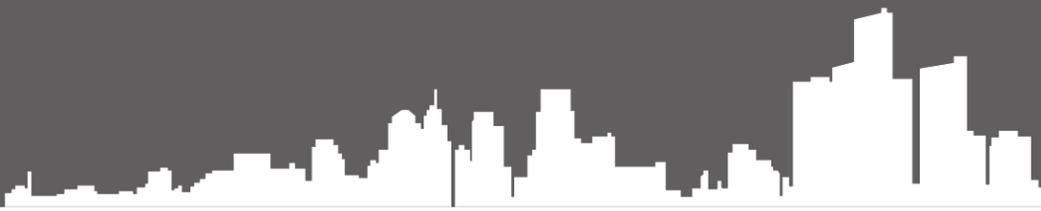


Detroit Works Project: Neighborhood Analysis & Short-term Interventions

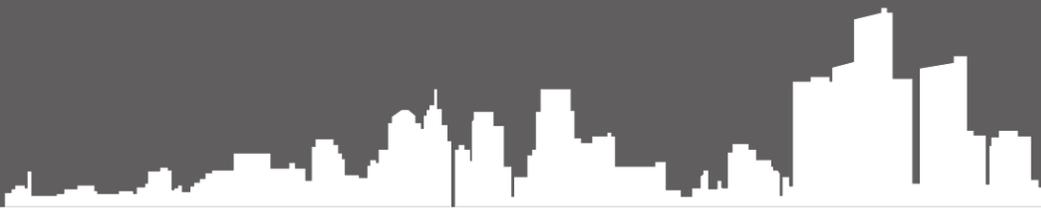
An Evidence-Based Strategy for Detroit Neighborhoods





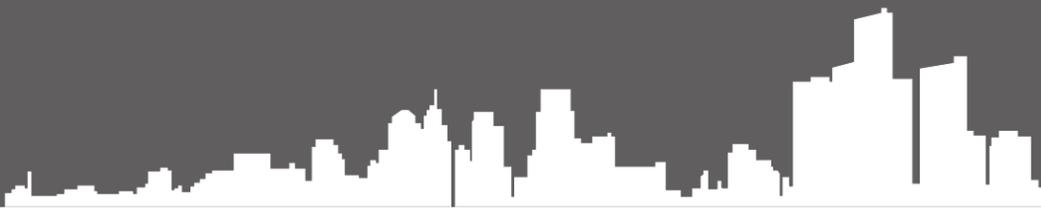
Neighborhood Analysis Description

- The Neighborhood Analysis is the result of two studies conducted as part of the Detroit Works Project:
 - Residential Physical Conditions Analysis, conducted by Hamilton Anderson Associations
 - Market Analysis, conducted by The Reinvestment Fund
- Provides an overview of the existing physical and market conditions that are impacting neighborhoods across the entire city.



Our Broad Strategic Approach

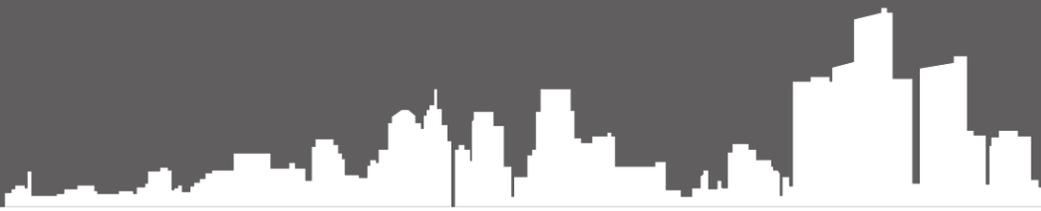
- Build from the market strengths that exist in Detroit.
- Neighborhood conditions are changing at a rapid pace and smart targeting of resources is essential to improve conditions.
- Intervention strategies need to be based on neighborhood realities and the fact city resources are limited.
- The strategy for every neighborhood will not be the same but there will be a strategy for neighborhood based on its market type. All strategies are not yet complete.



Our Broad Strategic Approach

- We must implement interventions to restore confidence in Detroit neighborhoods.
- We must implement interventions that help stabilize housing prices and resident and investor confidence.
- We must utilize available city resources and investments to leverage private and philanthropic investments.
- We must create an environment that fosters resident retention and also attracts newcomers.

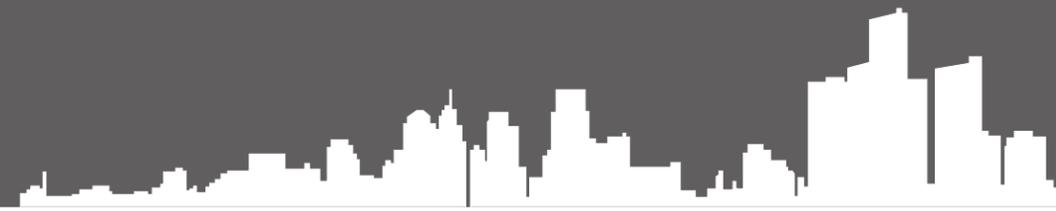




RESIDENTIAL PHYSICAL CONDITION ANALYSIS

The Residential Physical Condition Analysis (RPCA) is a typological assessment of residential areas in the city. Utilizing a series of quantitative and qualitative indicators identified by City of Detroit representatives, local experts, and vested stakeholders, the typologies provide an evidence-based illustration of the existing conditions impacting Detroit's residential areas. The RPCA is intended to work with ongoing market-based assessments, being completed by The Reinvestment Fund, to inform short-term policies and strategies to be developed and deployed by the City of Detroit.





Residential Physical Condition Analysis

INDICATORS

Household Change

Notable areas of household growth, stability and decline from 2000-2010

Vacant Land

Significant concentrations of currently vacant land

Vacant Housing

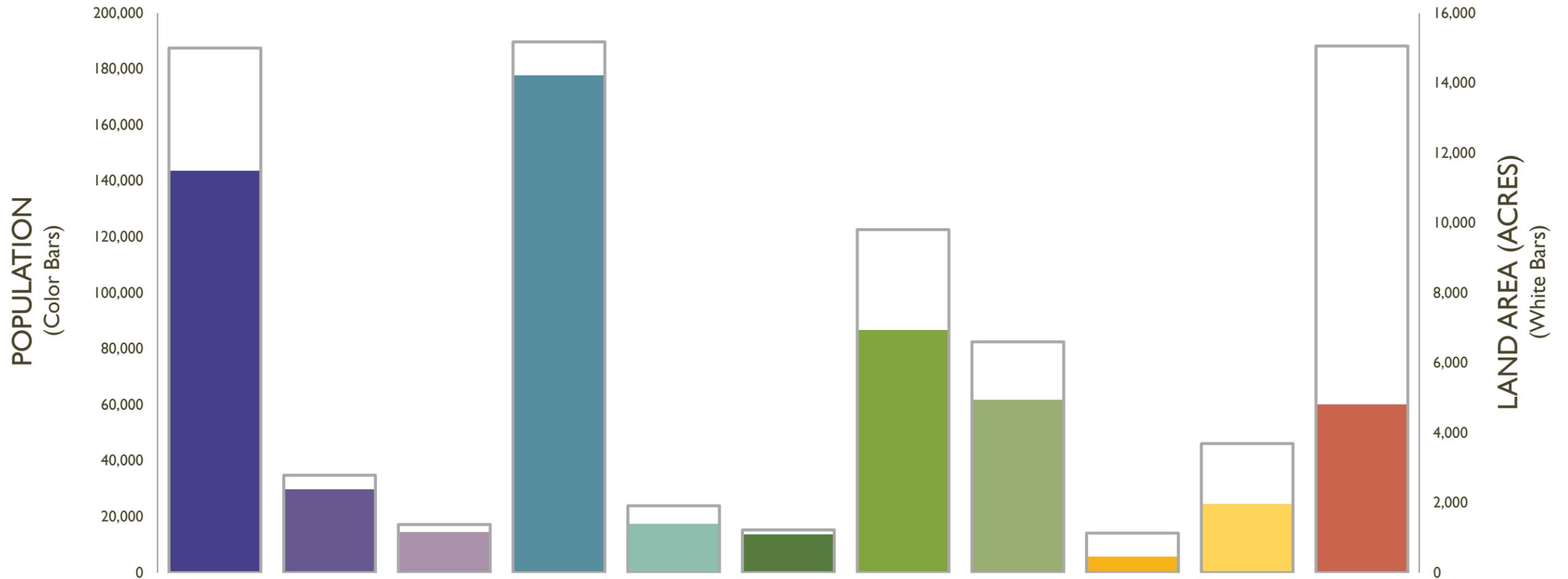
Significant concentrations of currently vacant housing

Housing Condition

Above and below average housing condition

Major Typologies

TYOLOGY POPULATION AND LAND AREA



DENSITY

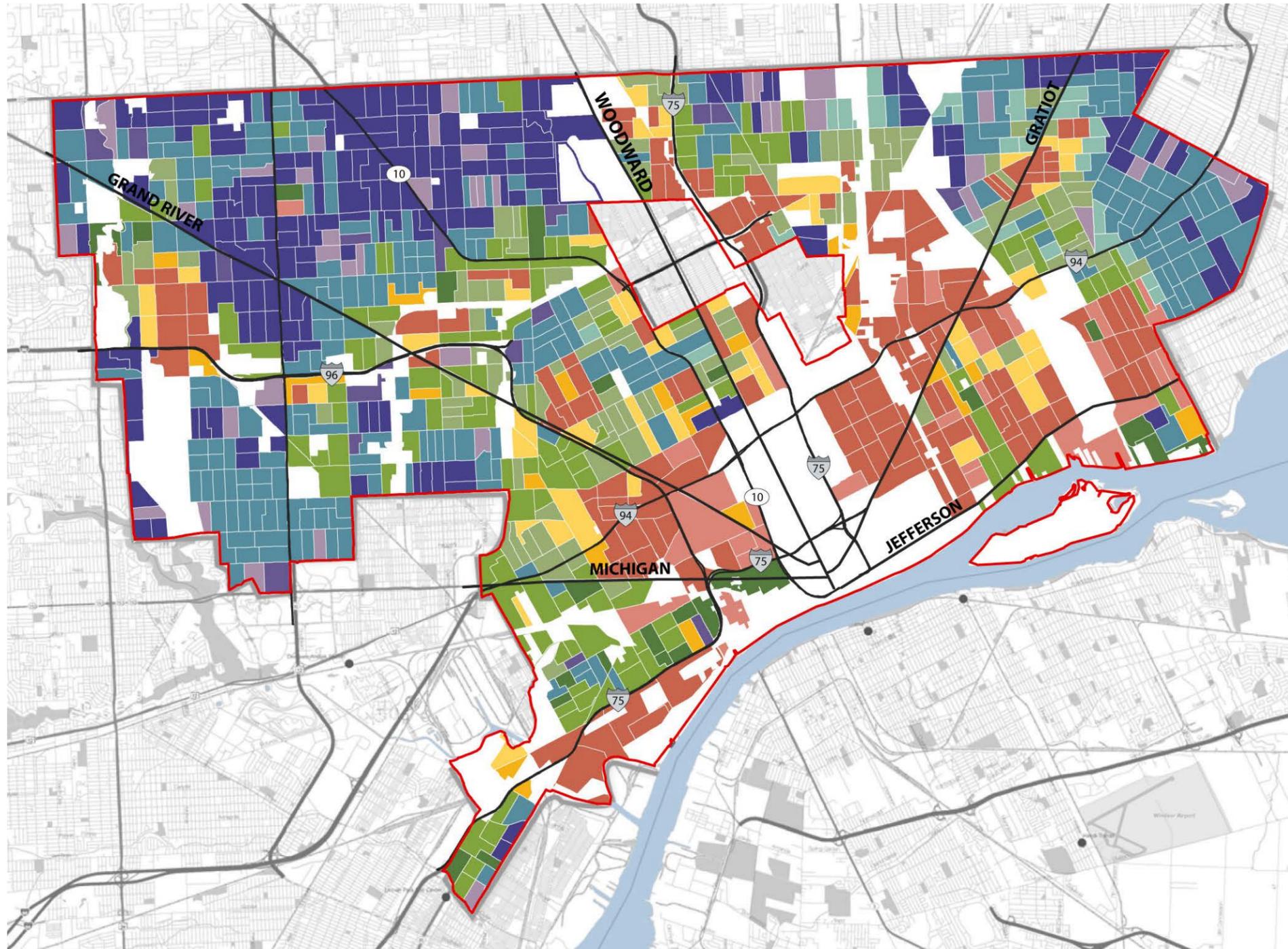
	A1	A2	A3	B1	B2	C1	C2	C3	D1	D2	E1
Number of Block Groups	181	39	15	235	25	11	117	103	11	50	145
Population	140,449	29,883	14,021	176,914	16,518	12,435	84,866	61,765	5,671	24,491	60,085
Land Area (acres)	14,532	2,785	1,337	15,138	1,614	1,104	9,410	6,597	1,130	3,649	14,876
Density (ppl per acre)	9.66	10.73	10.49	11.69	10.23	11.26	9.02	9.36	5.02	6.71	4.04

SOURCE: CENSUS 2010, D3 2009, P&DD 2010, SEMCOG 2008, ACS 2009



Major Typologies

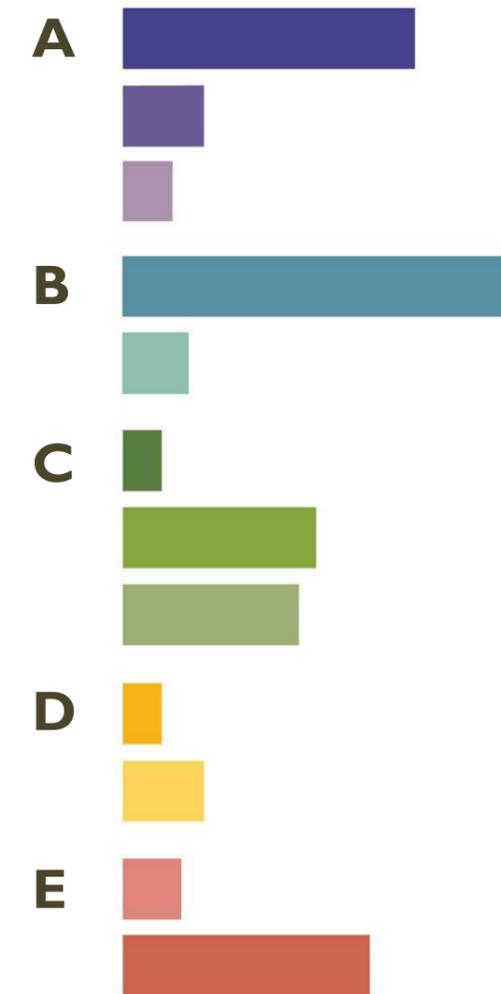
COMPOSITE MAP

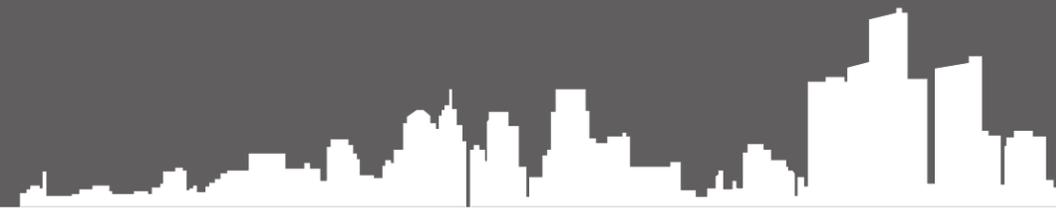


SOURCE: CENSUS 2000, 2010; D3 2009; SEMCOG 2008

Major Typology Composite

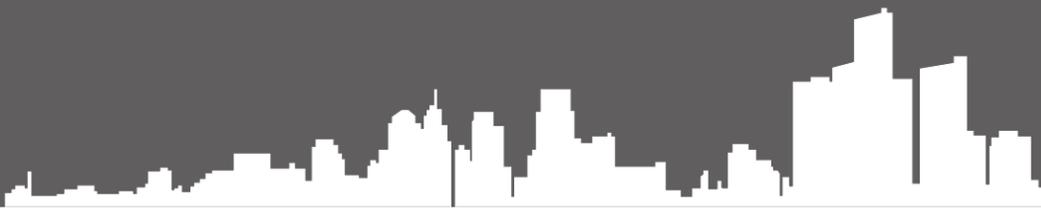
The length of each bar represents the relative number of block groups





MARKET VALUE ANALYSIS





Market Value Analysis

COMPONENTS

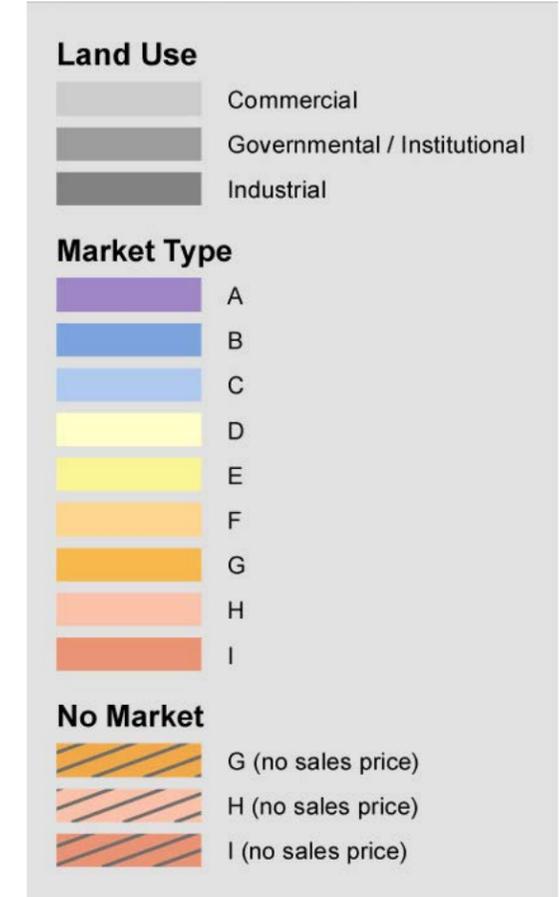
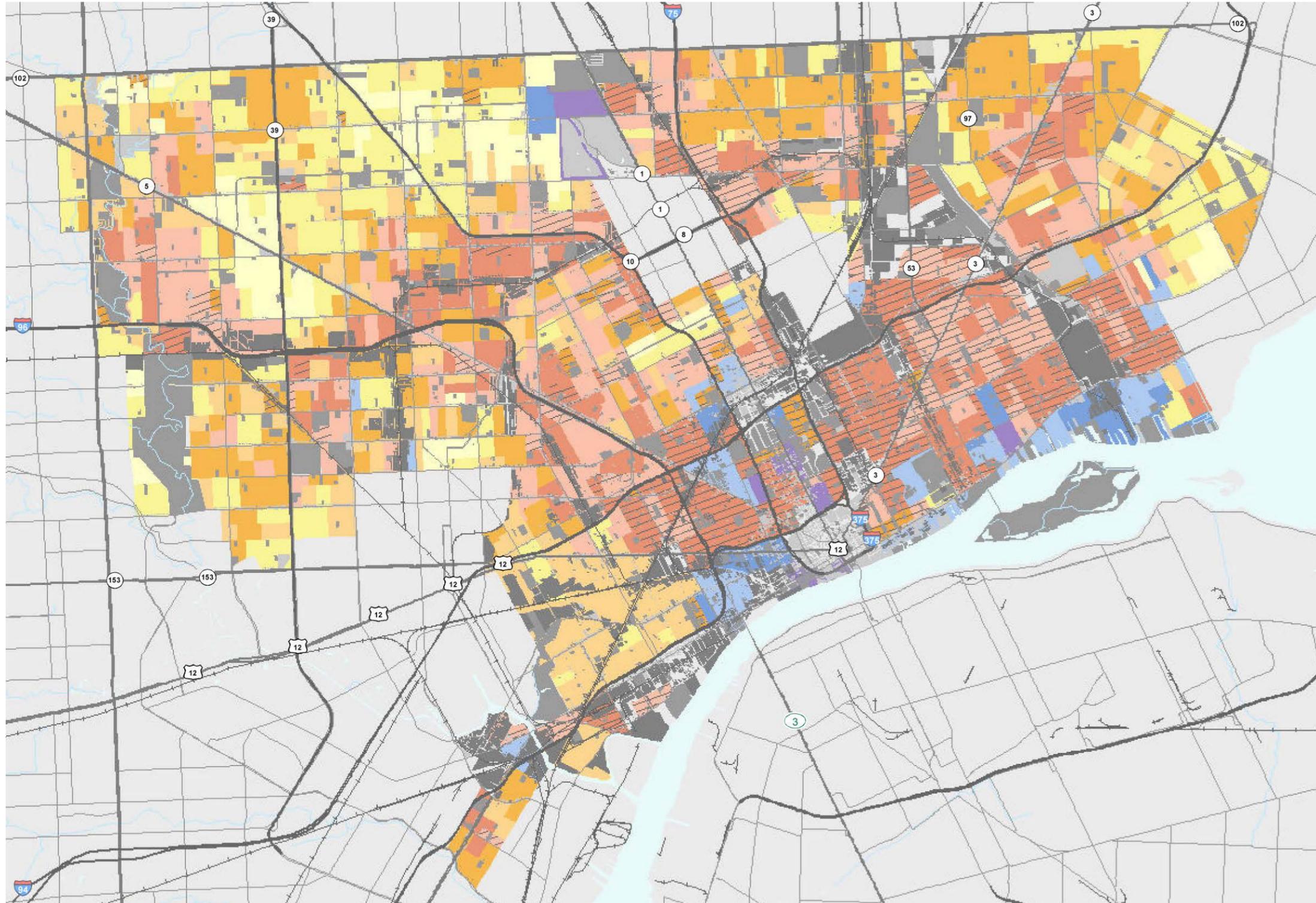
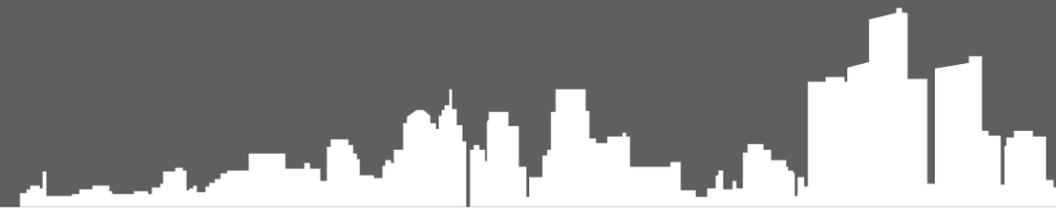
- Median sales price 2009-2010
- Coefficient of variance for sales price 2009-2010
- Subsidized rental stock as a percent of all housing units
- Vacant (unimproved) lots
- Vacant open and dangerous as a percent of all housing units
- Foreclosure as a percent of residential properties
- Ratio of commercial to residential area
- Percent owner-occupied

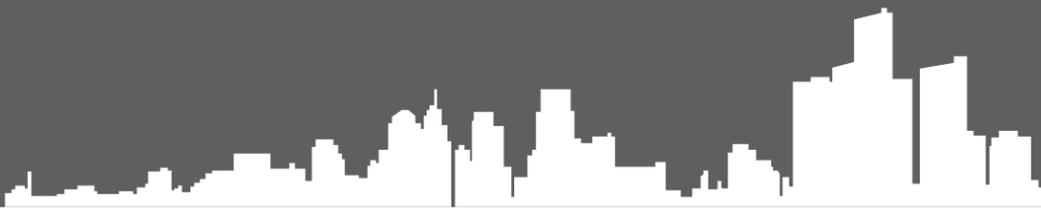


Market Type (# block groups)	Median Sales Price 2009-10	Sales price coefficient of variance	% Residential properties currently in REO	% Residential properties with a foreclosure filing in 2009-10	% Owner Occupied Units	Commercial - Residential land use ratio	% Housing units with Section 8	% of all parcels classified as unimproved vacant lots (Detroit Works survey)	% of all housing units classified as vacant, open and dangerous (Detroit Works survey)
A (4)	\$124,500	0.80	3.23	1.14	48.12	0.12	0.18	6.50	0.50
B (10)	\$68,583	0.55	2.95	3.13	67.23	0.07	0.98	7.50	0.00
C (17)	\$31,500	0.76	1.93	1.07	28.92	0.13	1.63	18.00	1.00
D (60)	\$21,000	0.74	6.70	4.87	90.09	0.04	2.05	0.00	0.00
E (167)	\$11,888	0.90	6.98	4.55	79.33	0.05	3.20	1.00	0.00
F (127)	\$10,150	0.87	5.13	3.79	50.52	0.08	2.36	5.00	2.00
G (181)	\$6,050	1.17	7.33	4.03	66.37	0.05	3.26	4.00	2.00
H (77)	\$5,000	1.13	5.86	2.93	38.60	0.09	2.55	16.00	7.00
I (55)	\$4,100	1.16	4.28	2.54	65.71	0.04	1.80	21.00	8.00

Market Type (# block groups)	# Residential parcels	% Residential parcels	# Population	% Population	# Foreclosures 2009- 2010, q2	% Foreclosures 2009- 2010, q2	# REO	% REO	# Vacant lots unimproved	% Vacant lots unimproved
A (4)	1,513	0%	8,222	1%	33	0%	58	0.00	193	0%
B (10)	4,032	1%	9,691	1%	91	1%	105	1%	1,123	2%
C (17)	8,197	2%	27,786	3%	88	1%	185	1%	2,260	3%
D (60)	20,064	6%	57,555	6%	1,134	11%	1,377	8%	266	0%
E (167)	55,616	16%	163,782	18%	2,830	27%	4,003	23%	1,342	2%
F (127)	43,991	13%	155,995	17%	1,631	15%	2,306	13%	4,512	7%
G (181)	63,684	18%	173,720	19%	2,776	26%	4,742	27%	3,288	5%
H (77)	44,924	13%	108,440	12%	943	9%	2,146	12%	11,093	16%
I (55)	37,165	11%	69,697	8%	633	6%	1,323	8%	10,404	15%
NM (242)	69,782	20%	141,245	15%	407	4%	1,005	6%	33,362	49%
Total	348,968	100%	916,133	100%	10,566	100%	17,250	100%	67,843	100%







ANALYSIS INTEGRATION

Information from both the Residential Physical Conditions Analysis and the Market Value Analysis were integrated for a comprehensive view of Detroit neighborhoods based on physical conditions and market trends. The results of the integration resulted in three predominant market types across the City. Each of which is outlined on the following slides.

Distressed Markets

DISTRESSED MARKET

Characterized by:

- Long term physical decline
- Near absence of market activity
- High vacancy rates

Government Activity:

- Invest in people
- Demolish blighted structures
- Large scale site acquisition & parcel marketing

GOVERNMENT ROLE:

Intervene to build on strength

Transitional Markets

TRANSITIONAL MARKET

Characterized by:

- Changing market dynamics
- Relatively high presence of REO properties
- Mix of rental and owner-occupied homes

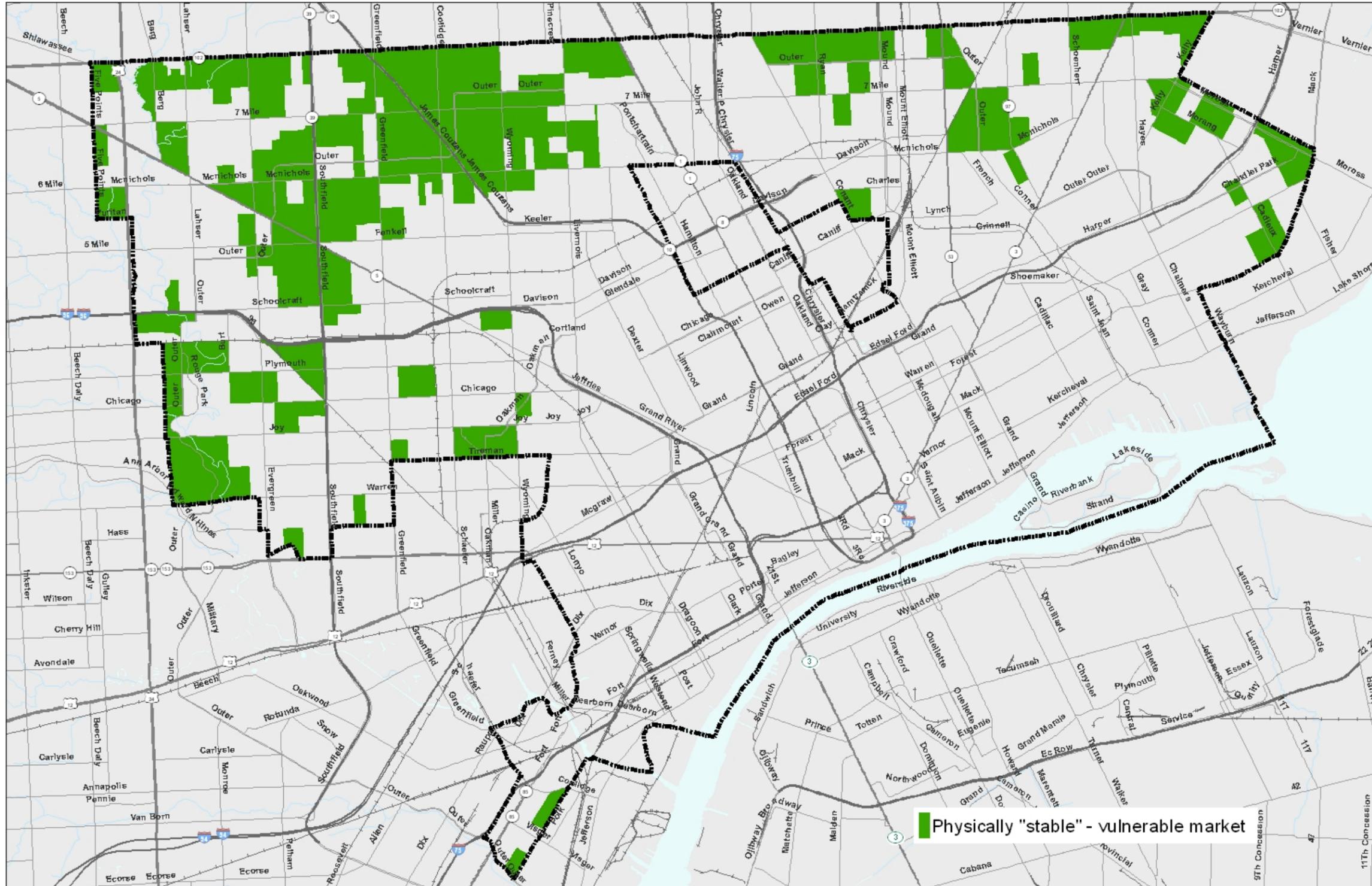
Government Activity:

- Rapid response to blighting influences
- Acquire and rehabilitate REO property
- Pursue investment partnerships with neighborhood anchors

GOVERNMENT ROLE:

Rapidly respond to any signs of physical or economic deterioration; introduce aggressive preservation programs

Transitional Markets



Steady Markets

STEADY MARKET

Characterized by:

- Highest housing prices in the city
- Homes in good physical condition
- Majority owner-occupied homes

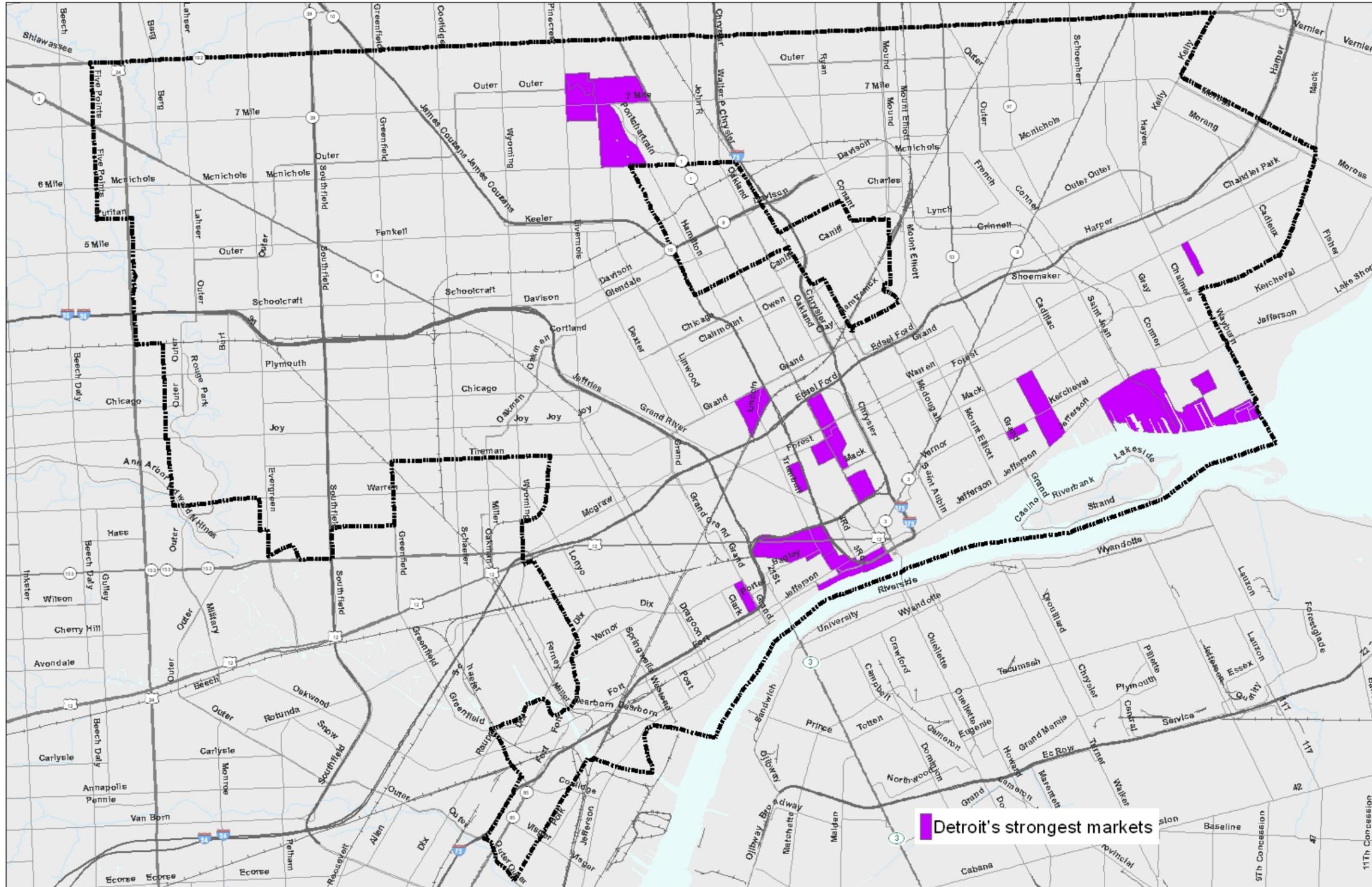
Government Activity:

- Active code enforcement
- Rapid response to any blighting influences
- Invest in commercial corridors & infrastructure

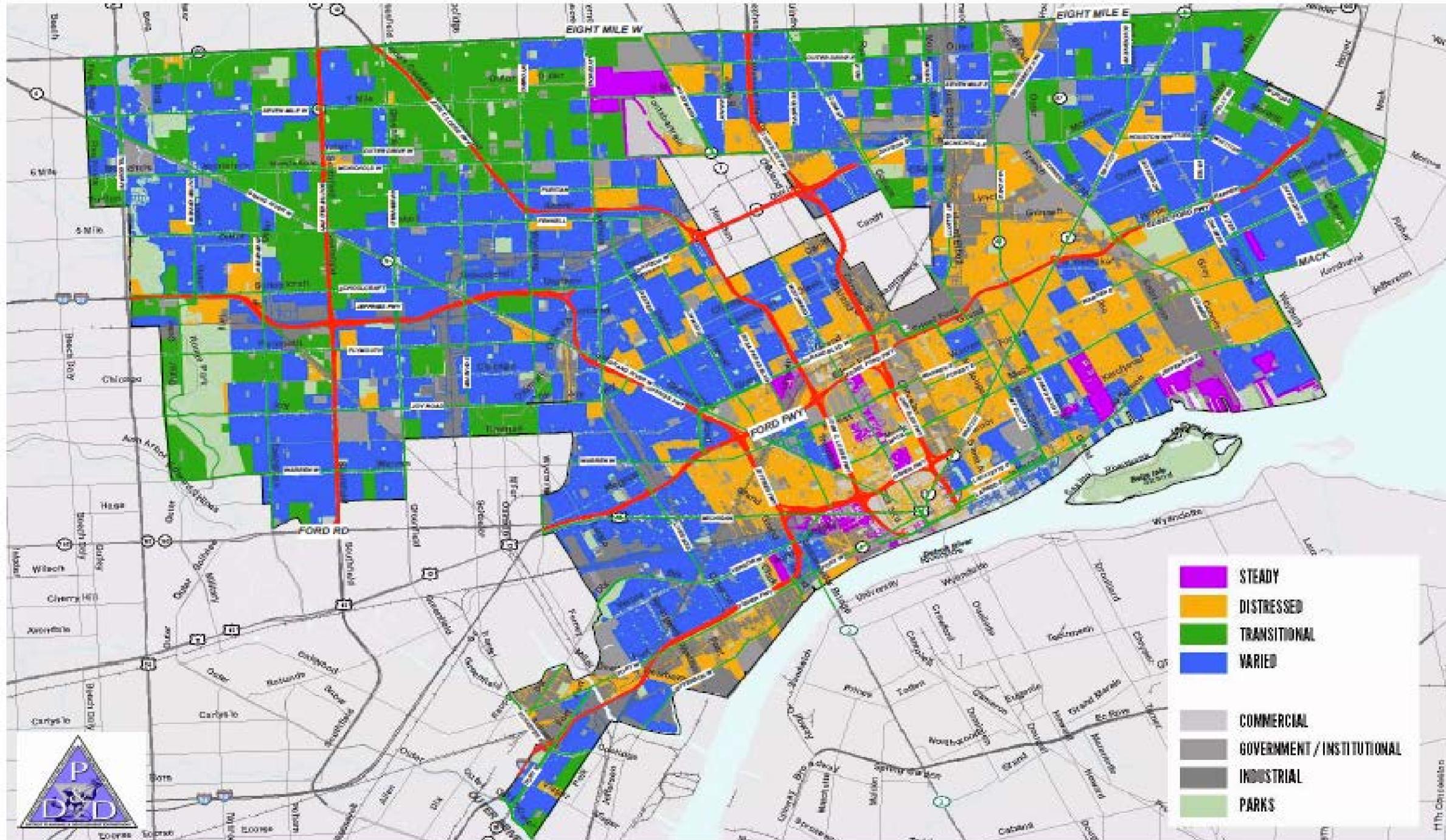
GOVERNMENT ROLE:

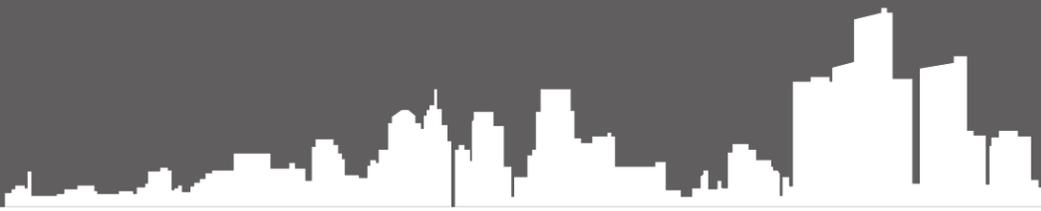
Protect market strength and foster
market confidence

Steady Markets



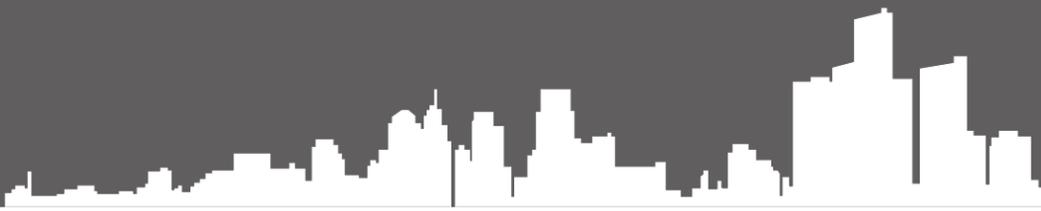
Integrated Citywide Map





Neighborhood Action Strategy

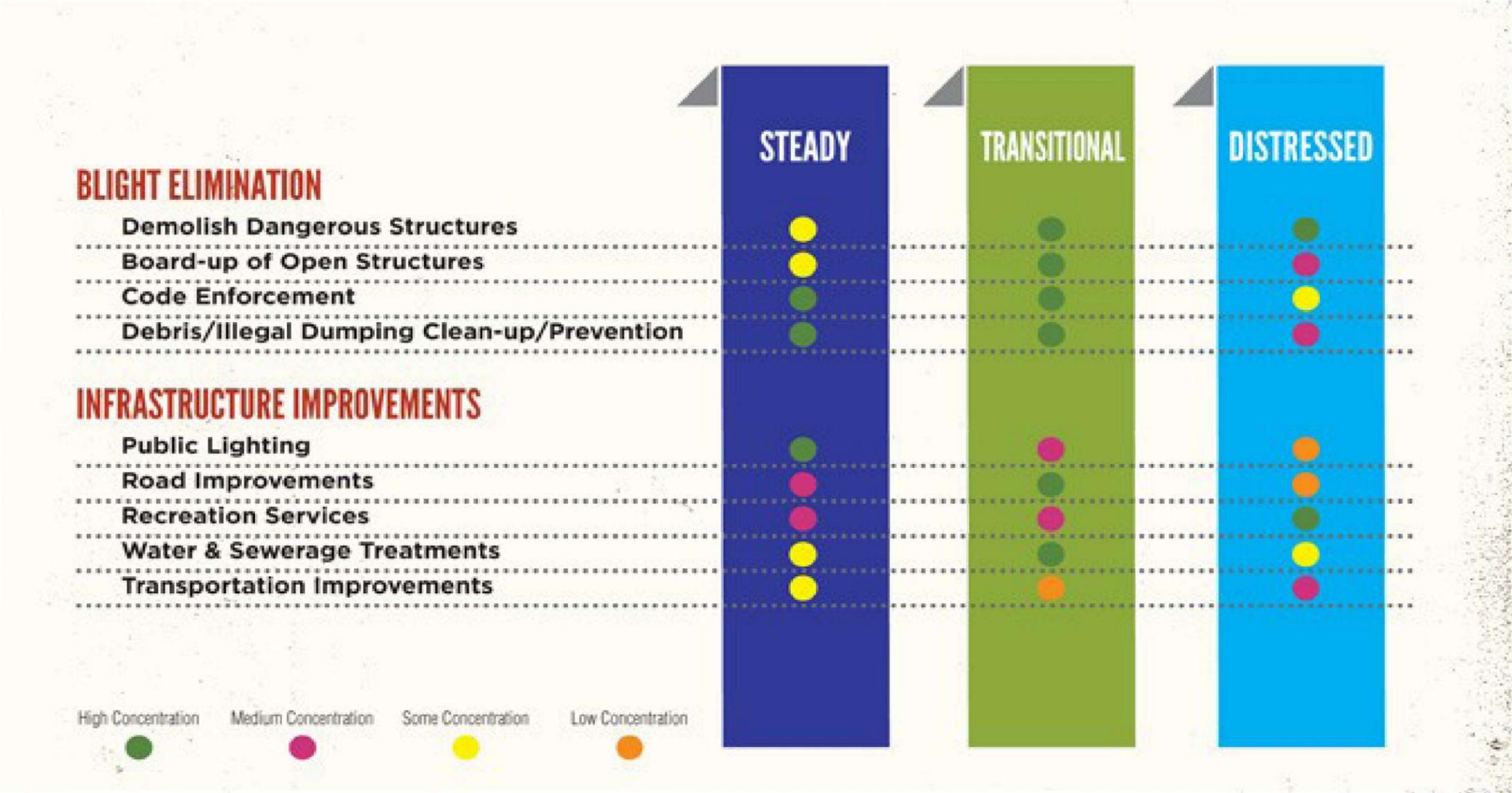
- Utilized data from both the Market Value Analysis and the Residential Physical Condition Analysis to identify the market conditions that exist in neighborhoods across Detroit's 139-square mile landscape.
- Implement a strategy that addresses the immediate needs of Detroit neighborhoods city-wide based on their relevant market-type.
- Realign limited city resources and leverage public, private and philanthropic investments in the most effective way possible to improve market conditions.
- Identify “demonstration areas” to track the effectiveness of the new market-based approach to service delivery and investment.



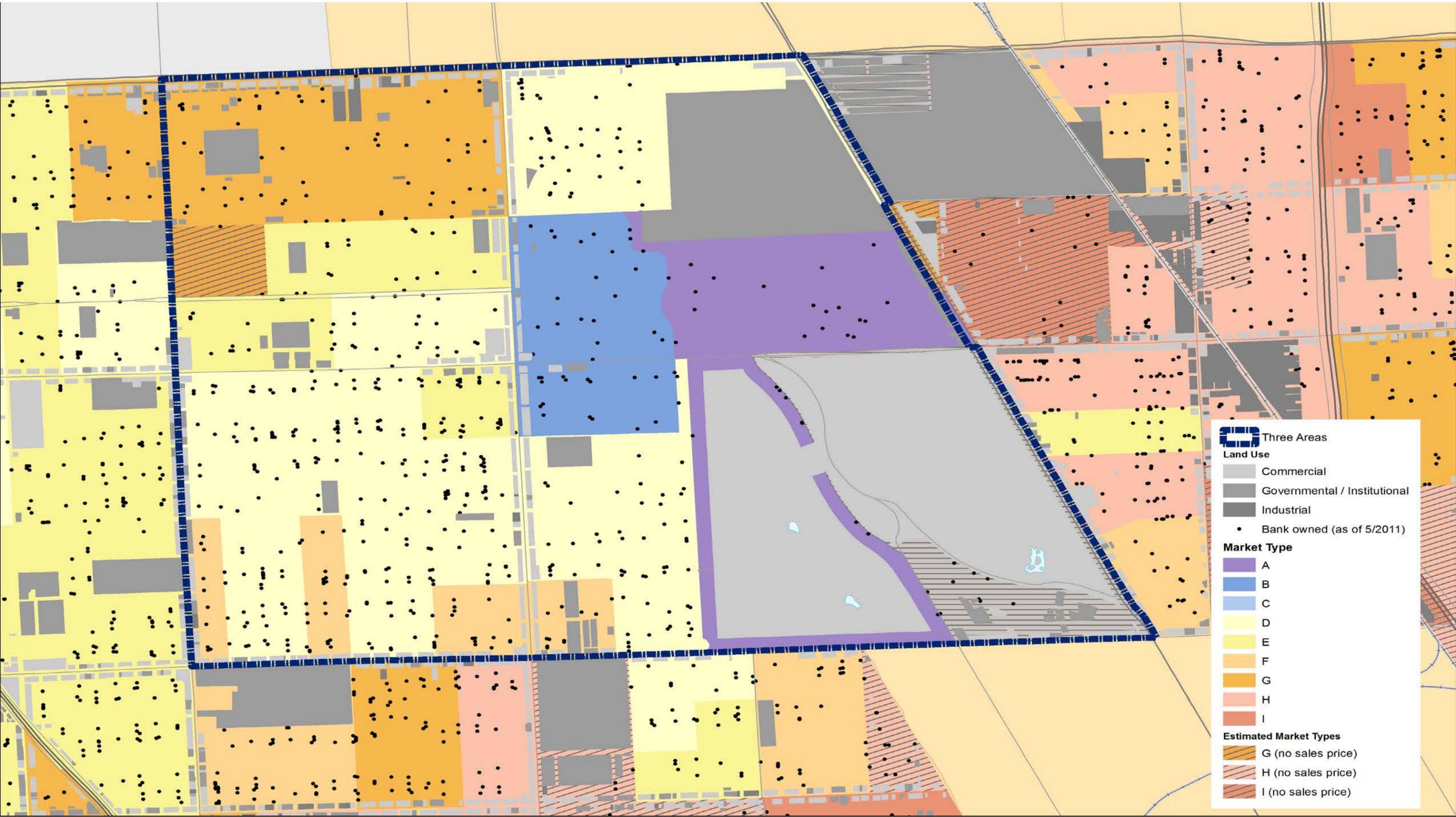
Tracking Progress

- Identify 3 Demonstration Areas that contain all three market conditions—steady, transitional, and distressed—located within their boundaries.
- Demonstration Areas will not be treated differently than the rest of the city from a service standpoint.
- Work closely with the community/residents in the Demonstration Areas to learn more about their specific needs and collective priorities to inform strategy development and implementation.
- Six months after implementation analyze Demonstration Areas to evaluate the effectiveness of the interventions. Use analysis results to modify or sustain the approach for maximum outcomes.

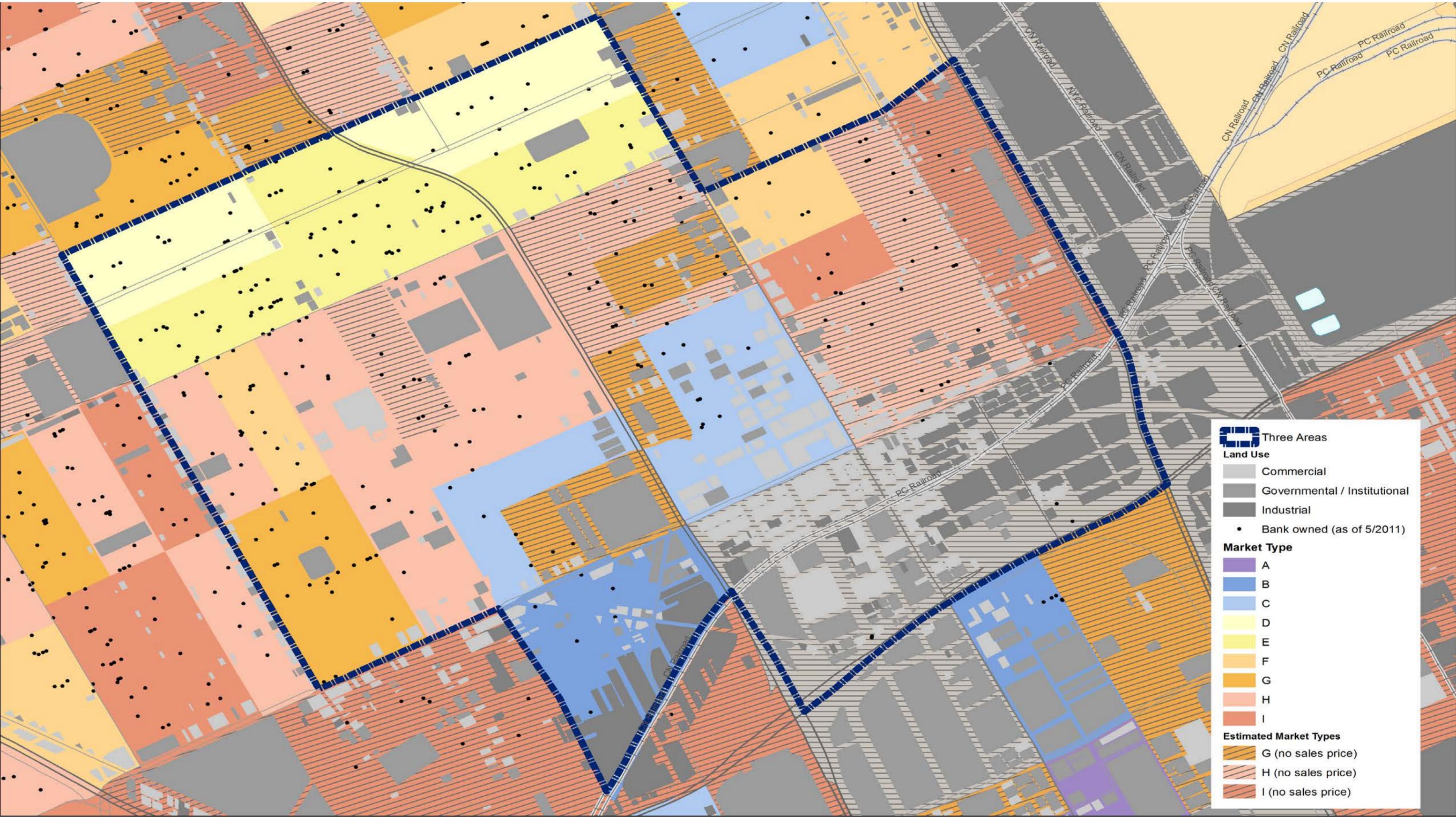
Service Concentration by Market Type: Example



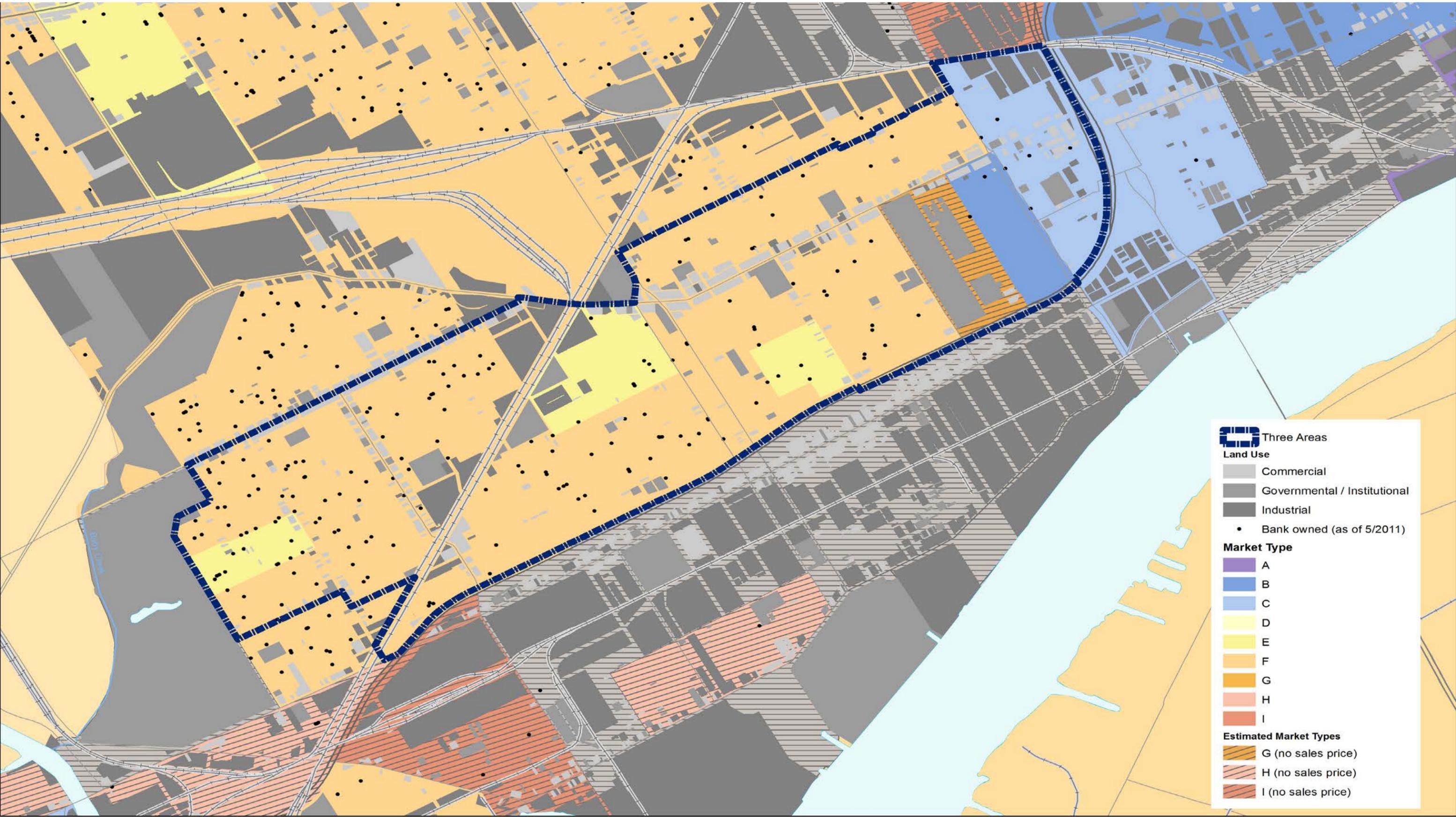
REO in Demonstration Area 1

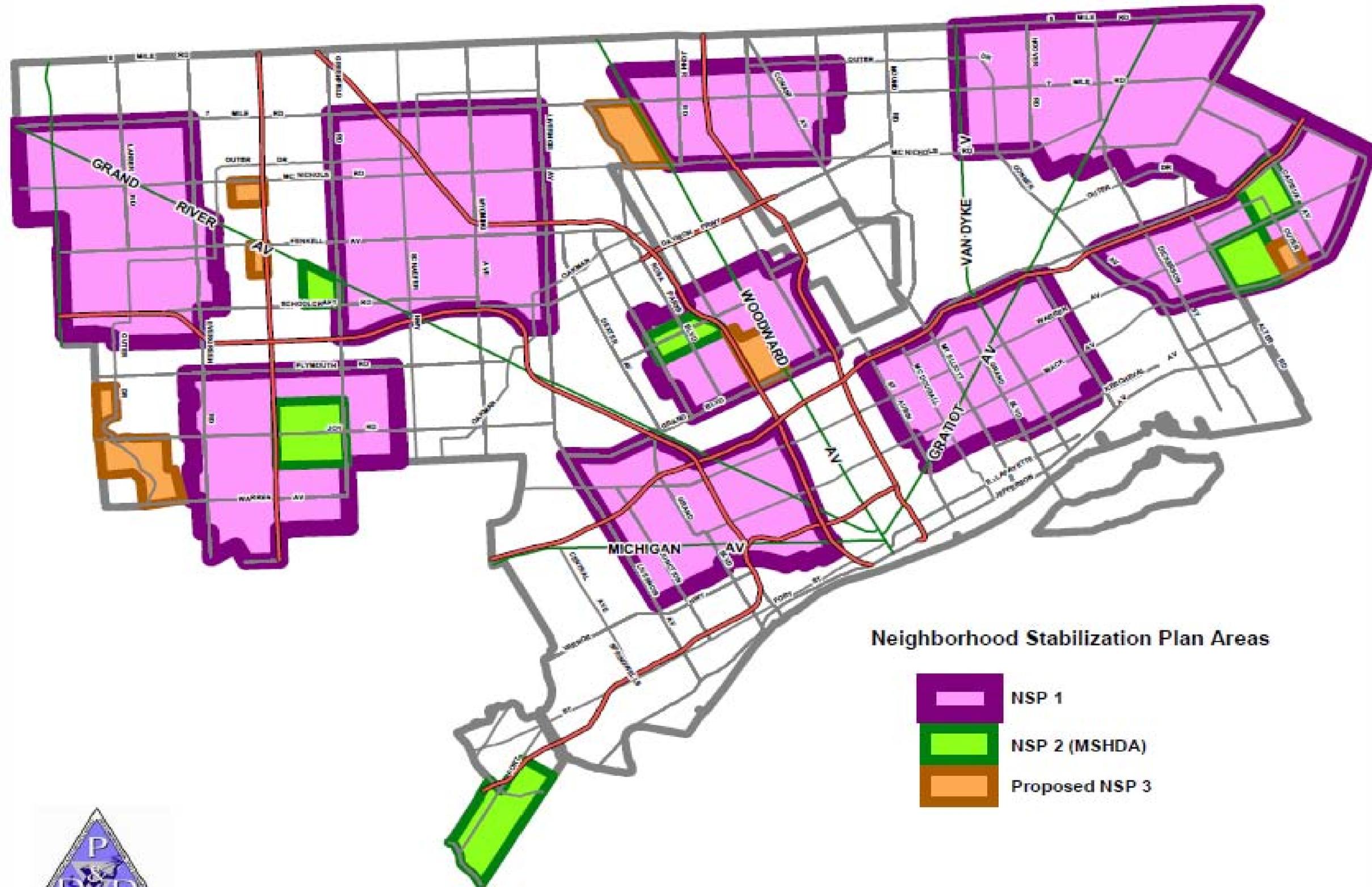
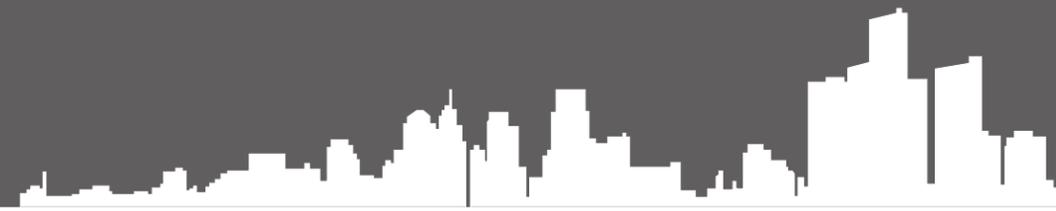


REO in Demonstration Area 2



REO in Demonstration Area 3

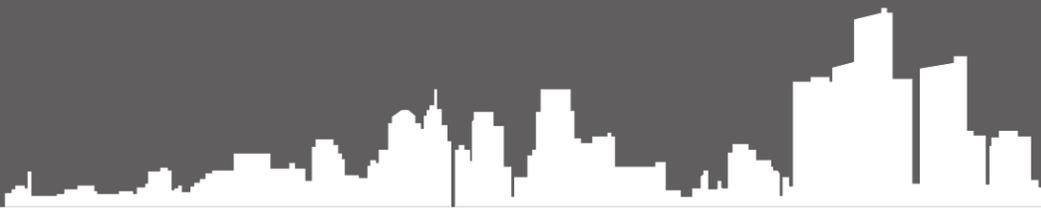




Neighborhood Stabilization Plan Areas

-  NSP 1
-  NSP 2 (MSHDA)
-  Proposed NSP 3





E-Mail to Bing Administration from Developer

I previously made a vow not to bother the Mayor with the myriad of problems that Planning and Development has caused us with this Project. Unfortunately I must break this vow.

Three years ago we entered into a Neighborhood Rehabilitation Plan with PDD to purchase and build up to 100 new homes in the Paradise Valley Project. The City had agreed to provide HOME subsidy to make the new homes affordable to low-moderate income buyers. To start the Project the City sold us 20 home sites. The City requested that we develop the entire Project in Phases of 10 homes each, in other words sell the first ten and we will support the next tranche of 10 homes.

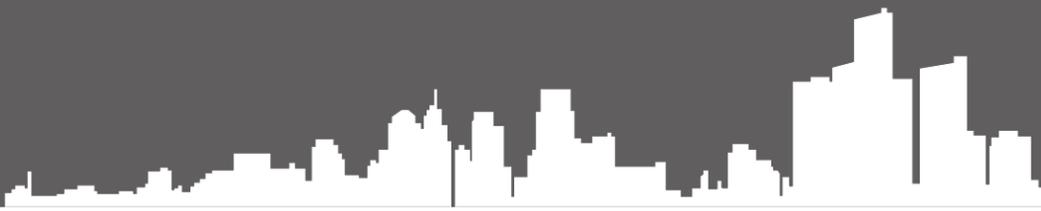
We sold all 10 homes in Phase 1 and applied for the next 10(HOME funds) in February of 2011. There was no indication from the City that there were any concerns or problems that would prevent them from honoring the prior agreement of support. We have the next 5 homes already sold to mortgage ready eligible home buyers.

About two weeks ago, PDD(Rob Anderson, director and Marja Winters, asst director) informed us by email that PDD was not longer supporting the Project and they were denying our request for HOME subsidy. I spoke to Rob briefly after the decision and requested a meeting to discuss the damages that we incurred by this adverse decision. He agreed to meet.

As I tried to set this meeting up, we received the email below indicating that they will not meet to discuss this decision. Before we turn this into a bigger cluster than it already is, i wanted to seek your opinion of how we should handle this. **“We appear to be a victim of the shifting neighborhood priorities from the Detroit Works Project. This neighborhood is now being classified as distressed so they are abandoning the Project.”**

We have not informed our non profit partner or the existing and new home owners of this decision. We wanted to get some feedback before we take any steps. Any thoughts of how we should proceed would be extremely helpful and appreciated. Again, I hate to bother you with this, but I can not believe the Mayor would purposely want to abandon a successful project that is rebuilding a neighborhood with new Detroit residents. If we could finish up the last 10 units we would be willing to walk away from this. Thank you



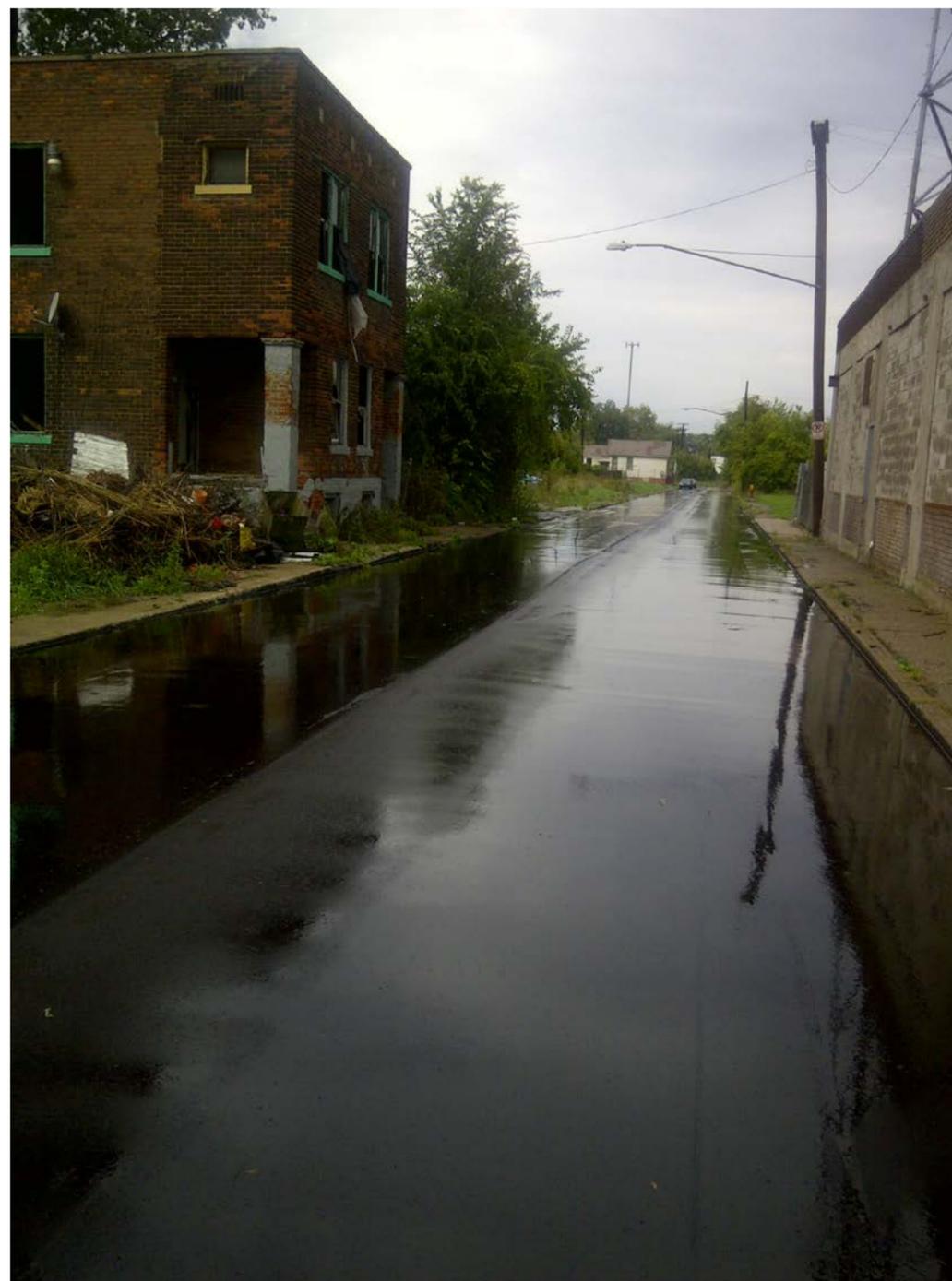


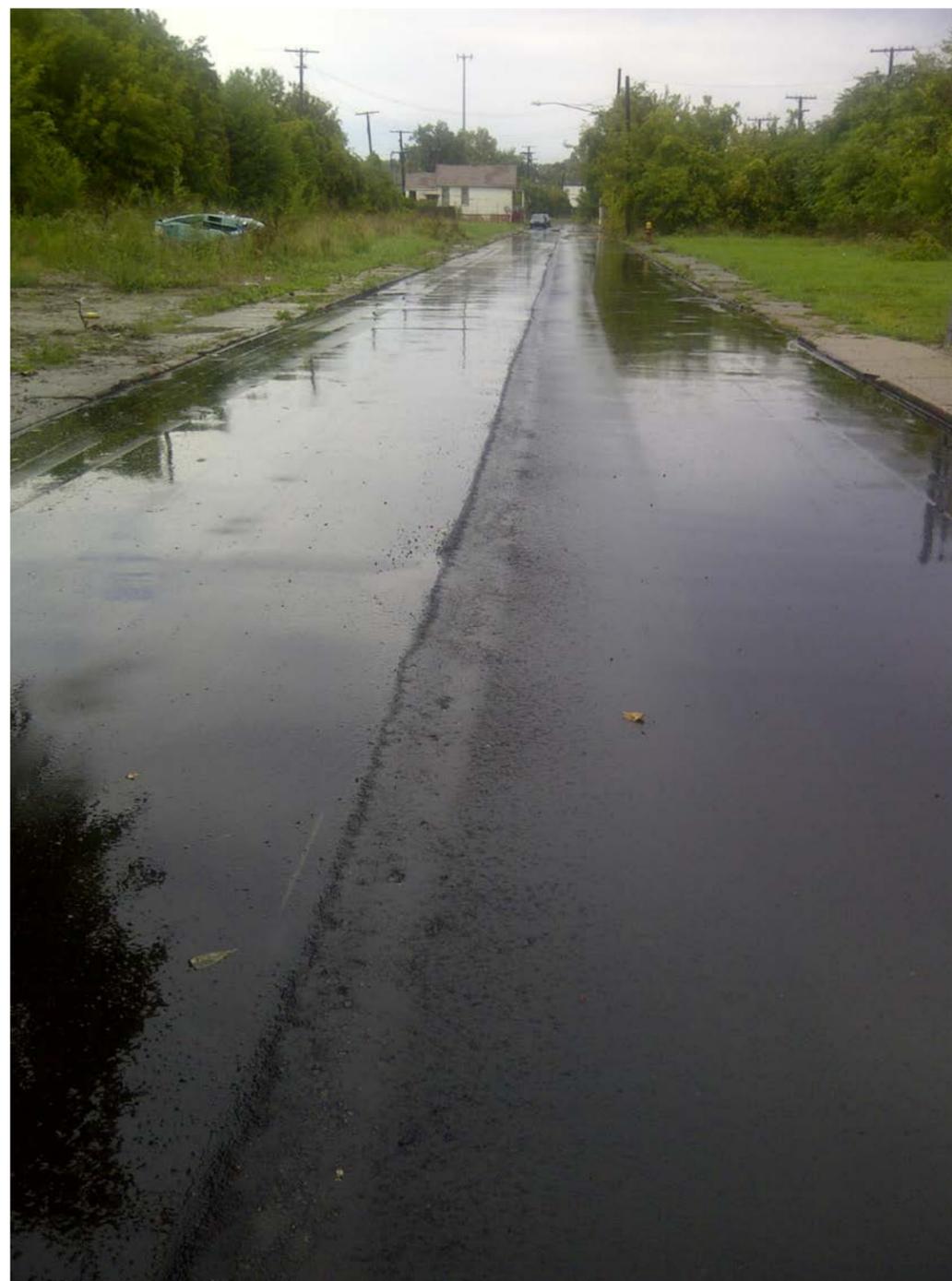
E-mail to Dept of Public Works Director

“In a conversation a couple of weeks ago, it was pointed out that DPW crews were paving this street where there are relatively no occupied houses. Can you please provide some rationale as to why this would occur?”

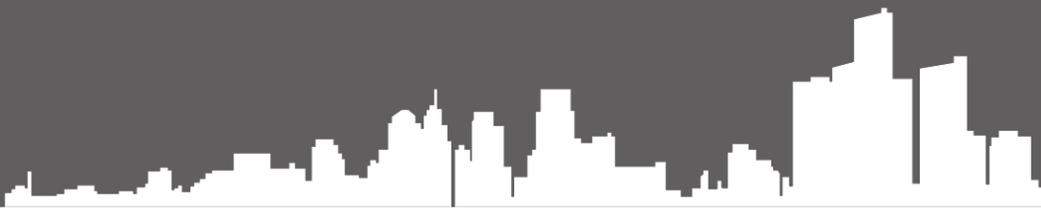
September 26, 2011











E-Mail from Dept of Public Works Director

“The street should not have been paved; it was placed on our list two years ago when we received several complaints from the owner of a small apartment building, whose tenants were using this street to access. The road was in terrible condition so our crews added it. Unfortunately, that apartment building is now marginally occupied and therefore paving of this road was no longer an optimum use of our funds. We will continue to work with our Street Maintenance supervisors to prevent this from occurring, however, in this instance we didn’t succeed.”

- September 28, 2011





E-Mail to Dept of Public Works Director

“I get it! It is hard to implement change but for sure the first step is recognizing what needs to change and learning from our past. A great teaching moment for staff! Thanks for being so honest and forthright!”

- September 28, 2011





Next Steps

- Adjust policies and programs based on new strategy
- Communicate new civic engagement strategy for longer-term plan
- Continue dialogue with stakeholders about our progress and plans