

Department of City and Regional Planning
Departmental Papers (City and Regional
Planning)

University of Pennsylvania

Year 2001

Comment on James R. Cohen's
"Abandoned Housing: Exploring Lessons
from Baltimore"

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Publisher URL: <http://www.fanniemaefoundation.org/programs/hpd>

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Comment on James R. Cohen's "Abandoned Housing: Exploring Lessons from Baltimore"

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Abstract

For most cities, the possibility of transforming unused property into community and city assets is as yet hypothetical. Fiscal constraints limit the amount of land acquisition, relocation, and demolition that cities can undertake. Private investors, unsure of which neighborhoods have a chance of becoming self-sustaining, are reluctant to take risks in untested markets.

Cities need to create citywide planning strategies for land aggregation and neighborhood stabilization and to develop analyses of the risks and opportunities associated with re-development opportunities in specific markets. Research seems sorely needed. Although the policy world cannot and will not stand still waiting for academics to design the perfect study or to collect all the data to model the potential effects of various policy options and investments, analysis that can play a more immediately supportive role can and should be done now.

Keywords: Development/revitalization; Housing; Neighborhood

Concerted efforts to reclaim untended land and houses in cities such as Baltimore and Philadelphia indicate a consensus among neighborhood groups and city administrators alike that left unaddressed, housing abandonment threatens the quality of life and the future of many residential areas. As Cohen notes, housing abandonment, once believed to be primarily a consequence of regional migration trends, is increasingly being recognized as a problem in and of itself; it exacerbates social problems for residents who live close to these properties and undermines community redevelopment and housing preservation efforts. Nevertheless, the vast amount of vacant land and abandoned housing available in many cities presents a tremendous opportunity for reshaping residential and commercial patterns and casting bold new visions for forlorn, derelict neighborhoods.

For most cities, the possibility of transforming unused property into community and city assets is as yet hypothetical. As J. Terrence Farris's recent work details, fiscal constraints limit the amount of land acquisition, relocation, and demolition that cities can undertake (2001). Private investors, unsure of which neighborhoods have a chance of becoming self-sustaining, are reluctant to take risks in untested markets. And in light of several decades of recent experience, calls for a general expansion in federal spending on cities will probably remain unheeded. Little is likely to change unless city governments assume leadership and

make a persuasive case to both public and private sources for a well-targeted effort with a high probability of impact. To do so, cities need to create citywide planning strategies for land aggregation and neighborhood stabilization and to develop analyses of the risks and opportunities associated with redevelopment opportunities in specific markets.

Given these local obligations and their dependence on quality data, what is most striking about the Baltimore effort Cohen describes is how little information and research are being used to guide the operational decisions of the city, let alone the hoped-for federal and state policies and private investment initiatives. It is difficult to imagine cities taking effective action, or the federal government and private investors making their own commitments, when there appears to be so little evidence on what will actually work. Cohen's case studies from Baltimore provide useful descriptive information, but empirical analyses are lacking. For example, did the \$70 million investment in housing rehabilitation and development by Rouse and the Enterprise Foundation increase neighborhood quality, stem population loss, or improve income mix? Has the demolition of properties around the city's major health institutions resulted in new development, led to population in-migration, or improved residential property values? In short (and as self-serving as it may sound coming from researchers), research seems sorely needed. Although the policy world cannot and will not stand still waiting for academics to design the perfect study or to collect all the data to model the potential effects of various policy options and investments, analysis that can play a more immediately supportive role can and should be done now.

Integrating administrative data to support citywide and neighborhood planning

First, cities need look no further than their own offices to get the data ball rolling. Most cities have automated records on tax delinquency, housing code violations, emergency repairs, sealed buildings, utility shutoffs (at least for public utilities), and fires that can be used to identify abandoned or imminently dangerous properties and properties at risk of abandonment. It is striking that Cohen reports that estimates of the size of the abandonment problem in Baltimore range from 12,700 to 42,480 properties. Part of the discrepancy results from a lack of clarity about how to define the problem, but as demonstrated by several cities (Chicago, Los Angeles, New York, and Philadelphia), the integration of property-specific information can be used to identify abandoned properties according to modifiable definitional criteria, allowing cities to get a handle on the scope of the problem relatively quickly.

Having identified abandoned properties or properties at risk of abandonment through administrative records, researchers can then model their distribution to distinguish areas with long-term problems from those

facing incipient vacancy. Neighborhood areas can be characterized according to key distinguishing social, economic, and housing variables and deliberately targeted with appropriate strategies, in contrast to the seemingly idiosyncratic neighborhood-based approaches being undertaken in Baltimore. Philadelphia's mayor, John Street, who has made blight elimination and neighborhood transformation a centerpiece of his administration's policy agenda, has (in collaboration with The Reinvestment Fund, a local community development financial institution), recently identified areas based on such a set of typologies. The Reinvestment Fund used cluster analysis based on residential property sales, housing values, population trends, and vacancy rates to create a typology of six real estate market profiles. Areas throughout the city have been classified according this typology, and the city is now developing a set of policy strategies for each type of area (Neighborhood Transformation Initiative 2001). Integrated property information can then be used to develop a citywide planning and coordination strategy, sensitive to neighborhood diversity.

Once harnessed, integrated data not only inform citywide planning, but they can shape specific neighborhood plans as well. As several cities have been able to demonstrate, integrated property data can be used to provide community groups with the information they need to plan for small-scale rehabilitation or large-scale redevelopment. Philadelphia's Neighborhood Information System project, which Cohen cites, is one example; others are the University of California at Los Angeles' Neighborhood Knowledge Los Angeles Project and Chicago's Neighborhood Early Warning System.¹ Each of these Web-based systems allows community groups to identify information about individual properties that was previously scattered throughout city bureaucracies. Some of these systems also integrate mapping functionality that allows users to view the distribution of abandoned and at-risk properties. Distributing integrated property information can provide an invaluable tool to community groups so they can work in partnership with city planners. And designed appropriately, Web-based systems can be the medium for dialogue between city government and communities on the design of neighborhood redevelopment plans.

¹ Chicago's Neighborhood Early Warning System—the first of these integrated data systems—is a project of the Center for Neighborhood Technology (2001). Neighborhood Knowledge Los Angeles is a project of the Community Information Technology Center at the University of California at Los Angeles (2001). The Philadelphia Neighborhood Information System is a project of the University of Pennsylvania's Cartographic Modeling Laboratory (2001). The Early Warning Information System for New York was also a project of the Cartographic Modeling Laboratory, in collaboration with the Wharton School and the New York University Center for Real Estate and Urban Policy.

Modeling abandonment and redevelopment

Longitudinal, property-specific data archives also make possible the modeling of the abandonment process and the targeting of early interventions to prevent or address it. Researchers have used such data to forecast properties likely to become abandoned (for New York's Early Warning Information System project, see Scafidi et al. 1998) and those at greatest risk of becoming dangerous (for Philadelphia's Neighborhood Information System project, see Hillier et al. 2001). The ability to predict these phenomena months or even years before they might otherwise come to official attention gives city governments, community groups, and developers the opportunity to rescue a property from almost inevitable deterioration and the hazards it could pose to nearby properties and people. Although large-scale property surveys serve an indispensable role in identifying troubled properties, compared with synthetic estimation methods, they may be too costly and time-consuming to mount on a frequent, periodic basis. Using advanced statistical modeling techniques to analyze periodic survey data in combination with existing information on utility terminations, tax arrears, code enforcement, mail service suspensions, liens, and mortgage information offers an efficient, cost-effective alternative to more frequent and costly foot surveys.

Research can also be used to test empirically the optimal balance of market-rate development and public subsidy that will be needed in the various types of markets. For example, in Philadelphia, the areas with the highest rates of housing abandonment (and adjacent areas) are home to a disproportionate number of older homeowners who might appreciate the opportunity to exchange their two- and three-story row homes for more appropriate housing options in nearby areas. Poor families with young children are also overrepresented in blighted areas, so their relocation to adjacent neighborhoods where a concerted effort could be undertaken to improve schools and parks would not only serve their needs but could help attract and retain moderate-income households as well. Political support for land reclamation, relocation, and development could be encouraged by designing redevelopment strategies that both create subsidized housing opportunities for people displaced by clearance efforts and attract people with moderate and higher incomes. Research is needed to identify the needs of displaced households and the best way to meet those needs in the context of a larger revitalization strategy.

Research based on integrated administrative databases could also be used to compare the cost of maintaining services for areas with high levels of abandonment and extreme population loss with the efficiencies that could be created by re-establishing population densities in nearby neighborhoods. The checkered demolitions required in these areas are inefficient, create unsightly gaps (the "unsightly, 'snaggle-tooth' appearance" [421] described by Cohen), and pose a risk to adjacent properties

(and legal liabilities for city governments). Providing water and sewer services, street maintenance, and utilities to the few occupied properties that remain may also represent an inefficient use of resources and a burden to taxpayers. Alternatively, area consolidation could provide more economical and improved services. Developing models that assess the cost inefficiencies of vacant areas and the potential for reallocating resources that could accompany redevelopment could help establish broader political support (and resources) for land aggregation and resettlement.

Finally, as some research has recently shown, many low-income neighborhoods are also underserved by the retail sector. To a great extent, retail investments are essential to making areas more attractive places to live. Many of the people returning to cities or choosing to stay in them do so in part because of the opportunities for shopping and entertainment conveniences within walking distance or accessible by mass transit. Retail development also brings jobs to area residents. So any strategy for transforming neighborhoods and aiming to retain and attract residents will have to have a retail component. Once again, data are needed to demonstrate to potential investors what types of businesses can succeed in these areas. Data can be used to show how population densities and incomes in some areas can support more retail development.

Michael Porter's research on the "competitive advantage" of inner-city markets has drawn attention to these possibilities (Porter 1995). Social Compact's emerging markets analysis (Reilly 2000) has also shown that many traditionally low- and even moderate-income urban neighborhoods in Chicago are underretailed, given residents' incomes and consumer behaviors. According to Reilly (2000), part of the blame rests on the data used by market research firms, including census data, that underestimate population, income, and market potential or apply overly simplified, overly generalized, or geographically arbitrary market models to densely populated areas that harbor much greater diversity (and business opportunities) than these models might indicate. Thus, more systematic research based on administrative data may enable cities to correct the bias in existing market analysis products.

Evaluation

Data from pilot efforts or existing development initiatives can also be used to build literature on which approaches work in which types of areas. Clearly, different areas require different strategies. Applying cluster analysis, such as was done in Philadelphia, can create a basis for differentiating various markets. The study recently completed by the New York University Law School's Center for Real Estate and Urban Policy that documents a rise in property values in areas with city-sub-

sitized construction and renovation, provides an example of the kind of evaluation research needed (Hevesi 2001). Once data are matched with specific policy and programmatic approaches, evaluators can assess the degree of success associated with those approaches or their various components. To do so, cities and communities must first clearly identify the goals of abandonment amelioration beyond mere demolition of dangerous structures. Specific objectives, including neighborhood quality, economic indicators, and quality-of-life measures, should be articulated. These goals need not be the same from place to place, but desired outcomes should be clearly stated.

Last, researchers can help cities (and states and the federal government) understand the scale of intervention necessary to make reclamation efforts succeed. A problem in many cities is that demolition and rehabilitation have not occurred on a large enough scale to have a lasting impact. What scale is necessary to make an impact, either citywide or in specific areas? Baltimore's demolition effort, though laudable, seems far too small to have the impact that planners desire. Philadelphia's more substantive effort, by contrast, may be worth close observation, given that the city is committed to floating \$250 million in bonds to support the demolition of 14,000 of the city's 23,000 abandoned structures over the next five years.

Having an informed vision

Addressing abandonment and the many hurdles it poses to redevelopment will require a vision for what cities can become. Having that larger vision, translating it into tangible goals, segmenting areas for various interventions, and providing data to support the various strategies will all be necessary to motivate local residents, states, the federal government, and investors alike to participate. Potential growth opportunities in cities must be linked with broader regional issues, such as concerns about sprawl and the desire to attract immigrants, create livable areas with diversity and less concentrated poverty, and improve schools. Of course, cities cannot do it all, and they certainly cannot do it alone. But, it is incumbent on them to build the planning and research infrastructure that can be used to make federal and private investment opportunities more compelling, more strategic, and more likely to succeed. As is evident in Cohen's discussion, there is no shortage of good ideas and no shortage of challenges in need of good ideas. But, ideas and vision need data to guide their implementation. And, while many interventions remain to be tested and evaluated, information can be analyzed now to provide planners and communities with the raw material from which the future can arise.

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