

Neighborhoods in Bloom

Neighborhood Profile Introduction

In 1999, the City of Richmond, Virginia, launched Neighborhoods in Bloom (NiB), an effort to disburse limited funds for neighborhood redevelopment to a target set of seven neighborhoods. This was a significant departure from the City's previous practice of distributing federal Community Development Block Grant (CDBG) and HOME Investment Partnerships Program (HOME) funds broadly throughout low- and moderate-income (LMI) neighborhoods. This practice had resulted in a scattered investment effect that did not reach the critical funding mass necessary to stimulate private investment activity in Richmond's LMI neighborhoods. The City of Richmond, responding to internal feedback from planning staff and external feedback from community development corporations, and supported by city leadership, developed the target reinvestment strategy which became known as Neighborhoods in Bloom.

The City used a data-driven, participatory process to identify the target neighborhoods. Based on indicators of neighborhood conditions and revitalization potential, the following five neighborhoods were initially chosen as recipients of the NiB targeted funds:

- Church Hill Central
- Southern Barton Heights
- Highland Park – Southern Tip
- Carver/Newtowne West
- Blackwell

A sixth neighborhood, Jackson Ward, was added, as it ranked equally with Blackwell on neighborhood conditions criteria. The Oregon Hill neighborhood also received some CDBG and HOME funding during the NiB program, though not at the level of the NiB neighborhoods.

Implementation of NiB began in July 1999. The City designated two levels of treatment for the NiB neighborhoods: smaller "impact areas" received CDBG and HOME funds and larger "target areas" received priority for certain public services. These services included focused code enforcement, priority in the tax-delinquent housing sale process, accelerated historical property review, and counseling and replacement housing assistance.

The impact of NiB on the target neighborhoods was measured in a 2005 study entitled "The Impacts of Targeted Public and Nonprofit Investment on Neighborhood Development" (Accordino, Galster and Tatian) that was jointly sponsored by the Federal Reserve Bank of Richmond and the Richmond Local Initiatives Support Corporation (LISC). The study revealed that highly focused reinvestment resulted in accelerated housing price appreciation in the targeted neighborhoods. Housing prices in the NiB areas appreciated 9.9 percent faster per year than the citywide average. Housing prices in areas adjacent to the NiB areas appreciated 5.3 percent faster per year than the citywide average.

The NiB-funded housing activity also directly influenced additional private and for-profit investors and investor-owners to rehabilitate properties in and near the target neighborhoods. Thus, the original 2005 study lent credence to the idea that focused reinvestment can reach a threshold level beyond which the private market can operate without subsidies. In the case of the original NiB program, that threshold was approximately \$20,100 per block in 2005 inflation-adjusted dollars, which equates to approximately \$24,393 per block in 2015 inflation-adjusted dollars.

Since the original evaluation of NiB took place over a decade ago, the Richmond Fed is conducting a retrospective study of the NiB program's long-term effects. These profiles – which trace the evolution of the NiB neighborhoods over the post-NiB decade and examine their current economic and social state – constitute the first phase of this study.

Additional Resources

https://www.richmondfed.org/publications/community_development/neighborhoods_in_bloom

<http://www.richmondgov.com/neighborhoods/index.aspx>



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Key Findings

Poverty Rate

From 1999 to 2015, the median family poverty rate among the census tracts containing Neighborhoods in Bloom (NiB) target areas was **seven to eight percentage points higher than the City's** family poverty rate and **increased similarly** (25.1 percent to 26.3 percent and 17.1 percent to 19.3 percent, respectively).

As of 2015, family poverty rates in the census tracts containing the NiB target areas **ranged from zero to 61.5 percent**. In 1999, the family poverty rates in these census tracts ranged from 10.3 to 46.2 percent.

Median Income

From 1999 to 2015, the census tracts containing the NiB target areas on average experienced an **increase in real median family income**, but had a **smaller dollar value median income than the City** (\$38,012 to \$40,074 and \$53,094 to \$50,307, respectively in 2015 dollars).

As of 2015, median family income in the census tracts containing the NiB target areas **ranged from \$14,760 to \$92,031** in 2015 dollars. In 1999, median family income in these census tracts ranged from \$21,871 to \$64,322 in 2015 dollars.

Concentrated Investment

During the original NiB program (FY1999-FY2004), the City invested approximately **\$13.7 million** in total federal grant funding in the NiB target areas.

Approximately **41.3 percent** of the City's Community Development Block Grant (CDBG), HOME Investment Partnerships Program (HOME) and Neighborhood Stabilization Program (NSP) funding from FY2006 to FY2014 was allocated to the original NiB target areas.

From 2005 to 2015, the City of Richmond was awarded over **\$77.2 million** in CDBG, HOME and NSP funding.

Sources:

City of Richmond CAPER Reports, FY2006-FY2014.

U.S. Census Bureau 2000 Decennial Census Data.

U.S. Census Bureau 2011-2015 American Community Survey, 5-Year Estimates.

Property Values

From 1999 to 2015, the census tracts containing the NiB target areas on average had a **smaller dollar value increase in median property value than the City and lagged behind in total dollar value** (\$87,500 to \$140,700 and \$120,900 to \$193,700, respectively in 2015 dollars).

As of 2015, median property values in the census tracts containing the NiB neighborhoods **ranged from \$86,400 to \$222,100**.

Select Neighborhoods

Church Hill Central

Church Hill Central received the **largest amount of City funding** from FY2006 to FY2014 with just under **\$10 million** in combined CDBG, HOME and NSP funding.

Jackson Ward

As of 2015, the census tract containing Jackson Ward had the **highest median property value** of NiB census tracts (\$222,100).

Southern Barton Heights

After FY2007, the City **phased out concentrated investment** in Southern Barton Heights because the NiB program had attracted the desired level of private investment. Public investment **resumed in FY2014** to address economic destabilization post-Great Recession.

Note: Key findings are provided at the census tract level due to data limitations. The U.S. Census Bureau recommends using caution when comparing data from the 2000 decennial census and the 2015 American Community Survey. Additional information can be found [here](#).

