These services also support the neighborhood outreach program and the home investment loan fund.

Together, as a collective strategy, these four programs target the neighborhood conditions, market factors, and social behaviors (low standards of property maintenance, lack of civic engagement and social connections, lack of property repair and investment, and declining or stagnant property values) within these well defined areas. Together these strategies reverse the long-standing negative conditions, which produce weak market conditions where neighborhoods struggle to compete for investment, residents, and homeowners. By engaging residents, providing resources and opportunities to improve property maintenance, offering a flexible and low-interest loan product for property investment, and providing qualified design assistance and construction oversight, NHI creates momentum, builds confidence, and creates neighborhoods of choice, where it makes economic sense for people to invest their time, effort, and money.

The following tables provide a summary of NHI's core programs, strategies, and outcomes:

**Table 11**

<b>Building Community - Neighborhood Outreach and Marketing</b>	
<i>High Standards of Neighborliness:</i>	Being good neighbors, measured by, residents knowing, helping, and watching out for each other.
<i>High Standards of Property Maintenance:</i>	Improving norms and standards for upkeep and investment behaviors.
<i>Resident Block Projects:</i>	Cultivating high standards of neighborliness, improving property maintenance, and remedying conditions that detract from the neighborhood.
<i>Property Enhancement Projects:</i>	Improving property appearance of individual properties.
<i>Community Celebrations:</i>	Fostering social events that celebrate success and foster relationships.
<i>Creating A Positive Image:</i>	Fostering neighborhood identity, place naming, and promotion of neighborhood assets.
<i>Internal Neighborhood Marketing:</i>	Engaging residents, to create excitement, and to discuss positive aspects of the community.
<i>External Marketing:</i>	Targeting outside audiences, promoting assets, and showing attractive examples.
<i>Public Relations:</i>	Leveraging success, participating in community events, and engaging stakeholders.

**Table 12**

<b>Investment – Home Investment Loan Fund and Rehab</b>	
<i>Exterior Improvements That Improve Appearance &amp; Add Value:</i>	Encouraging paint, siding, porches, roofs, driveways, windows, doors, and garages.
<i>Interior Improvements That Eliminate Deficiencies:</i>	Facilitating electrical upgrades, heating systems, plumbing, and addressing health and safety issues.
<i>Interior Improvements That Add Value:</i>	Assisting in kitchen and bath upgrades, small additions, second bathroom.
<i>Flexible Loan Products:</i>	Providing low interest rates with flexible terms and loans above property value.
<i>Deferred Loans:</i>	Acknowledging special circumstances, elderly, disabled, and especially for high impact properties.

**Table 13**

<b>Quality Design and Construction - Neighborhood Design Services</b>	
<i>“Curb Appeal” Design Services:</i>	Assisting with block projects and property enhancements.
<i>Loan/Rehab Design Services:</i>	Assisting with project specs, bids, and construction oversight.
<i>Property Design Services:</i>	Providing design assistance and services to owners.
<i>Real Estate Property Market Write-ups:</i>	Identifying property assets and suggesting future enhancements.
<i>Community Design &amp; Planning Services:</i>	Offering design education, guidelines, and projects.

## EXISTING CONDITIONS AND BENCHMARKING

Knowing that NHI was implementing a new strategy in Hartford, NHI's Board realized from the beginning the need to demonstrate the improvement of conditions in the target areas and how these improvements related to the program outcomes. In addition, for NHI staff to fully understand the existing conditions in each of the target areas, to focus strategies, and to monitor progress toward the desired outcomes, it was imperative that the staff catalog existing conditions and create a benchmark for future comparisons. The benchmark of existing conditions would also provide NHI with the information needed to target strategies, investments/loans, and neighborhood/block projects to ensure outcomes were achieved.

In May 2004 NHI contracted with the Connecticut Policy and Economic Council (CPEC) to conduct an extensive inventory of all properties within the target areas. This survey would include a 23-point exterior inspection of housing conditions for each property, general conditions of the blocks, and digital photographs of all properties to establish a baseline of conditions at the start of the program. Charles Buki assisted NHI and CPEC in creating the survey and the conditions that the survey should capture. The survey was designed to identify those conditions that are typically found in "in-transition neighborhoods" where little investment has occurred and properties send mixed messages to outsiders and to the market. Such conditions don't typically exist in large numbers in healthy neighborhoods where investment and confidence exist and residents maintain high standards of property maintenance. This survey and benchmarking project would allow NHI to measure change and success as the strategies and programs targeting these conditions were implemented.

In 2005, NHI also contracted with CPEC to conduct a comprehensive evaluation of the survey and benchmarking results. CPEC provided NHI with a comprehensive report, including detailed GIS maps of existing conditions by neighborhood and property. The report became an integral part of NHI's implementation strategy, as it was used by all NHI staff to assist in the planning of neighborhood projects. The report provided NHI with the ability to target deteriorating conditions, issues, and deficiencies. In many ways the existing conditions report and NHI's utilization of the report to target strategies guaranteed NHI's success. NHI could now target and eliminate those conditions that were signs of disinvestment and create an environment of a healthy neighborhood.

To further benchmark the existing conditions in the target areas NHI obtained a copy of the city of Hartford 2000 Assessment records for each property prior to the start of the program. In addition, NHI collected property sales data for all residential properties in the city beginning in August of 2003 and continuing through the implementation of the program. Together, this information allowed NHI to track the real estate market and property values and to compare values among the target areas and other neighborhoods in the city. The benchmarking and property data allowed NHI to continually assess the progress of the program against changing market conditions.

The following are the specific questions asked in the 23-point survey conducted by CPEC.

**Table 14**  
**Neighborhood Conditions Benchmarking Survey Questions**

1. House Type (Units)?	13. Are there any torn or missing screens on the building?
2. Is the property vacant or occupied?	14. Are there any broken windows or doors?
3. Is there a street number posted on the building?	15. Are there any boarded up windows?
4. Is the mailbox/mail slot in good condition?	16. Is the landscaping along the street well maintained?
5. Does the building have an entry light?	17. Is there a garden in the yard?
6. Do the gutters and downspouts appear clean?	18. Is the fencing for the yard well maintained?
7. Are the gutters securely attached to the house?	19. Is there any litter, dumping, or broken glass in the street in front of the property?
8. Has the building been painted recently?	20. Is there any litter, dumping, or broken glass in the yard in front of the property?
9. Is the building siding clean?	21. Is the garage well maintained?
10. Is there any graffiti on the property at all?	22. Are there kids on bikes or playing in the yard?
11. Condition of roof?	23. Are adults/neighbors outside talking (weather permitting)?
12. Is the screen door well maintained?	

The report provides more detailed information on the specific target areas than could be provided by analysis of the U.S Census data. For example, the report noted that “three areas (Blue Hills, Behind the Rocks, and Northeast) are composed predominantly of single-family homes. Single-family homes represent over 80% of the housing stock in these areas. However, the remaining two areas have much more varied housing stock. Thirty percent of homes in the West End area are two-family units. The percentage is forty five in the South End.” This aided NHI in better understanding the target areas and how to best tailor our strategies in each of the target areas.

The survey data and CPEC report also provided NHI with valuable information on the conditions of the target areas. For example, they reported few instances of graffiti in the target areas and that ninety-nine percent of properties were occupied. These two conditions confirmed that these were mostly neighborhoods-in-transition, not distressed neighborhoods. However, other statements confirmed the deteriorating conditions. According to the report a majority of homes needed maintenance work on the driveway. About half of the fences needed maintenance or major repairs. Likewise, half of the garages needed maintenance or major repairs. It was findings like these that influenced NHI’s decisionmaking process related to conditions that would be targeted in neighborhoods. The fence removal program came directly from this finding.

The survey also provided data on the specific physical conditions of homes and items needing repair or maintenance. These included roofs, windows, and other maintenance issues.

The survey data revealed that one in five properties within the target areas had some form of deficiency related to its roof. This led NHI to target roof repairs and to partner with the Connecticut Housing Investment Fund (CHIF) and the Energy Conservation Loan Fund to supplement NHI's loan fund and get more roofs repaired. The data on roof conditions revealed that while one in five properties within the target areas required repairs, many of those roof repairs, (one in three) were in the West End Rising Star cluster. NHI never anticipated that the target area with the strongest real estate market had significant deficiencies related to property maintenance and repair.

The CPEC report was an eye-opening tool in the implementation of the NHI strategy and programs. In addition to providing a benchmark of neighborhood conditions to work from and compare to, it provided insight into the conditions of many properties, exposed the need for repairs and investments, and allowed NHI to better target its resources. For example, in the fall of 2005, NHI was able to do a direct mailing to all the property owners whose properties needed both roof replacements and/or exterior painting. (Both are highly visible projects that improve the exterior appearance of the properties and attract attention to the properties during the construction phase.) The mailing informed the owners about the NHI Home Improvement Loan Fund and provided contact information if they were interested in applying for a loan. This is a good example of how NHI's Healthy Neighborhoods approach to neighborhood reinvestment is proactive and targets those conditions that affect the health of neighborhoods and individual properties. The following section provides a close look at NHI's targeting strategies.

## **Targeting Resources and Investment to Create Change**

Targeting plays three key roles in NHI's Healthy Neighborhoods strategy. The first is the targeting of the overall strategy and programs into manageable, well-defined, and small geographic areas or neighborhoods (the Rising Star Blocks and Pride Blocks). The second is the targeting of resources (both NHI resources and those of other organizations) into the target areas. The third is the targeting of specific programs, events, and activities at specific conditions and properties. Neighborhood reinvestment and redevelopment in Hartford has traditionally been done on a project-by-project basis. The projects have consisted of scattered site developments and programs with little or no coordination among projects, investments, and neighborhoods. In addition, spreading limited resources over the entire city or large areas of the city diluted the effect or impact of those resources. Moreover, conventional scattered-site redevelopment and programs measured success based on numerical goals, with no specific outcomes for improvements in the neighborhoods. The Healthy Neighborhoods approach targets financial resources, staff, and design services into well-defined areas to maximize the impacts of investment and to achieve outcomes of an improved neighborhood and market.

### **Targeting the Overall Strategy:**

The selection of the target areas (Rising Star Blocks and Pride Blocks) created the foundation of the reinvestment strategy. The reinvestment strategy was developed based on the specific characteristics, conditions, and assets that existed in the target areas. The outcomes were set for the target areas, and programs (implementation strategies) were designed to achieve the desired outcomes. The entire strategy and its various programs were then concentrated into the selected areas. The reason for the targeting approach, as opposed to

the scattered-site approach, is that the amount of effort and investment required to create significant change in weak market neighborhoods is more than can be accomplished through the scattered-site approach. With limited resources, the Healthy Neighborhoods approach maximizes its impact and effectiveness through targeting. Some may view this as unfair to neighborhoods that are not selected. However, it is important to understand that stabilizing specific neighborhoods, preventing further decline, and improving the selected neighborhoods will benefit the city as a whole. Improving property values in target areas will generate more taxes and benefit the entire city.

### **Targeting Resources:**

The second aspect of targeting was to direct as many resources and investments as possible into the Rising Star and Pride Block areas. All of NHI's resources and programs (neighborhood projects, events, loan product/rehab, and design services) were focused in these areas. However, to maximize the impact of the NHI programs and resources, NHI partnered with other non-profit organizations and government agencies to target their resources into these areas as well.

During the first four years of implementation the NHI strategy, NHI partnered with a number of other non-profit organizations to provide resources, investment, education, and services to its residents. These partnerships resulted in property repairs, tree plantings, loans, education, and property improvements. Through the targeting and partnering concept NHI was able to create a high level of activity in the neighborhoods, not just from NHI, but from other organizations. This significantly increased the overall investment in the target areas.

The following are examples of the organizational partners and the specific resource, service, or investments that were provided by the organizations.

Rebuilding Together Hartford: Since the implementation of NHI's programs, NHI worked closely with Rebuilding Together Hartford (formerly known as Christmas in April). Rebuilding Together provides emergency repair services to low-income households year round in Hartford and also holds a yearly National Rebuilding Day in April when approximately two dozen properties are selected for repairs. NHI's relationship with Rebuilding Together Hartford benefited both organizations. NHI assisted in marketing Rebuilding Together Hartford's programs to the residents of the target areas and assisted residents with applying to the programs. In return, Rebuilding Together Hartford targeted many of its property improvements into the NHI areas. This included 6 to 10 properties in the Rising Star Block and Pride Block areas being repaired each year as part of National Rebuilding Day and many emergency repairs being completed throughout each year.

Knox Park Foundation: NHI also developed a significant relationship with the Knox Park Foundation. Knox Park receives a grant each year for the planting of street trees in Hartford. The grant requires the Knox Park Foundation to find 10 to 15 willing property owners per block to participate in the program. In the past the Foundation had found it difficult to find blocks and residents in acceptable numbers to participate in the program. NHI saw a value in the tree-planting program, from both a resident participation perspective and from an investment/beautification perspective. Therefore, NHI partnered with Knox

Park to deliver this program to the target areas. NHI promoted the tree-planting program to target area residents, recruited residents to participate, and assisted Knox Park in organizing the events. During the four year partnership, Knox Park Foundation planted over four hundred trees in the NHI target areas. This relationship led to a realization that both organizations had some overlapping objectives related to property maintenance. Therefore, NHI and Knox Park also began working together on educational programs on improving property maintenance. In addition Knox provided training for NHI's staff on topics such as hedge trimming, sidewalk edging, lawn care, tree planting and flower planting. Knox Park also provided NHI with lawn care tips that developed into handouts that NHI distributed at its neighborhood meetings.

Co-Opportunities: Co-Opportunities is a Hartford based non-profit organization that provides a wide range of services to low-income families. NHI has worked with Co-Opportunities in the delivery of two programs, Individual Development Accounts (IDA) for first time homebuyers and financial literacy education. Co-Opportunities was awarded a grant from the federal government for \$50,000 to be used for IDA accounts but needed matching funds to receive the grant. NHI provided Co-Opportunities with the \$50,000 in matching funds to be used for IDA accounts for homeownership. Co-Opportunities also received a grant from the Fannie Mae Connecticut Partnership Office for financial literacy training. Because the grant required that those funds to be used in NHI target areas, NHI worked with Co-Opportunities to organize residents interested in the training. NHI first targeted applicants to the NHI loan program who had been denied loans due to poor credit or high debt-to-income ratios.

Connecticut Housing Investment Fund (CHIF): CHIF is a statewide non-profit lending institution that provides its own loan programs for affordable housing development. It also administers and services loan programs for the State, non-profit organizations, and for-profit banks. NHI worked very closely with CHIF from the beginning contracting with the organization to provide underwriting and loan servicing for the NHI Home Improvement Loan Fund. In addition, to maximize investment in the target areas, NHI actively promoted CHIF's loan products and transferred loan applicants from NHI programs to CHIF's loan programs when the residents could get a better interest rate or loan terms from CHIF. Both organizations also partnered on specific properties, each providing loans to the same property to maximize the investment in the property and impact to the neighborhoods. CHIF also invested some of its own dollars into NHI to create greater investments in the target areas.

The North End Institutions Neighborhood Association (NINA): NINA is a non-profit neighborhood organization in the Asylum Hill neighborhood where NHI's Ashley Street Pride Block is located. NINA was formed by The Hartford Insurance Company and other corporations in the neighborhood as a means of investing in the Asylum Hill Neighborhood. NHI and NINA worked closely together to organize and engage residents on the Ashley Street Pride Block. Most of NINA's efforts are as a community development corporation, actively

purchasing and rehabbing blighted properties on Ashley Street and neighboring blocks and selling them to first-time homebuyers. This has helped increase the number of resident-owned and occupied properties in this area. NHI partnered with NINA in the development and implementation of a streetscape enhancement project that included new sidewalks, decorative street lamps, and street banners. NHI provided financial support that allowed for upgraded enhancements to the project. In addition, NHI actively worked at engaging the new homeowners in the properties that NINA rehabbed. This experience with NINA is an example of how a Healthy Neighborhoods strategy can work with a CDC and enhance traditional CDC rehab housing programs.

Christian Activities Council (CAC): The CAC, like NINA, is a community development corporation which has been working for decades in the Upper Albany neighborhood, most notably on Deerfield Avenue. CAC worked with residents on Deerfield Avenue (a street where the organization had rehabbed five properties and owned three vacant lots) to apply for designation as a Pride Block. Once the neighborhood was selected, NHI began working with CAC and the residents to implement the NHI strategy and programs. A natural relationship was developed between the two organizations and many, if not most, projects have been done in partnership. CAC developed the three vacant lots into new two-family, owner-occupied homes. NHI worked to incorporate the new homeowners into the neighborhood and into the NHI programs. NHI also provided decorative front porch lights for the new homes that matched a recent front porch lighting project that NHI completed on the block. The most notable project completed by CAC in partnership with NHI was the replacement of a historic statue of a deer at the entrance to the block. This statue which graced the entrance of the block had been vandalized many years ago. CAC solicited an artist to construct a new deer and raised significant funds to cover the costs. NHI partnered with CAC in paying for the replacement deer. For NHI the new deer was a strong symbol of change and a message to the market that Deerfield Avenue was once again a neighborhood of choice.

These are just a few examples of the ways NHI built relationships with other organizations and partnered with them to target resources and investments into the NHI target areas. All of these projects and programs were accomplished for the benefit of the neighborhoods and their residents, not for the credit of the organizations themselves. NHI made it a policy to be named second on any flyer or press release from NHI regarding a project or program that includes a partner organization. This was done to provide partners with as much credit for the investments as possible, and to demonstrate that NHI is interested only in the improvement of its target areas.

The most important partnership that NHI fostered was with the city of Hartford and a number of its departments. The city of Hartford provided NHI with three years' worth of free office space and assigned a full time city employee to NHI. NHI regularly invited the Mayor to its neighborhood events, and to his credit, the Mayor has attended many of these events, rolling up his sleeves and working side-by-side with residents to improve their neighborhoods and properties. This provides a great deal of confidence to the residents regarding their neighborhoods. They know that the city and the Mayor care about and believe in their future.

The city of Hartford Public Works Department has been NHI's most significant partner. In many cases, both in Hartford and other cities, public works projects invest substantial dollars in comprehensive streetscapes and other projects, and the results are promoted as neighborhood redevelopment. However, these projects usually do little to improve the neighborhood conditions other than create a pleasant looking street in a neighborhood that is still distressed.

The Healthy Neighborhoods approach to neighborhood reinvestment believes that public works projects and infrastructure improvements and investments should be used as tools to leverage private investment and create change, not as an end in themselves. The NHI strategy has utilized public infrastructure improvements as a means of supporting investment and providing confidence to the target area residents. Therefore, NHI has worked with the city to target public works services and projects into the target areas to support NHI's and the residents' investments. For example, most of NHI's neighborhood projects and events occur on Saturday mornings. NHI coordinated with the Public Works Department to send street sweepers down the blocks on the mornings of the events. This sends a strong message to the residents that the city cares about the neighborhood and their own efforts to improve their neighborhood.

NHI also partnered with the Public Works Department to target improvements into the selected areas. The city of Hartford developed a citywide traffic calming strategy projected to take 10 years to fully implement. NHI succeeded in having the city target the first year of traffic calming devices into the Rising Star Blocks. Further, the city targeted its street resurfacing program into the NHI areas. A total of 16 streets were resurfaced since the implementation of the NHI strategy.

### **Targeting Program and Activities:**

The third and final way that NHI utilized targeting was to carefully focus its programs, projects, and property interventions. As discussed earlier, the CPEC survey, report, and database provided NHI the ability to identify those existing conditions that send a negative message to the marketplace related to the lack of care, investment, and confidence. The NHI neighborhood program and projects were designed and implemented to concentrate on these conditions. NHI also targeted properties that are highly visible or in the greatest need. For example, corner properties or properties on main arterial roads often are selected first to create a greater visible impact. In addition, the most distressed properties on blocks are given priority. The Healthy Neighborhoods strategy understands that a poorly maintained property affects the property values of the entire block and neighborhood. The opposite is also true in that the investment in one property benefits all properties. Therefore NHI targets the most poorly maintained property on the street with both social and fiscal resources, knowing it will have the greatest impact on the block and provide the residents with the greatest amount of confidence. NHI loans and design services are also targeted at these properties, whenever possible.

The strategy of targeting resources provides both the best opportunity for improvement and success and the greatest return for investment. Targeting resources, programs, strategies, and projects at those conditions that negatively impact the neighborhoods creates positive change and confidence for the residents and sends a noticeable message of improvement to the market.

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## CHAPTER EIGHT

### BUILDING COMMUNITY – NEIGHBORHOOD OUTREACH & PROGRAMS

*This chapter provides a detailed account of the community building and block improvement aspect of the NHI Healthy Neighborhoods strategy. It is through the neighborhood programs that NHI organized residents, builds neighborly relationships, targeted property maintenance “curb appeal,” builds resident confidence, and markets the selected areas as neighborhoods of choice.*

*It is also through the neighborhood outreach programs that NHI laid the foundation for the other two Healthy Neighborhoods strategies. Without such outreach programs the NHI Home Improvement Loan Fund would not have had such a high impact and quality design and construction assistance would not have occurred as much as it did. Creating a healthy real estate market requires residents who are engaged in their community and confident in the future of their neighborhood and their investment. They must be willing to invest time, effort, and money in their property and participate in community and civic life.*

### NHI Neighborhood Programs

The NHI Neighborhood Programs provided the foundation of the NHI Healthy Neighborhoods approach. It is through these programs that NHI cultivated an environment that is conducive to managing change, encouraging investment, and creating healthy and competitive neighborhoods. NHI focused on engaging residents, building social equity, instilling community pride, and empowering the residents to better self-manage their properties and neighborhoods. Projects and events require resident participation and targeted negative conditions that existed in the neighborhood. Boehlke says “great neighborhoods make great cities.” NHI believed that “great neighbors make great neighborhoods.”

To ensure that all NHI programs, projects, and events empowered residents to better manage their neighborhoods, NHI adopted a guiding principle under which all of its neighborhood activities were developed and implemented. This principle is that all programs and projects were “joint resident-led initiatives that instill community pride and neighborliness and create neighborhoods that are places of choice that attract investment.” This guiding principle means that residents play an active role in the decisionmaking process, the planning, and the implementation of neighborhood projects. NHI’s Neighborhood Outreach

Coordinators worked side-by-side with residents and facilitated the process, but the residents drove the program.

The initial phase of the program required extensive neighborhood outreach to engage residents. This included numerous community meetings in each area, flyering every housing unit in the target areas, door knocking, and block meetings to educate residents on the NHI program and strategy. Once organized, Rising Star Blocks and Pride Blocks regularly met to discuss positive changes in their neighborhoods and to plan programs, projects, and events that would further improve their neighborhoods and blocks.

NHI's Neighborhood Outreach Coordinators kept residents engaged, on track, and focused on improving their properties and neighborhoods. The following are NHI's core neighborhood strategies that guided NHI staff and residents:

### **Community Building - Neighborhood Outreach & Marketing**

- *High Standards of Neighborliness:* Being good neighbors, measured by residents knowing, helping, and watching out for each other,
- *High Standards of Property Maintenance:* Improving norms and standards for behaviors,
- *Resident Block Projects:* Cultivating high standards of neighborliness, improving property maintenance, and remedying conditions that detract from the neighborhood,
- *Property Enhancement Projects:* Improving appearance of individual properties,
- *Community Celebrations:* Promoting social events that celebrate success and foster relationships,
- *Creating A Positive Image:* Encouraging neighborhood identity, naming, and neighborhood assets,
- *Internal Neighborhood Marketing:* Engaging residents, creating excitement, discussing positives,
- *External Marketing:* Targeting outside audiences, promoting assets, and showing examples of success,
- *Public Relations:* Leveraging success, participating in community events, engaging stakeholders.

NHI developed the following material as handouts for meetings and discussion materials for NHI Outreach Coordinators to use with residents to discuss what a Healthy Neighborhood is as well as the behaviors and norms associated with Healthy Neighborhoods.

## **What is a Healthy Neighborhood?**

### **A Healthy Neighborhood Definition**

A healthy neighborhood is a place where:

- It makes economic sense for people to invest time, energy, and money and,
- Where neighbors have the capacity to successfully manage the day-to-day issues in the neighborhood and,
- Where neighbors feel confident in their investment and the future of the neighborhood.

### **Characteristics of a Healthy Neighborhood**

A healthy neighborhood is a place where:

- Residents know and look out for one another,
- Residents and neighbors are proud of their neighborhood,
- Properties are well kept and maintained,
- Properties are routinely updated and invested in,
- Residents set, maintain, and demand acceptable behavioral norms,
- Public and private spaces are kept clean and free of litter and debris.

### **What is a Well Maintained Property?**

A well maintained property demonstrates the following behaviors:

- The siding and paint are clean and washed,
- Broken windows and screens are fixed or replaced,
- Lights, mailboxes, and house numbers exist and are maintained, and exterior lights are turned on at night,
- The lawn/grass is cared for and cut weekly or as needed,
- Sidewalks, driveways, and walkways are edged and kept clean,
- Bushes and hedges are cut and trimmed in the spring and fall,
- Leaves are raked, fallen branches removed, and trees trimmed as needed,
- Fences are straight, functional, painted and maintained, or they are removed.

### **What are the Behavioral Norms of a Healthy Neighborhood?**

- Exteriors of properties are well maintained – grass is mowed, the lawn is clean, and bushes/hedges trimmed,
- Excessive noise does not occur early in the morning or late at night,
- Trash bins are neatly placed at the street the night before pick-up and brought in the day of pick up,

- Litter is not accepted, so residents pick-up and remove litter from the street, sidewalks, and lawns,
- Cars are not parked on sidewalks or lawns or left in states of disrepair in driveways.

### **Neighborhood Values and Norms**

A healthy and stable neighborhood has “neighborhood values” or social norms that most, if not all, owners and residents agree on and abide by whether they realize it or not. In distressed and in-transition neighborhoods these values and norms are often weak, and in some cases, nonexistent. These neighborhood values are related to the basic conditions, maintenance levels, and behaviors that most people in a healthy neighborhood take for granted and in most cases don’t even notice. But when these conditions don’t exist, seemingly little things can send a strong message to residents and to the market that the neighborhood does not care.

It is important to note that these behavioral norms and neighborhood values are not imposed on the neighborhoods by NHI or the Healthy Neighborhoods strategy. Rather, they are based on Boehlke’s decades of experience working in neighborhoods and with residents across America. While the specific examples provided by NHI may not be right for every neighborhood, they reflect the four key things that neighborhood residents repeatedly say they want: for their neighborhood to be safe, clean, neighborly, and valued.

The behavioral norms and neighborhood values are also what homebuyers want when they are looking for a home to buy and neighborhoods to invest in. When properties are not maintained and neighborhood residents do not respect these norms and values, they steal equity from neighbors and devalue the neighborhood. The purpose of the Healthy Neighborhoods strategy to create high standards of neighborliness and to improve the maintenance of properties is to provide neighbors with safe, clean, neighborly, and valued neighborhoods that build equity and create wealth.

An important component of any neighborhood reinvestment strategy should be to create an environment where these “neighborhood values” are re-established and followed. The following are some examples of “neighborhood values” that residents commonly wanted to be implemented in Hartford neighborhoods:

- Yards are kept clean and well maintained. The grass is cut regularly, bushes and hedges are trimmed, and no junk or debris is kept in the yard. Only historical period and use appropriate fences are installed. Inappropriate and damaged fences are removed. All fences are well maintained.
- Front porches are kept clean and porch furniture is in good condition. Indoor furniture is not acceptable for use on porches.
- Residents turn on front porch lights at night particularly with the use of energy efficient bulbs.
- Residents plant flowers in front-yard gardens or display flowers in planters on front porches. Residents might also display and fly flags on front porches. Flowers and flags are simple and inexpensive ways of showing that residents care.

- People do not litter. And when there is litter, it is removed immediately. Residents sweep the sidewalk, driveways, and street curb weekly.
- Trash is placed out at the street only on trash day (or the night before) and the trash containers are taken in on the same day. Trash is not put out days before collection because it blows away, is disturbed by animals, and is an eyesore for the neighborhood. All trash, including bulky waste, is placed neatly at the street.
- Residents respect their neighbors and conduct their lives in ways that do not negatively impact their neighbors. This means no loud music, no beeping of car horns, and no other disruptive noises. Maintenance and construction work should not start before 8:00AM or continue beyond 8:00PM.
- Residents respect and observe speed limits and other traffic regulations. They do not speed and endanger the lives of children, pets, and pedestrians. They do not park illegally, block traffic to talk with friends, or park their cars on sidewalks or on front lawns.
- Residents take responsibility for their children's actions and teach them to be good neighbors. Children don't play in the street and respect private property and their neighbors.
- Residents shovel snow from sidewalks, walkways, porches, and driveways in a timely manner. Residents also rake leaves and pick up fallen branches in a timely manner.
- Residents do not engage in criminal activity in their homes or on the block. Residents do not allow or accept criminal activity. Dealing drugs is never acceptable.

In the selected areas in Hartford all residents were encouraged to embrace these neighborhood values. In Hartford, block watches, neighborhood organizations, and other community organizations typically advocate for increased city services to address neighborhood issues. The Neighborhoods of Hartford, Inc. Healthy neighborhoods approach utilized a resident engagement approach to encourage residents to improve their neighborhoods. It was NHI intent to demonstrate the success of this approach and to have it spread to all neighborhoods in the city.

### **Neighborhood Activities**

There are six key activities that NHI Outreach Coordinators used to engage residents and implement programs and projects that created change in the target areas. The following are summaries of these six activities.

***Resident Meetings:*** NHI organized and facilitated regular meetings of residents within each of the target areas. Most resident meetings were conducted on a block-by-block basis, but some of the Rising Star Blocks meetings were neighborhood-wide at the request of the residents in each neighborhood. Through these meetings NHI staff worked with the residents to identify potential block projects, plan events, build neighborly relationships, and cultivate resident leadership. It is important to note that NHI's neighborhood meetings focused on NHI's program, not on other common neighborhood issues. NHI recognized neighborhood concerns related to crime, speeding cars, and so on, but the Healthy Neighborhoods program focuses on the positive aspects of the neighborhood and builds on the assets of the

neighborhood. Residents were referred to other city and neighborhood organizations that focus on problem solving and advocacy to address negative issues.

NHI's block meetings were intended to be fun and social and to encourage relationship building. NHI provided snacks and soft drinks at most of the block meetings to reinforce this upbeat message of working together, as neighbors, for a positive goal. Most NHI meetings took place in the living rooms of residents and an attempt was made to rotate the meetings among different homes. NHI found that many residents in weak market neighborhoods tend not to interact much and rarely invite neighbors into their homes. Therefore, the block meetings provided an opportunity to break down these barriers and get residents to open up their homes to their neighbors.

**Fresh Eyes Block Walks:** Fresh Eyes block walks are a specific strategy or tool that NHI used early in its neighborhood outreach program to get residents to view their neighborhoods in a new light, as if they were seeing them for the first time. The Fresh Eyes concept was introduced to NHI by Marta Howell and David Boehlke. Before walking the block the residents live on, NHI staff would urge residents to walk a nearby block so that the Outreach Coordinator and residents could openly discuss conditions and the issues on a block that detract from its overall appearance without offending resident property owners. This also provided the residents with a context for the issues NHI was trying to address.

Once back on their own block, residents could see the block and their properties in a new light. They noticed the overgrown hedges, the rusted or falling down chain-link fence, the house with the chipping paint, the lack of landscaping, or the front porch in need of repair. They also realized that individually, and more so collectively, these poor standards of property maintenance send a negative message to the market that residents are not willing to invest their time, effort, and money into their neighborhood. It is from these Fresh Eyes walks that residents offered ideas for block projects that could be organized to address these issues. These walks also helped show residents that improvements to one property, even a property other than their own, benefit all the properties on the block. (There is a detailed description of Fresh Eyes strategy in chapter 14.)

**Neighborhood Block Projects:** All of NHI's block projects focused on both the overall appearance of the block and the appearance of individual properties. Much of this work focused on basic curb appeal and property maintenance. The cumulative effect of these projects can have a dramatic impact when targeted in specific neighborhoods and blocks. The main objectives are to improve overall appearance of the blocks and individual properties, to create a high standard of property maintenance, to instill a high standard of neighborliness, and to create confidence in the residents and their ability to affect change. Block projects also help residents feel proud of their properties and neighborhood.

Block projects often included both public and private spaces. In public spaces the focus was on block-wide improvements. This included edging sidewalks, sweeping the street, maintaining the tree belt between the curb and the sidewalk, and keeping the street free of litter. It also included installing neighborhood signs and street-side flower pots.

Projects in private spaces (individual properties) focused on property maintenance and improvements. This is the "curb appeal" aspect of the projects. These projects included removing old fences, removing or trimming hedges, removing old and overgrown bushes, adding new landscaping and gardens, installing front porch or front yard lighting, installing

new storm doors and shutters, and painting. (A detailed look at these neighborhood projects is included later in this chapter.)

**Neighborhood Events & Celebrations:** Not all of NHI neighborhood programs were projects in which residents worked to improve their properties or blocks. Building neighborly relationships is just as important as improving property maintenance. Therefore, NHI promoted social interaction during most projects and hosted events that were purely social. Most of the NHI projects included a celebration after a morning of hard work. NHI often organizes a cookout or pizza party for the project participants to celebrate their success. This was a means of building relationships and getting residents to interact, talk, share stories, and be neighborly. NHI and the residents also organized events and celebrations that had no projects associated with them. These have included end of summer/back to school block parties for the neighborhood kids, Thanksgiving dinner celebrations, holiday parties, and social gatherings at a resident's home. If there is one thing that NHI was never afraid to spend money on, it is food. Food brings residents together. Boehlke wrote, "no one can be angry when eating ice cream." (Great Neighborhoods, Great Cities, 2004) The same goes for pizza, burgers, and hotdogs.

**Resident Leadership:** Building resident leadership is critical to the long-term success of a Healthy Neighborhoods strategy and to the long-term success of the neighborhood. NHI wanted to not only create positive change but also to ensure that the change is sustainable. The way to ensure that residents can manage change in the future, with or without the assistance of NHI, was to build resident leadership and cultivate resident leaders.

Resident leadership was cultivated through building relationships with and among the residents and identifying those neighbors who possessed leadership qualities and were willing to take a lead role on the block and with activities. Most of NHI's Pride Blocks already had resident leaders, the person or persons who filled out the Pride Block application. NHI found that many residents who buy into the program, were also willing to step up and manage change. These residents were engaged, encouraged, and mentored by NHI. NHI even invited resident leaders to participate in staff training sessions so that they could learn about Healthy Neighborhoods firsthand. Resident leadership is very important for the Healthy Neighborhoods strategy to work. While as an organization NHI provided staff and resources to help facilitate change, it is the residents who create change and need to manage change in the future.

**Neighborhood Marketing:** Like any product for sale, neighborhoods, especially those weak market neighborhoods that struggle to compete for residents and investment, should be marketed. Residents and outsiders need to know about the neighborhood, its assets, and the positive things that are happening in the neighborhood. Conventional approaches to neighborhood organizing tend to do the opposite. Often neighborhood organizations that convene residents around an advocacy model will stage events or actions that attract attention to problems and issues in the neighborhoods. This may include posting signs calling out neglect by absentee landlords or attracting attention to a city's failure to secure abandoned properties and so on. While there may be a need for such actions, these types of actions and events tend to highlight and draw attention to what is wrong with the neighborhood. The same is true with media stories of crime, fires, and other issues. Viewers or readers hear and see only the neighborhood's negative qualities. Marketing the positives informs people and the market of the assets and value of the neighborhood.

At the beginning of the program NHI developed a marketing strategy for both NHI and the target areas. Most of NHI's marketing focused on resident-led marketing or word-of-mouth marketing of the neighborhoods as a "neighborly" place to live. Existing residents are the best people to promote the neighborhoods. Residents are encouraged to reach out to friends and relatives as potential buyers, new residents, and investors in their neighborhoods. This is the foundation of a word-of-mouth marketing campaign for the neighborhoods.

What is important to remember about word-of-mouth marketing is that all of us do it and don't even realize it. We talk to our friends, relatives, and co-workers about the towns, communities, and neighborhoods in which we live. We describe what a great place it is, praising the kids' soccer league, the local school, and so on. However, in weak market neighborhoods where residents have lost confidence, they tend not to promote their neighborhoods in the same way. However, as neighborhood programs, loan programs, and design efforts increase resident confidence, pride in the neighborhood is created, and residents begin to positively promote their neighborhood.

### **NHI Publicity/Marketing/Public Relations**

In addition to marketing the specific neighborhoods, NHI worked hard at marketing the overall Healthy Neighborhoods program as well. This included a handful of mostly low cost techniques to attract attention to the program and to the target areas. The following are a few examples of these techniques.

- Rising Star and Pride Block Newsletters: NHI produced newsletters that were specific to each of the targeted areas and the overall program. The newsletter focused on the positive activities and changes in the target areas. These included reports of NHI's projects, announcements of upcoming projects, and announcements of services available through NHI. Newsletters also featured stories about resident leaders, rehab advice, and landscaping and gardening tips.
- Radio: Radio was seen as an inexpensive and informative tool to raise awareness of the program and strategy. NHI's executive director appeared on a local radio program hosted by a member of the Hartford Image Project, a marketing campaign to promote the city, urban investments, and local arts and entertainment. The appearance on this program provided the director an opportunity to discuss the program in a public forum that reaches beyond Hartford. NHI staff also appeared on a local university radio show to discuss housing and policy issues within the city of Hartford. In addition, NHI reached out to faith-based initiatives, and the NHI program was highlighted on a local religious station.
- Newspaper – NHI and its associated programs were the focus of many newspaper articles and advertisements. In addition, the Executive Director was invited to write an extensive commentary piece on NHI and Healthy Neighborhoods that ran in the Hartford Courant, the region's largest circulating newspaper.
- T-Shirts and Signage – NHI produced NHI T-Shirts that were given to each resident who participated in the neighborhood projects and programs. Over the course of three and half years, over 600 t-shirts were provided to neighborhood residents. In addition,

NHI implemented the placement of small NHI lawn signs on properties that have participated in our projects. The signs identified the property as an NHI Pride House.

- Neighborhood Branding – Branding of the areas is also important. Early on NHI encouraged residents to name their Rising Star Blocks and Pride Blocks areas. Using creative and positive names for these target areas drew attention to and was part of the overall marketing of these places. In addition, some of the Rising Star Block residents chose to name their communities with a unique name that was different from the neighborhood. Sunset Behind the Rocks, Tower on the Green, and The Historic West End are examples of this. Such branding supports the promotion of the assets and the targeting of niche markets, which are critical to attracting new residents and investment to these neighborhoods.
- Web Page & Logo – NHI developed a web page that promoted NHI's programs and activities. But more important it promoted the NHI neighborhoods as good neighborhoods in which to live and invest. In addition, NHI designed a logo that was imprinted on many of its signs, t-shirts, and other products as a way branding NHI and increasing resident familiarity with the organization.

### **Conclusion**

The NHI neighborhood programs were the foundation of the NHI Healthy Neighborhoods strategy. It is through these programs that NHI created neighborliness and supported higher standards of property maintenance. NHI also created an environment where resident leaders were cultivated and rewarded. The neighborhood programs promoted a positive buzz in the community and provided the momentum and confidence for residents to get involved in their community. Most important was the confidence generated from the improving neighborhood. The active and engaged residents were then utilized to create an environment supporting further investment.

The following chapter will provide a detailed account of the NHI Home Improvement Loan Fund and the role it played in achieving change.

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## CHAPTER NINE

### CREATING INVESTMENT – HOME IMPROVEMENT LOAN FUND

*This chapter explains the importance of encouraging investment in weak market neighborhoods and demonstrates how NHI developed its Home Improvement Loan Fund. While NHI's neighborhood programs built community, improve curb appeal, and provided confidence, the Home Improvement Loan Fund was critical to creating a culture of investment.*

#### CREATING INVESTMENT

The Healthy Neighborhoods approach to neighborhood reinvestment targets conditions and factors within neighborhoods that are no longer competitive within the broader market and lack the ability to attract residents, resources, and investment. As stated earlier:

A healthy neighborhood is a place where:

- It makes economic sense for people to invest time, energy, and money, and
- Where neighbors have the capacity to successfully manage the day-to-day issues in the neighborhood, and
- Where neighbors feel confident in their investment and the future of the neighborhood.

The first point is the most important when discussing the implementation of NHI's Home Improvement Loan Fund. While the Healthy Neighborhoods approach considers three kinds of investment (time, energy, and money), the investment of money in particular into the existing housing stock is needed to maintain, improve, and increase the value of housing in the neighborhood.

In distressed and in-transition neighborhoods owners and investors have often stopped making investments into their properties and communities. Most noticeable is the reduction or absence of money invested into properties. Maintenance and repairs of properties are deferred, in many cases for years. Many, if not most, properties begin to show significant signs of this deferred maintenance and send a clear message to the market that this is not a place where people are investing or want to invest. The results are declining property conditions, stagnant or declining property values, and a negative neighborhood image. The longer these conditions

exist, the worse they get and the weaker the market becomes. This is a contagious condition that can drive a neighborhood into rapid decline.

The NHI Neighborhood Programs (as discussed in the last chapter) focused programs, activities, and projects toward the outcomes of building relationships, improving property appearance and maintenance, and creating confidence in the residents to invest time, energy, and money into their properties and community. These successes in property maintenance, neighborhood appearance, and resident confidence were used as momentum to further encourage financial investment in properties to stop the cycle of deferred maintenance and declining property conditions.

When developing the loan fund, NHI kept the four considerations related to the behaviors of consumers and property owners (choice, competition, confidence, and predictability) in mind. The loan fund needed to be competitive, flexible, and designed in such a way that it could help move the real estate market and increase property values and equity. Also considered while creating the loan fund were the four levers of change (image, market, physical conditions, and social connections) on which NHI would focus its work and programs.

With the four considerations of consumer behavior and four levers of change in mind, NHI had a context for creating a loan fund. The loan fund would concentrate on specific property conditions and upgrades that add value and improve the overall exterior appearance of properties. The following are core property improvement objectives of the NHI Home Improvement Loan Fund:

- *Exterior Improvements That Improve Appearance and Add Value:* Paint, siding, porches, roofs, windows, doors, garages, and driveways,
- *Interior Improvements That Eliminate Deficiencies:* Electrical upgrades, improved heating systems and plumbing, and health and safety issues,
- *Interior Improvements That Add Value:* Kitchen and bath upgrades, small additions, second bathroom,
- *Flexible Loan Products:* Low interest rates, flexible terms, loans above property value,
- *Deferred Loans:* Special circumstance products for the elderly, disabled owners, and high impact properties.

The desired outcome of the loan fund is to create a culture and environment where property owners see value in investing in their properties and where property values will continue to rise to build equity and wealth for owners.

### **NHI's Home Improvement Loan Fund**

In weak market neighborhoods private investment of money into properties can become stagnant or nonexistent, creating a slippery slope of disinvestment and a declining quality of the housing stock. NHI's goal was to re-build active real estate markets within the target areas. This meant re-activating an environment where people want to and will invest. It is an environment where building equity and wealth through property investment is possible.

The goal is not only to stimulate investment, but also to seed the market and reinforce a culture of investment. For example, consider a block of 30 properties in which NHI enlists

two properties into the loan program. Both owners install new roofs and one property also receives new windows. The first owner also has the house painted. These improvements benefit all the properties on the block because they send a message to all the property owners and to the market that residents are confident in their neighborhood and the market and are willing to invest in their properties. Experience shows that additional owners on the street, with or without the NHI Loan Fund, will undertake similar home improvement projects.

The NHI loan product was aimed at three categories of rehabilitation: exterior renovations that improve appearance, interior improvements that reduce deficiencies, and improvements that add value. Owner occupied properties qualified for any of the three categories of improvements. Investor properties qualified for exterior renovations that improve appearance. Many non-profit and municipal loan products do not service investor properties. However, NHI's Healthy Neighborhoods strategy is about creating investment, regardless of ownership, and recognizes that investment in one property benefits all properties.

While the NHI program was directed into specific areas within the city, there was also a targeting of the loan program within those areas. NHI attempted to aim loans at properties that showed the greatest need for physical improvements and that were in highly visible locations within the neighborhood. This allowed for the largest visual impact in the neighborhood and the greatest appearance of improvement for the dollars invested.

These strategies achieved the goals of stimulating investment and seeding the market and reinforcing a culture of investment. NHI watched it happen on many blocks. Once one or two owners invested in their properties, additional owners on the block, with or without the NHI Loan Fund, undertook similar home improvement projects.

### **NHI Lending Criteria**

The biggest challenge for NHI was crafting lending criteria in such a way that it met the requirements of a sound lending program, yet was flexible enough to encourage investment and move the market. Most non-profit and government community development loan programs are very restrictive in their lending policies and application procedures. Examples of these policies and procedures include loan application fees, required appraisals, HUD Housing Quality Standards, and rigid limits on loan-to-value ratios. These requirements add costs and create a cumbersome process, both of which can be deterrents to applicants. The following table is the general underwriting criteria used in the NHI Home Improvement Loan Fund.

**Table 15**  
**Loan Program Underwriting Summary**

<b>Eligible Areas</b>	Hartford Rising Star Neighborhoods Hartford Pride Blocks				
<b>Types of Loans</b>	<ul style="list-style-type: none"> <li>• Rehabilitation loans for the exterior of a home that improve the “curb appeal” of the property, e.g. porches, roofs, windows, painting, driveway</li> <li>• Rehabilitation loans for interior improvements, e.g., furnace, plumbing, electrical upgrade, kitchen remodeling, weatherization, insulation</li> <li>• Other improvements considered on a case-by-case basis</li> </ul>				
<b>Loan Applicant Debt to Income Ratio</b>	Debt to income ratio may not exceed 45% including NHI loan payment; acceptable credit rating required				
<b>Loan Terms</b>	Up to 20 years (Typical loan: 7 – 10 years)				
<b>Size of Typical Loan</b>	<table> <tr> <td>Minimum Loan Amount</td> <td>\$5,000</td> </tr> <tr> <td>Maximum Loan Amount</td> <td>\$30,000</td> </tr> </table>	Minimum Loan Amount	\$5,000	Maximum Loan Amount	\$30,000
Minimum Loan Amount	\$5,000				
Maximum Loan Amount	\$30,000				
<b>Loan Repayment</b>	\$50 Minimum monthly payment				
<b>Fees</b>	Closing fees:     \$200 for loans at 2% interest \$300 for loans at 5% interest (Closing fees to be included in total loan amount)				
<b>Interest Rate / Income restrictions</b>	2%   for residents of Neighborhood Revitalization Strategy Areas (NRS), and residents in Pride Blocks or Rising Star neighborhoods <i>within</i> an NRS. No income restrictions apply.  2%   for residents of Pride Blocks or Rising Star neighborhoods <i>not within</i> an NRS whose adjusted gross income (AGI) is <i>at or below</i> 80% of the area median income (AMI) as defined by HUD for the Hartford Metropolitan Statistical Area (MSA) based on family size  5%   for residents of Pride Blocks or Rising Star neighborhoods <i>not within</i> an NRS whose AGI is <i>above</i> 80% of AMI  5%   for individuals requesting financing for investment property within an NRS, Pride Block, or Rising Star neighborhood. No income restrictions				
<b>Required Loan Application Documentation</b>	<ul style="list-style-type: none"> <li>• Prior two years tax returns</li> <li>• Three most recent pay stubs</li> <li>• Proof that owner is current on City of Hartford taxes</li> <li>• Copy of mortgage coupon or mortgage statement</li> </ul>				
<b>Loan to Housing Value Ratio Underwriting</b>	The Neighborhoods of Hartford loan program seeks to help homeowners increase the value of their property (up to 120% of property value). Provided by the Connecticut Housing Investment Fund, Inc. (CHIF)				

There are a number of key differences between NHI’s underwriting criteria and most non-profit and government loan funds. The first is that NHI’s loan program did not exclude households that make more than 80% of median income. Most non-profit and government loan programs service only low and moderate income families. NHI’s healthy neighborhoods strategy sought to encourage neighborhoods with a mixture of income levels with a primary goal of getting owners investing in their properties. Therefore, all incomes were served by NHI and interest rates were set accordingly.

Second, while most private lenders allow only a debt-to-income ratio of 39% total debt, NHI allowed 45%. This higher debt level was allowed recognizing that many households in targeted neighborhoods may not be able to qualify at the standard level. NHI’s intent was not to have households take on more debt than they could handle, but to provide households

the ability to qualify for loans to do the much needed repairs and maintenance required to maintain their properties. In addition, unlike private lenders, NHI was not in the business of foreclosing loans. NHI developed a set of procedures to intervene quickly with borrowers who ran into financial problems and to work with them to get back on track. This included contact after a payment is 15 days late and further contact if a loan went unpaid more than 30 days. NHI then worked with the borrower to develop a payment plan to help the borrower get back on track. Of the 36 loans closed by NHI, only one went delinquent. It was quickly dealt with and placed on a payment schedule. All 36 loans are performing.

A third difference is NHI did not require real estate property appraisals for loan closing. This saved both time and money for NHI and for the applicant. The reason NHI could do this was due to constant monitoring and analysis of the neighborhood real estate market and knowing the property values in each target area by property type. NHI also found that a major factor that drives the value in the neighborhoods is the condition of the property and amount of deferred maintenance. For example, given two very similar properties, if one is well maintained while the other has years of deferred maintenance, the list and sale value of each of these properties will be far different. For a 1,100 square foot Cape Cod style home in the Tower on the Green Rising Star Neighborhood, the well-maintained property may list for \$179,000, while the other property may list for \$154,900. If NHI invests \$30,000 into the poorly maintained property to bring it to the higher standard the invested value will likely be returned upon any future sale of the property.

The last and probably the most significant difference between NHI's lending criteria and that of other loan programs (non-profit, government, and private) is NHI's flexible loan-to-housing value-ratio. Most lenders will loan only up to 100% of property value. For example, if a property was purchased for \$100,000, the owner now owes \$90,000 and the property is still valued at \$100,000, a lender will offer a loan of only \$10,000 based on the equity in the property. NHI will loan up to 120% of property value. Using the same scenario above, NHI could offer up to a \$30,000 loan.

The practice of lending only to 100 percent of housing value protects the lender, ensuring that if the loan defaults and the property is foreclosed, the lender will be able to get back the money it invested in the loan (property). This works well in healthy and strong market neighborhoods where demand for housing is high and property values normally increase over time. However, in weak market neighborhoods where demand is low, property values are stagnant or declining, and property maintenance has been or is being deferred, this does not work. In a weak market neighborhood, lending only up to 100 percent of property value limits the amount of investment that can occur in the property. In most cases, this investment amount is less than the total investment that is required to return the property to its potential value within the regional market. The market is undervalued based on conditions, and properties perform below their potential. Therefore, loaning only up to 100 percent of value limits the property's potential and maintains the current property values. Lending over 100 percent of value will allow the market to improve and the value to increase to a level where properties should be performing in the first place.

This technique of loaning to 120 percent of value provided NHI the ability to move the market and increase property values. NHI could take this risk in lending over the value of the property because of its confidence in the overall strategy of targeting investment and its comprehensive approach to creating change in neighborhoods. By approaching the

neighborhood as a system and focusing on the four levers of change, NHI's Healthy Neighborhoods strategy improves the neighborhood and individual properties, creating greater demand. It is these improvements and the increase in demand within the neighborhood market that adds value and offsets the additional risk in loaning to 120 percent of value.

By targeting loans into small, well-defined areas, and targeting properties in need and properties in visible locations, NHI maximized the impacts of the loans and other programs and moved the market in a positive direction. In addition, when residents see neighbors investing in their property, they are more likely to invest in their own property. Remember, behaviors are contagious, and this includes home improvement projects. The loan fund built on emerging confidence created from the neighborhood programs and thus created more confidence to generate additional investment.

It is also important to mention that the loan fund is just that, a loan that residents will pay back. Unlike traditional strategies that rely on grants, the principal NHI strategy provides low interest loans to create private investment. While the interest rates may be lower and considered a subsidy, the actual value of the loan and investment is not. These loans are real dollars being invested by property owners into their properties.

The NHI strategy also recognizes that there are many households within the target areas that have significant equity, good credit, and access to other private lending institutions. NHI encouraged such owners to use the private lending market, and NHI was pleased to take credit for such private investments. While some property owners might do home improvements anyway, many owners don't invest in property improvements because they are not confident in the market and are not willing to risk the investment. NHI's programs (block projects, the loan program, and rehab and design services) created confidence in the market and provided the seeds to grow other investment. In many cases these investments by owners outside of the loan program would not have occurred if it were not for the confidence created by NHI's programs and services.

The operations of the loan program were fairly simple. The program was marketed by NHI's Outreach Coordinators. They discussed the importance of property improvements and investments with the residents and made them aware of the loan program. The NHI Outreach Coordinators were also available to assist residents with filling out the loan application form and getting the required documentation together to submit the application. NHI contracted with a non-profit lending institution, the Connecticut Housing Investment Fund (CHIF), to handle loan underwriting and loan servicing. NHI's loan committee oversaw all lending policies and the overall program and the executive director had sole authority over loan underwriting approvals. This provided a quick turnaround for loan applications by eliminating the wait for the next committee meeting. The loan committee and Board of Directors received regular updates on all loans made as well as the performance of the loan fund.

The goal of the loan program was to create investment in these weak market areas. Therefore the loan program was developed and implemented around the desired outcome of creating investment and value. By starting with the outcome NHI developed a flexible loan product that would encourage homeowners and investors to invest in their properties. The loan product included lower than market interest rates, allowed for non-income qualified households to participate, and loaned to 120 percent of property value. These later two

elements are key to creating investment and value and are where the NHI loan fund breaks from conventional non-profit and government rehab loan products. In addition, NHI created a process that made it as easy as possible for a homeowner to apply to the loan program and invest in his property.

The Neighborhoods of Hartford Home Improvement Loan Fund closed 36 loans totaling over \$550,000. In addition, NHI partnered with the Connecticut Housing Investment Fund (CHIF) on some of the loans with additional dollars from the Energy Conservation Loan Fund (ECL). Other properties were also referred to CHIF for loans through the ECL program. NHI estimated that CHIF loaned an additional \$150,000 in the target areas through a close working relationship with NHI. Therefore, the NHI loan program created approximately \$700,000 in real investment in the target areas.

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## CHAPTER TEN

### QUALITY DESIGN – NEIGHBORHOOD DESIGN CENTER & SERVICES

*This chapter discusses the importance of quality design and quality rehab construction as part of the Healthy Neighborhoods strategy. The chapter will demonstrate how NHI incorporated quality design and design services into the program and how these services were implemented.*

#### QUALITY DESIGN ENHANCES NEIGHBORHOODS AND PROPERTY VALUE

Conventional neighborhood reinvestment strategies and loan/rehabilitation programs typically do not focus significantly on quality design and quality rehab construction. Conventional programs most often focus primarily on code compliance, performing rehab work to make homes livable and safe, and completing the job for the lowest cost (most often driven by requirements to select the lowest bidder). While code compliance, safety, and costs are important, architectural design, high quality rehab construction, and maintaining neighborhood and housing character are just as important, if not more important when it comes to the Healthy Neighborhoods approach. They are indispensable when recreating a real estate market and increasing property value.

In weak market neighborhoods where property values are stagnant or declining, too often property maintenance and repairs are deferred. Those repairs or investments that are done tend to be of low cost and poor quality with little thought of design and maintaining the architectural character of the house or neighborhood. This is often driven by two factors: first is the owner's attempts to spend as little as possible on the property and second is the owner's lack of knowledge of the importance of design and quality rehab to increase and protect property value. For example, fences are pieced together, a third layer of shingles is installed on the roof when it should be stripped before new shingles are installed, the roof is only patched when it should be replaced, or older porch railings are braced with two-by-fours or plywood. Another common problem with rehabilitation and maintenance work in older, weak-market neighborhoods is the use of unqualified or less than honest contractors. Deferred maintenance, shoddy repairs, and poor quality of workmanship all add up to a poorly maintained and deteriorating housing stock that has lost its original character. In addition, these conditions do not add value to properties and instead send an increasingly negative

message to the market. These conditions are very evident in many of Hartford's neighborhoods and all of the Rising Star Block and Pride Block areas.

The Healthy Neighborhoods approach emphasizes the importance of design, quality home improvement products, high quality of rehabilitation and workmanship, and maintaining and highlighting the overall character of the homes and neighborhood. Property owners need to consider all of these factors when contemplating repairs, maintenance, and rehab work to ensure that every investment into real property enhances the property, the block, and the neighborhood. Most of all, they must add value.

At the same time that the Mayor's Homeownership Task Force was completing its report, some individuals and organizations were promoting the need for a community design center in Hartford to encourage quality design and historic preservation. However, the resources required to fund both a neighborhood reinvestment strategy and a community design center were not available at the time. In addition, the need for a neighborhood reinvestment strategy, at the time, seemed more important than a freestanding design center. However, while a number of the members of the NHI steering committee traveled to Baltimore to view the Healthy Neighborhood program that was up and running there, they took the time to also visit a community design center and saw the value that such a center could have in Hartford. Therefore, the NHI Board of Directors later took up the charge of including a small neighborhood design center as part of the organization to demonstrate the importance of design. This proved to be a natural fit with NHI's Healthy Neighborhoods strategy.

The NHI Neighborhood Design Center (which started off as design services without a formal walk-in center) focused its attention and activities within the NHI Rising Star Block and Pride Block areas. To facilitate the implementation of the design center and the promotion of quality design, NHI hired a staff architect rather than the conventional rehab specialist typically associated with most loan/rehab programs. The position was titled Community Designer and Design Center Coordinator. The architect in this position performed all of the same job functions as a rehab specialist, but also had proven design expertise and greater responsibilities related to the implementation of the design center.

In addition to the Community Designer, NHI contracted with Kathleen Dorgan, AIA, a consulting architect and nationally recognized design center expert, for assistance with the creation of the NHI Neighborhood Design Center. Dorgan was also retained to assist NHI with the creation of design guidelines, which will be discussed later in this chapter.

The following were the key program areas of NHI's neighborhood design center and services:

- *“Curb Appeal” Design Services:* Assisted with block projects and property enhancements,
- *Loan/Rehab Design Services:* Provided project specs, bids, and construction oversight,
- *Property Design Services:* Offered design assistance and services to owners not borrowing from the loan fund,
- *Real Estate Property Market Write-ups:* Provided property assets and suggested property enhancements,

- *Community Design & Planning Services*: Developed and provided design education programs, guidelines, and projects.

From the start of NHI, the Neighborhood Design Center was something that the organization would incubate and promote, but it was envisioned that at some point it would evolve into its own entity. Therefore, in addition to the NHI mission and objectives, NHI developed a mission statement and objectives for the Neighborhood Design Center. They are as follows:

### **Mission Statement**

To provide high quality design and rehabilitation standards that promote community and neighborhood character, historic preservation, and quality housing as key components to neighborhood revitalization within the NHI target areas.

### **Objectives**

- *Increase community awareness* – Promote quality design through outreach and education,
- *Rehabilitation Standards* – Design and establish high quality rehabilitation standards that promote historic preservation and provide economic solutions to historic preservation,
- *Neighborhood Design Standards* – Design and establish high quality streetscape and landscape design standards that integrate the relationship of public and private spaces,
- *A Virtual Design Center* – Create and maintain a community webpage focused on design issues, education, and interactive design problem solving,
- *Community Volunteerism* – Establish a community design volunteer program with in-kind services from design professionals, university students, and community residents,
- *Incubation & Development* – Work toward the creation of an independent citywide design center, through demonstrated success, greater community awareness, and increased support.

Unfortunately, the position of Community Designer was the last position to be filled by NHI. NHI's community Designer was not hired until October of 2005, eighteen months after the NHI's neighborhood outreach programs, projects, and events had started. This was a result of a labor dispute between the city of Hartford and labor unions that filed an unfair labor practice claim against the city for the creation of NHI and a design center, since the city allocated CDBG funds to be used by NHI for the implementation of the program. This placed NHI in an awkward position and delayed the hiring for the position and the implementation of NHI's design strategies.

However, due to NHI's commitment to the neighborhood design center, the organization began working with Dorgan to develop design guidelines for the NHI target areas. NHI's vision of design guidelines was a departure from typical guidelines. Many conventional guidelines are developed from the perspective of regulatory requirements and implemented as a government standard or regulation. NHI, being a non-profit and not a government agency, realized that this approach did not fit with the nature of the program. Therefore, the guidelines were developed from an educational perspective. The intent was to educate residents,

homeowners, investors, and contractors on the basics of design elements and architecture and the importance of community and housing character.

To avoid reinventing the wheel on some aspects of the design guidelines, NHI, through Dorgan, found a helpful set of five (two-page) design fact sheets developed by the **Community Design Center of Pittsburgh** and contracted for the use of the fact sheets. Dorgan then created 12 additional two-page design guideline sheets that focused on the local architecture style and character of properties within the Rising Star Block and Pride Block areas and other design elements such as landscaping, fences, and architectural period colors. These documents were completed and distributed as part of the NHI program in 2006.

In October of 2005 NHI hired DL Chandler for the position of Community Designer. He is a local Hartford resident and architect, actively involved in the community. The first three months were used to familiarize Chandler with the program and strategy. At this time, Boehlke was brought to Hartford for two days to do staff training for all NHI staff and to work with the designer on the Healthy Neighborhoods approach to design and rehab.

It is important to emphasize that the NHI position of Community Designer is not the same as the traditional community development position of rehab specialist. In the context of a Healthy Neighborhoods strategy it is critical that the community designer be trained in the Healthy Neighborhoods approach and integrated into all aspects of the program. The designer's ability to relate to residents and work in the community is as important as his or her ability to provide construction specifications. The community designer must understand that quality design, quality craftsmanship, and design education for both homeowners and contractors are critical to creating value through rehab. After two months of training, in January 2006 the Community Designer began attending neighborhood outreach meetings with the NHI Outreach Coordinators and introducing the residents to NHI's design services.

### **Community Designer Roles & Responsibilities**

The Community Designer had a number of roles and responsibilities related to design and rehab. These can be broken down into four areas: neighborhood programs and projects, home improvement loan fund and rehab, general design services, and design center operation and education.

**Neighborhood Programs and Projects:** The Community Designer was available to assist the NHI Outreach Coordinators and residents with any neighborhood or individual property project that they were working on that had a design element to it. This included assisting with the selection of a new storm door, new landscaping design and materials, color selection for painting a front porch, and advice on how to best repair a handrail. The Community Designer also assisted the NHI Outreach Coordinators with selecting and retaining contractors for neighborhood projects that were beyond the ability of the residents to perform.

**Home Improvement Loan Fund and Rehab:** The Community Designer worked one-on-one with applicants who applied to the loan program. Once applicants were pre-qualified, the Community Designer contacted them and met to identify the desired projects. This meeting included a detailed inspection of the property to identify needed repairs, maintenance, and improvements. It also allowed the designer to help the applicants prioritize projects based on need, exterior visual impacts, costs, and projects' ability to add value to the property. Once

the home improvement projects were prioritized and the homeowners determined what improvements would be completed, the designer assisted the applicants with design and materials selection. Next the designer prepared bid specifications and plans, and assisted the applicants with bidding the project to three or more contractors. Once a bid was selected by the applicants, the loan was scheduled to close. Prior to the start of construction, the designer held a pre-construction meeting with the applicants and the contractor. Later the designer conducted progress inspections and a final inspection on the construction project to ensure that it had been completed in accordance with the specifications and the contract.

**General Design Services:** The Community Designer was available without charge to any property owner within the NHI target areas to provide design services similar to those available to applicants in the loan program. These services included property inspections, property write-ups, bid specifications and drawings, assistance with contractor selections, contract document preparation, pre-construction meetings, and construction inspection services. Providing these design services generated interest in applications to the NHI Home Improvement Loan Fund. However, the property owners were not required to apply for or receive a loan from NHI to utilize these services.

**Design Center and Education:** The Community Designer was also responsible for the creation and implementation of the NHI Neighborhood Design Center. The Design Center was intended to be an educational resource center open to the public that would provide design education material, product samples, and other design related resources. Due to limited financial resources, NHI never formally opened the Center, but NHI and the Community Designer regularly prepared and provided educational materials for residents. NHI's Community Designer had many product samples that he showed residents when they were considering a home improvement project. In addition, NHI's Community Designer often accompanied homeowners to local home centers to pick out materials and appliances.

**Design Assistance and Consumer Protection:** Having an architect on staff who provided a full range of design services to neighborhood property owners became an integral part of NHI's Healthy Neighborhoods strategy. Due to the frequent stories of dishonest contractors, some who overcharged or who have performed poor quality work, many residents in weak market neighborhoods are afraid to take on large home improvement or maintenance projects. Some residents lack the understanding of design, materials, and managing such a project. Others don't understand what quality design or good workmanship is. Together these factors play a major role in the lack of investment and deferred maintenance. Providing these services insures that the residents have the knowledge, the professional oversight and assistance, and most important, the confidence they need to take on these projects and make investments in their property and neighborhood. This free service benefits not only the homeowner but the entire neighborhood.

A good example of how these design services provide property owners with the confidence they need is the contract documentation and assistance that NHI provided to any property owner who was doing a large home improvement project that requires a contractor. The first document provided to residents by NHI was a step-by-step guide to the construction rehab process. This helped the residents understand both the process of working with a contractor and the expectations and requirements for each step of the process. The following is a summary sample of the process taken from the NHI loan program materials:

## **NHI Rehab Construction Process - Step-by-Step**

**Step I – Preconstruction Conference:** A Pre-Construction meeting is held involving the borrower, contractor, and NHI inspector. Upon completion of the meeting the borrower and contractor sign the Pre-Construction Conference Report.

**Step II – Signing the Contract:** The contractor presents the borrower with a project contract including a Schedule of Values and the Scope of Work (the NHI specifications used to bid the project). The borrower and contractor sign the contract and the NHI Borrower Contract Agreement. In most cases NHI will provide a standard contract with the specifications to both the contractor and homeowner.

**Step III – Construction Start and Down Payment:** When the contractor has arrived on the site with adequate materials and labor to perform the work and has provided copies of his/her Contractor's License, Workmen's Compensation Certificate of Insurance, General Liability Certificate of Insurance, and proof that the contractor has copies of the Certificates of Insurance from any sub-contractor, the borrower signs the "Notice to Proceed."

At this time the contractor can submit a request for down payment (not to exceed 25% of the total job cost) along with a completed Lien Waiver (form provided by NHI). NHI authorizes payment and CHIF issues a check to the borrower. The borrower is then responsible for paying the contractor. If material costs for the project are high and adequate materials are delivered on site, NHI may allow a first payment in excess of 25 percent.

**Step IV – Progress Inspection & Payment:** The contractor contacts NHI for a progress inspection when the project is around 50% complete. Upon satisfactory review by the inspector, the contractor can submit a request for payment of up to 50% of the total job cost along with a completed Lien Waiver form. NHI authorizes payment, CHIF issues a check to the borrower, and again the borrower is responsible for paying the contractor. If the project does not include an NHI loan, the process is similar. NHI will inform the homeowner that the work has been completed in accordance with the specifications, and the owner can issue a progress payment.

**Step V – Final Inspection & Final Payment:** Upon completion of the project the contractor contacts NHI for a final inspection. Once the NHI Community Designer signs off on the work as being completed to satisfy the contract, the contractor submits the final request for payment along with the final Lien Waiver and all warranties. NHI authorizes payment of the remaining 25%, and CHIF issues a check to the borrower. The borrower then is responsible for paying the contractor.

NHI provided a number of other documents to help neighbors through the rehab process. The second document provided by NHI is a complete contract between the property owner and the contractor that includes the project specifications, drawings, and the contractor's bids as attachments to the contract. The third document includes a Notice to Proceed sheet with start and completion dates signed by both the property owner and contractor. The fourth document is a Lien Waiver form (three provided) for each progress payment to ensure the contractor cannot file a Mechanic's Lien on the property for materials and services provided and paid for. The final document is the Completion of Work Statement to be signed by the property owner and contractor recognizing that all work has been completed to specification. These designer and rehab services documents provided the property owner with a high degree

of confidence in the design and construction process. In addition, contractors were also pleased to have a well-defined process and contract that also protected them from a customer who expected more than what had been contractually agreed upon.

Providing these design and rehab services did cost NHI a considerable amount of money. The costs included the salary and benefits for the Community Designer and additional costs for a computer, designer software, and general offices supplies. Nonetheless, the value-added by these design services justified the increased operational costs to NHI. In the first 18 months that NHI's Community Designer provided services in the target areas, over 130 properties took advantage of the services. The services provided to these 130-plus properties ranged from basic inspections and reports on how to repair a hand rail to completed design, bid, and construction oversight of a full kitchen remodeling and a 300 square foot addition to a home. Regardless of how small or how large the project, the design and rehab services provided the residents with the confidence they needed to invest in and maintain their properties. Most important was the outcome of creating investment in weak market neighborhoods where little or no investment had occurred for many years. Supporting residents in this area provide them with the confidence to invest in their properties and to succeed in quality home improvement and property maintenance projects.

The success of NHI design activities clearly demonstrated the importance of a community design center in Hartford. The historic architecture of Hartford homes, the large scale of homes, and the decades of deferred maintenance in so many neighborhoods create a real need for property owners to have access to professional and technical assistance.

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## CHAPTER ELEVEN

### HEALTHY NEIGHBORHOODS ACTIVITIES, PROJECTS, AND PROGRAMS

*This chapter provides detailed explorations of NHI's strategies, programs, and projects in the form of specific accounts in select target areas. These accounts will demonstrate the Healthy Neighborhoods approach, implementation, and outcomes as they were accomplished by NHI.*

The NHI Healthy Neighborhoods strategy included a wide range of program activities all focused on improving the image, market, physical conditions, and neighborhood management of the Rising Star and Pride Block target areas. The NHI neighborhood programs utilized these activities as a vehicle for creating positive change and implementing the strategy. Combined with the loan program and NHI design services, a number of specific activities and projects played a key role in NHI's success. This chapter looks at NHI's specific projects and programs as they were implemented in the target areas. This chapter demonstrates how these specific activities and programs collectively make up the Healthy Neighborhoods strategy.

The following is a detailed list of neighborhood block projects and improvements that NHI and its residents completed as part of the implementation of this strategy. Most of the projects were completed by residents, but some were completed with the help of professionals.

**Table 16**

**NHI “Curb Appeal” Improvement Projects**

Streetscape lights	Decorative street signage
Home power-washing	Shrub pruning/removal
Painting the base of houses	Removal of overgrown vegetation
Painting front porches	Gateway signage
Repairing retaining walls	Fence removal
Reseeding lawns	Awning replacement
New shutters/painting shutters	New mail boxes
Painting front steps	Window boxes
Decorative banners along commercial avenues	Historic plaques distribution
Decorative outdoor lamp light posts	New storm doors
Garden landscaping	Seasonal flags
Porch lights	Carpeting porch steps
Planting flowering trees	Dumpster rental for bulk disposal
Edging sidewalks	Tree removal/pruning
Planting annuals/perennials	Property clean-up
Replacement of house numbers	Replacement/painting front doors
Sidewalk repair	Replacement/painting railings
Local Historic District Designation	National Historic District Designation

NHI began the neighborhood programs knowing that the intent of each NHI activity was to improve neighborhood image, market, physical conditions, and neighborhood management. NHI also recognized the importance of engaging residents, getting them involved in the programs, and encouraging them to be active in their block and community. What was unclear was how NHI would accomplish this. Rather than follow a prescribed set of steps, the intention was to allow the ideas for projects and improvements to arise from the residents themselves.

Once residents were engaged, NHI worked with them to come up with projects that they could participate in, that would improve the standard of property maintenance, and that would build relationships among residents. The majority of projects listed above came from residents’ suggestions. Others were recommended by NHI staff, based on an observed condition or need. As projects were implemented and successfully completed, they were added to NHI’s list of projects. The list was shared with residents to help facilitate discussions and to generate ideas for new projects.

Through these projects NHI built social equity and created high levels of neighborliness by getting residents to work together and help each other. In most cases residents were encouraged to work together on each other’s property, not just on their own.

All projects were kept short, from two to four hours, to make sure that they were fun and that residents didn't feel overwhelmed. When residents performed the work, they felt a sense of accomplishment and they experienced a direct reward for their efforts.

The following are a number of successful projects that demonstrate how various activities were utilized to achieve the NHI Healthy Neighborhoods Outcomes.

**Street Signs, Banners, and Gateway Signs:** As previously mentioned, a key to improving neighborhoods is to improve neighborhood image. This can be done in many ways, so NHI implemented a variety of projects that focused on improving neighborhood image. One of the first neighborhood projects that NHI completed (and also the only project that NHI facilitated across all the target neighborhoods) was to have decorative street name signs installed for all of the streets designated as Rising Star Blocks and Pride Blocks. These signs were different from the existing street signs in size, color, and shape, and they identified the blocks and areas as being unique neighborhoods. While it was a small step in the process of improving image, the street sign project provides the blocks with a particular image as the signs catch the attention of those passing by or entering these streets.

Another neighborhood image project was the installation of street banners along Farmington Avenue (the main commercial strip) adjacent to the Historic West End Rising Star Cluster. Each banner included two panels of two sides each and were attached to 15 light posts along a five-block stretch of Farmington Avenue. Two sides of the banner replicated an existing marketing program sponsored by the Hartford Image Project which promoted the installation of decorative street banners throughout Hartford's Downtown neighborhood. The other sides were designed by the West End Rising Star residents with the assistance of an artist and focused on the historic character of the West End.

In addition, the Tower on the Green Rising Star Blocks in the northeast neighborhood had two gateway signs designed and installed at the two busy entrances to the neighborhood. These signs welcome visitors to the Tower on the Green Neighborhood, newly named by the residents and based on both Tower Avenue and the "greens" of the golf course in neighboring Keney Park.

**Holiday Events and Celebrations:** In December 2004 NHI hosted a holiday lighting contest in a number of the target areas. Residents were encouraged to decorate their properties with holiday lights and a number of winners would win \$50 gift certificates to a home improvement store. Once again, there was nothing particularly difficult about this contest, yet it had a dramatic effect. In many of Hartford's neighborhoods few homes turn on outdoor lights or decorate with lights for the holidays. But when a contest was organized among engaged residents, quickly a large percentage of homes were decorated. Outdoor lighting and holiday lights created instant change in the feel of the neighborhood and sent a positive message about the neighborhoods and neighbors.

Holidays also provided a good time of year to organize social events. Most NHI blocks had a resident holiday event each year in the home of one of the block residents. NHI paid for food and drinks, and the residents enjoyed time together socializing rather than attending an NHI meeting or completing a project. One of NHI's blocks, Ashley Street, took this idea of social events to a whole new level. The Ashley Street Pride Block now organizes four to six social events per year, rotating the location from house to house on the block. The events have evolved to include potluck, wine, and cocktails, a step up from NHI's pizza and soda events.

Neighbors have come to know their neighbors and to pursue social activities beyond getting together for a block meeting and discussing neighborhood concerns. Just as the Healthy Neighborhoods approach aims to create a sustainable and self-sufficient neighborhood, the residents of Ashley Street have achieved this through their block parties and social events. It is these kinds of activities and personal bonds that inspire existing residents to remain on Ashley Street and encourage potential buyers who seek a neighborly place to live to invest in Ashley Street.

**Pride Day Celebrations:** NHI developed a springtime event known as Pride Days. Most of the target areas held one or more Pride Day events. Pride Days were held on a Saturday with the main objective of doing spring plantings and celebrating the neighborhood's new fresh look. Residents generally did some spring yard cleaning. NHI provided participants with mulch and flowers for their front yard gardens. The mulch was delivered by truck to one of the resident's driveways, and neighbors, using wheelbarrows, were allowed to come and get as much mulch as they needed for their yards. The same process was used for the flowers. The flowers were delivered by the nursery to one resident's driveway, and each participating homeowner was allotted a specific number of plants. After a morning of spreading mulch and planting flowers, the residents enjoyed a small celebration of hotdogs and hamburgers or pizza and soft drinks provided by NHI.

The outcomes of Pride Days are many. The first is to encourage residents and get them used to completing spring yard cleaning and flower planting. The second is the positive visual impact that mulch and flower planting have on each property and the blocks as a whole. The third outcome is that the overall event is social, with neighbors working together, helping each other, and building relationships. And last, the residents get to continue to socialize, celebrate their work, and enjoy their fresh neighborhood at the party afterwards.

**Back-to-School Celebration:** NHI also organized many events that were purely social, with no associated block improvement expectations. These events were intended to build neighborly relationships and create a positive community experience. For example, the Deerfield Avenue Pride Block hosted a number of social events, and their Back-to-School celebration is a great example of the impact of these events. The Deerfield Avenue Pride Block had a large number of children on the block, and the residents decided it would be fun to have a back-to-school celebration for the kids at the end of summer. The residents believed that this would be a good way to focus on the children and to celebrate the importance of education. The residents planned the event, and NHI staff facilitated. The city of Hartford closed the street for the day, and NHI hired a local caterer to provide hot dogs, hamburgers, soft drinks, and other fixings. Residents were also encouraged to bring additional food. The neighbors organized activities for the kids. They provided jump ropes, balls, big-wheels, and board games. Around forty residents turned out for the four-hour event. Adults socialized, kids played, and everyone enjoyed the food.

Deerfield Avenue is located in the Upper Albany neighborhood. This is a distressed neighborhood that has suffered from large scale drug dealing, crime, and gun violence. Relationships in the neighborhood between the residents and the police have been strained. During the Back-to-School event three beat officers walked up the block and spent several hours interacting with the residents and their children. Officers played scrabble with the adults and ball with the kids.

The outcomes of this event included a positive experience for the children and a celebration of the upcoming school year. For all residents it was a positive experience that encouraged neighborly and community relationships. The most important outcome, however, was unexpected. This was the relationship established between the three neighborhood police officers and the residents of Deerfield Avenue. The next time something occurs on Deerfield Avenue and the police arrive, these residents will surely view the officers in a more positive light. The same can be said for the three officers who broadened their view of the residents of Deerfield Avenue. Clearly, building community is as important, if not more important, than building houses when redeveloping neighborhoods.

**Historic District Designations:** Almost 5,000 properties in Hartford are listed on the National and State Registers of Historic Buildings or are within local historic districts. Historic neighborhoods are a great asset to a city, and historic homes are a great asset to neighborhoods. Historic preservation can also increase property values and provide a unique marketing asset for the neighborhood. Two of NHI's target areas were historic but not officially designated as historic districts. These two areas were a section of the West End Rising Star Block and the Ridgefield Street Pride Block. Nearly the entire West End neighborhood had been designated as a National Historic District except for a three block section of the Rising Star Block area. Residents of the area felt it was important to have their blocks designated as historic and asked NHI for help. The cost of the consultant to prepare the application for designation was \$2,500, a fee the residents could not afford. So NHI paid the fee and hired the consultant to prepare and file the application.

Similarly, the Ridgefield Street Pride Block is a beautiful block along a park with large historic homes. The residents wanted to protect the properties and their historic character. NHI recommended that a local historic district designation would provide the greatest amount of protection for the block and agreed to hire the same consultant to secure the designation.

The outcomes of these historic designations include satisfying the desires of the residents, protecting their historic homes, providing a marketing asset, and adding value to the neighborhood through future investment that maintains the historic character of the neighborhood.

**Traffic Calming:** As with any urban environment, Hartford has struggled with issues of traffic and speeding. A few years ago the city of Hartford completed a citywide study of traffic and traffic related issues. From that study a 10-year strategy was developed to implement traffic calming measures throughout the city.

In 2005 the city began implementing the strategy with all regularly scheduled road repair projects and had additional funds available specifically for installing traffic calming devices in some neighborhoods. In support of NHI's program and the targeting of resources, the city offered to install the first round of traffic calming devices in NHI's Rising Star Blocks. In the summer of 2005 traffic calming devices, mostly speed tables, were installed in all five NHI Rising Star areas.

The outcome of this project is the targeting of resources and the elimination of a negative condition from these areas. More important was that capital activity by the city into these areas demonstrated to the residents the city's commitment to their neighborhoods and its willingness to invest in them. This commitment reinforced NHI's efforts to build confidence and investment.

The NHI neighborhood programs were both extensive and creative in nature. As the examples above demonstrate, they were mostly driven by the residents and the desired outcomes of improving neighborhood image, market, physical conditions, and neighborhood management. Taken together, the variety of projects and programs created confidence and improved conditions in the neighborhoods.

### **NHI Home Improvement Loan Fund**

A key component of NHI's reinvestment strategy is the Home Improvement Loan Fund. In weak market neighborhoods, as stated earlier, private investment of money into properties can become stagnant or nonexistent, creating a cycle of disinvestment and a decline in the quality of the housing stock. NHI's goal was to create active real estate markets where people invest not only their time and effort, but also their money into their homes and neighborhoods.

The Neighborhoods of Hartford Home Improvement Loan Fund took longer to institute than anticipated. Work on the loan program lending criteria and application process began in April 2004 and the first loan was closed in November 2004. From November 2004 to October 2008 NHI closed 36 loans totaling over \$550,000.

NHI received a total of 64 applications into the loan program. Early on many applications were rejected due to weak credit and very high debt-to-income ratios. This was an issue of great concern in the loan program. However, the number of loans increased each year.

The NHI loan program was successful in creating added investment in the target areas and seeding the market for additional private investment. NHI estimated up to an additional 100 properties have completed a significant home improvement project with funds from other than the NHI loan program. This equals about seven percent of the housing stock in the target areas over a two-year period, a good start but still short of the goal. NHI felt that completing home improvement projects in around eight percent of the properties per year would be considered a significant on-going investment in these neighborhoods. One can only imagine, over time, the change in a neighborhood's appearance, image, and value if seven to eight percent of its properties underwent renovations each year.

The most notable aspect of the NHI loan fund was that it successfully demonstrated the need for loans with flexible dollars that did not have all of the typical government and non-profit loan program restrictions and requirements. The majority of NHI's loans were with flexible funds. NHI was confident that if the Loan Program were targeted into somewhat expanded areas (for example three times the size of the existing target areas) and funded with all flexible funds (no income requirements), the loan program could easily close 50 loans per year at a value of \$800,000 to \$1,000,000. By targeting the loan products into the neighborhoods associated with Rising Star Blocks, this increased activity and investment would make a significant difference in the neighborhoods.

### **NHI's Neighborhood Design Center**

Quality design and rehab were a critical part of the NHI reinvestment strategy. From the start of the program NHI committed to providing design services and a community design center to educate residents and contractors on the importance of design and to better facilitate the rehab process.

The greatest asset of many of the NHI target areas is the architectural character of the housing stock and the overall character of the neighborhoods. Therefore, NHI wanted to ensure that all improvements and rehab projects in these areas maintained the architectural character of the homes and enhanced the overall character of the neighborhood. The Community Designer was responsible for the development of the Neighborhood Design Center and for providing design assistance to outreach staff, residents, and contractors. The NHI Community Designer's focus was to employ quality design to create and sustain high quality residential rehab and new construction.

Starting in October 2005 NHI's Community Designer worked one-on-one with close to 130 homeowners, providing a full range of design, construction management, and rehab assistance and services for their home improvement projects. These services included property reviews and assessments, project priorities, project design, bid specifications and drawing, contractor selection, and project oversight and inspections. For any homeowner, not just homeowners in weak-market neighborhoods, undergoing a home improvement project and working with contractors can be a stressful and overwhelming experience. In weak-market neighborhoods the stressful experience and fear of being taken advantage of by less than competent and honest contractors can be enough to cause homeowners not to invest in their properties. NHI design services were intended to alleviate these fears and to provide the homeowner with the confidence needed to invest in large home improvement projects while ensuring that the work performed was what was contracted for and of high quality. In addition, NHI was been able to develop a good pool of contractors who are honest and perform quality home improvement work.

The Community Designer also assisted the NHI Outreach Staff with the design aspects of many neighborhood projects. The NHI Community Designer provided residents with approximately 1,300 hours of design services valued at over \$75,000 in services provided. These services are critical to creating an environment where residents are willing to put more resources into their homes and neighborhoods.

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## CHAPTER TWELVE

### HEALTHY NEIGHBORHOOD STRATEGIES & PROJECT CASE STUDIES

*This chapter provides specific accounts of NHI's strategies and projects in the form of short case studies. These case studies will demonstrate the Healthy Neighborhoods approach, implementation, and outcomes.*

#### NEIGHBORHOOD PROJECTS – CASE STUDIES

The following are examples of projects conducted in the NHI target areas during the first three years of programming. The case studies provide examples of NHI's neighborhood projects and demonstrate how these projects created positive change in the neighborhoods, improved the appearance of properties and blocks, and fostered the building of relationships between residents. In addition, the case studies show how residents are investing their time, effort, and money into their properties and changing attitudes toward investment while creating a greater feeling of pride in the neighborhoods. And last, the case studies demonstrate how the NHI strategy, block level changes, and increased confidence created a more positive market where additional investment is occurring beyond the scope of NHI's activities.

#### **Case Study I: Burton Street Pride Block – Fence Removal & Landscaping**

##### **Background**

The Burton Street Pride Block is located in Hartford's Upper Albany Neighborhood. The overall neighborhood is distressed and contends with crime, shootings, and significant drug dealing. In recent years gun violence and shootings have escalated in this neighborhood. Fortunately, the area retained many large old Victorian era homes, and some streets, like Burton Street, have a significant percentage of homeowners. However, due to neighborhood distress, Burton Street is an in-transition street that without a little attention and care could easily decline further and become distressed.

Burton Street is a short, one-way street on the south side of Albany Avenue, in the heart of the Upper Albany neighborhood. There are approximately 30 one-and two-family, mostly owner occupied turn of the century Victorian homes on the street. While the homes are historic and large, many years of disinvestment had undermined the neighborhood's beauty

and value. Most of the front yards were characterized by chain-link fences, over-grown bushes, and neglected old trees.

### **The Projects and Activities**

One of NHI's first steps was to identify the conditions that took away from Burton Street's appearance. During one of the first projects, a block clean-up day, the NHI Outreach Coordinator recommended that the residents consider removing the chain-link fences from the front yards and improving the quality of front yard landscaping. To his surprise, a number of residents immediately started working on removing fences, and by the end of the day fences in the front yards of two properties had been removed. Over the next few months five more fences were removed. The residents of Burton Street also decided that they wanted their street to be the best landscaped street in Hartford, a significant and lofty goal considering some of the wealthy neighborhoods in Hartford's West End with stately mansions and professionally manicured lawns. Regardless, NHI was prepared to support their efforts. From that point forward, the main objectives for projects on Burton Street were to remove fences and improve landscaping.

One of the Burton Street residents, Nicola Jones, an emerging resident leader, had considerable experience with landscaping and landscape design. She volunteered her time to assist other property owners on the street with developing landscape designs for their property and to assist with the actual planting. Over the course of NHI's first two years of programming on Burton Street, landscape designs were developed for 13 properties. NHI supplied residents with the landscaping materials (plants, bushes, and mulch), and the residents worked together to landscape the front yards. On all 13 properties the existing overgrown and poorly maintained landscaping materials were removed and new materials installed.

NHI's year three program and strategy on Burton Street continued to support the landscaping efforts and to encourage additional property owners to remove fences. However, NHI realized that some larger scale interventions would be required on this older block. Therefore, NHI targeted sidewalk repairs and replacements and a tree maintenance and removal program. A tree company was contracted, and NHI and property owners shared in the cost of having healthy trees pruned, diseased trees removed, and old stumps ground.

Other small projects included installing new front porch lighting, mailboxes, and house numbers on some properties. In addition, residents started to do simple repairs to porch railings and some painting projects on their own.

### **The Outcomes**

The success on Burton Street is more than anyone at NHI could have dreamed and exemplifies the success of NHI's Healthy Neighborhoods strategy. A year after NHI had begun work on Burton Street, Boehlke was in Hartford to provide staff training for NHI. During this visit to Hartford, he toured all of NHI's target areas to observe the progress. During the visit to Burton Street he commented on the positive changes that have occurred on this block and noted his surprise that such drastic improvement had occurred in the middle of a distressed neighborhood. After three and a half years of instituting a Healthy Neighborhoods program, the feel of the block has changed. Chain-link fences that suggest fear and crime are slowly disappearing. New plantings and landscaping decorate the front lawns,

and residents are out in their yards working and enjoying their neighborhood and neighbors. Residents are engaged and participating in the community. Property maintenance and curb appeal have improved greatly. The physical conditions related to sidewalks and trees have improved. Residents are proud of their street and properties and feel confident in the future. NHI's strategy is working and the residents of Burton Street are reaping the benefits of the positive outcomes for this block.

But more important than the changes that NHI directly targeted are the changes that have occurred due to the confidence that NHI's strategy has created in the residents of Burton Street. Property owners have invested their time, effort, and money into many improvements beyond those supported by NHI. One of the houses is sporting a new roof, while another is sided, and a third has fresh paint job. Mrs. Jones and her husband have purchased two properties on the street and completely renovated the exterior of one of them. These improvements are on a street that had not seen large-scale home improvements in close to two decades. In addition, the owner of an undeveloped lot on the block constructed a new two-family house which sold at market value with no assistance in the form of tax breaks or appraisal gap financing from the city.

## **Case Study II: Tower on the Green – Yard Sale, Landscaping, and Marketing**

### **Background**

The Tower on the Green Rising Star Block is a cluster of which is located in Hartford's North East Neighborhood and is most commonly identified with the northern portion of Main Street, a commercial district. The residential areas of the neighborhood vary in terms of condition, housing type, and neighborhood issues. This Rising Star Block is a relatively stable area with some crime. Tower on the Green is NHI's smallest Rising Star Block with only 189 properties, most of which are single family homes, with some two family homes. The homes in this neighborhood cluster are small and reasonably well maintained. However, years of disinvestment and deferred maintenance had created a neighborhood that had a dull, unattractive character.

### **The Projects and Activities**

The residents of the Tower on the Green Rising Star Block have completed many successful projects. The most notable was a front yard lamp post project participated in by over 90% of the properties. Now when you drive through the neighborhood at night, almost every property is well lit and looks inviting. The project that is most interesting from the Healthy Neighborhoods perspective is a combined yard sale and landscape event held in the Spring of 2006. The Outreach Coordinator wanted the residents to do a spring planting day for which NHI would provide landscaping materials and flowers. However, the residents wanted to hold a community yard sale. NHI's Outreach Coordinator for this area saw the opportunity to create a unique and interesting event, at which NHI and the residents would do both activities on the same day. Each street would have a combined yard sale at a location where all residents on the block could sell items. Therefore, there were six of these locations in the neighborhood. Also, NHI would provide plants, flowers, and mulch for those property owners who wanted to do some spring planting. Early that Saturday morning NHI staff and some

residents posted yard sale signs all over the northern half of the city while the planting materials were being delivered and residents were setting up the tag sale tables. Coffee and donuts were also provided for the residents and yard sale shoppers.

Over 70 properties participated in the event, and by 10:00AM the neighborhood was alive with activity. Residents were pushing wheelbarrows up and down the streets, delivering plants and mulch to properties. Neighbors were out working in their yards and taking turns overseeing the yard sale tables. Yard sale shoppers from around the city were coming to the neighborhood and shopping from block to block trying to find the best deal. And everyone was socializing and enjoying coffee and donuts.

NHI and the residents succeeded in pulling off both events at once. But more important and less obvious was the creative marketing impact of attracting outsiders into the neighborhood for a tag sale while dozens of property owners worked on their properties. Visitors commented on the activity in the neighborhood, noting the many residents taking care of their lawns and residents working together to take care of their neighborhood while hosting combined tag sales.

### **The Outcomes**

The outcomes are obvious and many for this combined event. Residents were working cooperatively and socializing with each other. They were building relationships and creating pride in their community. Residents were also improving and maintaining their lawns, thus creating higher standards of property maintenance. But most of all, whether the residents realized it or not, they were marketing their neighborhood as a neighborly place to live. Visitors to the yard sale saw an active and alive neighborhood. They saw residents caring about their homes by performing the typical spring plantings. They saw neighbors and friends working together, socializing, and enjoying their community.

The multiplier effect of an event like this one is immeasurable but still clear. The dozens of yard sale shoppers who left this neighborhood impressed will tell friends and family about it. In fact, the following week NHI received phone calls from yard sale shoppers asking how their blocks could become a Rising Star or Pride Block.

## **Case Study III: Newton Street Pride Block – Problem Property Intervention**

### **Background**

The Newton Street Pride Block is located in the Parkville Neighborhood of Hartford. This is Hartford's most diverse community, with a mixture of many ethnicities. It is a relatively stable community with less crime than most other parts of the city. However, the housing stock is old and the conditions of properties vary from block to block.

The Newton Street Pride Block boasts a majority of owner-occupied properties, engaged residents, and widely known community leaders. Most of the properties are well maintained, only needing a little extra care. However, there was one property on the block, four homes in from the corner, that was investor owned and poorly maintained.

## The Project

Residents of Newton Street had complained many times about this property. The city had already cited the property a number of times for housing code violations, yet it was not being improved. A dying tree stood in the front yard, and overgrown bushes blocked the first floor front windows. The backyard, side yard, and driveway were filled with junk left by previous tenants. And as NHI would find out, the basement was piled ceiling high with additional junk abandoned by tenants.

The NHI Outreach Coordinator got in touch with the out-of-town owner and began discussing with him ways to improve the property. At first he was uncooperative and hesitant to commit to any improvements. The coordinator saw a chance to negotiate. If the owner would agree to some clean-up of the property, a group of residents were willing to help and NHI would pay for a thirty-yard dumpster to be delivered to the property for removal of all the junk. He agreed.

The property owner, a group of ten residents, and NHI Outreach Coordinator worked for three days at the property. They cut down the tree in the front yard, dug out all the overgrown bushes, and filled three dumpsters worth of junk from the basement and rear yard. New plants and bushes were then planted in the front yard. The owner was pleased and mentioned how he had never realized how bad the property looked since it was in that condition from the time he had purchased it. The neighborhood residents were also delighted with the change and the improvement to their block and neighborhood.

The dumpster and three loads ended up costing NHI \$700.00. Another \$100 was spent on food and beverages, as well as \$50 on movie passes for the neighborhood children who helped out with the clean-up. A total of \$850 was spent by NHI to improve the property. Some would question why NHI would spend this money on an investor-owned property? The answer to that question is in the outcomes.

## Outcomes

This property was a problem. Residents felt it negatively impacted their street. It was the most poorly maintained property on the street. No matter what success NHI was having on this block, if conditions did not improve with this property, residents would never feel truly proud of their block. Also, the property owner was willing to participate and help out when not confronted aggressively.

The outcomes justified this investment. Residents worked together proactively to create change and address an issue. The out-of-town owner was willing to do his share and worked side-by-side with the residents. The worst property on the block became clean and well-maintained. The residents experienced accomplishment and pride. The out-of-town owner became part of the community and saw how his actions impact the quality of life on this block. The true value of this project is not measurable in dollars, but if it were, the value without a doubt would exceed the \$850 spent.

It turned out that the owner of the property owned another property in NHI's South End Rising Star Block. With some advice and encouragement from the Outreach Coordinator, the owner was convinced to invest some of his own time, effort, and money to address some small issues with that property, and he did.

## **Case Study IV: Ridgefield Street Pride Block – Landscaping**

### **Background**

The Ridgefield Street Pride Block is located in Hartford's Blue Hills neighborhood alongside Keney Park, an historic urban park designed by renowned Hartford native Fredrick Law Olmsted. Ridgefield Street is a long road with large, historic, turn-of-the-century homes gracing one side of the street and the park on the other side. Most of the homes were well maintained, while a few were in poor condition and in great need of improvements. A significant issue on the block was poorly maintained lawns and landscaping. Many of the properties had overgrown bushes and sloping front yards that had large areas missing grass and vegetation. In addition the tree belt or snow shelf (the area between the sidewalk and street) was mostly dirt from winter sanding and salting of the street.

### **The Project**

A Fresh Eyes walk led by a few residents of the Ridgefield Street Pride Block revealed a need to improve front lawns. NHI's Outreach Coordinator requested help from NHI's consulting architect Kathy Dorgan to assist in developing a strategy for Ridgefield Street. NHI staff, Dorgan, and residents walked the block, identified issues, and held a number of meetings to develop a strategy for improved landscaping and lawn care. A twelve-page report, including planting lists, was provided for the block. NHI and residents would use this plan as a guide for block projects.

In the Summer of 2006 residents proposed and implemented a landscaping and lawn care workshop. One of the properties most in need was identified to be targeted with this workshop. NHI worked with a local garden center to get a reduced rate on planting materials and asked the garden center to provide its master gardener to educate and guide residents through the process of improving the property. A date was set, and the residents of the block received a flyer announcing the event and requesting their participation.

On the day of the event, approximately 15 residents turned out to learn about landscaping and to work on this property. The master gardener educated residents on the basics of landscape planning, plant selections, planting, and maintenance. Over the course of this all-day event, the front lawn of the house was transformed into a beautifully landscaped lawn, with many flower beds. As always with NHI events, the residents ended the day with pizza and soft drinks to celebrate their accomplishments and socialize.

### **Outcomes**

There were many positive outcomes for this event. The first was to improve the appearance and curb appeal of the block, and more specifically, the targeted property. However, the \$1,600 cost of the planting materials could not be easily justified for this one outcome. That is why the project was planned as an educational workshop. The workshop format allowed NHI to enlist residents to help work on the property and at the same time provide them with some general knowledge of landscaping and lawn care techniques. Thus, not only was the property improved, but 15 residents of the Ridgefield Street Pride Block gained the knowledge and confidence to take on some landscaping and lawn care projects on their own properties. The Ridgefield Street Pride Block's appearance continued to improve as residents increasingly improved and maintained their yards.

## **Case Study V: Historic West End Rising Star – It’s All About Image**

### **Background**

Hartford’s West End Neighborhood is probably the most stable neighborhood in the city, and it has the highest property values. However, the southern portion of the neighborhood, known as the South West Sector, has a larger number of two, three and multi-family properties and is not as stable as the northern area. While the properties are large Victorian era homes, years of deferred maintenance has depreciated their value. Most properties are well maintained, but many need updating.

The residents in this neighborhood are well organized. Even before NHI arrived, there were many resident leaders here. The neighborhood had the potential to attract homeowners and investment. However, the neighborhood needed more help and care.

### **The Project**

The West End in general already has a strong, positive image, so the strategy was to build off of this asset and focus energy into further improving the image of just one weaker section of the neighborhood. Therefore, three simple projects were completed in the first year of the program primarily to address image. The first was the installation of decorative street signs to create a unique identity for these blocks. (Such signs were later added to all NHI target areas.) The second was to install a welcome sign at a busy intersection at the city border with West Hartford. The sign is well designed and reads, “Welcome to the Historic West End, Hartford, CT.” And the third project was to install fifteen pole banners along Farmington Avenue, a main artery that leads from West Hartford into Downtown Hartford. Farmington Avenue is a commercial street which has greatly improved in recent years due to the addition of a number of restaurants and cafes. Since the street attracts many people from around the city and the region, and since the Rising Star streets intersect with Farmington Avenue, one banner displays a picture of a Victorian house on one side and reads, “The Historic West End a Rising Star Community.” Another banner promotes the Hartford Image Project and reads, “Hartford, New England’s Rising Star” with “The Neighborhoods of Hartford, Inc.” at the bottom.

Similar banners exist throughout the Downtown area and along other main arteries. However, there had never been any along this section of Farmington Avenue. The banners were an instant hit, and NHI received many positive comments about them within days of their being installed.

### **Outcomes**

The outcomes here are simple. The street signs, welcome sign, and pole banners have enhanced the image of this area. They attract attention and focus on the neighborhood’s greatest asset, its historic homes and character. The pole banners added a connectiveness to a commercial strip that was already turning around and created more excitement about the area.

## **Case Study VI: Tower on the Green Rising Star Block – Roof and Bathroom Remodeling**

### **Background**

Michelle McFarland was a young new homeowner in the Tower on the Green Rising Star Block neighborhood when the NHI program started. She had purchased a small ranch house on a corner lot. She worked for the Hartford Public Library, was active in her community and neighborhood, and was very interested in the NHI program. McFarland's home was well maintained but needed some typical maintenance and upgrades. The most notable issue was her roof. It was well past its life expectancy and needed to be replaced. In addition, McFarland also had an out-dated bathroom that had suffered water damage from a leaky shower.

### **The Project and Loan**

McFarland was the third applicant for the NHI loan program and became the recipient of the first loan that NHI closed. Once her completed application was reviewed and she had pre-qualified for a loan, NHI scheduled a meeting at her property with the construction specialist. The construction specialist met with McFarland and conducted an inspection of her roof to determine what was needed to properly replace it. The construction specialist also inspected and discussed options to repair and refinish the bathroom.

After the inspections were complete, the construction specialist drafted detailed specifications for both the roof and bathroom repair. The specifications were provided by NHI to McFarland in the form of a bid document that allowed her to seek bids from three licensed and qualified contractors to perform the work. Once the bids were received NHI assisted in reviewing them to make sure they complied with the specifications and the quotes were reasonable. (NHI has never enforced a low-bidder policy and allows the homeowner to pick the contractor that the owner feels most comfortable with, provided the bids comply with the specifications and the total amount is reasonable.)

Once the contractor was selected, NHI, along with CHIF, scheduled the loan closing. When the loan was closed, NHI provided McFarland with a construction packet that guided her through the process and provided all the forms needed including a contract for the project. NHI then scheduled a pre-construction meeting with McFarland and the contractor to discuss the project, expectations and responsibilities, and to sign the contract. The pre-construction meeting was a valuable tool for both McFarland and the contractor. They both appreciated that the project specifications, details, contract, and all other associated items were discussed and both parties knew what was expected of them. Also, McFarland was happy that NHI prepared a contract in accordance with the specifications. She felt much more confident about her investment and felt protected. Interestingly, NHI also found that the contractor appreciated the contract as much as the homeowner. Many contractors are small business owners who don't always have the time or skills to develop professional quality contracts. Many just have the owner sign the bottom of their proposal form and execute the proposal as a contract for services. Contractors felt protected by the contract and felt confident after the pre-construction meeting that there would be no dispute at the end of the project over what had been agreed upon.

Once construction work began, NHI provided regular inspections of the work and progress of the project. (Contractors often performed better work knowing that a qualified professional was overseeing the process.) These inspections also monitored progress payments and ensured that lien waivers were provided and signed by the contractor.

### **The Outcomes**

The outcomes specific to McFarland's loan and project were precisely what NHI wanted to achieve. McFarland was a young, new homeowner who was capable of investing in her home. She purchased the home, got involved in the neighborhood, and updated her home. She sent a strong message to the long-term and mostly older residents in the neighborhood who have endured many years of decline and stagnation that the neighborhood is still a desirable place to live. As a young professional, McFarland could afford not only to buy the home, but also to improve the home. She has since married and is raising her family in her newly upgraded home. She is committed to the neighborhood and will most likely live there for many years.

In a place like the Tower on the Green Rising Star Block where the homeowners are mostly older, it is critical for the neighborhood to be able to attract new homeowners. Without new, young residents like McFarland, this neighborhood could decline further, creating more disinvestment in Hartford, a city struggling for investment. An important distinction is that McFarland and her family have the means to buy a home in the suburbs of Hartford, but they have chosen to remain in Hartford. McFarland and her family send a strong message to the neighborhood and the market that both Hartford and her specific neighborhood are good places to live and to invest.

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## CHAPTER THIRTEEN

### CREATING CHANGE AND SUCCESS WITH THE HEALTHY NEIGHBORHOODS STRATEGY

*This chapter demonstrates how NHI's Healthy Neighborhoods strategy has created significant change in the NHI target areas and explains how improvement and success are measured when using a Healthy Neighborhoods approach to neighborhood reinvestment. The chapter discusses all three NHI program areas, outcomes, outputs, and real estate market data.*

David Boehlke and Charles Buki often point out the difference between outputs and outcomes. An output is a number or numerical goal. It is how most conventional community development programs measure success. For example, a CDC may count the number of new housing units produced in a year. Or it may count the number of low-income families provided housing in a year. Other community development programs may count the individuals that completed first-time homebuyer education classes. Or they may count the number of loans for property rehab or the total dollars loaned for rehab as measures of success. In the case of Hartford, the city may count the number of new homeowners as the city attempts to increase homeownership from 25 percent to 30 percent. However, counting outputs tells only part of the story. Outputs show that activity is occurring. They show housing units are being produced or first time homebuyers have completed education courses. They don't tell us if the neighborhoods are improving.

W. Edwards Deming stated that, "You can't run a business on visible figures alone. That unknown or unknowable numbers; a satisfied customer or unsatisfied customer can't be measured." (Deming, *The New Economics*, 1993) He also stated, "A numerical goal accomplishes nothing. Only the method is important, not the goal." (Deming, *The New Economics*, 1993) These teachings of Deming are similar to and demonstrate why Boehlke and Buki are insistent on not only measuring outputs (counting numbers) but *also* measuring outcomes. Outcomes refer to the qualities of the neighborhood once it is judged to be healthy. Outcomes are improvements in the quality of housing, neighborliness, property maintenance, resident confidence, the real estate market, and investment. While some qualities, such as real estate market figures, can easily be measured, others such as resident confidence and neighborliness cannot. Nevertheless, resident confidence and neighborliness are just as

important, and may be more important, than the number of loans made or properties improved.

Measuring outputs can also sometimes measure the wrong thing and create a situation in which a program or strategy that is believed to be beneficial to residents or a neighborhood could miss its intended goal or undermine the desired outcome. A good example of this is a program in Hartford run by the city called House Hartford. House Hartford is a down-payment assistance program that offers first time homebuyers up to \$15,000 toward down payments on a home and is available citywide. The program is intended to increase homeownership in the city and is promoted as a great success with over 700 homes purchased through this program.

House Hartford has provided 700 families the opportunity to buy homes who without the assistance of the program could not afford to by a home. By measuring the 700 new homeowners in a program intended to increase homeownership, no one could argue that the program is not a success in terms of the outputs. However, looking more closely at the program, we begin to see that maybe measuring the output does not tell the whole story.

The well intended \$15,000 provided to the homebuyer looks like it helps families buy homes. However, the \$15,000 down payment assistance mostly protects the lender by providing a \$15,000 cushion on a mortgage in what is most likely a weak market neighborhood, on a loan to a low or moderate income family that is probably a greater credit risk. Moreover, the \$15,000 grant helps the buyer move to better house in a more desired neighborhood. This doesn't help the weakest neighborhoods attract and retain solid households. Instead buyers will continue to purchase at the top of their affordability and have little or no resources for repairs or upgrades on their new home. None of these impacts are captured in the output number. Measuring the output only tells us that there are 700 new homeowners.

What if the House Hartford program were restructured with the desired outcome of creating investment and improving specific targeted neighborhoods? Homebuyers could still be provided with the same \$15,000, but only \$5,000 of the \$15,000 could be used toward the down payment. The remaining \$10,000 would be provided for investment in the property within the first four months of ownership so the new owner could replace the roof, install new windows, or perform other needed visible upgrades. The city would still achieve its goal of homeownership, provide new homeowners with greater means to improve the property, and create investment in both the housing stock and neighborhoods. This in turn, would still protect the lenders while reinforcing confidence by the newest residents investing in their home and neighborhood. These are all desired outcomes.

Measuring for outcomes tells us a neighborhood is improving. Attracting larger numbers of homeowners to targeted neighborhoods and encouraging both homeownership and investment in the housing stock would create more stable neighborhoods with improving housing stocks and more confident existing and incoming neighbors.

This is not to say the outputs are not useful. They are. However, outputs should not be the sole measure of success for creating healthy neighborhoods of choice. NHI tracks and monitors outputs. They include number of loans, value of loans, numbers of events, properties improved, and residents engaged and participating in the program. These outputs are used to measure NHI's organizational management and performance and give NHI an indicator as to what is occurring in the target area neighborhoods. However, these outputs do not prove to

NHI that a neighborhood is improving. The following is summary of overall outputs for the NHI program related to target area meetings, neighborhood events, resident participation, projects, and properties impacted by our projects.

**Table 17  
NHI Outputs - Total Events and Resident Participation**

<b>Activity</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>Total 04-07</b>
Resident/Community Meetings	183	94	104	57	438
Rising Star/Pride Block Events	41	51	68	43	203
RS/PB Events – Resident Participants	540	610	763	590	2503
Exterior Physical Improvement Projects in Homes	280	543	368	330	1521
Community Activities/Events – Homes Impacted	638	684	502	530	2354
Exterior Physical Improvement Projects in Homes and Community Activities/Events – Homes Impacted	918	1227	1180	741	4066
<b>Total Residents Participating</b>	<b>1000</b>	<b>2001</b>	<b>1407</b>	<b>1108</b>	<b>4408</b>

*Numbers may include repeat residents and properties. 2007 numbers decline due to limited resources.*

The most notable aspect of these figures is the number of individual properties impacted and total number of residents participating in NHI’s programs. The NHI target areas include a total of 1,650 properties, totaling 3,259 housing units, and approximately 8,400 residents. While the numbers above for homes impacted and total resident participants include homes and residents that are counted more than once for a number of projects or events, the totals are still impressive. NHI estimates that over 65 percent of the properties within the target areas have completed a property maintenance improvement project as part of the NHI program.

While NHI does not use these figures to measure success related to improving the target area neighborhoods, the numbers do demonstrate NHI’s ability to engage and organize residents. Conventional community organizing has focused around *issues* and rallying residents around a common cause in the neighborhoods, most often a drug house or an abandoned building. In Hartford, as in many places, this has been the most common form of community organizing. However, the Healthy Neighborhoods approach allowed NHI to organize residents around neighborhood assets, with the aim of creating neighborly relationships and a neighborly environment. NHI’s organizing does not focus on problems and did not encourage residents to use protests or complaints to city officials to attract services to their neighborhood.

The numbers in the table above clearly demonstrate that NHI has effectively engaged and organized residents and neighborhoods. Participation in NHI neighborhood meetings, events, and programs continued to grow over time, and NHI’s Outreach Coordinators developed personal relationships with close to 1,000 households. Moreover NHI accomplished this in less than four years. So while outputs should not be used to measure the success or improvement of a neighborhood, they *are* valuable and do serve a role in assessing the organization management objectives and implementation of programs.

Using the Healthy Neighborhoods approach to determine what is working and what is not working helps to identify strengths (assets) and weaknesses (liabilities). Based on the strengths and weaknesses of a neighborhood, reasonable and achievable outcomes can be

developed. Then strategies are developed and implemented to achieve those specific outcomes. Therefore, with a Healthy Neighborhoods approach we measure for outcomes. Is the neighborhood image improving? Is the real estate market improving? Are the physical conditions of public spaces and private homes improving? Are residents more engaged and participating in the community? Do more residents know their neighbors? Are neighbors better equipped to deal with threats to the neighborhood? This is how NHI measures neighborhood improvement and success, rather than just counting the number of loans or total dollars invested in loans.

To best understand how NHI measure for outcomes, let's revisit what a healthy neighborhood is and the general outcomes associated with image, market, physical conditions, and neighborhood management in the context of a healthy neighborhood.

A healthy neighborhood is a place where:

- It makes economic sense for people to invest time, energy, and money,
- Where neighbors have the capacity to successfully manage the day-to-day issues in the neighborhood, and
- Where neighbors feel confident in their investment and in the future of the neighborhood.

This definition of a healthy neighborhood is at the heart of the Healthy Neighborhoods approach to community development and neighborhood reinvestment. It suggests that for communities to succeed they must be the kind of places where people choose to live and invest. The neighborhoods must be places where people are proud to tell their family and friends they live, where they believe their investment in housing will grow in value, and where they are comfortable enough with their neighbors to participate in the community.

In the community development profession there is often an assumption that a significant amount of public investment in a neighborhood can create a healthy neighborhood. For example, it is assumed that a public infrastructure streetscape improvement project (new sidewalks, street lights, gateway signs, etc.) will change the neighborhood and improve the market. Unfortunately, creating change in neighborhoods is not that simple. If the people who live in a neighborhood are not taking care of their properties, if new residents are not moving into the neighborhood when older residents leave, and if people are not participating in the life of the community, no amount of public investment will sufficiently improve or save a neighborhood. Unfortunately, public infrastructure projects are continually billed as community development projects, but too often the result is that there is little actual improvement to the neighborhood.

### **Achieving Success: NHI's Healthy Neighborhoods Outcomes**

Outcome benchmarks describe how a neighborhood would look and behave when it is a healthy neighborhood. NHI's reinvestment strategies seek to create healthy neighborhoods that are achieving outcomes in the four key areas: image, market, physical conditions, and neighborhood management. The following section provides NHI's desired outcomes for each of the four key areas, a bulleted assessment of the changes that have occurred in the areas, and those indications that NHI's target areas are moving toward and achieving the desired outcomes. Each of the outcome areas will be followed by a short discussion supporting the

bulleted statement. Following the summary of the four outcome areas and NHI's assessment of success in each outcome area, the remainder of the chapter will provide a detailed account of NHI's continued assessment of the real estate market and the data to demonstrate how the target area markets improved due to the NHI strategies.

**Image:** The neighborhood will have a positive image that attracts investment – from homebuyers, homeowners, and government. People will be confident in the neighborhood's future.

**NHI Achieving Image Outcomes:**

- Property maintenance and appearance are improving.
- People outside target areas notice changes.
- People outside ask how their neighborhoods become Pride Blocks.
- Neighbors take on property maintenance projects on their own.
- Real estate property listings reference Rising Star or Pride Block designations or NHI target area names.

In Hartford, anyone who lives in or is familiar with the target areas can see the improvements and changes occurring. Approximately half of the 1,600 properties in the target areas have performed one or more property improvement projects. These projects may range from something as simple as painting the front porch or installing a new front porch light fixture to larger improvements that include removing rusted chain link fences to new front yard landscaping and gardens. More important, when you drive through these areas you regularly see residents in their yard watering flowers, cutting the grass, edging sidewalks, and talking with neighbors. These are property maintenance behaviors that were not consistently occurring before NHI's program was implemented.

NHI regularly received phone calls from city residents outside of the target areas who happened to pass through or visit a friend or relative in one of the target areas. Many callers commented on how good the blocks look and they wanted to know more about the program and how they could get their neighborhood or block designated as an NHI target area. While many of the NHI target areas exist within larger more distressed neighborhoods that have negative images within the greater market, NHI often observed real estate listings that referenced the Rising Star Blocks or Pride Blocks. A recent listing specifically noted the property being in the Tower on the Green Neighborhood.

Individually each of these changes or activities may seem insignificant. However, collectively they are a clear sign that the image of these target areas, internally for residents and externally to the greater market, is improving.

**Market:** The residential real estate market will reflect confidence. The neighborhood will make economic sense for key investors because property values will be steadily increasing. This will enable homeowners, homebuyers, and landlords to invest, make improvements, and build assets. It will also enable local government to see the property value base stabilize. At the same time, the neighborhood will offer housing options for, and be attractive to, a variety of income groups. It will help neighbors who want to stay, invest, and benefit from reinvestment.

### **NHI Achieving Market Outcomes:**

- Neighbors feel confident about their neighborhoods,
- Property values have stopped declining and are rising,
- Properties sell above the city median sales price for similar properties,
- Some properties sell at or above asking price,
- The average days on the market is below 60 days, the typical number in the greater regional market,
- Once blighted or poorly maintained properties have been improved,
- Considerable private investment is made in maintenance/rehab,
- There is no loss of owner-occupied units to investors; rather there is a gain in owner-occupied units.

NHI continually evaluated and tracked the real estate market within the target areas and the city as a whole since the start of the program. During this time NHI noted significant changes in the market within these target areas. Once vacant properties were rehabbed and became occupied. The real estate market is active, with properties spending fewer days on the market and selling at or above listing price. Furthermore, residents regularly told NHI staff that they are so pleased with their homes, their block, and their neighborhoods that they plan to stay, which reduces the churning of properties and the likelihood of investor purchases of homeowner properties.

**Physical Conditions:** Physical conditions (public or private spaces) will reflect pride of ownership and a high standard of maintenance. Public infrastructure will be maintained and improved to a standard similar to neighborhoods currently viewed as better.

### **NHI Achieving Physical Conditions Outcomes:**

- Property maintenance is improving,
- Blighted or negative conditions are decreasing,
- Public infrastructure is improving,
- Housing stock is better maintained,
- The “Curb Appeal” of blocks has improved.

The investment in both public and private property increased greatly and significantly improved the physical conditions of NHI’s target areas. As mentioned above under neighborhood image, the overall maintenance and appearance of homes improved greatly. Yards are well maintained, landscaping has been upgraded, negative conditions like rusted chain link fences have been removed, and residents are regularly maintaining their properties. The NHI home improvement loan fund seeded investment in the target areas with 36 properties improved with NHI loans or CHIF loans. NHI also noted that an additional 80 properties completed large scale home improvement projects through private funds.

NHI also worked closely with the city of Hartford to improve and increase investment in public spaces and public infrastructure. The city completed pavement resurfacing on 12

streets in the NHI target areas and installed traffic calming devices in all of the Rising Star clusters. NHI has also utilized CDBG funds and cost sharing agreements with property owners to replace deteriorated sidewalks, including traditional blue stone sidewalks in the Historic West End Rising Star Cluster.

One project clearly demonstrates the success of NHI to improve the physical conditions of both public and private spaces. This is a gardening project which developed and evolved in the Historic West End cluster. A number of residents in the Historic West End had an interest in gardening, and residents had significant gardens in their own yards. West Boulevard, a conventional road with a large center median in the West End, had very little character or appeal since the median contained just grass. The residents wanted to transform this four block long median into a community flower garden. NHI secured permission from the city to allow the residents to create flower gardens at the end of each median island where street intersection cutouts exist. Over two years residents created impressive flower gardens at each of the breaks in the median.

The same residents, interested in promoting public art, also felt the median strip would be a great place to install sculptures. NHI worked with the residents to create and publish a request for proposals for artists to donate sculptures with NHI willing to pay for the material needed to create the sculpture. A half-dozen proposals were received from local artists and a local college. NHI worked with the city to secure permission to have a number of sculptures installed along the West Boulevard median. This project demonstrates the improvement of physical conditions in the neighborhood and the commitment of residents to improve their neighborhoods by looking beyond their own properties to improve public spaces.

**Neighborhood Management:** Collective actions by residents and institutions will ensure that the neighborhood will compete well with other neighborhoods for resources. Residents will have the capacity to manage the day-to-day activities on their blocks. Neighbors will feel comfortable being “neighborly” – looking out for each other, getting together to work on problems, and taking action to reinforce positive standards and actions. Neighbors will feel safe in the neighborhood.

**NHI Achieving Neighborhood Management:**

- Civic and community engagement has increased,
- Many more residents know their neighbors,
- Neighborly relationships are strong,
- Neighbors are proactive, not reactive about neighborhood issues,
- There is a significant decrease in complaints about neighborhoods,
- Resident relationships extend across neighborhoods.

Creating change in a neighborhood is not something that can be achieved solely by government agencies and non-profit organizations. Neighborhood change needs to have buy-in and be driven by community residents. While conventional neighborhood organizing is based on issues, problems, and advocacy, both the Healthy Neighborhoods approach and NHI’s community organizing focus on building neighborly relationships and getting residents to become actively engaged in their neighborhood.

Through the NHI neighborhood programs, NHI engaged about 1,200 households and had over 4,200 people participate in neighborhood meetings and events. The majority of residents on many NHI blocks now know each other, interact, and actively participate in block events and activities. NHI fostered and built relationships and encouraged resident leaders to continue to strengthen the social fabric of the neighborhood.

The Ashley Street Pride Block is a good example of creating a neighborly place in which to live. Residents of Ashley Street have taken it upon themselves to organize regular social events on the block. These have included pizza parties, cocktail and wine parties, holiday celebrations, open house days, and a walking tour for outsiders to visit the block and to take guided tours that educate the visitors on the block's history and architecture. The residents of Ashley Street spent many years organized only as a block watch, which continually fought issues of drug dealing and prostitution. Now there are many new homeowners and engaged neighbors who know and look out for one another, are visible in their yards, and function as a community. As a result, the drug dealing and prostitution have declined dramatically. Ashley Street neighbors now manage, both the opportunities and threats that arise on their blocks.

### **Real Estate Market Analysis**

The most important outcome of a Healthy Neighborhoods strategy is to improve the real estate market within the target neighborhood. Improving the real estate market includes increasing the value of properties and creating an active market in which properties for sale turn over in a reasonable amount of time. The challenge is to create demand where there is little or no demand. Therefore, to determine if the real estate market is improving, it is important to track and analyze sales data within the target areas. Since NHI's Healthy Neighborhoods strategy was a new approach in Hartford and one that the funding community and other stakeholders were unsure of, it was critical from the start of the NHI program to not only show that property values were increasing, but to show that they were increasing more than the natural increase occurring in the market. Another reason why NHI needed to track the real estate market was for the loan program. NHI's loan program did not require real estate property appraisals of applicant properties to determine market value of the property. Therefore, NHI needed to have a firm understanding and knowledge of what was going on in the market.

In addition to tracking the value of properties within the target areas, NHI also tracked sales data and values for all 1-, 2-, and 3-family properties within Hartford. This was done to provide a comparison in property value increases among the target areas and the city as a whole. NHI also monitored regional real estate market data and the median sales value in a few suburban communities that have neighborhoods that could compete for residents from the NHI target areas.

Liz Teare, a real estate agent for William Revais Real Estate, provided NHI with all listings and sales for 1-, 2-, and 3-family homes in Hartford for 2003, 2004, 2005, and 2006. Two of the comprehensive analyses of the data that were conducted are used here to demonstrate how NHI tracked real estate values and the improving real estate market in the target areas. The first analysis was in August 2005 and the second was in February 2006. It should be noted that around the year 2000 the real estate market in the Greater Hartford region

markedly improved and by the 2002 the overall market was very strong. The Greater Hartford market remained strong until 2005 and began to slow a bit in early 2006. By the summer of 2006 the overall market had slowed down significantly.

With only 1,650 properties within the NHI target areas, real estate activity in these areas was limited at times in specific neighborhoods. This made it nearly impossible to provide statistically sound findings. In addition, once the market began to slow down in 2006, the number of property sales in the target areas became quite limited. NHI continued to monitor all property sales in the target areas as well as citywide data for 2006, but no comparative analysis was conducted due to the limited sales data.

In August 2005 NHI conducted its first analysis of Hartford's 1-, 2-, and 3-family residential real estate market and more specifically, the residential real estate market within the NHI Rising Star Block and Pride Block areas. The analysis included all property sales between January 1, 2003 and July 31, 2005. An identical analysis was conducted in February 2006 and included the sales of all 1-, 2-, & 3-family residential properties between August 1, 2005 and December 31, 2005. The following is a summary of findings in the two real estate market analyses completed by NHI.

In August 2005 the market within the NHI target areas was active and strong. However, based on the limited sales in the target areas between January 2003 and July 2005, it was difficult to find comparable properties across years to determine if there was a greater increase in property values in the target areas versus in the city as a whole.

As a result, NHI selected some market indicators to use for comparisons between the NHI target areas and the city as a whole. The intent was to determine if property values were increasing in the target areas at a rate equal to or greater than in the city as a whole. What appeared to be the best indicator for comparison was median sales price. By using median sales price NHI could see if properties in the target areas were selling above or below the city median sales price.

The same procedure was done for the period of August 1, 2005 to December 31, 2005. To complete this comparison NHI used the median sales price figures from the Capitol Region Council of Governments' (the regional planning agency) Housing Market Sales Data Reports for the Hartford residential median sales price. Based on this data the median sales price was calculated for properties, by type, within the NHI target areas and compared to the median sales price for the city of Hartford.

The following is a summary of the real estate market in Hartford between January 2003 and December 2005:

- Hartford's real estate market appears to have been both strong and active. Single family properties were the most active, and total sales for 2 and 3-family properties seemed to have declined a bit in 2005. Sales values were still increasing and days on the market were low for well maintained properties. The condo market was also very strong and the sales value of condo properties in all neighborhoods was up. New condo sales were also strong and values were quite high.
- From January of 2003 through July of 2005 single family home median sales prices in Hartford increased from \$126,000 to \$150,000, a total increase of 16%.

- During the same time period (January 2003 to July 2005) the residential condo median sales price in Hartford increased from \$50,000 to \$77,500, a total increase of 55%.

The following is a summary of real estate conditions from August 1, 2005 to December 31, 2005 in the NHI Rising Star Block and Pride Block areas:

- As of August 2005 it appeared that the residential real estate market in the target areas had peaked in 2004. However, 2005 finished quite strong and the target area real estate markets did not peak. It should be noted, however, that the volume of sales for 2 and 3-family homes did slow down and may have peaked in 2004.
- Days on the market in the target areas for 2003, 2004, and 2005 ranged from 1 to 162.
- Days on the market from 2003 through July 2005 averaged around 60. However, the average days on the market for the second half of 2005 dropped to 35 days.
- A significant number of single family properties in the NHI target areas sold at or above asking price.
- As of August 2005 property values in the NHI target areas had increased from 2003 to 2005, as did the values for all properties in the city. A detailed review of the second half of 2005 demonstrated that property values have further increased in NHI target areas and appeared stronger than the citywide values.

The following table provides a summary of total sales by area, by year, and by style of property. The 2005 numbers are shown split by a dash. This is to indicate the total numbers from January through July (the first analysis) on the left and the total numbers from August through December (the second analysis) on the right. Based on how the data was analyzed, it is not possible to combine the two data sets into one data set for 2005. Furthermore, the data for the second half of 2005 provides a good snapshot of the real estate market one year after NHI began its strategy in the neighborhoods.

**Table 18**  
**Rising Star Areas – Total Residential Real Estate Sales**

Rising Star Areas	Single Family Sales			2 & 3 Family Sales		
	2003	2004	2005	2003	2004	2005
Tower on the Green	7	4	1-2	2	3	2-4
Behind the Rocks	33	18	16-4	0	0	0-0
South End	5	5	0-1	25	27	16-5
West End	7	4	3-5	5	4	1-1
Blue Hills	6	18	7-6	3	1	1-1
<b>Total</b>	<b>58</b>	<b>49</b>	<b>27-18 = 45</b>	<b>35</b>	<b>35</b>	<b>20-11 = 31</b>

The following table provides a summary of average sales price by area, by year, and by style of property. Column 2005-A refers to January through July and 2005-B refers to August through December.

**Table 19**  
**Residential Real Estate Average Sales Price**

Rising Star Areas	Single Family Sales Price				2 & 3 Family Sales Price			
	2003	2004	2005-A	2005-B	2003	2004	2005-A	2005-B
Tower on the Green	\$100,000	\$104,213	\$98,286	\$143,900	\$89,000	\$160,000	\$182,000	---
Behind the Rocks	\$121,000	\$110,623	\$147,846	\$118,500	---	---	---	---
South End	\$123,420	\$144,360	---	\$152,000	\$166,889	\$221,467	\$246,156	\$289,900
West End	\$206,200	\$246,750	\$249,900	\$299,580	\$193,933	\$201,143	\$320,000	---
Blue Hills	143,233	\$128,587	---	\$161,966	\$190,671	\$210,000	\$219,000	---
Rising Star Average Sales Price	\$138,770	\$146,906	\$165,344	\$175,189	\$160,123	\$198,152	\$241,789	\$289,900
<b>Hartford Median Sales Price</b>	<b>\$128,750</b>	<b>\$139,950</b>	<b>\$150,000</b>		<b>\$149,950</b>	<b>\$165,000</b>	<b>\$194,500</b>	
Capitol Region Median Sales	\$203,000	\$220,000	\$242,000		\$149,225	\$172,500	\$198,125	

2005-A is January – July and 2005-B is August – December. Some of the above data fields for the average sale price are based only one or two properties. Therefore, this data is not considered a statistically accurate sample of all properties within a target area. Size and condition of properties have been found to significantly impact value. The Hartford and Capitol Region Median Sales Price values are from CRCOG and calculated on sales data between July 1, 2004 and June 30, 2005. Note that the average sales price has increased in all of the target areas for each year.

**The Rising Star Areas – August 2005 to December 2005 Findings**

The following is a summary of findings for the second half of 2005:

- There were a total of 18 single family homes sold in the second half of 2005. The prices ranged from a low of \$85,000 in the Behind the Rocks Rising Star Block to a high of \$415,000 in the West End Rising Star Block. The average sales price was \$173,422 and the median sales price was \$157,000.
- There were a total 11 two and three family homes sold in the second half of 2005. The prices ranged from a low of \$174,000 in the Tower on the Green Rising Star Block to a high of \$289,900 in the South End Rising Star Block. The average sales price was \$231,194 and the median sales price was \$240,000.
- The Hartford single family median sales value from August 2004 through July of 2005 was \$155,000 (CRCOG). Nine properties (50%) in the target areas sold above the median sales value, seven sold below, and two sold at the median value. The Hartford two and three family median sales value from August 2004 through July of 2005 was \$194,500 (CRCOG). Nine properties (81%) in the NHI target areas sold above the median sales value and two sold below the median value. The number or percent of properties within the NHI target areas that have sold above the median sales value is the best evidence that properties in the NHI targeted areas increased in value and that the target area markets appear to be stronger than those in most of Hartford’s neighborhoods.

- The average days on the market from January 2003 through July 2005 for properties within the NHI target areas was 60 days for single family homes. During the second half of 2005 the average days on the market in the NHI target areas was 35 days for single family homes and 48 days for two and three-family homes. This indicates an improving, strong, and active real estate market within the NHI target areas.
- Four single family properties in the second half of 2005 sold at the listing price and four single family properties sold above the listing price. Sales above the listing price is a strong indicator of an active single family housing market in the NHI target areas.
- Fifty percent of the single family sales and 81% of the two and three family sales in the NHI target areas sold at or above the city median value. Remember, Boehlke and Buki made the assumption in selecting the NHI target areas: “Blocks and clusters of blocks experiencing relative *falling rates of property value appreciation compared to the city median* are not able to compete successfully for households that choose to live and/or invest elsewhere.” The NHI target areas prior to the start of the program had stagnant or declining property values. By the end of 2005, property values in the NHI target areas values were rising and many properties were selling at or above the city median.
- The originally selected blocks were in relatively good condition but had stagnant or depreciating values and were becoming less competitive. NHI could now demonstrate that the Healthy Neighborhoods strategy had reversed the trend of stagnant or depreciating property value. Moreover the strategy added value to the NHI target area properties. Based on the sales data provided above, NHI estimated that the Healthy Neighborhoods strategy had added approximately 5% in value to the NHI target area properties. *Using the city median sales price of \$150,000 and multiplying it by a 5% increase in the target areas, that equals \$7,500 per property. With a total of 1,650 properties within the NHI target areas and a \$7,500 increase in value per property, that equals to \$12,375,000 total increase in property value in NHI target areas. This is a boon for property owners in previously undervalued neighborhoods and it provides a stronger future tax base for the City.*

## Conclusion

The aim of the Healthy Neighborhoods approach to community development and neighborhood reinvestment is to improve neighborhoods. It strives to create active real estate markets so that these once weak market neighborhoods can compete in the greater housing market and attract both residents and investment. The measure of success is whether the neighborhood is improving, not how many projects were completed or homes were built and sold. This is why Healthy Neighborhoods measures for outcomes, not outputs.

NHI's Healthy Neighborhoods strategy was clearly succeeding at achieving its neighborhood outcomes. Once stagnant and declining neighborhoods that struggled to compete for residents, resources, and investment began showing improvement. They became active markets with committed and engaged residents who are confident in the future and proud of their homes and blocks. The residents are neighborly, take pride in maintaining their properties, and invest in their homes. The real estate market was improving, values were

increasing, and properties were no longer lingering on the market for months. Increasing property values creates equity to fund further investment, and equity creates wealth, which is especially important for lower-income households. NHI's Rising Star Block and Pride Block neighborhoods were becoming healthy neighborhoods.

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## CHAPTER FOURTEEN

### LESSONS LEARNED IMPLEMENTING THE HEALTHY NEIGHBORHOODS STRATEGY

*This chapter describes the issues and obstacles that NHI encountered in the development and implementation of the Healthy Neighborhoods strategy and program. It provides an honest perspective on these issues and the lessons learned throughout the implementation of this program.*

#### LESSONS LEARNED

Creating a new non-profit organization, getting it staffed, funded, and operational while implementing a new strategy for neighborhood reinvestment at the same time is a challenging task. Over the first several years of initial programming, NHI's organizers learned many important lessons about implementing a Healthy Neighborhoods program and strategy. While NHI organizers continue to be confident of the Healthy Neighborhoods approach to neighborhood reinvestment, they now realized that getting the program operational and performing well is a long and difficult task. The following pages of this chapter discuss the lessons (good and bad) learned by NHI.

#### Program Methodology & Implementation

The first challenge that NHI faced in implementing its Healthy Neighborhoods strategy was getting the buy-in of key stakeholders in the community. In Hartford, the key stakeholders included the city of Hartford, local corporations, national and local foundations, other community and neighborhood organizations, community development corporations, and the residents within the target areas. Each of these groups posed different challenges which often changed over time.

**City of Hartford:** The city of Hartford and the Office of the Mayor were a major catalyst of the program and significant supporters of NHI in the beginning. The Mayor and his Homeownership Task Force were responsible for the creation of NHI and the Healthy Neighborhoods program. The Mayor's political capital played a major role in the early days of NHI, leveraged significant financial support from the local corporations, and was responsible for the \$1 million in CDBG funds that NHI received from the city of Hartford.

However, as time went on it became evident that the Mayor's support for NHI was waning. The Mayor had made a campaign promise to increase homeownership in Hartford from 25 percent to 30 percent in five years. It was this promise that initiated the creation of the

Homeownership Task Force. The Task Force report identified the importance of the strategy to stabilize neighborhoods, retain existing homeowners, and build from those strengths to then attract new homeowners and produce more housing. Healthy Neighborhoods and NHI became the strategy and the organization to implement the strategy.

Once NHI was operational and implementing the strategy, it became evident that the Mayor was still focused on a *housing production* strategy and the need to count new housing units and new homeowners to achieve the promised increase in the percent of owner-occupied housing. NHI was not providing these numerical goals for the Mayor, and his support for NHI diminished.

Another issue that NHI faced related to the Mayor's support was the program's methodical approach to creating change. Hartford's neighborhoods had not declined suddenly. It took decades of economic, social, and cultural change to create these now weak market neighborhoods. Therefore, strategies to bring back neighborhoods could not transform the neighborhoods overnight. It would take years of commitment and significant efforts to stabilize and turn around these weak market neighborhoods. Unfortunately, the targeted and gradual change created by the Healthy Neighborhoods strategy was not creating the quick and flashy changes that many politicians prefer. It was a constant struggle for NHI to keep the city and the Mayor interested, engaged, and somewhat supportive of the NHI strategy and program.

The last aspect of the Mayor's diminished support for NHI is related to his other initiatives. Homeownership was the Mayor's first and only initiative at the time NHI was created. However, since NHI's creation the Mayor announced six additional initiatives. These ambitious programs also required resources, and the Mayor continued to need corporate and foundation support for each. Therefore, the anticipated financial support for NHI was limited due to the need to support additional programs.

Looking back on how NHI came into existence, the Mayor's initial support, and his gradual waning interest begs the question, "Didn't the Mayor understand the NHI program and Healthy Neighborhoods strategy when he signed on to it?" While one cannot know what he was thinking, the most reasonable explanation would be that there was a disconnect between the program that was being proposed and what the Mayor believed he was supporting.

The lesson here is that stakeholders need to understand that a Healthy Neighborhoods strategy is a long-term investment strategy to improve neighborhoods. It takes political will and commitment to target resources and trust in the long-term outcomes of the strategy. Unlike an affordable housing production and rehab development that takes a block of vacant and blighted properties and transforms them into newly renovated homes in less than a year, a Healthy Neighborhoods strategy slowly transforms a weak-market neighborhood over many years into a vibrant, healthy neighborhood. In a society fixated on quick results, the Healthy Neighborhoods strategy will not live up to those immediate expectations. However, as with story of the turtle and hare, slow and steady wins the race. Those considering a Healthy Neighborhoods strategy need to understand this. Healthy Neighborhoods will not provide many new buildings or completely rehabbed blocks in one or two years. However, in five to seven years large neighborhood areas will be healthy and competitive.

## Community Building - Neighborhood Outreach

NHI's neighborhood outreach program has been more successful than anyone involved with NHI's creation ever could have imagined. The enthusiasm and commitment of residents to get involved and to create change in their neighborhoods has exceeded all expectations. Their willingness to invest their time, effort, and money is what has been the foundation of NHI's success. However, that does not mean that it was easy.

The biggest outreach challenge came early on in the implementation of the program with getting the residents to understand and buy into the strategy and programs. Part of this problem was NHI's fault. Looking back now, it seems the program may have been launched prematurely without a concise message and fully developed strategy. In addition, expectations were set too high. This is evident in the fact that NHI was still developing programs and strategies and building the organization as the program was running. NHI was learning Healthy Neighborhoods as it was implementing the approach. This created some frustration for residents, mainly when NHI did not have concrete answers to residents' questions about programs. For example, early on NHI had extensive contract negotiations with the city for CDBG funds to determine how NHI could or could not use them. This prevented NHI from initially informing residents of projects, programs, events, and improvements that could be completed in the neighborhoods, and it further frustrated NHI Outreach Staff.

The lesson learned here is the importance of the front-end planning stage. NHI would have been better off if more time had been spent developing the program and ironing out the details before announcing and launching the program. However, political pressure and the good intentions of those involved to get to work as quickly as possible to improve neighborhoods drove many of the early decisions. As stated before, neighborhoods do not decline overnight, nor do they come back overnight. While the circumstances in Hartford and in the neighborhoods may have appeared desperate, taking an extra few months to better plan the strategy, hire staff, further develop the board, and work out all the specifics of the program before announcing and launching the program, would have created a smoother start-up and initial implementation.

A second challenge for NHI is related to the public announcement of funds that NHI was allocating for neighborhood projects, programs, and events. As part of the announcement of the program, great emphasis was placed on the initial \$50,000 per Rising Star Block and \$10,000 per Pride Block that would be allocated to each area to be used for neighborhood programs, projects, and events. Understandably, many residents became focused on the money and lost sight of the larger program goals. This became such an issue that some residents and neighborhoods divided the total dollars allocated for their target area by the total number of properties in the area and then told NHI that each property should get "x" number of dollars to be used for their own property improvement projects. This was far from the intent of the NHI strategy regarding how the funds could or would be used. In some areas it took NHI months to get residents to stop focusing on the money and to re-focus on the Healthy Neighborhoods strategy.

One lesson learned from the public's misconception regarding funds is to not emphasize the dollar amounts to be spent in the target areas when launching the program. Focus instead on the strategy, the programs, and the outcomes. Also, organizers might consider not mentioning the dollar amounts allocated to specific neighborhoods. Instead, they

could assure the residents that resources will be available to implement and support Healthy Neighborhoods activities. Second, organizers and residents alike should think of the money as neighborhood program budgets, not as neighborhood grants. The dollars allocated to each area should be constructed as a neighborhood programming budget for internal use and management of the program. Dollar amounts should not be announced as grant funds for each area. If there is a need to announce grant funds, organizers could develop an application process or awards programs that blocks or areas can apply for. These funds could be a portion of the total neighborhood program budget.

Related to this focus on the money is helping residents to understand that any investment on a block benefits the whole block. It is important that residents understand that investment in one property benefits all properties. For example, investing a larger amount of time, effort, and money into the four properties on the block that are in the greatest need of property maintenance improvements will have a far greater impact on the block than just dividing the resources and investing equally across all 30 properties on the block. Removing the rusted, falling-down fences and overgrown bushes on those four properties and painting their front porches and window trim can create a new and improved feel to the block as a whole and will benefit the entire block. NHI organizers noted that after observing the effects of targeting specific properties, owners and residents gained an immediate boost in confidence in their neighborhood.

The message that investment in one property benefits all properties needs to be strong and it needs to be conveyed early in the program. This message is also important as it relates to the targeting of resources into specific neighborhoods or blocks. Investment in one block benefits the entire neighborhood. Investment in one neighborhood benefits the entire city. Hosting a number of community education forums early in the program that teach the community about Healthy Neighborhoods, not the specific neighborhood program or strategy, will benefit the program greatly during implementation.

And the last lesson learned regarding the neighborhood programs is that selling the concept of improving “curb appeal” to key stakeholders and residents is not an easy task. In the beginning of the program it was difficult to get residents excited about “curb appeal” projects. However, once one or two projects were completed and the residents saw the difference and felt a sense of accomplishment, they began to embrace the ideas and see the value that these projects have on the character of the neighborhood. NHI found that after only one or two short (two hour) and fun projects, the residents were eager to plan and participate in more projects and more complex undertakings.

An even more difficult task is selling “curb appeal” projects to the politicians and the funding community. From their perspective on the outside looking in, the projects and events sometimes looked unsubstantial, simplistic or like simple beautification projects. Compared to a CDC rehab project of 10 vacant buildings, it is understandable why these small resident-led projects can look insignificant. Funders may view them as “*just* planting flowers.” But those on the outside who did not participate in the projects miss the community building aspects of the program, the social equity, and the relationship building. Residents get to know neighbors, help each other, have fun, and improve the appearance of their properties. Flower planting, sidewalk edging, and landscaping may be common practices in more successful neighborhoods, but in distressed and in-transition neighborhoods, these basic activities vanished from the neighborhoods years ago. The “curb appeal” projects have great social and

market benefits and create confidence and pride for residents. Confidence and pride are the foundation of the decision to invest or not. Once residents feel confident in their neighborhood, their blocks, and their homes, they will invest.

### **Working Together With Community Development Corporations**

Two blocks where NHI experienced great success are the Deerfield Avenue Pride Block and the Ashley Street Pride Block. Both of these blocks already had a community development corporation working at the sites. Prior to the creation of NHI and the Healthy Neighborhoods strategy, the Christian Activities Council (CAC) purchased five blighted homes and three vacant lots on Deerfield Avenue. Just as NHI was starting its program on Deerfield Avenue, CAC had sold the five now renovated homes to first time homebuyers and was preparing to begin construction of new homes on the three vacant lots. Those three new homes were completed and sold within 18 months. The rehab of five existing properties, the addition of three new homes, and a total of eight new homeowners created a significant impact on Deerfield Avenue. This investment, along with NHI's designation of Deerfield Avenue as Pride Block, provided confidence for both existing and new homeowners.

Over the next four years NHI's strategy and program was targeted at this block. NHI organized residents, implemented projects, and held community events. NHI and CAC staff worked closely together to support the residents of Deerfield Avenue, hosting joint parties, funding combined projects, and even sharing funds for a large home improvement loan project on one property. In 2007 CAC received a grant for community organizing on a number of blocks in the area of Deerfield Avenue. CAC approached NHI to ask for assistance to use and implement the Healthy Neighborhoods approach of engaging and organizing residents. NHI loaned one of its Outreach Coordinators to CAC to assist with this project, a great example of partnering with a CDC.

Similarly, the Northside Institutions Neighborhood Association (NINA) was also already active on the Ashley Street Pride Block when NHI began its strategy and programs. NINA was rehabbing five properties at the corner of Ashley and Garden Streets to be sold to five new homeowners. This rehab project also included some streetscape improvements on Ashley Street. NHI partnered with NINA in funding the streetscape improvements and worked closely with NINA's staff to organize and engage residents.

Over the four year period, NHI and NINA worked together to engage residents, implement block projects, encourage home improvements, and market the block to potential home buyers. These combined efforts resulted in almost all the property owners on the block participating in community events and property improvement projects, three properties receiving significant exterior improvements, and the addition of three new home owners in addition to the five NINA rehab properties. One of the additional new homeowners was the result of NINA purchasing a property for sale, rehabbing it, and then selling it to a first time homebuyer.

The Ashley Street Pride Block now has five newly renovated owner-occupied homes, three new owner-occupied properties, and three additional existing owner-occupied homes with significant exterior improvements, new street lights and sidewalks, and a strong neighborly community. Residents of this transformed block have told NHI staff that before the Healthy Neighborhoods Pride Block program started they were ready to sell their properties leave. Now they are proud, confident, and plan to stay.

NHI working together with NINA and CAC demonstrates how a Healthy Neighborhoods strategy can be implemented alongside a CDC housing production strategy. As discussed previously there is some concern that housing production adds supply where there is little demand. In this case, NHI was able to implement its demand-building investment strategy during and after the construction of new supply.

These examples demonstrate three lessons learned. The first is that Healthy Neighborhoods strategies and CDC production strategies can work together and, when targeted into the same area, have a greater impact. The second lesson is that NHI's Healthy Neighborhoods strategy and program can create sustainability for the production of new housing and the block as a whole. The third lesson is that the new housing development and investment created confidence for existing residents while NHI's strategy provided confidence for both existing and new residents. Together, NHI and CDC's greatly improved these two blocks.

### **The NHI Home Improvement Loan Fund**

Implementing the NHI Home Improvement Loan Fund was the most difficult challenge for NHI. The obstacles that NHI faced in developing and launching the loan program included taking valuable time to develop a loan program, getting the right message out to the residents about the loan program, dealing with the issues of poor credit and high debt to income ratios, and working the kinks out of the process to ensure a quick and responsive loan product.

**Implementation Time Line:** NHI received some of the initial funds for its loan program in the fall 2003. However development of the loan program did not begin until April of 2004. This delay was the result of organizational issues such as staffing and the priority given to getting the neighborhood outreach program up and running.

The first step for NHI in developing the loan program was to decide if the underwriting and loan servicing would be handled in-house or outsourced. While other organizations implementing a Healthy Neighborhoods program might determine otherwise, NHI decided it was best for the organization to outsource this function. The second step was to find a competent and capable strategic partner to provide underwriting and loan servicing. NHI contracted with the Connecticut Housing Investment Fund (CHIF), a non-profit organization with over 25 years' experience in lending and loan servicing business.

The third step to implementing the loan program was to establish NHI's lending criteria. Working closely with CHIF, NHI developed flexible yet responsible underwriting criteria that would allow NHI the ability to close loans in lower-income and weak market neighborhoods where residents may be less financially savvy or have limited financial means to invest in their property. The highlights of the criteria's flexibility included allowing up to a 45 percent debt-to-income ratio (since NHI would not be looking to foreclose loans), loaning up to 120 percent of market value, offering competitive zero to 6 percent loans, and not requiring appraisals (since NHI tracked the real estate market in its target areas and was capable of assessing the market value of properties). Most important was that in addition to CDBG funds that are targeted at low and moderate income households, NHI also had flexible loan funds from private funders that were utilized to make loans to households that did not qualify for CDBG funds.

The lending policy was completed in July 2004. Next NHI needed to develop the loan application, application procedures and processes, and underwriting and closing documents. These documents, procedures, and processes were completed in August 2004 and NHI's outreach staff began marketing the loan program to residents at that time. The first application was received in late September 2004, and NHI closed its first loan in late November 2004.

Initially in April 2004 NHI assumed that the loan program could be established and operational within three months. However, the process took approximately 8 months. In addition, the first two or three applications exposed kinks in the application process, and some modification and improvement of the process was required. This kept loan processing and closing times long in the beginning of the process, but steady improvement occurred as more loans were closed.

Working out the kinks was easy compared to the next stumbling block. This was the high debt-to-income ratios of the loan applicants. High debt-to-income ratios almost halted the program in the early months of 2005. Seven out of the first eleven applicants had poor credit ratings or even worse, high debt-to-income ratios. Even with NHI's flexible and higher than average debt-to-income ratio of 45 percent, most of the applicants had debt-to-income ratios over 60 percent, even before considering the requested loan dollars from NHI. During the first 18 months of the loan program NHI lost 63 percent of its applications due to high debt-to-income ratios, poor credit, and other personal reasons of the applicants. Some of the applicants ended up going to private lenders, others decide not to take the loan and not to undertake the home improvements, but the vast majority (approximately 55 percent of the total applicants) had debt-to-income ratios too high to qualify for an NHI loan.

It is important to note that one of the reasons for the high debt-to-income ratios is the existence of underground economies and unclaimed income in weak market neighborhoods. A number of situations such as rental income that is not claimed, a second "under the table" job, or financial assistance from children or other relatives and friends, resulted in many of the applicants' personal financial situations being better than they appeared on paper in the application process. However, loans can be made only when based on documented income. NHI found itself in the uncomfortable position of knowing applicants had more income but being unable to approve loans. The organization tried to find ways to account for and consider income from this underground economy but had little success in doing so. It came down to how much risk the program was willing to take. It should be noted that Boehlke believes that greater risk needs to be taken, when most payment behaviors demonstrate borrower capacity, and in fact NHI would have been more willing to take such risks if the loan fund had been larger, both in number of loans and total loan fund amounts.

Of the first 47 applications to the loan program, 21 had poor credit or high debt-to-income ratios, seven fell out of the program for their own personal reasons, 13 loans were closed, and five applications were qualified to close. The small number of initial loans closed caused NHI to adjust its process to ensure that it did a better job of screening applicants and applications early on in the process. As these changes were implemented and the loan program progressed, the number of denied applications decreased to below 30 percent, and the quality of loan applications improved. By the end of the second year of the loan program, NHI had closed 18 loans totaling over \$300,000 of investment in properties.

On the other hand, one critical portion of the NHI loan program that NHI was never able to implement was a homebuyer purchase loan product. This loan product would have allowed NHI to make loans to first time homebuyers, providing a greater opportunity to attract homeowners to the target neighborhoods. However, without a large loan fund of \$6 to \$8 million dollars, it was not possible to offer a home purchase loan product.

The lessons learned from the loan program are many. Developing and implementing a loan program is a long and difficult process. It may take more time than expected and will be slow to get started. It takes time for residents to feel comfortable with the organization and to become willing to borrow money from the program. In addition a loan program can be costly. Further, the aim of the loan fund is to create investment in the neighborhoods. Between program administration time and costs, it is difficult to earn significant revenue from a loan fund with low interest rates. NHI estimates that any loan less than \$17,000 at a two percent interest rate will cost much more to administer than what is earned from the interest.

At fewer than \$750,000 dollars, NHI had limited funds for its loan program. To truly be successful and to generate sustainable revenue from the loan fund to cover loan administration and additional overhead costs, a loan fund of \$6 to \$8 million dollars is needed. This larger amount will also provide the ability to offer purchase and purchase rehab loans. While NHI was successful in creating investment in the target areas through the loan fund, a much greater impact would have been possible with funds for first-time homebuyer purchase loans. In addition, with a capital fund NHI also could have purchased properties that were for sale, rehabbed them, and then sold the property to a willing buyer and capable homeowner. This would have allowed NHI to have greater control over the neighborhood market and to prevent properties for sale from being purchased by investors and operated as rental properties.

### **Loan Program Rehab and Construction**

One of the most difficult and least anticipated challenges of the loan program was the bid, contract, and construction phase of the project. Many homeowners, even some in wealthier and healthy neighborhoods, have a very limited knowledge and understanding of home improvement construction and little experience working with contractors. In weak market neighborhoods that have been fraught with problems and where little investment has occurred, NHI found that *most* homeowners were unfamiliar with rehab construction and working with contractors.

This inexperience on the part of the homeowners required NHI to provide more technical assistance to help owners through the process than was anticipated. To create a less bureaucratic process and to ensure that the NHI loan program functioned more like a traditional bank loan and not a government program, NHI chose not run the typical government bid process in which the organization bids the project and selects the contractor. Instead NHI provided the homeowner with a loan and did not formally control the bid process and construction phase of the project. The homeowner was responsible for bidding the project and selecting the contractor. However, NHI provided homeowners with significant assistance in managing those portions of the process to ensure that the homeowners got the product they were paying for and that the work was completed to high standards of design and workmanship.

While the homeowner was free to hire the contractor that he or she wanted, NHI provided the homeowner with detailed construction documents and specifications and assisted in putting the job out to bid. NHI recommended a minimum of three bids and assisted the homeowner in reviewing the bids. Once the contractor was selected, NHI provided the owner with contract documents based on the construction drawings, specifications and the contractor's bids, and held a pre-construction meeting with the homeowner and contractor to ensure that everyone was in agreement and that all documents were executed. Once the work began, NHI provided regular construction inspections when progress payments were requested by the contractor. The funds were then released by NHI to the homeowner who paid the contractor.

The lesson learned here was that getting this process operational and running smoothly was challenging and time consuming. Before NHI hired its Community Designer, it relied on outsourced services from other non-profits and private inspectors to handle this process. This made it even more difficult to manage. Once the Community Designer was hired this process flowed much better.

One of the more difficult issues in running the rehab program was finding and building a pool of competent, licensed, high quality contractors for the homeowners. Unfortunately, many of the contractors that NHI worked with early on were not appropriately skilled or capable doing quality work in a professional manner. However, once NHI identified a pool of quality contractors, it began to offer them as many opportunities for work as possible to keep them involved in the program. (This included jobs through the neighborhood block projects as well). Working with a few good contractors who understood the NHI program and process created economies of scale (for NHI and homeowners) and produced projects that ran smoothly.

This process of providing the rehab construction services was time consuming for NHI, and from a staffing perspective it cost more than the revenues generated from loan fees and interest. However, NHI learned that these services encourage investment by homeowners who may be afraid of the process. In addition, providing these services protects homeowner investment and ensures the highest quality of workmanship on the properties. The value added by this technical support shows in the strengthened market value of the properties and ensures that quality investment and rehab occurs.

### **Neighborhood Design Center**

NHI did not want to do rehab just for the sake of rehab or to only fix code violations as many government and non-profit loan programs do. NHI's goal was to encourage investment, improve the housing stock, and ensure high quality rehab work that added value to the property and the neighborhood real estate market. Therefore, historic preservation standards, quality design, and quality renovation construction were critical to the desired outcomes. However, NHI knew that selling these concepts in weak market neighborhoods was not going to be an easy task, both in the community in general and to the homeowners with limited resources. For many homeowners fixing the leaky roof is more important than the quality of the new roof installed. When money is limited, cutting corners to save dollars is important.

NHI realized that it would need to educate the community on the importance of quality design, historic preservation standards, and maintaining the architectural character of a home and neighborhood. Therefore, hiring a designer, rather than a rehab specialist and providing

design education was critical to achieving our desired outcomes. The lesson NHI learned was this: providing residents with basic design education and the technical assistance needed to make good design and construction decisions can go a long way in encouraging investment. The statement, “confidence proceeds investment” applies not only to confidence in the real estate market and return on investment for improvements to a person’s home. It applies also to a person’s *willingness* to take on a more extensive project or home improvement. If the homeowner is not confident in dealing with contractors or doesn’t understand the materials and process involved in replacing a roof, the homeowner may avoid the process all together or put it off for as long as he can. Design and construction oversight services provide many homeowners the confidence they need to invest.

### **Funding and Budgets**

The required revenues and total budget for a Healthy Neighborhoods strategy will vary from place to place depending on the structure of the organization, staffing, types of programs, size of target areas, and many other factors. The following is intended to provide the reader with an understanding of the revenue and budget needs of NHI’s Healthy Neighborhoods program and the lessons learned related to revenues and budgets.

NHI’s first year operations budget was projected at around \$565,000. (This figure does not include funding loans and neighborhood programs and projects.) As NHI determined staffing levels, the operations budget ended up at around \$450,000 per year. This amount included an executive director, community designer (architect), four outreach staff, and all of NHI’s administrative and overhead costs. NHI’s neighborhood program funding budget was around \$150,000 per year, and a minimal loan fund required around \$350,000 per year. Therefore, total funds needed to run the program was around \$950,000 per year. While this a not a small amount of money, this dollar amount is far less than what is needed to subsidize affordable housing production where appraisal gap funding in Hartford’s distressed neighborhoods can run from \$40,000 to \$100,000 per unit. With one million dollars per year, NHI created positive change in neighborhoods, impacting 1,650 properties, approximately 2,200 housing units, and nearly 7,000 residents. This amount is quite reasonable compared to the \$4 million dollars in gap financing that is needed to construct 60 new housing units, affordable or not, in a distressed neighborhood often with little or no improvement in the overall neighborhood.

While this has been a difficult concept for NHI to sell to politicians and the funding community, NHI learned that the total investments can impact far larger areas, create positive change, and rebuild neighborhoods that can compete for further private investment for far fewer total dollars than conventional production approaches. The Healthy Neighborhoods approach is much more sustainable than conventional production approaches and the return on investment is far greater. Crucial to understanding the success of the program is realizing that the most important figures are, as Deming would call them, “unknowable.” Deming teaches that you can’t run a business on visible figures alone and that the unknowable figures (a happy customer, repeat customer, and so on) cannot have a value attached to them and do not show up in monthly or quarterly budgets. He claims, however, that they are far more important than statistics and numbers. The same is true for what many consider the “soft side” of NHI programs. NHI’s community building activities, improved curb appeal and property maintenance, and high standard of neighborliness are the foundation of its strategy. No dollar value can be placed on a happy and confident homeowner who is going to stay in the

neighborhood, be engaged in the community, and invest time, effort, and money. Therefore, no dollar value can be placed on these programs and outcomes. However, resident confidence in their neighborhoods, their property, and their willingness to invest their time, effort, and money has a far greater value than any one loan or neighborhood curb appeal project ever could.

### **CDBG Funds and Healthy Neighborhoods**

NHI was very fortunate that the city of Hartford provided the organization with \$1 million in Community Development Block Grant funds to support the neighborhood activities and home improvement loan program. This provided NHI with much needed capital. In addition it provided NHI with the ability to leverage this capital and the commitment of the city to support NHI's strategy in securing additional funds from the funding community. In total, the \$1 million in CDBG funds allowed NHI to secure an additional \$2 million in funding from other sources.

While NHI was grateful for the city's support in providing the CDBG funds, the reality is that NHI was also burdened by these funds. CDBG funds are difficult to spend in any program, but even more so in a Healthy Neighborhoods program. By design the NHI neighborhoods are not the most distressed, and while some of the residents have low to moderate incomes, many NHI areas contain a mixture of incomes. Without a significant low income resident population or much larger amounts of CDBG funds for public infrastructure projects (sidewalks, street lights, and so on), spending the funds became difficult, time consuming, and sometimes not worth the effort.

Ultimately, NHI found more success with the flexible, non-government funds. The absence of income restrictions as well as simpler procedural and compliance requirements with the more flexible funding provided a situation where the organization could react quickly to a circumstance and at times think outside the box in both application and implementation.

### **NHI Agenda & Flexibility**

In the early stages of implementing the NHI Healthy Neighborhoods program, the organizers were confident that they had the strategy worked out. They felt they had selected the target areas best suited for the strategy. Organizers had the Healthy Neighborhoods theory and strategy behind them as they determined specific objectives for the program. Then something unexpected happened. The staff had accounted for different housing stock, demographics, and market conditions in each of the neighborhoods. However, what NHI had not factored into the equation was the residents themselves.

Residents, or any group of people for that matter, when working together will develop a kind of group personality that will drive the group's behavior. In the target areas where resident groups had not been very active this was not a major issue. However, in areas where there was an existing neighborhood group, formal or informal, a group personality was already established, and while NHI was ready to move right in, educate the residents on the program and strategy, and begin implementation, the groups had different plans. Some of the groups had an existing organizational structure that they insisted NHI work with. Others had ideological differences, and some just wanted to do things their way.

This was a frustrating issue at first and it took some time for NHI to adjust. At first organizers attempted to stick to the NHI approach and explain how to implement the strategy.

However, after meeting a good deal of resistance, NHI realized that they needed to resolve this conflict if they were going to implement the strategy and be successful. NHI looked at their strategy and desired outcomes, as well as the needs and desires of the groups they were working with. They then identified ways that they could work within each neighborhood group's systems to meet their desires but still achieve Healthy Neighborhoods outcomes. Once NHI adapted, things began to occur more smoothly, and over time NHI established strong and successful working relationships with the various neighborhood groups.

NHI also learned the critical importance of flexibility in the delivery of the strategy and services. If the outcomes were being met, it made little difference how the neighborhoods got there. NHI learned to listen, to let the residents drive the programs, and to help them to develop into a stronger neighborhood in ways that they felt comfortable. In the end, it was not about NHI, it was about the residents and their neighborhood.

## **CONCLUSIONS**

The Neighborhoods of Hartford's Healthy Neighborhoods strategy for neighborhood reinvestment was a new approach to neighborhood redevelopment and reinvestment in Hartford. Targeting investments in a meaningful way, into well-defined areas, and building upon the strengths in those areas provided Hartford the best chance for success. After decades of population loss to an ever growing suburban region and a real estate market crash that was followed by years of disinvestment, positive changes in the economy and housing market provided an opportunity for reinvestment.

After four years of neighborhood programming, three years of investment through the home investment loan fund, and the implementation of the neighborhood design center, NHI saw significant and positive changes in the targeted areas. The most noticeable changes are associated with neighborhood outreach programs and community building activities. These changes included residents becoming more involved in their neighborhoods, taking greater pride in and care of their properties, and recognizing the impact that individual properties can have on the entire block.

While the loan program has been successful in creating investment in the neighborhoods, the total investment was significantly lower than NHI had anticipated and intended. However, NHI's existence in the target areas created confidence in residents to invest their own dollars in their properties, and there were many home rehabilitation projects that were not funded through the loan program. Regardless of whether it was with NHI dollars or with other private dollars, the fact is that investment is occurring in these areas.

While the neighborhood design center was the final aspect of the program to get off the ground, NHI did make a difference in the area of design. Architects, landscapers, and other design professionals were utilized to implement neighborhood projects thus raising the level of design and consistency of character within these areas. Most important is the confidence NHI's design and rehab services provided for homeowners. This confidence, in turn, created investment.

While NHI's programs and strategies were successful and exceeded expectations, implementation was not easy. As the discussion above has shown, changing the mindset of those involved in the program and using conventional tools in a new and innovative way required much effort. Utilizing CDBG fund was a great challenge and often required more

time and effort than they were worth. Furthermore, organizers realized too late that more time should have been devoted to the planning stage of the program *prior* to implementing programs and strategies.

The need to promote the dollars available to the neighborhoods created a situation where residents were more focused on the money than on the strategy and outcomes. In addition, political expectations that these neighborhoods would be transformed overnight undermined the importance of the little things, such as building community and neighborliness. All of these issues and pressures required time and created obstacles to implementation.

In spite of all these obstacles, NHI implemented a successful strategy and greatly improved the neighborhoods. In addition, many positives were also learned along the way. Design and rehab services that focus on helping homeowners, not just the construction projects, create significant confidence and translate into investment. Moreover, the little things, such as planting flowers, edging sidewalks, painting front porches, and social events that build neighborly relationships are truly the foundation to the Healthy Neighborhood strategy.

When residents feel proud of their home, block, and neighborhood they are more confident in their decisions and more willing to invest time, effort, and money. Engaged residents who know and look out for their neighbors and spend time in their yards, are the best crime prevention there is. It is easy for drug dealers to set up shop on a street corner or block when residents shut themselves in their homes. But when residents are active in their neighborhoods the drug dealers leave.

If NHI had had more resources to support the loan fund and purchase properties to sell to new homebuyers, the successes would have been even greater. If half the dollars invested in Hartford for gap financing affordable housing production in distressed neighborhoods were targeted in these neighborhoods and used to secure properties for homeownership, the transformation would be amazing. Neighborhoods would stabilize quickly, existing homeowners would feel much more confident, and new homeowners would be more likely to invest and stay.

The greatest lesson learned by NHI is that the Healthy Neighborhoods approach works. The change that occurred within these target neighborhoods was dramatic. Resident involvement increased, homeowner confidence increased, the appearance of blocks and individual properties improved, investment increased, and property values increased. While these improvements and changes did not occur overnight, they did occur and the momentum increased from year to year. After only two summers of neighborhood programs the changes were already noticeable. And after four years many blocks had reached a point where NHI was struggling to find ways to assist them because they had improved so much. They had become Healthy Neighborhoods

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## CHAPTER FIFTEEN

### SAMPLE NEIGHBORHOOD REINVESTMENT STRATEGY

*This chapter describes how a reinvestment strategy is developed for a neighborhood using the Healthy Neighborhoods approach. The sample strategy used in this chapter was developed by the author for a distressed Hartford neighborhood, not the typical in-transition neighborhood that the NHI program generally focused on. The purpose is to demonstrate the versatility of the approach and how it can be applied in even more distressed neighborhoods.*

Using Buki's seven step methodology, this chapter provides a detailed explanation and demonstration of how to develop a neighborhood reinvestment strategy using the Healthy Neighborhoods approach. The chapter walks the reader through the creation of a Healthy Neighborhoods reinvestment strategy utilizing the North Frog Hollow Neighborhood in Hartford as an example. The North Frog Hollow Neighborhood is a distressed neighborhood, unlike the in-transition neighborhoods on which the NHI program has focused in Hartford. It is also the neighborhood where the NHI Putnam Street Pride Block was located. The Putnam Street Pride Block was selected reluctantly by the consultants based on recent investment in the area, political desires, and some community assets. However, it did not take long for NHI to realize that this Pride Block was more distressed than the NHI strategy was developed to handle. However, that does not mean a Healthy Neighborhoods strategy could not be developed for this block or a similarly distressed neighborhood. Rather, greater consideration and different strategies would need to be employed. The chapter will also demonstrate how the Healthy Neighborhoods approach is flexible and can be adjusted to accommodate the specific characteristics and market conditions of any neighborhood, including a distressed neighborhood.

#### **How to Develop A Healthy Neighborhoods Investment Strategy**

To develop the Healthy Neighborhoods strategy you need to understand the dynamics of the neighborhood, the market, and the consumers. Healthy Neighborhoods is not a one size fits all strategy. Rather, Healthy Neighborhoods consists of a theory, strategy, and method for implementing change based on the specific conditions, needs, desires, and market of the neighborhood.

As stated earlier, Buki provides a seven step outline to how we intentionally change neighborhoods to grow demand. The following is an explanation of how Buki's seven steps

are utilized to develop a reinvestment strategy. Following the detailed discussion on the seven steps, the reader will see how these steps can be utilized to develop a reinvestment strategy.

**Step I. Read the Neighborhood to Determine What's Working and What Is Not Working:** From a planning perspective this is the research phase of the process. It starts with reading the neighborhood through physical observation, demographic analysis, and market research. In the context of the four levers of change (image, market, physical conditions, and neighborhood management), we want to determine what is working and what is not. How did this neighborhood get to this point? What went wrong? What are the neighborhood's strengths (assets) and weaknesses (liabilities)? Are people investing? If not, why not? This process also should include benchmarking of the existing conditions for further comparison during implementation of the strategy in order to measure for success and change.

**Step II. Set Outcomes and Measures for Healthy Neighborhoods:** In this step implementers should set the outcomes for what this neighborhood will be like when it is healthy. What are the specific outcomes related to image, market, physical condition, and neighborhood management? As part of this step the measures for success are also set. How will we measure for Healthy Neighborhoods?

It is important to note that the outcomes are to be set before the strategies are determined. This is a significant difference in approach to conventional neighborhood planning which focuses on strategies to eliminate negative conditions with assumptions that eliminating those negatives will improve the neighborhood. The Healthy Neighborhoods approach is an outcome driven approach. The outcomes are set first, and then the strategies are developed to achieve those outcomes.

**Step III. Choose Strategies to Achieve Outcomes:** This step is the process of identifying and developing strategies that will achieve the outcomes that have been set for the neighborhood. The strategies that are employed will be dependent on the desired outcomes but also on the existing conditions in the neighborhood. For example, the strategies developed for a distressed neighborhood would not be the same as those for an in-transition neighborhood. Strategies may also need to be designed to be implemented in phases. For example, increased police efforts to eliminate drug dealing may need to occur before neighborhood projects and marketing begin.

**Step IV. Assess and Strengthen Capacity to Deliver Revitalization Strategies:** This step is about assessing the ability to deliver the services required to implement the strategy. Who will be responsible for the program and strategy? Will it be a city agency, an existing community development corporation, or a new non-profit organization? Who are the key partners? What are the programs and services? What staffing will be required? What is the budget and what are the resources required to support the budget?

This is a critical step in the process, and it may make or break the success of the program. This step needs to be well thought out and planned. Organizers need to be reasonable about costs and resources and should not let the ideas outweigh the realistic ability to deliver and succeed.

**Step V. Implement Strategy:** This is the implementation stage of the strategy. All resources, services, programs, and organizational matters have been worked out and it is now time to implement the Healthy Neighborhoods investment strategy.

**Step VI. Measure Progress Toward Outcomes, Not Activities:** This refers to the continual process of assessment. There needs to be constant monitoring of progress toward the desired outcomes. This is not about measuring outputs, i.e. number of events, properties improved, or residents participating. This is the comparing of results from activities with the outcomes. Is the neighborhood improving? Are we moving toward our outcomes?

**Step VII. Adjusting for Success:** The last step in the process is the ongoing adjustments to the strategy, programs, and activities. As the neighborhood improves, strategies, programs, and activities will need to be revised or eliminated and new ones developed and implemented to keep the neighborhood moving towards the outcomes. Neighborhoods are not static and the strategy that is working today, may not work tomorrow. The Healthy Neighborhoods investment strategy must be flexible. Moreover, we do not want to be afraid of recognizing what is not working. We must address unsuccessful strategies, modify them or eliminate them, and try something new.

The following sample case study guides the reader through the process of reading a neighborhood, setting the outcomes, developing the strategies, and implementing the program and strategies to improve a neighborhood. The reader will see how specific conditions are targeted to eliminate liabilities and to build upon existing assets.

## **SAMPLE NEIGHBORHOOD REINVESTMENT STRATEGY**

### **North Frog Hollow Neighborhood Revitalization Zone Reinvestment Plan and Strategy**

To best understand what is working in a neighborhood and what it not working, it is important to look at the history of the neighborhood and the changes that have occurred. Therefore, development of the strategy begins with a look at the history of the North Frog Hollow neighborhood and what went wrong. Then we will look at the existing conditions within the neighborhood today, including both assets and liabilities.

#### **Historical Context: What Went Wrong in the North Frog Hollow Neighborhood?**

The North Frog Hollow neighborhood is one of the older and more historic neighborhoods in Hartford. It is dominated by high density residential development, with a significant mix of uses in the blocks near the State Capitol and State Courts and commercial development along Park Street. The neighborhood has been significantly impacted by changing economic conditions and development patterns. In 1950 the city of Hartford had a population of 178,000. In 2000 the population had decreased to 124,000. The loss of 54,000 residents was a result of decreasing household size, suburbanization, and the outward growth and expansion of the Greater Hartford region. Most of the neighborhood's housing stock was developed to house workers for the large factories that used to exist in and near the neighborhood. As those factories closed, the demand for worker housing decreased. Changes in culture, family structure, and housing choice greatly impacted the demand for housing in the neighborhood. As a society, Americans have moved away from renting and into

homeownership, multi-generational families living in two and three unit properties have decreased, and housing choice has focused more on single family homes.

The real estate market crash of the late 1980's impacted Hartford as a whole. Residential property values decreased by 40 percent citywide, and the high density neighborhoods such as North Frog Hollow were hit the hardest. The loss of population to the suburbs and to single family neighborhoods in the city created a significant lack of demand for the multi-family housing in North Frog Hollow and resulted in large numbers of abandoned and blighted properties. Disinvestment in property became the norm and negative influences such as gangs and drug dealing further perpetuated the downward spiral of the neighborhood. By the mid to late 1990's North Frog Hollow had hundreds of boarded up and mothballed properties and vacant lots where properties had been demolished by the city.

### **Existing Conditions: Where is the North Frog Hollow Neighborhood Today?**

North Frog Hollow today has seen some significant change and improvement compared to the conditions that existed in the mid and late 1990's. The city of Hartford's mothballing and demolition program neutralized further rapid decline of the neighborhood by significantly reducing the supply of housing. Economic conditions in the city as a whole have improved since 2000, and residential property values have risen. In 2004 residential property values were again equal to 1989 values (not adjusted for inflation) just prior to the real estate market crash.

While the city of Hartford's mothballing and demolition program was successful in halting further decline in the neighborhood, the city then shifted to a production strategy to redevelop vacant buildings and lot. This approach began to add new supply to the neighborhood. The city's tax foreclosure program, tax sales, and appraisal gap financing program created many new and rehabbed housing units in the neighborhood and improved overall housing and property conditions. Completed projects on Park Terrace, Mortson Street, Putnam Heights, Ward Street and many other smaller projects throughout the neighborhood created some positive change. Additional projects and public infrastructure improvements underway along Zion Street, the Park Street Streetscape project, and the Pope Park restoration plan continue to create change and public investment.

However, even with all of this investment, the North Frog Hollow neighborhood is still very much a distressed neighborhood. Unfortunately while all of this government subsidized investment has added additional housing supply to the neighborhood, there has been little or no increase in the demand for housing. The neighborhood market is still very weak and the neighborhood suffers from a poor image. It has an aging housing stock that has seen decades of deferred maintenance, most properties have three or more units and are investor owned, and many properties have limited or no associated parking to meet today's demands of our automobile dependent society. In addition, most of the housing development that has occurred in the neighborhood over the past two decades has been financed with low income tax credits, clustering hundreds of, low-income households into the neighborhood.

Together, these factors create a challenged housing market with lower than regional and citywide average property values. Other liabilities such as significant costs for rehabilitation caused by deferred maintenance and the large size of the housing stock, limited opportunities for homeownership based on the multi-family housing stock, and parking deficiencies reduce the likelihood of attracting homeowners and renters with greater means. In

addition, the appearance of the neighborhood is poor and displays a negative message to the market. The message appears to be that this is a place where property owners, residents, and business owners alike don't care. Excessive litter, graffiti, drug dealing, and poor property maintenance send an even stronger message that this not a place to invest.

However, regardless of the many negative attributes of this neighborhood, North Frog Hollow has many assets. These assets include its geographic location and proximity to the state capitol and downtown, the style and historic character of its housing stock, its neighborhood scale commercial developments, and the beautiful Olmsted-designed Pope Park. North Frog Hollow's location is probably its greatest asset. Bordering downtown, the state capitol, state court houses, and the Bushnell Theater, and in close proximity to the Aetna insurance company, the Hartford Courant newspaper, and The Hartford insurance company, it is a prime location for residents who want easy access to the central business district, arts, entertainment, and jobs. In addition, the historic architecture, larger housing units than the downtown apartments and condos, and its New York City walk-up townhouse feel make it a unique, compact urban neighborhood for Hartford. It also provides an alternative urban residential option to downtown housing developments and can capitalize on other downtown housing developments due to its larger units and more affordable pricing.

However, creating positive change in this neighborhood is not an easy or short-term task. This is a distressed neighborhood with many issues and a weak real estate market that can't compete with other neighborhoods in the city and the region. A reinvestment strategy would need to be comprehensive, systematic, and long-term, and would require significant public and private investment. However, if the stakeholders are willing, committed, and determined, North Frog Hollow has the potential to be one of Hartford's best neighborhoods. This will succeed only if the current strategies are completely re-thought and if demand-oriented principles are applied.

### **Demographic Analysis**

A key component to understanding the North Frog Hollow neighborhood today is to review the demographics of the neighborhood. The following is a summary of the North Frog Hollow demographics based on the 2000 US Census data compiled by the Capitol Region Education Network (CREN) (NRZ Census Profile published by CREN).

**Table 20**

**U.S. Census – North Frog Hollow Neighborhood Revitalization Zone**

Census Data (2000)	City of Hartford	NFH-NRZ
Total Population	121,578	7,780
Pop. 25 & Over/HS Grad or GED	17.4%	10.9%
Pop. 25 & Over/2yr, degree or more	9.3%	7.4%
Number of Households	45,036	2,787
Median Household Income	\$24,820	\$17,721
Household Income < \$35,000	55.2%	74.1%
Household Income > \$35,000	44.8%	25.9%
Percent of Persons Below Poverty	28.2%	43.3%
Housing Units – Owner Occupied	21.8%	5.1%
Housing Units 1	19.1%	3.3%
Units 2-4	36.2%	34.6%
Units 5-9	14.8%	23.4%
Units 10-19	9.1%	6.0%
Units 20-49	10.1%	8.2%
Units 50 or more	10.5%	24.5%

It appears that there may be some differences in how CREN interpreted Census data compared to the way the city interprets the Census data. For example, owner occupancy appears to be based on total units, not occupied units.

This summary of the 2000 Census data compiled by CREN for the North Frog Hollow Neighborhood Revitalization Zone (NFHNRZ) raises concerns about the overall economics and the unit mix of the existing housing stock in the North Frog Hollow neighborhood. With a median household income of \$17,721, the neighborhood’s median income is \$7,000 lower than that of the city (or 71% of the city median). In addition, 43.3 percent of families and individuals in the neighborhood are at or below the poverty level. Of the 2,787 households, 74.1% have a median income of less than \$35,000 per year.

Only 3.3 percent of the housing stock in the neighborhood is single family housing units. A total of 34.6 percent of the units in the neighborhood are 2-4 unit properties. Therefore, only a maximum of 37.9 percent of the units have any real potential to attract homeowners. Based on physical observations of the neighborhood, 3-unit structures are the most common in the 2-4 unit structure class. The neighborhood has a deficiency in 1 and 2 unit buildings. While 3-unit buildings can and do attract homeowners, there is great competition with investors for these properties. With a very low owner occupancy rate (5.1%), we can assume that most 3-unit buildings are owned by investors.

A crude way of estimating what a household can afford for buying a house is by multiplying household income by three [ $\$35,000 \times 3 = \$105,000$ ]. That means that 74.1 percent of the neighborhood residents cannot afford to purchase any one of the six market rate condos being developed on Babcock Street and which were priced to sell for \$125,000.

Therefore, only 25 percent (725) of the households may be able to afford such a homeownership unit in the neighborhood. Of great concern regarding the 25 percent that *can* afford homes in the neighborhood is that there are approximately 480 housing units in the nearby Park Place Towers (a high rise, gated community that attracts young professionals). Based on the rents of Park Place Towers, we can assume that many of the households within this apartment complex are captured in the 25 percent of the households in the neighborhood that can afford homeownership units. Therefore, we can assume that probably only about 12 percent (half of the 25% when Park Place Towers is removed) of the neighborhood population can afford a \$125,000 condo unit. (It should be noted that the owner/developer of the Babcock Street development was never able to sell the units as condos and the property became rental units.)

This situation requires us to consider strategies to rebuild the image, market, physical conditions, and management of the neighborhood to start encouraging and attracting investment. The strategy should not focus on attracting homeowners *until* the image and market conditions have improved to a point where outsiders may be interested in investing in this neighborhood.

In creating the strategy we also need to consider whether residents are likely to be displaced due to gentrification. Based on the very weak market conditions and the large numbers of low-income restricted housing units in the neighborhood, the chance of complete gentrification of the neighborhood is very low. In addition, even if there are increases in the owner occupancy of three-family units, rental opportunities will still exist in large numbers within the neighborhood. Attracting investment into the neighborhood, improving the housing stock, and creating stability will benefit all residents of the neighborhood. Therefore, the risk of gentrification is not a great concern.

## **Developing the Strategy**

### **Step I. Read the North Frog Hollow Neighborhood to Determine What Is Working and What Is Not Working?**

Utilizing Buki's step one, we should conduct a number of activities to read the neighborhood and determine what is working and what is not working. These activities will include walking the blocks to evaluate property conditions, meeting with community leaders and organizations, and hosting community meetings with the residents to discuss the neighborhood. From these activities we will begin to identify and list the assets and liabilities of the neighborhoods in the context of the four levers of change. (The following format of "What is working?" and "What is not working?" is based on the work of Marcia Nedland.) The following are samples of what is working and what is not working in the North Frog Hollow Neighborhood.

**Table 21**

**North Frog Hollow Neighborhood Image**

<b>Image</b>	
<b>Assets - What is working?</b>	<b>Liabilities - What is not working?</b>
Mortson/Putnam Heights & Columbia Street	Poor property maintenance – buildings and yards
Properties and blocks show pockets of community pride and high standards	Chain-link fences, no-trespassing and private property signs
Historic District and historic character	Low standards of behavior – litter, loud music, loitering
Park Street and Capitol Avenue commercial districts	No standards of excellence – feels like anything goes
	Conflicting standards and goals of investors, renters, and homeowners

**Table 22**

**North Frog Hollow Neighborhood Market**

<b>Market</b>	
<b>Assets - What is working?</b>	<b>Liabilities - What is not working?</b>
Strong sales values for investment properties	Very poor neighborhood image, past and present problems with drugs and gangs
Location – neighboring downtown and capitol area	No competition in the market – oversupply and no or low demand
Large amount of recent investment – mostly public, some private	Vacant buildings and lots
Large employers in walking distance – potential for worker housing	Low homeownership, most properties investor owned – out of town and out of state landlords
Historic properties with character	Poor quality of landlords – many “flip” oriented investors
	Poor property maintenance – little or no investment
	Large concentration of low income housing
	Property types don’t encourage homeowners
	Lack of on-site and on-street parking

**Table 23**

**North Frog Hollow Neighborhood Physical Conditions**

<b>Physical Conditions</b>	
<b>Assets - What is working?</b>	<b>Liabilities - What is not working?</b>
Pockets of change are occurring – Mortson & Putnam Heights – Columbia Street	Poor housing maintenance standards
Improved and well maintained properties along Pope Park	Litter and trash along the streets and most properties – Park Street in particular
Pope Park and Park Street improvements	Vacant lots are overgrown, filled with litter and trash
	Vacant buildings – many are not secured or maintained
	Burns School in poor condition

**Table 24**

**North Frog Hollow Neighborhood Management**

<b>Neighborhood Management</b>	
<b>Assets - What is working?</b>	<b>Liabilities - What is not working?</b>
Core group of committed residents – NRZ and Block Watch groups	Residents focused more on issues than on assets
Some areas well maintained	Residents expect the city to solve all problems – need resident engagement, participation, and responsibility
Owners have high standards of neighborliness	No celebrations, block parties, social events
Owners effectively work with the city and neighborhood organizations	Residents win some battles against negative threats, but lose many
	Lack of neighborhood organization focused on the residents and the creating of a strong community

This process of identifying both the assets and liabilities of the neighborhood provide us with the means to develop outcomes and measures for success and then strategies to achieve those outcomes. The Healthy Neighborhoods approach builds on the identified assets and reduces the liabilities.

## **Step II. Set Outcomes and Measure for Healthy Neighborhoods**

The second step to creating a Healthy Neighborhoods reinvestment strategy is to develop the desired outcomes and the means by which we will measure for success in achieving those outcomes. The following is a summary of the sample desired outcomes related to each of the four levers of change along with ways that we can measure for these outcomes in the North Frog Hollow neighborhood.

### **Image – Neighborhood Outcomes and Measures**

- The image, real or perceived, of the neighborhood will improve internally and externally.
- The behavior norms related to property maintenance will improve and appeal to a greater market.
- There will be a decrease in the amount of graffiti and number of eyesore fences and outbuildings, no-trespassing signs, and private property signs.

### **Market – Neighborhood Outcomes and Measures**

- Demand for housing will increase in the neighborhood as the image improves and supply and production are limited.
- When future housing production occurs, the development projects will be mixed income or market rate.
- North Frog Hollow will attract investors willing to invest in property maintenance and repairs.
- Vacant properties will be eliminated and the cycle of disinvestment will be broken as supply is limited and demand increases.
- Property values and rents will increase to a level that can support property maintenance and investment.

### **Physical Conditions – Neighborhood Outcomes and Measures**

- Public infrastructure (roads, sidewalks, parks, and public buildings) will be improved and maintained at a quality similar to those in healthy neighborhoods in Hartford.
- Properties will be well maintained and demonstrate pride and investment.
- Streets, sidewalks, and properties will be free of litter and graffiti.

### **Neighborhood Management – Neighborhood Outcomes and Measures**

- Residents will be more engaged in their block and community.
- Residents will know their neighbors and watch out for one another.
- Neighborhood and community organizations will embrace and work with residents to improve the neighborhood and manage change.
- The NFHNRZ will be a leader in community organizing.

- The NFHNRZ will establish and maintain a working relationship with the city to address neighborhood issues and to leverage opportunities.

To measure neighborhood improvements (outcomes), a baseline study and report should be developed to establish the existing conditions in the neighborhood at the start of the strategy. This would include a property condition survey, a resident opinion survey, market study of real estate values and rents, and an assessment of overall neighborhood conditions. The study would be utilized to target strategies and investments and to measure the success of the strategies in attaining the desired neighborhood outcomes.

### **Step III. Choose Strategies to Achieve Outcomes**

The third step in developing a Healthy Neighborhoods reinvestment strategy is to choose the strategies that will best achieve the desired outcomes for the North Frog Hollow neighborhood. The following are samples of strategies, based on the specific conditions of the neighborhood and the desired outcomes that could be utilized in the North Frog Hollow neighborhood. They are also categorized in accordance with the four levers of change.

#### **Image - Strategies**

- The neighborhood will develop and implement the publishing of a bi-monthly newsletter to promote community life in the neighborhood.
- The neighborhood will work with and educate residents on the importance of high standards of neighborliness and property maintenance.
- The neighborhood will actively promote positive events in the neighborhood through press releases and other means.
- The neighborhood will develop a webpage that will promote the neighborhood, commercial business, residential housing opportunities, and community life, and will tell the story of the improving neighborhood.
- Street banners, flags on individual properties, and flowers will be used to create a visual buzz in the neighborhood.

#### **Market - Strategies**

- The neighborhood will work with the city and other organizations to implement a property foreclosure program and rent receivership program to gain control of problem properties.
- The neighborhood will work with the city to improve housing, health, building, and zoning code enforcement.
- A purchase, rehab, and purchase/rehab loan fund will be established to promote and encourage property investment.
- Incentives will be provided to encourage the conversion of three unit structures to two unit structures, reducing density and providing a greater opportunity to attract home owners.

- The neighborhood will work with the city to create development policies that will limit housing production (especially affordable housing production) and improve the marketability of the existing housing stock.
- A procedure will be established to promote the availability of existing housing units and rental and homeownership opportunities.

#### **Physical Condition - Strategies**

- The neighborhood, working with the city and community organizations, will develop and implement an anti-litter and anti-graffiti campaign.
- The city will install trash bins on all blocks in the neighborhood.
- The neighborhood and residents will organize regular block clean-ups and other block projects to improve the maintenance of public and private spaces.
- Technical assistance will be provided to property owners planning property improvement projects and renovations.
- The neighborhood will work with the city and other community partners/agencies to provide resources to improve property maintenance and conditions.

#### **Neighborhood Management - Strategies**

- Blocks or groups of blocks will organize regular block meetings and social events that celebrate the neighborhood.
- Residents will be active in their community and know their neighbors.
- Residents will work with the city and community organizations to address issues and problems that arise.

#### **Step IV. Assess and Strengthen Capacity to Deliver Revitalization Strategies**

The fourth step in developing a Healthy Neighborhoods reinvestment strategy is to assess and strengthen the capacity to implement the strategy. For a neighborhood like North Frog Hollow (and for many vulnerable neighborhoods), this will be the most important step in the process. Developing a structure for service delivery, identifying existing programs or creating new programs, and seeking out all available resources are critical to the success of the strategy.

For North Frog Hollow this is a key step in the process that may make or break the strategy. The neighborhood has a number of community based organizations that are assets to the community. However, the mission and focus of each of these organizations focuses on specific areas or issues. For example, Broad Park Development is a CDC that builds and manages housing, Mi Casa provides social services, Friends of Pope Park focuses on the redevelopment and improvement of Pope Park, and the Spanish American Merchants Association (SAMA) focuses on the Park Street business district. While each of these organizations has the neighborhood's best interest at the core of its mission, each has a specific area of interest and there is no one organization working to improve the neighborhood as a whole.

Based on the existing organizations and stakeholder in the neighborhood, a number of approaches could be used to implement the strategy in the neighborhood. For example, an existing neighborhood or community organization could become responsible for the strategy. Or a collaborative effort between a number of organizations could be initiated and part of the strategy could be to unify aspects of each organization's mission to focus on neighborhood outcomes related to image, market, physical conditions, and neighborhood management.

For the purpose of this case study and to stay consistent with the NHI structure and approach, this sample strategy would involve creating a new neighborhood organization with the specific charge to implement the Healthy Neighborhoods reinvestment strategy. This organization would represent the neighborhood, including its residents, community organizations, and businesses. A board structure and advisory committee would be developed along with an operating budget and other needs. Resources would then be identified and secured to fund the organization and the implementation of the strategy.

### **Step V. Implement Strategy**

The next step in the process is to implement the strategy to create positive and sustainable change in the North Frog Hollow neighborhood. A crucial question when implementing the strategy will be how the strategy can be implemented in a distressed neighborhood.

Because North Frog Hollow is a distressed neighborhood, the early stages of the strategy will need to deal with many of the negative conditions that exist and utilize many of the conventional regulatory tools and tactics that are used to address blight and health and safety code violations. The challenge at this stage would be to stay focused on the positives and building from strengths while dealing with these difficult issues.

For example, success with tactics such as demolition of blighted and abandoned properties should not be celebrated and promoted. Remember, these successes may seem positive and it may be tempting to attract attention to them as successes, but the perception of blight and demolition is still negative. These conventional code and health and safety strategies need to be done quietly.

At the same time the Healthy Neighborhoods strategy must focus on the positives and improving the image of neighborhood. One of the most difficult things the neighborhood will need to achieve is improving the image of a neighborhood that has a long history of being perceived as a distressed and undesirable place. Block level activities, community events, and other positive stories need to be told and promoted.

The following is a sample one to five year work plan to guide the implementation of the reinvestment strategy.

#### **North Frog Hollow – Sample Reinvestment Strategy Work Plan**

**Strategy One: Invest in a combined code, law enforcement, trash and graffiti removal campaign**

**Purpose: To diligently remove blighted conditions that negatively influence the neighborhood image and real estate market**

A large percentage of properties in the neighborhood are in clear violation of many city ordinances. Years of deferred maintenance and neglect have created the deteriorating conditions of these structures. Crime, mostly related to drug dealing, is also a large problem in the neighborhood. Litter is a pervasive irritant throughout the neighborhood, in both residential and commercial areas. Graffiti is also a problem in some areas. These conditions act as a billboard to the market that sends a strong message that North Frog Hollow residents do not care about the neighborhood and that it is not a neighborhood worthy of investment. The city of Hartford has many ordinances and fines already in place to deal with property code violations. Therefore, the first step in creating change in the North Frog Hollow neighborhood is to address the public healthy and safety issues related to code violations and crime.

A comprehensive strategy to implement an aggressive code and law enforcement program needs to be instituted with the help of the city. Targeting police action to reduce and eliminate drug dealing is a critical first step. If the issue of drug dealing is not addressed, it will be very difficult to improve the neighborhood image. The city must also target resources for code enforcement activities and the consequences must be serious. Violators must be cited and if they fail to comply, the city must levy fines for failure to comply and utilize its tools, such as rent receivership authority if violations are not resolved. On existing abandoned properties the city must be just as aggressive with its enforcement. If and when property owners do not comply, it should utilize its authority to demolish the structures. The city should be prepared to use eminent domain and tax foreclosurers to gain control of these abandoned sites.

While the Healthy Neighborhoods approach is not about regulations and enforcement, these government powers are a much needed tool to address issues in distressed neighborhoods. During this early stage of implementing the strategy, the neighborhood association, community organizations, and the city need to develop and implement aggressive anti-litter and anti-graffiti programs. This should include a public education component utilizing the two neighborhood schools and public library branch.

It is also necessary that the neighborhood association and residents play a leadership role in these programs. Organizing block clean-up events, stressing the importance of owners sweeping their sidewalks and curbs regularly, and picking up litter regularly are critical. New standards must be created, and residents must commit to them and lead by example.

**Strategy Two: Utilize blight ordinance, rent receivership, and eminent domain to address blighted, abandoned, and problem properties**

**Purpose: To remove blighted properties and property conditions that negatively impact the neighborhood and property values**

A number of properties in the neighborhood are blighted and abandoned. In addition, many properties in the neighborhood are maintained in very poor condition and have illegal activities such as drug dealing associated with them. All of these properties have negative impacts on neighboring properties and the neighborhood as a whole. The neighborhood association, utilizing the powers of the Neighborhood Revitalization Zone, and the city should utilize the powers and authority provided to them related to the city's blight ordinance, eminent domain, and rent receivership to gain control of these properties and eliminate the negative conditions associated with these properties.

**Strategy Three: Prohibit or discourage the development of new low-income housing units and/or increasing the total housing unit supply, except to increase economic diversity.**

**Purpose: To reduce neighborhood density and prevent further clustering of low-income households**

The North Frog Hollow neighborhood has a higher percentage of low-income, affordable housing units and a large supply of housing. The large number of vacant units within the neighborhood indicates an oversupply of housing and very low demand. Therefore, the creation of additional housing units is not needed at this time and may further weaken the housing market.

The North Frog Hollow neighborhood has also seen the development of many housing units that are deed restricted for low-income families. While affordable housing is needed for such households, the current policies and programs have clustered large numbers of such households in this neighborhood. Unfortunately, the clustering of low income households in a neighborhood that is already distressed only further stresses the neighborhood. The creation of such units tends not to attract new residents from outside the neighborhood (increasing demand), but to pull existing residents from existing sub-standard housing units within the neighborhood. Without an increase in demand, any increase in supply will only further weaken the market and in many cases cause the abandonment of existing sub-standard housing.

The neighborhood association must work with government and non-profit agencies to stop or limit the production of additional low income housing within the North Frog Hollow neighborhood. Limited market rate housing may be acceptable in some circumstances to create a greater diversity of households. However, any new housing should be added with caution to prevent increasing supply. Regulations and policies should encourage the reduction of housing units in existing structures (conversion of three-family buildings to two-family buildings). There must also be the political will for the city to land bank vacant lots and resist temptations to develop those lots until market demand is created to support the addition of new housing (supply).

**Strategy Four: Increase on-site and off-site parking availability**

**Purpose: To improve the marketability of properties and create greater demand**

Due to the neighborhood's development before the popularity of the automobile, the high density of housing units on very small lots has created a significant lack of parking. Many properties have no on-site parking and many more properties don't have adequate parking to meet today's regulatory standards or market demands for parking. This lack of viable parking creates problems for both residential and commercial properties. For residential properties, deficient parking limits their marketability for homeownership or renters with greater means and limits the total rent values that a rental unit can return. For commercial properties along Park Street, Broad Street, and Capitol Avenue, deficient parking reduces the potential for customers from outside of a reasonable walking distance. A few strategies to address this issue include:

- a. creating a neighborhood-wide parking plan,

- b. developing city-owned vacant lots as parking lots (These can be operated by the city, leased at a reasonable rent to adjacent property owners, or sold to adjacent property owners for parking), and
- c. identifying locations where on-street parking can be added (This could be done as part of the implementation of traffic calming measures).

**Strategy Five: Invest in public facilities and infrastructure, and implement traffic calming measures**

**Purpose: To demonstrate the city's commitment to the neighborhood and leverage private investment**

Distressed neighborhoods tend to have deteriorating public facilities and infrastructure. Like private investment, public investment into distressed neighborhoods too often tends to be limited and in some cases non-existent. Investing in public infrastructure is an important early step in leveraging private investment. Recently the State and city have invested significant dollars into the Park Street Streetscape project and Pope Park redevelopment. However, other public facilities need significant investment. This includes renovating the two elementary schools in the neighborhood, resurfacing streets, constructing new sidewalks, and installing traffic-calming devices. Investing in traffic calming measures in the neighborhood would also address quality of life issues such as speeding and could be utilized to provide more on-street parking.

**Strategy Six: Provide property investment incentives**

**Purpose: To improve investment in properties and save the historic structures in the neighborhood**

Many, if not most, of the residential and commercial buildings in the neighborhood are historic and over 100 years old. [The vast majority of the neighborhood is designated as the Frog Hollow National Historic District.] The predominant building style is three story brick structures with flat roofs. Years of deferred maintenance and poor upkeep of these properties has placed most of them in great need of repairs, maintenance, and overall investment. Many structures are in danger of being lost. The city needs to provide a loan fund for both owner occupied and investor owned properties. The loan fund should include low interest rates, require the historic character of the properties to be maintained, and should target windows, roofs, porches, re-pointing, and mechanical systems upgrades. Some small grants may be utilized early in the program to create a positive impact and to encourage further investment. In addition, the outcome should be investment, regardless of income levels. Innovative approaches that don't require low and moderate income levels to qualify should be used to create investment. The North Frog Hollow neighborhood needs an influx of working and middle class households that have the means to invest and maintain their properties.

**Strategy Seven: Engage and organize residents**

**Purpose: To improve and create neighborly relationships within the neighborhood.**

The neighborhood association should work with existing block watch groups to engage and organize residents on their blocks as well as in their neighborhood. Resident meetings to discuss the strategy should be conducted on every block in the neighborhood. Social events,

block parties, and neighborhood clean-ups should be implemented to assist in building resident engagement.

**Strategy Eight: Invest in block projects and curb appeal**

**Purpose: To improve the level of property maintenance and appearance of the blocks and neighborhood.**

The neighborhood organization can capitalize on the newly engaged residents to organize and implement block projects that target the exterior appearance and curb appeal of properties. “Fresh eyes” block walks can be implemented to identify positive and negative conditions. Activities can be aimed at elimination of negative conditions first and then focus on enhancing the positive conditions.

**Strategy Nine: Develop a marketing strategy for the neighborhood**

**Purpose: To improve the neighborhood image through a comprehensive marketing strategy.**

The neighborhood should develop a comprehensive marketing strategy to improve the internal and external image of the neighborhood. Once the strategy is developed, the first two activities that should be implemented are the publishing of a bi-monthly or quarterly newsletter and the design and launch of a community web page. Both the newsletter and web page should be used to promote neighborhood assets and the positive changes that are occurring.

**Step VI. Measure progress toward outcomes, not activities**

**Purpose: To measure outcomes (i.e. Is the neighborhood improving?).**

As each strategy is being implemented, the neighborhood organization must begin evaluating it to determine if the strategy is working and moving the North Frog Hollow neighborhood toward its desired outcomes. This is a continual process of assessment. If strategies are not working, they need to be further evaluated and modified to achieve the desired outcomes.

**Step VII. Adjusting for Success**

**Purpose: To provide a flexible strategy that can adjust to the improving neighborhood and market conditions.**

The North Frog Hollow neighborhood is much more distressed than the neighborhoods targeted by the NHI program. Therefore, the early steps in the process should focus on the more distressed conditions that exist in the neighborhood and utilize strategies to reduce crime and code violations. For this reason, the adjusting for success portion of the reinvestment strategy will be critical. The neighborhood will continually need to adjust strategies as conditions improve, moving away from code enforcement to more community, resident, and neighbor based programs and strategies. The program must minimize the negatives and promote the positives as soon as possible.

**Conclusion**

This North Frog Hollow Sample Neighborhood Reinvestment Strategy is a basic

summary of how the first phases of a strategy would be developed and implemented to address the conditions in a distressed neighborhood utilizing the Healthy Neighborhoods approach. While the conditions of a given neighborhood may differ from those in other neighborhoods, the process of developing and implementing a Healthy Neighborhoods strategy is the same. Only the strategies and desired outcomes will differ from one neighborhood to another.

The key to the success of any Healthy Neighborhoods strategy, regardless of the neighborhood, is to build from strengths (neighborhood assets) and to focus on outcomes. Emphasizing the positives and quietly addressing the negatives will be the most important difference in implementing such a strategy in a distressed neighborhood. In addition, targeting resources and strategies at the more stable blocks in the neighborhood will jumpstart early success and create momentum that can be used to engage more distressed blocks.

Most of all, not losing site of the little things, such as block clean-ups, picking up litter, planting flowers, and getting residents to fly flags on their properties, will make a big impact on improving the image, by transforming the feel of a block and sending a strong, positive message to neighborhood residents and the market. Improving neighborhood image, market, physical conditions, and social connections are the keys to success, regardless of the current state of the neighborhood and its existing challenges.

## CHAPTER SIXTEEN

### CONCLUSION: HEALTHY NEIGHBORHOODS – A STRATEGY FOR THE FUTURE

*This chapter summarizes the Healthy Neighborhoods strategy and the implementation of that strategy in Hartford. It includes a call for action: a transformation of why and how we create change in weak market neighborhoods. The Healthy Neighborhoods strategy provides a realistic and effective approach to neighborhood reinvestment that works within the context of the market factors that exist in a particular neighborhood. This chapter reiterates that the Healthy Neighborhoods approach provides our best chance for creating healthy neighborhoods of choice.*

The work of neighborhood reinvestment is difficult. Neighborhoods do not stagnate or decline overnight, and it's not just one or two factors that cause the changes in a neighborhood. Conventional neighborhood planning, community development, and neighborhood redevelopment strategies attempt to eliminate negatives, improve public infrastructure, increase code enforcement, and/or add new or rehabbed housing into neighborhoods where there is little or no demand for housing. These strategies, while well intentioned, in many cases have fallen short of creating meaningful and sustainable change in neighborhoods. Hard work and good efforts are not enough. Strategies that focus only on the production of housing units or the number of housing units produced (outputs) rather than on the improvement of the neighborhood and rebuilding the real estate market (outcomes) will never create the long-term change needed to improve weak market neighborhoods and weak market cities.

We need knowledge and understanding of neighborhoods and the market factors that influence the evolution and decline of neighborhoods. We also need to focus the limited resources available for neighborhood reinvestment on those specific conditions that are the causes and results of neighborhood decline in order to rebuild neighborhood markets and grow demand. We need to recreate community, build social connections, foster neighborly relationships, and engage residents in their community.

Neighborhoods are not static. They are living environments that evolve over time. Most older neighborhoods were developed in order to meet the market demands and consumer needs of that time. However, market demands and consumer needs change, and in some cases they pass by once vibrant and modern neighborhoods that now struggle to compete for investment in the regional housing market.

As a result, such neighborhoods struggle to attract homeowners and households with the means to improve and maintain their properties. Behaviors and social norms change, property maintenance declines, the housing stock deteriorates, property values stagnate, and as conditions decline further, property values begin to fall. The cycle of negative behaviors, deferred maintenance, and market decline is contagious, and the downward spiral accelerates. Conventional approaches to community development and neighborhood redevelopment include strategies that target code enforcement, public infrastructure, and housing production, mostly for low-income households. But after years of implementing these strategies little noticeable or sustainable change has occurred in these neighborhoods. In many cases the conditions worsen.

David Boehlke teaches us that by targeting investments and strategies, by focusing our efforts on the aspects or conditions of neighborhoods that have deteriorated, and by creating social connections among residents and to the community we can slowly bring back the market, create new demand, and improve neighborhoods. Producing housing units, providing homeowner education, and doling out subsidies are often good programs and tools, but they should not be considered the outcomes.

Healthy Neighborhoods is an effective approach that provides an alternative to conventional community development and neighborhood reinvestment strategies. The approach provides planners, community developers, and communities themselves the opportunity to improve and to create healthy neighborhoods that can compete for residents, homeowners, and investment. More important, the Healthy Neighborhoods approach costs far less than conventional approaches and can return more in the way of taxes as property values increase. In addition, increased property values translate into home equity and create much needed wealth in communities with limited means.

Unfortunately for Hartford, it appears that the NHI Healthy Neighborhoods program was ahead of its time. While the program was successful and neighborhoods improved, there was little political support for the program. Political desires for instant results and conventional means of measuring success (counting units or homeowners produced) created a difficult situation for NHI. While NHI regularly demonstrated and measured success in improving neighborhoods and communities, government officials pushed for NHI to count numbers or outputs. How many loans closed? How many CDBG dollars were invested in loans? How many low and moderate income families were serviced? How many homes were built for first time homebuyers?

In addition, Hartford has developed a culture of affordable housing production. This was the one and only neighborhood redevelopment strategy in the city prior to the creation of NHI. Many of the organizations and individuals involved in the affordable housing production strategies opposed the formation of NHI and the implementation of the Healthy Neighborhoods strategy. It is difficult to assess if the lack of support for the Healthy Neighborhoods strategy is a protection of organizational turf, an unwillingness to change the way neighborhood reinvestment is achieved, or a difference in philosophy based on the need to provide housing for low-income households. Regardless of the reasons, it created a difficult environment for sustaining NHI.

NHI and the Healthy Neighborhoods approach do not preclude employing other neighborhood strategies. Rather Healthy Neighborhoods suggests we determine the best

strategies to improve neighborhoods. The approach expects that all neighborhoods, low-income or not, become healthy and safe. Affordable housing production, first-time homebuyer education, homeownership programs, public infrastructure investment, and even code enforcement are all worthy tools that can and often are employed within the context of a comprehensive neighborhood investment strategy.

However, the costs, both fiscal and social, associated with conventional strategies are staggering and even counterproductive. Conventional strategies that subsidize weak market conditions operate within the context of the weak market and accept the market as it is. Their goal is not to change or improve the market, but to complete the project or build the housing units. Strategies that only build affordable housing and only service low income families in low income neighborhoods will continue to cluster low income households in low income neighborhoods, providing little or no opportunities for the neighborhood or the families. Opponents of NHI who believe the Healthy Neighborhoods approach is a gentrification program have also been known to say that we should only build low-income housing in that neighborhood because low-income residents are the only people who will live there. This is a poor excuse for not finding ways to improve the neighborhood and it demonstrates that for some, community development is not about improving neighborhoods.

We need a change, a transformation, in our goals and approach. Is neighborhood planning and community development about improving neighborhoods or maintaining the status quo? Are we about providing healthy, safe neighborhoods that compete for residents and investment, or is the goal only to provide housing to low-income families clustered in marginalized neighborhoods? Can we do better? Yes.

David Boehlke's Healthy Neighborhoods approach to neighborhood reinvestment provides neighborhood planning and community development the opportunity to begin a transformation. It is an opportunity to change the way we approach neighborhoods and create meaningful and sustainable change. NHI has shown how a comprehensive Healthy Neighborhoods strategy can be successfully designed and implemented for a fraction of the cost and subsidies required for conventional approaches to community development and neighborhood reinvestment.

Smart Growth advocates often believe that we can revitalize our cities by limiting or halting outward growth (most commonly known as suburban sprawl) and forcing or focusing investment and development into our cities. Historic preservationists believe we can revitalize our cities by simply preserving historic structures in older neighborhoods. Affordable housing advocates believe that we can revitalize our cities by constructing affordable housing for low-income households in distressed neighborhoods. However well intentioned these beliefs, they continually fail to address the market factors, consumer preferences, and social factors that have made newer suburban neighborhoods more attractive and successful.

These approaches do not consider the factors that have pushed people away from the once vibrant, successful neighborhoods that are now weak-market urban neighborhoods struggling for financial and social investment. More important, they do not ask the one very important question: "How do we improve the neighborhood image, market, physical conditions, and neighborhood management of older weak-market neighborhoods to create vibrant, competitive, and sustainable neighborhoods?" David Boehlke didn't only ask the

question, he has provided the answer and the Neighborhoods of Hartford, Inc. has demonstrated its success. The answer is Healthy Neighborhoods.

## AFTERWARD

I was hired by NHI in February 2004. By October 2004 I had realized that the NHI Healthy Neighborhoods strategy was unique, was succeeding, and needed to be documented. At that point I began writing detailed notes about our NHI program and strategy. By August 2006 I had almost 200 pages of notes and started to think about writing a book about Healthy Neighborhoods and the NHI experience in Hartford.

The Fall of 2006 began a difficult time for NHI. In a period of three months NHI would lose the financial support of two national foundations and the city of Hartford. Our loss of support from the two national foundations was not related to our program or strategy but rather to changes in their funding objectives. Regardless, this resulted in a loss of over \$200,000 in general operating revenue for NHI. In addition, during this time the city of Hartford and the Mayor made it clear that it no longer supported our program or strategy and NHI would not be receiving any additional CDBG funding or other funding from the city. (This withdrawal of support was because NHI was not producing housing units to aid the Mayor in his production strategy.) This began a long process of fundraising and exploring all of our options for additional financial support. Unfortunately, we quickly realized that there was limited support for the Healthy Neighborhoods Strategy and therefore our program. While many local corporations and foundations were willing to fund NHI, the needs in Hartford were great and funds available to NHI were limited. NHI could get \$10,000 here and \$50,000 there, but the large amounts and multi-year commitments necessary to sustain the program were not going to materialize.

In December 2006 I began writing this book. The first draft was completed in April 2007 and the final draft in February 2008. During this time period it became evident that NHI was not sustainable. NHI needed approximately \$850,000 per year to cover operations, neighborhood programs, loans, and design services. However, it was evident that NHI could secure only around \$400,000 per year in funding. We explored all options to secure additional funding and support, but we reached a point at which the difficult decisions needed to be made. In December 2007 the Board decided to dissolve the corporation and end the NHI program.

This was a difficult, yet responsible decision. NHI had experienced great success in our target areas and had seen the confidence that our program provided to the area residents. NHI had also witnessed and documented the significant increases in property investment, the real value that these investments had added to the properties, and the wealth that they created for the homeowners. So how could we shut this program down? That is a question that still haunts me today. However, we saw the writing on the wall. We did not have the funding needed to continue the Healthy Neighborhoods strategy. Furthermore, to only do one portion of the strategy or to modify (add affordable housing production or other programs) our strategy to gain further political and financial support would be to sacrifice everything we believed in, had set out to accomplish, and had succeeded in doing.

NHI succeeded in demonstrating that the Healthy Neighborhoods approach is very successful in creating positive change in weak market neighborhoods. We created stability and confidence, improved property conditions, and created investment in areas totaling over 2,200

housing units. We accomplished this for just over \$4 million dollars over a four year period of time, yet we could not maintain the funding we needed to sustain our program. Ironically, at the same time, affordable housing production projects in the city received \$4 million dollars or more to create only 40 new or rehabbed housing units in distressed neighborhoods will little chance of long-term change or success.

This unfortunate situation for NHI has caused this book to become, for me, the lasting legacy of NHI. However, I also hope this book is the start of a transformation, a step toward a future for community development that recognizes the value, importance, and success of the Healthy Neighborhoods approach. It is my hope that other cities and towns will recognize the success achieved by NHI and the Healthy Neighborhoods Strategy, and that they will utilize the approach for reinvestment in their communities.

Hartford is the capital city of the State of Connecticut, a state known as the “Land of Steady Habits.” I believe strongly that NHI and the Healthy Neighborhoods approach were too innovative for this location. Perhaps if a transformation occurs in how we approach neighborhood reinvestment, Hartford will come to realize how successful the Healthy Neighborhoods strategy was and will once again implement such a strategy.

Donald J. Poland, AICP  
Hartford, Connecticut  
February, 2008

## **Creating A Healthy Neighborhoods Strategy**

### **I. How To Change Neighborhoods**

- Analyze neighborhood to identify what is work and what is not working. Are people investing and if not, why?
- Identify what went wrong. Why did people stop investing?
- Develop an approach for reinvestment.
- Identify and set outcomes of progress and success for a healthy neighborhood.
- Develop a strategy to best achieve those outcomes.
- Asses and readapt strategies to best implement reinvestment strategies.
- Measure outcomes or progress toward outcomes. Do not measure outputs-activities.

### **II. Components of a Healthy Neighborhoods Strategy**

- What went wrong and why?
- Assessment of what is working and what is not working in the neighborhood
- Identify reinvestment outcomes and measurements of success
- Develop strategies to achieve outcomes
- Develop structure and roles for implementation
- Implementation time frame and key implementation issues
- Required resources and budget

### **III. Components of a Neighborhood Marketing Plan**

- Marketing goals
- Target Markets
- Analysis of Target Markets: Who they are? What do they want? Where can they be reached with marketing messages?
- Marketing Message for Each Target Market
- Marketing Strategies and tools for Each Target Market
- Evaluation Methods

## **Creating a Positive Neighborhood Image**

### **I. Neighborhood Identity Enhancement and Promotion**

- Select a unique and defining neighborhood name
- Clarifying neighborhood boundaries and identity
- Creating an oral or written history of the neighborhood
- Developing a neighborhood logo or brochure
- Facilitating a neighborhood newsletter, web page, or communication system

### **II. Neighborhood Pride-Building Activities**

- Clean-up campaigns
- Neighborhood or block parties
- Potluck dinners and neighborhood social events
- Beautification and landscaping projects
- Neighborhood banners and entry signs

### **III. Exterior Enhancement and Positive Standard Setting**

- Incentive loans for exterior improvements
- Paint grants or volunteer paint/repair program
- Landscaping incentives loans or purchasing cooperatives
- Coordinate model block initiatives

### **IV. Public Communication and Media Outreach**

- Press tours and information programs
- Programs for supporters and government officials
- Ad campaigns
- Broadcast “talk” shows
- Yard signs with messages

Based on the work of Dave Boehlke, Jon Gonzales, & Marta Howell – 2001 Neighborhood Reinvestment Training Institute

## **Improving the Physical Environment**

### **I. Capitol Improvements**

- Upgrade of sidewalks, alley, streets, etc.
- Improvement of utilities

### **II. Public Space Treatments**

- Improvement or creation of parks and open space
- Upgrading of publicly-owned buildings
- Addition of new public facilities (e.g. health center, senior center)

### **III. Small Scale Home Improvements**

- Home rehab estimating and counseling
- Conventional and public loan referral
- Provision of small grants
- Direct loans
- Contractor screening

### **IV. Large Scale Rehab and New Construction**

- Rehab and resale of vacant houses
- Recruitment of developers of single family housing
- Special new construction (owner-built, HOME, etc.)
- Special rate new subdivisions
- Move-on and infill new construction

### **V. Major Property Development Initiatives**

- Coordination of large scale grants
- Development of multi-family rental or mutual housing
- Recruitment of developers of large scale projects
- Commercial revitalization
- Promotion of institutional reinvestment

Based on the work of Dave Boehlke, Jon Gonzales, & Marta Howell – 2001 Neighborhood Reinvestment Training Institute

## **Building a Neighborhood Management System**

### **I. Block Level Activities**

- Block “curb appeal” projects
- New neighbor welcome parties
- Clean-up events
- Open houses and other events
- Block groups (formal and informal)

### **II. Neighborhood-wide Initiatives**

- Marketing campaigns
- Pride-building and history programs
- Neighborhood festivals
- Communications efforts (newsletters, e-mail lists, etc.)
- Social events
- Neighborhood associations

### **III. Leadership Development**

- Workshops and seminars
- Resident leadership training programs
- Mentoring projects
- Hands-on training initiatives
- Homebuyer education and linkage programs

Based on the work of Dave Boehlke, Jon Gonzales, & Marta Howell – 2001 Neighborhood Reinvestment Training Institute

## **Re-establishing a Healthy Real Estate Market**

### **I. Market Analysis**

- Inventory the local real estate market
- Surveying real estate professionals and lenders
- Tracking market trends
- Benchmark existing property conditions

### **II. Promoting of Positive Real Estate Activity**

- Open houses jointly with local agents
- Workshops with real estate agents on nonprofit services and special lending
- Referral of qualified buyers to cooperating agents
- Provision of incentive lending products for targeted properties
- Development of positive neighborhood images with local agents

### **III. Market Intervention Activities**

- Problem property marketing and incentive loan package
- Targeted marketing of properties, especially high quality houses
- Property Market Write-ups
- Tenant conversion to homeowners
- Homebuyer clubs and training classes

### **IV. Loan Packaging, Financing, Counseling, and Deal-making**

- Target use of nonprofit and government loans and grants
- Leverage use of conventional and near-conventional products
- One-on-one counseling of homeownership
- Direct matching of buyer, house, and financing
- Optioning or controlling properties for sale

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**Healthy Neighborhoods:  
Creating Neighborhoods of Choice in Weak-Market Cities**



The Neighborhoods of Hartford, Inc.

By Donald J. Poland, AICP