9th Annual

New Partners for Smart Growth Conference "Remaking Older Cities"

February 6, 2010

Greta J. Harris Local Initiatives Support Corporation (LISC)



Community Development Context

- **A Series of Unfortunate Events...**
- Suburban expansion after World War II
- Highway system development across America
- Urban Renewal and public housing concentration
- Private capital redlining
- Civil unrest and riots

Community Development Context



Following the Civil Rights movement, the Community Development industry sought to transform neighborhood liabilities into community assets and thereby improve the quality of life for long-time and new residents

Community Development Context

Tenets of Community Development:

- Residents have a voice at the solution table
- Advocacy that encourages political will
- Cross-sector partnerships -(community-public-private)
- Thoughtful & targeted strategies
- Attracting private market flows back into once isolated communities



STATE DATE:

Facts:

- Population: 200,000 (City) 1,000,000 (Region)
- 3 independent governments
- Cradle of democracy & American history
- Distinctive neighborhoods with architecturallyrich housing stock
- On-going resurgence with over \$8 billion of reinvestments over the last 5 years

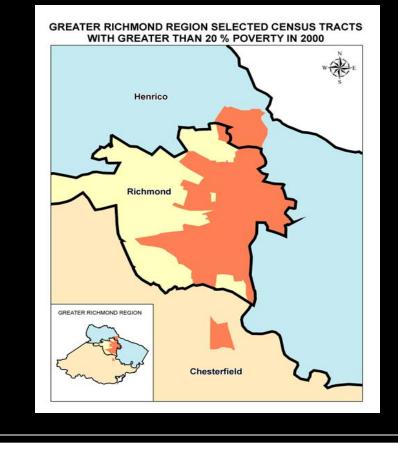
Richmond is enjoying a renaissance

- Largest convention center in VA
- Restored canal system
- Growing tourism business
- Robust downtown housing market
- Bio Tech Park Expansion





Greater Richmond Facts *Richmond is also a City of contrasts...*



Facts:

Over 85,000 people reside in areas with poverty concentrations of 20% or higher

70% of the region's poverty is located within the City of Richmond

Facts:

- Over 2,500 vacant and abandoned properties
- High per capita murder rate
- 80% + of public school students qualify for Free & Reduced Lunch



Greater Richmond Facts Leveraged Community Development Investments

\$500,000,000 and counting!!

Since 1990...



Prior to NIB

20 - 24

neighborhoods

After NIB 6 - 7 neighborhoods Concentrate funds previously distributed across many neighborhoods into a few targeted areas

Partners

Community:

- Blackwell Community Civic Association
- Blackwell Tenants Association
- Carver Area Civic Improvement League
- Newtowne West Civic Association
- New Visions Civic League
- Church Hill Concerned Citizens Association
- Highland Park Southern Tip Neighborhood Association
- Historic Jackson Ward Association
- Southern Barton Heights Community Association

Partners

Local Housing Providers - CDC's

- Better Housing Coalition
- Elderhomes Corp.
- Highland Park Community Development Corp.
- HOME Inc.
- Historic Jackson Ward Association
- Richmond Habitat for Humanity
- Interfaith Housing Corporation
- Neighborhood Housing Services of Richmond, Inc.
- Southside Community Development & Housing Corp.
- Virginia Supportive Housing

Partners

Local Government:

- City of Richmond
- Richmond Redevelopment & Housing Authority

Corporations:

- Martin Agency
- Financial Institutions, Foundations, Other private funders

Others:

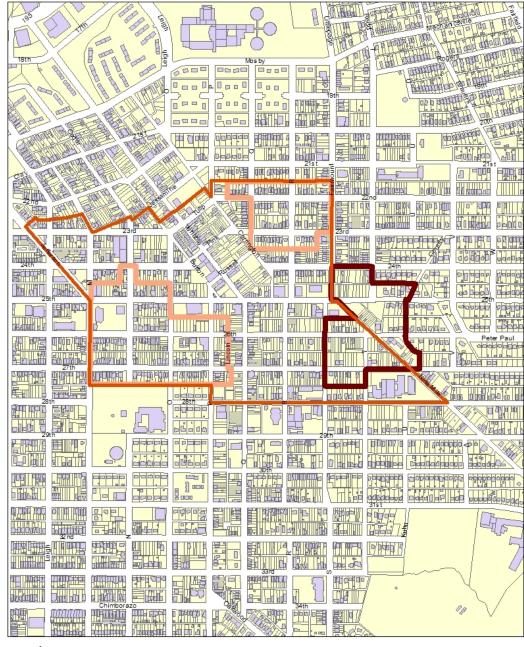
- Local Initiatives Support Corporation
- Virginia Commonwealth University
- Virginia Housing Development Authority

Multi-year City Commitment (CDBG - HOME - CIP)
Community and Corporate Partnerships
Aggressive Safety & Code Enforcement
Focused Public Investment/Services
Leveraging Private Investment
Neighborhood Empowerment

Church Hill

Target & Impact areas.

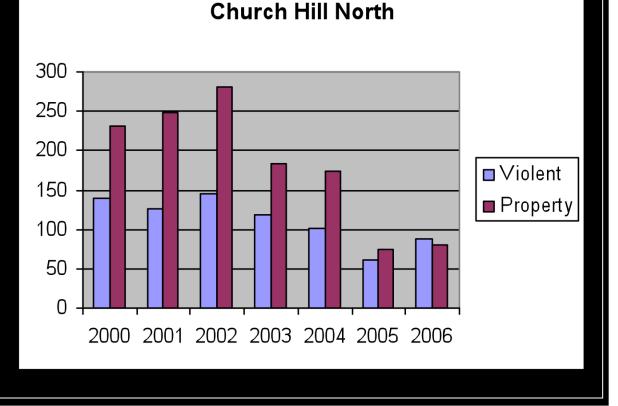
Goal: Address blight by promoting housing renovation, construction, and sales in select neighborhoods





The Church Hill neighborhood saw significant reductions in reported crime incidents once NiB strategies were implemented

<u>Source:</u> City of Richmond Community Development Department



| Revitalization Strategies <i>Neighborhoods in Bloom</i> | | | |
|---|-----------------|------------------|-----------------|
| Total Residential Value – Church Hill | | | |
| | <u>1998</u> | <u>2007</u> | <u>% Change</u> |
| Impact Area | \$8,122,500 | \$98,124,800 | 1108% |
| Target Area | \$21,354,800 | \$154,201,300 | 622% |
| City | \$5,664,061,275 | \$17,203,837,900 | 204% |

<u>The Results</u>...

750 new or rehabilitated single family homes

Increased neighborhood property values

<u>10% value increase per year</u>

Development costs catching up with sales prices

- Substantial crime reductions first four years
 - <u>60% reduction in code violations</u>

37% reduction in violent crime

 Overall improved neighborhood conditions and perceptions and

Increased private development activity

Revitalization Strategies *Holistic Community Development*

Winchester Greens

- 80 acre mixed-use development located in the Bensley neighborhood, Chesterfield County
- Redevelopment of 550 unit failed Section 8 housing project
- 240 townhouses mixed-income community
- 174 apartments for seniors, 55+ years, developed in 3 phases
- 14,000 sq. ft. childcare center serving 140 children
- **7**,200 sq. ft. retail building
- 14,000 sq. ft. office building leased to Chesterfield County

Revitalization Strategies

Holistic Community Development

Winchester Greens Total Development Costs - \$36 million

Phase I - \$19 million - 240 townhouses, Child Care Center, new roads, sidewalks, parts, lighting, community center, swimming pool and recreation space

Sources: HUD Community Development Block Grant Funds (Chesterfield County); Debt financing - Dain Rauscher; LISC; Jackson Foundation; Private fundraising

Phase II - \$13 million - Market Square Apartments: 174 units Sources: Low Income Housing Tax Credits; Virginia Housing Development Authority; LISC

Phase III - \$4 million - Commercial buildings (+/- 21,000 sq ft) Sources: LISC; Federal Home Loan Bank; SunTrust Bank

Revitalization Strategies

Holistic Community Development



Revitalization Strategies *Holistic Community Development*



Revitalization Strategies *Holistic Community Development*



Revitalization Strategies Sustainable Communities

- A targeted, integrated approach to community building where places and people prosper.
- Expanding investment in housing & other real estate.
- Building family income and wealth.
- Stimulating local economic activity.
- Improving residents' access to quality education.
- Developing healthy environments and lifestyles.

Revitalization Strategies Sustainable Communities



Promoting civic engagement

Accessing quality education

Revitalization Strategies Sustainable Communities





Improving family wealth



Stimulating links to the regional economy

Encouraging healthy lifestyles

Going Forward...

- Targeting benefits are tremendous, but implementation is difficult...political, community and partner challenges
- Acquisition can be more difficult than expected...gain maximum site control prior to starting investments
- Subsidies should be available to ensure diverse and equitable access to homeownership opportunities & to attract new businesses
- Integrate community, economic & social strategies with multiple highperforming partners to create a platform for neighborhood change
- Getting to scale is critical to reach a tipping point
- Plan for success...anticipate value appreciation & establish policy safeguards for existing residents & create an exit strategy before you start
- Build nonprofit capacity to leverage neighborhood improvements until private sector interest is piqued

Going Forward... Visionary, sound community development strategies can:



- Be a catalyst for neighborhood revitalization
- Reduce crime, improve blight removal and increase tax revenue opportunities for localities

Create a critical mass of integrated activities and values to attract private capital investments



Thank You