

MIDDLE NEIGHBORHOODS

November 2019-January 2020 Newsletter



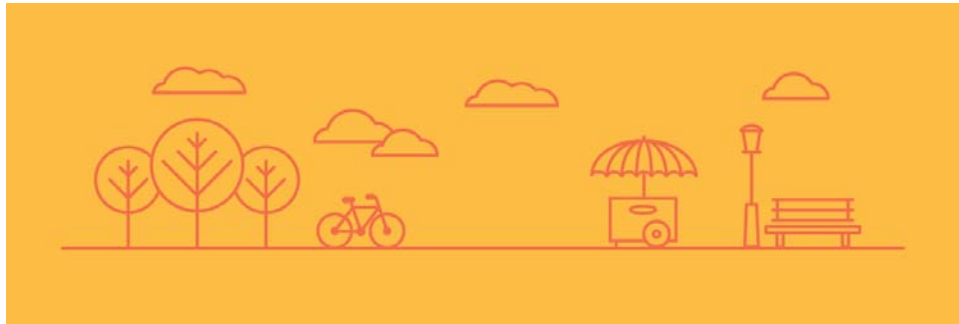
Philly First Home Reaches 1,000 Home Buyers

The City of Philadelphia has expanded homeownership support by offering first-time home buyers grants of 6% of the home purchase price, up to \$10,000. Grants can be used to reduce mortgage principal, cover down payments or cover loan closing costs. **The program is available to home buyers earning up to 120% of area median income (AMI), adjusted for family size.** It is funded by a five-year, \$20 million per year commitment to the City's Housing Trust Fund, approved as part of a broader housing assistance strategy negotiated by Council President Darrell L. Clarke with support from District 9 Councilwoman Cherelle Parker. Other components of this strategy include the Restore Repair Renew program, which is also available to homeowners earning up to 120% of AMI.

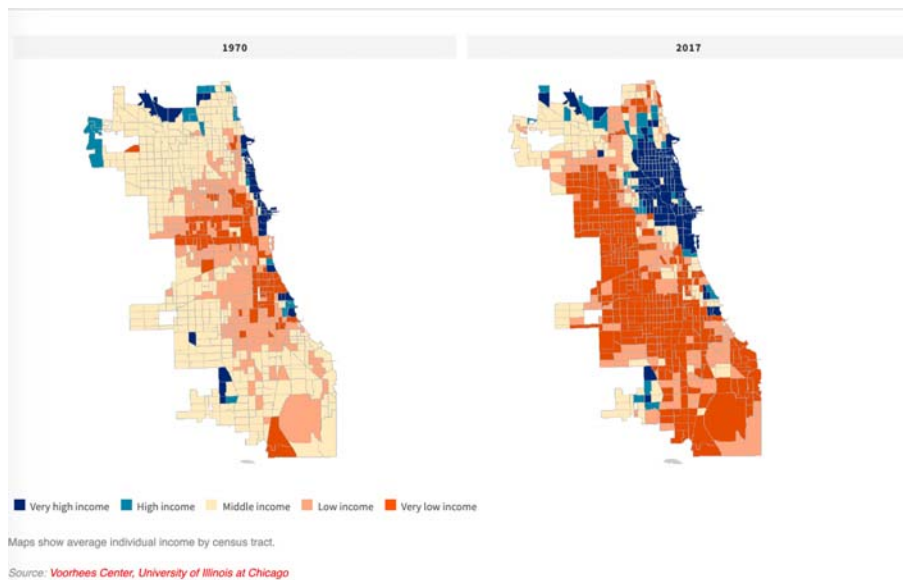
Philly First Home fills a substantial gap in the marketplace, removing barriers to homeownership for 1,012 families as of mid-January 2020. **About one-third of buyers are middle income, defined as earning between 80% and 120% of AMI. This group does not qualify for most other government subsidy programs,** and must be able to cover mortgage, insurance, taxes and maintenance through their income after other debt. The Philly First Home program opens opportunities for accruing wealth through housing to the middle-income group, along with families earning less than 80% of AMI who may also be eligible for other forms of assistance. Almost 60% of all program participants self-identified as African American, and 28% identified as Hispanic or Latino. [LEARN MORE](#)

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Updates, Events + Announcements



Maps of Chicago Census Tracts by income range for 1970 and 2017 show marked increases in very high income and very low income neighborhoods, and a marked decline in middle income neighborhoods.

Chicago Federal Reserve and Greater Chatham Initiative Sponsor Middle Neighborhoods Event

Preserving Chicago's Middle Neighborhoods was held on Friday, November 15, 2019, at the

Federal Reserve Bank of Chicago. At the forum, researchers addressed the changing dynamics and trajectories of middle class neighborhoods in Chicago. National and local experts discussed policies for safeguarding the housing market and promoting place-based investments and public safety.

One of the most impactful data points presented was a mapped comparison of neighborhoods by income in 1970 and in 2017 (see above). Chicago is experiencing the loss of its traditional middle class minority neighborhoods as they either rapidly gentrify or decline. The goal of the forum was to address challenges affecting middle class communities of color, and offer up actionable ideas to support these communities, particularly those on the south and west sides of Chicago.

Speakers included: Maurice D. Cox, Commissioner of the Department of Planning and Development of the City of Chicago, Carlo Rotella, author of *The World is Always Coming to an End: Pulling Together and Apart in a Chicago Neighborhood*; Lilia Fernandez, author of *Brown in the Windy City*; Marisa Novara, Commissioner of the Department of Housing of the City of Chicago; Christopher Berry, University of Chicago Harris School; Rob Rose, Cook County Land Bank Authority; Vicky Battle, IFF; Alan Mallach, Center for Community Progress; Robert Haas, The Policing Project; and Kim Wasserman, Little Village Environmental Justice Organization.

[LEARN MORE](#)

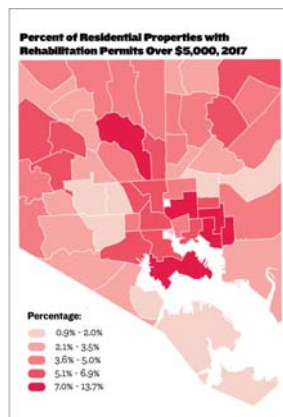


Alan Mallach Publishes Paper on African-American Middle Neighborhoods

Center for Community Progress Senior Fellow and CoP member Alan Mallach recently published his paper *OVER THE EDGE: Trajectories of African-American*

Middle Neighborhoods in St. Louis Since 2000. The paper chronicles the trajectories of middle neighborhoods in St. Louis, and then focuses on those that are predominantly African American. The African-American middle neighborhoods experienced a far greater decline since 2000, and have recovered much less than their white counterparts since the foreclosure crisis and the recession. Mallach explores several possible contributing, including disproportionate shares of sub-prime lending and resulting foreclosures, leading to a subsequent shift in home purchase activity from homebuyers to investors, which itself helped fuel the exodus of the remaining black middle class to the suburbs.

Moreover, Mallach cites an important additional factor: the lack of replacement middle class homebuyers, as new African-American buyers in the St. Louis area are increasingly buying homes in the suburbs or racially mixed neighborhoods in the city, while white buyers continue to avoid neighborhoods that are predominantly African-American. This imbalance of demand, layered on prior destabilization, has accelerated loss of home values, investor buying, increased vacancy, and generalized disorder. A pre-publication version of the paper can be downloaded from the website of the Chicago Federal Reserve Bank [here](#). (Click on link provided in conference agenda.)



“Vital Signs” Data Help Baltimore Middle Neighborhoods Design Effective Strategy

Baltimore middle neighborhoods are able to monitor change through access to annually updated data and quality of life indicators for each of 55 community statistical areas. The [Baltimore Neighborhood Indicators Alliance](#)—Jacob France Institute (BNIA-JFI) at the University of Baltimore provides the data, and was founded in 2000 to strengthen Baltimore neighborhoods by providing meaningful, accurate, and open data at the community level.

[Vital Signs](#) includes more than 150 indicators related to demographics, housing, crime, workforce, health, housing, education, and sustainability. These indicators can be compared to one another, on a community-by-community basis, or to the whole of Baltimore City. Taken together, Vital Signs form a picture of any given neighborhood’s

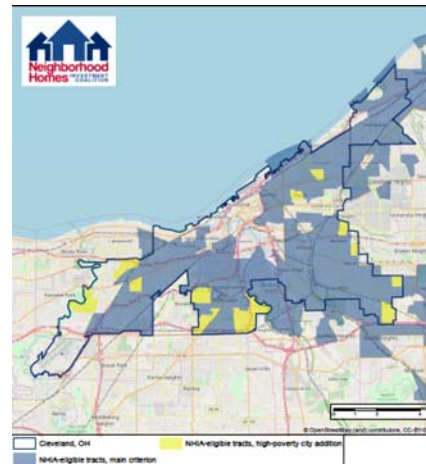
quality of life and overall health. The data is available openly in multiple formats for everyone to use for research, policy development, program evaluation and other needs.

BNIAJFI's Director Seema Iyer points out that having a clear, quantified understanding of current conditions and the trends that have produced them is the first step to effective action. For example, Vital Signs data showed very few home sales in some neighborhoods, which may have meant that homes were not changing ownership as neighborhood residency underwent generational shifts. Baltimore community leaders corroborated the data with anecdotal experience of families that had not officially transferred property titles as part of inheritance. This created barriers to accessing capital and credit, left family assets vulnerable and ultimately impacted neighborhood reinvestment. Organizing pro bono legal assistance for homeowners to clean up title issues has proven to be a relatively inexpensive and effective way of removing these blockages and opening the way for improvement. [READ MORE](#)

FREE WEBINAR: How the Neighborhood Homes Act (NHIA) Could Benefit Middle Neighborhoods

**Monday, February 24, 2020,
12:00 PM Eastern**

You are invited to participate in a webinar, hosted by the National Community Stabilization Trust (NCST), about HR 3316, the Neighborhood Homes Investment Act (NHIA), which addresses the problem of deteriorating neighborhoods of aging single family homes, by bringing a significant new source of capital to the table.



The legislation was designed to address the “valuation gap” when the cost of renovating homes exceeds the price the homes can be sold for. The legislation creates a tax credit allocated by the states that covers the gap between the cost of construction and the sales price of the home. It is modelled on the Low Income Housing Tax Credit, which is also allocated by the states and has a thirty year track record of spurring the

construction of affordable apartments.

The NHIA has been endorsed by a broad coalition including housing trade groups, state housing finance agencies, and nonprofit housing developers. *A version of this legislation with special provisions to help middle neighborhoods may be introduced very soon in the Senate. Please come discuss the legislation, learn about the proposed provisions, and give your feedback on how it could work best in your middle neighborhood.*

[Register here.](#)

CoP Reports + Action Items

- **CoP members collaborate on visit to showcase best practices:** The City of Cleveland's Middle Neighborhoods Director **Jason Powers** and Director of Neighborhood Programs at Healthy Neighborhoods Inc. (HNI) **Jenny Hope** (both CoP members) are organizing a site visit of approximately 25 Cleveland leaders to Baltimore in April to study Healthy Neighborhoods Inc. programs and financial tools as a possible model for Cleveland middle neighborhoods. The trip will showcase the nearly two decades of work by HNI and bring together the two cities' government, financial and nonprofit sectors.
- **NeighborWorks America's Community Initiatives Advisory Group holds session on Middle Neighborhoods:** Leaders from the national NeighborWorks network, including practitioners from Los Angeles, Chicago, Baton Rouge, Chattanooga, and many more met in Portland in December for their quarterly convening of the Advisory Group to the Community Initiatives division of NeighborWorks America. On the agenda was a session presented by CoP member **Marcia Nedland** on middle neighborhoods. Discussion revealed significant shared goals and experiences, advice for the Middle Neighborhoods movement, and a number of new CoP members. An afternoon workshop on middle neighborhoods was also led by Marcia and **Paul Singh** of NeighborWorks America, in Portland, open to all attendees of the NeighborWorks Training Institute that week.
- **Want to know who else in your region is a CoP member?** Ask [Marcia](#), and we'll send out an email on your behalf to everyone in your region, inviting them to contact you for potential networking opportunities. Organizing a simple brown bag lunch of members in your region is a great way to activate your local network.
- **Are you a member of the Middle Neighborhoods Community of Practice (CoP)?** The CoP is an informal, facilitated network of practitioners, researchers, and policymakers who share learnings through topical webinars, referrals, site visits,

phone calls, and occasional larger group events. If you have ever attended one of our webinars or events, completed the CoP Questionnaire, or expressed a desire to be added to the CoP, we count you as a member – it's that easy. To get yourself added to the CoP, complete the Questionnaire (see next item below) or email [Marcia](#).

- **Ongoing action item:** We're collecting insights on what's working to stabilize middle neighborhoods. If you haven't already, [please fill out the Middle Neighborhoods Community of Practice Questionnaire](#). Your input will help populate an [overview of services](#) provided by organizations working to stabilize and strengthen middle neighborhoods. Questionnaires also serve as the basis for profiles and case studies.

In the News + Resources

- [How To Preserve The Black Middle Class: Federal Reserve Holds Conference To Explore The Question, Possible Solutions](#), Austin Weekly News.
- [OVER THE EDGE: Trajectories of African-American Middle Neighborhoods in St. Louis Since 2000](#), by Alan Mallach. (Click on link in conference agenda.)
- [Renewing the Promise of the Middle Class: Agenda and Conference Materials](#), Federal Reserve Bank of Chicago.



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