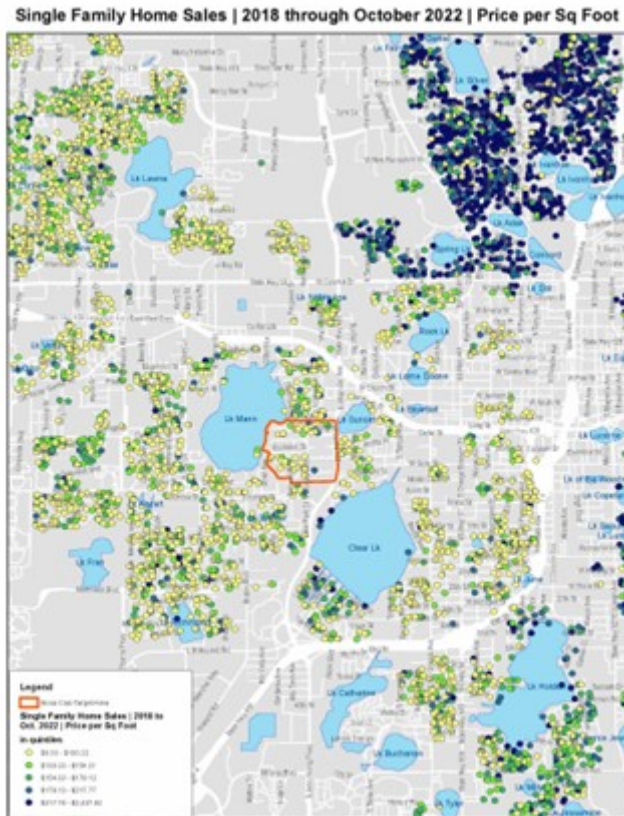




Analyzing the Investor Population in Your Middle Neighborhood

Investor purchase of single-family housing for rental has increased across the nation and in many instances has disproportionately affected middle neighborhoods. This is mostly due to the type of housing and neighborhoods that large national investors are interested in. Learning the facts about who owns which properties in your neighborhood, and what their business models are, can help practitioners and policy makers shape responses to curb negative impacts on a neighborhood. At the end of this case study, you will find a worksheet to help you with collecting and organizing data in your community.



Methods and Motivation

Real estate investors can bring both benefits and challenges to a neighborhood depending on their goals and skill at property management. Here are some examples of potential benefits and problems that investors may bring to a neighborhood.

Potential Benefits of Investors

- Investors often acquire properties that no homebuyer would, i.e. properties that need a lot of repairs.
- Investors might want to invest in the property for long-term equity gain, in which case they'll likely take care of the property and manage it well.
- If they are local, investors usually care about the community, and participate in community development efforts.

- Investors may provide much needed rental opportunities for households seeking a single family home instead of a multi-unit apartment.
- They may be interested in providing a good product at a fair price.

Potential Problems with Investors

- Investors often outbid homebuyers who might otherwise buy and become long-term members of the community.
- They may strive to drain cash from properties, in which case they are less likely to invest significantly and may not even pay real estate taxes.
- If they are out-of-state or international investors, they may have little knowledge of or interest in the communities in which their properties are located.
- If investors are acquiring many properties in a cluster of blocks, homebuyers might be hesitant to buy there, and the community may not have enough long-term residents to care for the neighborhood.
- Investors may raise rents drastically, impose new fees and have a rapid eviction policy.

Steps to Completing an Investor Analysis

Here are the basic steps to completing an analysis of real estate investors:

READ THE CASE STUDY



We've got a new look and you'll find [our website](#) is now a more concise page housed within the new website of National Community Stabilization Trust!

\$10.3 Million Committed to Cleveland Middle Neighborhoods

Cleveland's middle neighborhoods are getting attention thanks to Council's recent approval of \$7.3 million to the effort and the state of Ohio's \$3 million pledge. Federal revenue recovery funding the city received is fueling the effort led by Cleveland Neighborhood Progress. In



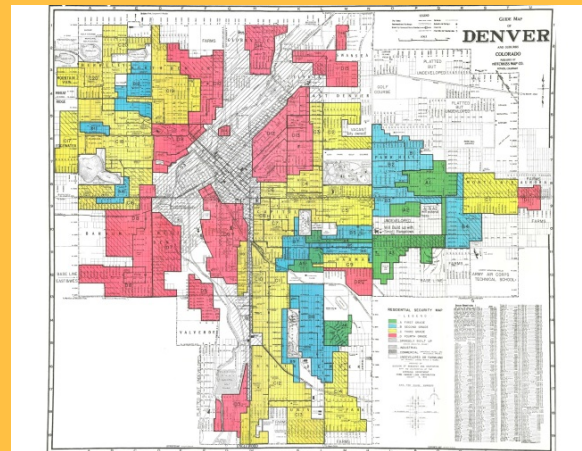
addition to the \$10.3 million committed by state and local government, Cleveland Neighborhood Progress is pursuing additional funding from private philanthropic partners.

Most of the investments would flow to four neighborhoods: Old Brooklyn and West Park on the West Side and Collinwood and Lee-Harvard to the east. A portion of the funding Council approved - \$3.3 million - is earmarked for commercial corridors.

Strategies to be funded by the grants include buying, renovating and reselling houses in clustered areas, clearing and cleaning up storefronts to be available for businesses to move in without upfront costs, and marketing outreach to lenders, real estate brokers and appraisers.

For more information, contact [Jeff Verespej](#) at Cleveland Neighborhood Progress.

Mapping Racially Restrictive Covenants Gives New Context to Neighborhoods



Understanding the context of a neighborhood, including its history, is important in designing strategies for revitalization, especially when addressing the results of racist policy. Many cities in the United States can see an actual map of one policy with devastating racial impact created by lending risk assessors between 1930-1940, online at University of Richmond's [Mapping Inequality](#) project website. These historical maps (see example of Denver, above) are digitized from the original Home Owners' Loan Corporation (HOLC) maps, which color-coded neighborhoods by a formula of risk to lenders based on a number of factors, but including race and ethnicity of residents. The maps resulted in lenders choosing not to lend in red areas of the maps. These "redlined" areas were typically lower income and often occupied by people of color.

The maps and their accompanying documentation helped set the rules for nearly a hundred years of real estate practice, and undermined households and neighborhoods by restricting the flow of capital that could have funded new home purchases and home repairs.

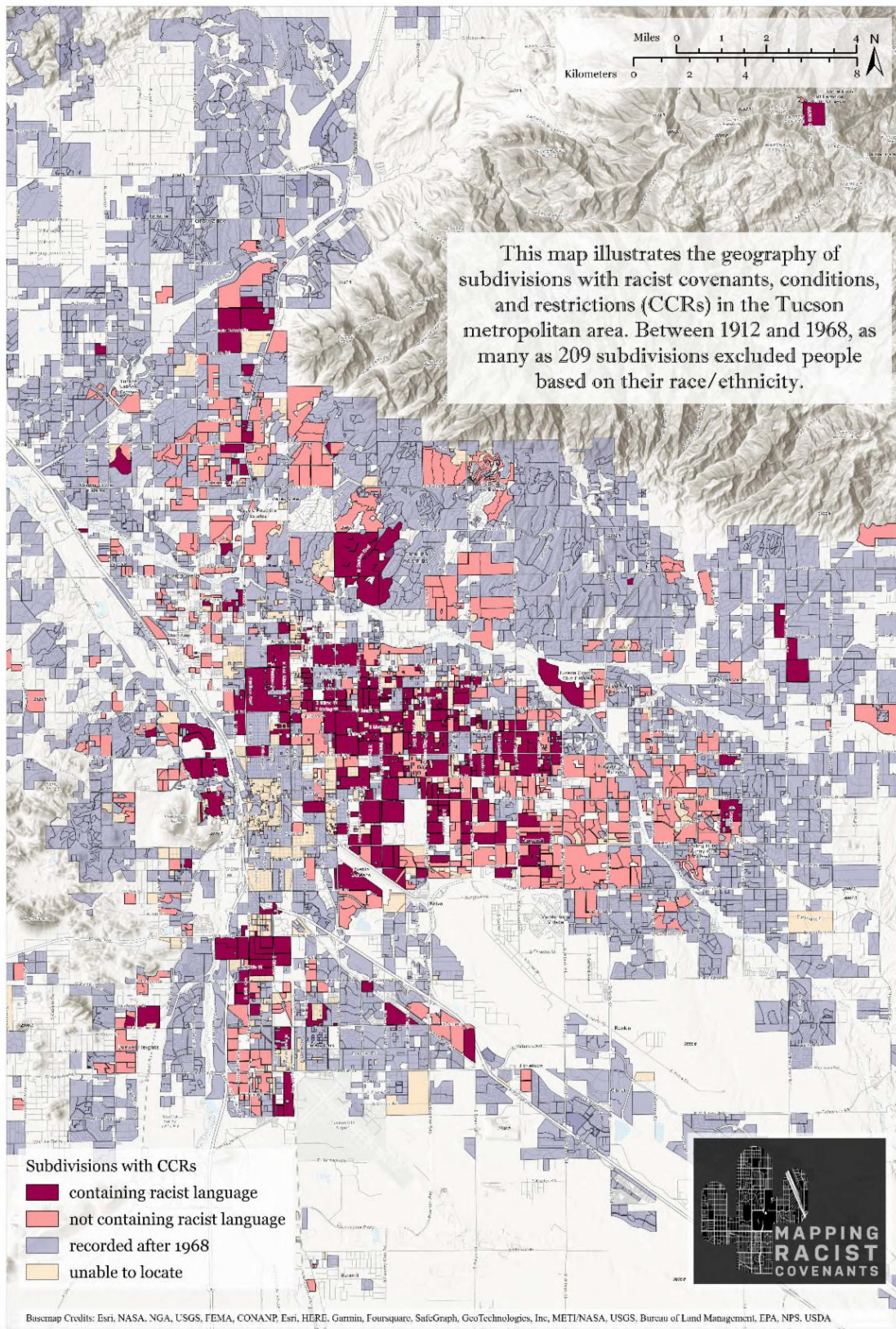
In Tucson, a city that does not have a historic HOLC map, a research team recently published a map (below) of racially restrictive "CCRs", which they describe in the following way:

Covenants, conditions, and restrictions (CCRs) refer to rules between a property owner and neighbors, usually specific to a homeowner's association or subdivision. Beginning in the early 1900s, real estate developers, working with homeowner associations, the federal

government, and other housing actors, implemented racist CCRs that prevented people of color, as well as other marginalized individuals, from living in certain neighborhoods. While racist CCRs were ruled "unenforceable" by the U.S. Supreme Court in 1948, they were not ruled illegal until the passage of the federal Fair Housing Act of 1968.

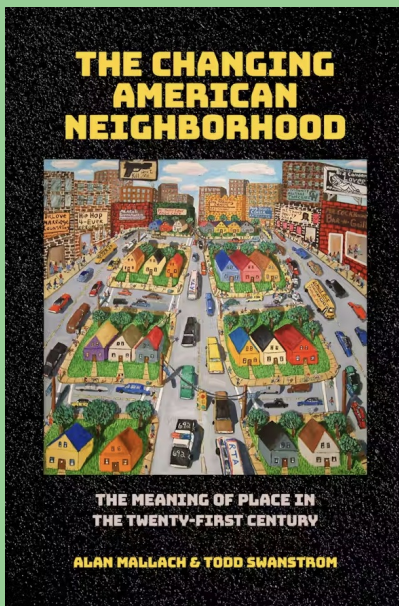
These CCRs, like the redlining maps, were instrumental in preventing households of color from living in the places of their choice, and from growing intergenerational wealth. Tucson's [Mapping Racist Covenants](#) (MRC) project explores the geography of racial covenants across Tucson neighborhoods and subdivisions, focusing on those enacted between 1912-1968. Redlining and CCR maps help explain why neighborhoods today are segregated, and that people excluded by racist covenants did not choose to live in segregated communities. Local community leaders hope that the many negative effects of racial segregation in neighborhoods, which you can read more about [here](#), [here](#), and [here](#), can be more effectively addressed when based on an honest discussion of the legacy of Tucson's racist CCRs. The methodology behind the project is explained at the website - could your community benefit from a similar project?

Historical Racist Exclusion in Tucson, AZ



WHERE different groups of people live and the homes in which they live are not simply neutral or random demographic phenomena. They profoundly influence the allocation of rewards in the United States.

– Gregory Squires, *Demobilization of the Individualistic Bias: Housing Market Discrimination as a Contributor to Labor Market and Economic Inequality*



New Book Addresses Middle Neighborhoods

Researcher and author Alan Mallach has **yet another** new book out, which he co-authored with Todd Swanstrom of Washington University. *The Changing American Neighborhood: The Meaning of Place in the Twenty-First Century* chronicles the history of the American urban neighborhood and presents a systems approach to understanding and addressing neighborhood change.

Chapter 11, *The Crisis of the Urban Middle Neighborhood*, describes the heyday of these neighborhoods and their current challenges. A case is made that middle neighborhoods matter "over and above the significance of their numbers" because of their economic, racial and ethnic diversity, as well as their continued role as places of opportunity, the asset of their infrastructure and the engagement of their residents.

Stay tuned for an upcoming webinar with the authors!

September Webinar Recording



Updating Middle Neighborhood Housing Stock for Energy Efficiency and Climate Resiliency 9/18/2023

[WATCH THE RECORDING](#)

The Inflation Reduction Act includes \$370 billion in investments to lower energy costs for families and small businesses, and to accelerate private investment in clean energy solutions. The Federal government is working to design programs to get that investment out on the street as quickly as possible, and our panel for this webinar will help us understand how to help middle neighborhoods benefit. Eric Hangen, CEO of iSquared Community Development, and Senior Research Fellow and Faculty at New Hampshire University, will outline the new landscape of technical and financial assistance in this area. Local practitioners will describe how they are implementing and financing programs.

Speaker:

Eric Hangen, CEO of iSquared Community Development, and Senior Research Fellow and Faculty at New Hampshire University

Moderator:

Marcia Nedland, Organizer, Middle Neighborhoods Community of Practice

Upcoming Webinar Topics



Supporting DIY Home Improvement for Best Results

The Remodeling Futures Program at Harvard's Joint Center for Housing Studies recently reported that DIY home improvement spending jumped in 2021. In this webinar we'll be joined by practitioners who are delivering support to DIYers that encourages, trains and supports their projects. Updating housing stock in middle neighborhoods is a common strategy and DIY can be part of it - learn about best practices, funding sources and more.

Tuesday October 10, 12:00-1:30 Eastern [REGISTER HERE](#)

Other News + Resources

1. [Mortgage Demand by Black Detroiters Soars, Yet Flight to Suburbs Continues](#), *Only one in five local mortgage applications by Black homebuyers were within the city*, Steve Neavling, Michigan Advance, July 3, 2023.
2. [Where Did They Go? The Decline of Middle-Income Neighborhoods in Metropolitan America](#), George Galster, et al, June 1, 2006, published at Brookings August 1, 2023.
3. [San Diego Pilot Program to Help Middle-Income BIPOC Home Buyers](#), *A report from the National Association of Realtors found those at the median household income can afford fewer than a quarter of homes on the market*, Matt Pearl, Scripps News, August 2, 2023.
4. [Investors Force Black Families Out of Home Ownership, New Research Shows](#), *New research from the Georgia Institute of Technology shows investors are most likely to push out Black, middle-class homeowners from neighborhoods*, Tess Malone, Georgia Tech News Center, August 7, 2023.
5. [Chicago's Black Neighborhoods Pay a Steep Economic Price for the Stigma of Race](#), *In Black neighborhoods that are growing economically — including in Greater Bronzeville — Black population is on the decline.*

It's almost like the only way to shatter the economic glass ceiling is for a neighborhood to shed its Blackness, Alden Loury, Chicago Sun Times, August 23, 2023.

6. *The American Middle Class is Shrinking, Where People Grow Up May Explain Why,* Connor Recck, Trinity College, 2023.

Community Engagement Chat



Engagement Chat Recap: Building Community through Cleanups

Our summer Engagement Chat centered on community cleanups. These events have powerful impact on the entire neighborhood and a positive impact on the volunteers themselves and while opportunities are broad, this conversation focused specifically on two subjects: cemetery cleanups and fostering longevity.

Cemetery Cleanups: Cemetery cleanups are a unique and meaningful activity that not only create a well-cared for space for beloved friends and family but also serves as a local history lesson and place of learning. When organizers from Mid City Redevelopment Alliance initiated the first cleanup at a local cemetery, they did not know the impact it would have. Organizers were hoping for about 30 volunteers but instead had over 100 people show up on that first day. The event was so well received it has become a quarterly event with different teams joining from local businesses and neighborhood groups to help. Sometimes individuals or small groups adopt a specific gravesite while others focus on overall routine maintenance. Families and neighbors have found working together in this space to be a meaningful bonding experience. Below are some takeaways from our conversation:

- Cemeteries are a place of reverence and respect and offer a special opportunity to unite volunteers who care about the community.

- Cemeteries are full of local history and lore, which serves as a nice reminder for residents who are new to the community as well as those who have lived there their whole lives. Local stories can help revive important histories and help build a community culture and persona.

- Neighborhood residents, city government, law enforcement, and religious communities all see the benefit of improving conditions at a local cemetery. Even larger companies and organizations want to join which can lead to longer term relationships for advocacy and support.

- Youth groups are valuable partners and may see this as a special opportunity to not only learn about local history and support their neighbors, but have a chance to learn landscaping skills, which easily translates to a career development service.

- The unique bonding experience that comes from working together at a cemetery cleanup often creates enduring relationships, which can serve as a bridge to other projects and meaningful relationships. Volunteers often find themselves working together on other projects or pockets in the community.

Building Longevity: Some community cleanup events endure and those that have longevity- for example those that have been going for 20 or 30 years or longer- take time to establish, but once they are in place, they can take on a life of their own. Maintenance and management are always a necessity but when community ownership takes place, it becomes a force for success. These larger and longer-term events are much more than a 'community cleanup,' they build relationships, help with crime reduction, help local businesses be more successful, and increase property values. Here are some strategies to foster longevity with your community event:

- Partner with a large organization or company. NeighborWorks Great Falls began its community cleanup by collaborating with a local Air Force base, which created a captive audience and a large pool of volunteers. They were able to accomplish a great deal due to the sheer number of helpers, which inspired others to get involved. Generally speaking, people want to get involved in an event that has clear and significant outcomes.

- Partnerships are key. Reach out to school groups, scout troops, employment and career services, local military bases, universities, churches, parks and recreation departments, police forces, and so on.

- Create a clear map of locations and include tasks and timelines with who will help and what they need to do to get the job done.

- Teach participants how to recruit others. Use a +1 strategy or social media give away for those who recruit others.

- Connect with community leaders who can help identify community needs as well as helpers.

Tips for Success

- Give people an easy way to connect and plug in

- Make it simple

- Celebrate and give gratitude

- Reach out to community leaders

- Build partners – this is crucial

- Create a living history through storytelling, field trips and theater events

- Use events as a foundation for social media sharing and neighborhood news

- Have a consistent date or time of year – people will look forward to and expect it

- Don't duplicate programs, explore what already exists and build a collaborative

- Provide equipment and trash pickup so it is easy to participate.

- Know your goal and be open to other outcomes

- Let it grow but also have a plan for growth

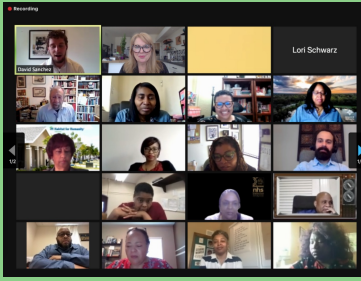
- Establish a point of contact for each volunteer group and make a note of it

- Name it! A clever name will help with recruitment and recall

Next Engagement Chat: Finding Leaders in Your Community and Using AI to Engage with Residents

When: Wednesday, October 18, 2023 -- Noon Eastern time

Zoom: <https://us06web.zoom.us/j/89268616708>



Recent Webinar Recordings

Unveiling and Addressing Property Tax Inequities
[Watch Now](#)

The Implications of Shrinking Cities for Middle Neighborhoods
[Watch Now](#)

Researching the New Investor Population in Your Middle Neighborhood
[Watch Now](#)

New Research Produces Peer Mapping Tool and Reveals Greatest Threats to Middle Neighborhoods
[Watch Now](#)

How Partnering with a CDFI Can Get More Loan Capital Into Your Middle Neighborhood
[Watch Now](#)

Find all recordings of the Middle Neighborhoods' webinar series [HERE](#)

Webinars are co-sponsored by the [Middle Neighborhoods Community of Practice](#), the [National Community Stabilization Trust](#), and [NeighborWorks America](#).

CoP Action Items

Custom Webinars: We often get requests for custom webinars on middle neighborhoods, which we gladly deliver! Please let us know if you'd like one for your staff, board, network, or community.

CoP Listserv: Don't forget to use our listserv, MiddleNeighborhoodsCoP@googlegroups.com to share announcements, news articles, questions and the like. If you are in the CoP, you are already a member of the listserv. If you are not a CoP member, but would like to join the listserv, email us.

Actions You Can Take to Grow and Support the CoP

1. Join and participate in the listserv, MiddleNeighborhoodsCoP@googlegroups.com. This is the most direct way for CoP members to interact with each other. Share your questions and successes.
2. Submit an article, news item, or resource idea for the newsletter to [Marcia](#).
3. Host a Middle Neighborhoods 101 webinar for people in your organization or community to help them learn about middle neighborhoods and launch a discussion on local opportunities. [We](#) will help you plan this and deliver the webinar with you.
4. Submit an idea for a webinar or case study topic to [Ann](#).
5. Convene with other CoP members in your region to discuss a particular issue, or to

start creating a regional action agenda. [Marcia](#) can help you contact your peers and plan your convening.

6. We can also help you convene a group of CoP members by interest rather than geography. Past convenings have included city government representatives.
7. Represent middle neighborhoods in local policy discussions. [We'll](#) share some talking points.
8. Propose and conduct a session on middle neighborhoods for conferences and other convenings or groups you participate in. [We'll](#) help with the proposal, recruiting panelists, planning, etc.

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