



THE REINVESTMENT FUND



EVALUATION NEIGHBORHOOD STABILIZATION PROGRAM 2 ("NSP 2")

for the
City Of Camden Redevelopment Agency &
Housing Authority Of The City Of Camden



Prepared by
The Reinvestment Fund
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Dear Readers,

In 2010, Camden received approximately \$26 million from the U.S. Department of Housing and Urban Development (HUD) under the second round of the Neighborhood Stabilization Program (NSP2) for stabilizing neighborhoods in our City rocked by foreclosures and abandoned housing. With support of the William Penn Foundation, The Reinvestment Fund (TRF) assisted us in analyzing markets, developing an effective plan and assessing the impact of our efforts. *This report reflects the positive results of Camden's NSP2 work.*

Early on, we realized that to successfully stabilize and rebuild neighborhoods in Camden, we needed a better understanding of the housing market conditions and the causes of stress on those markets. We also needed to be strategic in determining which locations would respond best to this intervention. When TRF compared NSP2 neighborhoods with similar neighborhoods without NSP2 investment, we saw vacancy rates decline or hold steady during times of great economic turmoil. We saw homes maintain value, and even rise in value during a period when home values nationally were on the decline.

In partnership, the Camden Redevelopment Agency and Housing Authority of the City of Camden targeted ten neighborhoods, about one-third of the City's land and population, for focused investment. Our activities included the construction of new rental and for sale homes, rehabilitation of existing housing, housing counseling, demolition, greening of 232 vacant lots into wonderful community gardens and parks, and the acquisition of 113 nuisance properties for future redevelopment.

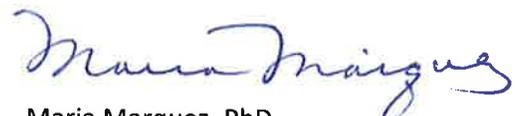
Most importantly, our residents report the difference. Residents cite new public spaces, fewer abandoned buildings, newcomers and safer streets. The effective execution of our NSP2 sends the message to our citizens and development community -- that progress is occurring. We still have a lot of work to do to address the economic challenges of our City, but we know we are headed in the right direction. As one resident put it, "this place is going to be dynamite."

We invite you to review the positive evaluation and share the findings with others.

Sincerely,


Dana L. Redd, Mayor
City of Camden


Sandra Ross Johnson
Executive Director
Camden Redevelopment Agency


Maria Marquez, PhD
Executive Director
Housing Authority City of Camden

Executive Summary

While many census tracts in Camden were eligible for the U.S. Department of Housing and Urban Development (HUD) Neighborhood Stabilization Program 2 (NSP2), the City of Camden elected to focus its investment activities on a few target areas. Working with The Reinvestment Fund (TRF), the City of Camden sought to first understand market conditions and, depending on the causes of market stress, deploy specific strategies to address the issues plaguing its neighborhoods. The Camden Redevelopment Agency (CRA) focused on addressing vacant, abandoned properties in North Camden, Cooper Lanning, and Gateway. In Marlton, Stockton, and Dudley the strategy focused on addressing foreclosure. In a similar way, the Housing Authority of the City of Camden (HACC) devised a data-driven process for selecting its target areas and it planned concentrated activities in the Waterfront South, Morgan Village, and Liberty Park neighborhoods. The CRA proposed a plan and sought \$32,296,360 for its target areas while HACC applied for about \$27,500,000. Each applicant was awarded significantly lower amounts: the CRA received \$11,926,887 and HACC received \$14,140,923.

The city's commitment to gathering data and analyzing conditions did not end with its application. Over the past six years, TRF produced bi-annual snapshots of the conditions in the various neighborhoods targeted for NSP2 investments and compared trends in these place to the city overall. Working with the agencies, developers, and community stakeholders, TRF specifically looked at median sales price, number of bank-owned properties, number of sheriff sales, number of nonprofit and subsidized sales, and number of arms-length transactions within the target area and the city as a whole. The median residential sales price in the City of Camden was \$34,100 in 2010 and there were 189 REO properties. By 2013, the median sales price was \$30,550 and there were 133 REO properties.

In 2012, TRF began conducting a national analysis of all three rounds of the NSP program for HUD to measure changes in residential markets with clusters of grantee investments. Applying TRF's neighborhood investment cluster (NIC) approach to Camden allowed us to reflect on the overall effectiveness of the program. The NIC approach compares places where the NSP investments were clustered to three other areas where there was little to no NSP investment activity.

For Camden, TRF was able to further refine the NIC approach by using local data (as opposed to national data). Comparison areas share attributes with NICs in terms of HUD foreclosure risk scores and vacancy risk scores, owner-occupancy rates, median sales price in 2008, and change in sales price from 2006 to 2008. In Camden, NSP2 resources funded the production of new housing units, demolition, property acquisition, the maintenance of vacant lots, and the implementation of the NSP2 YouthBuild paid internship program¹. In the CRA proposal, Camden also committed local resources to increase code enforcement efforts within the target areas.

TRF assessed changes in citation rates for code violations in three broad categories: 1) habitability (the severest safety conditions, e.g., cracks in foundations to sagging roofs), 2) appearance (broken windows or doors, maintenance of exteriors), and 3) miscellaneous (including exterior painting and missing

¹ YouthBuild offered employment on project construction and land maintenance sites to 17 at-risk Camden young adults for a one-year period.

handrails). Of these, habitability and appearance are the most significant in terms of reflecting property owners' investment in their structures. The evaluation measured NICs against comparable areas (or comps) on residential housing metrics, including sales price change, change in vacancy, and change in the number and nature of code violations. TRF compared the above changes in a NIC to each of its three comps and graded the NIC based on how often it outperformed the comp. If a NIC performed better than one comp, it received a C, if it performed better than two of the comps it received a B, and if it performed better than all three comps, it received an A. If all three comps performed better than the NIC, it received a D.

Within Camden, there were seven identified NICs, four for the CRA investments and three from the HACC investments. The Camden clusters generally performed well. **Five of the seven NICs received an A for sales price change and one received a C.² For vacancy change, five of the seven NICs received an A, and two received a B. In terms of changes in total code violations, four NICs received an A, two received a C and one received a D.** The NSP2 program sought to stabilize markets and arrest further deterioration of market conditions, and as a whole, the Camden NSP2 investments were generally successful in moving the target markets relative to the areas that did not receive NSP2 investments. As a group, the sales prices declined minimally (-1.4%) in the NICs, while they declined significantly in the comps (-64.5%). Furthermore, the Cooper Plaza NIC actually saw price appreciation, with a median sales price change of 69.1% during the same time.

The NSP2 evaluation also included a qualitative assessment of the program, interviewing residents in focus groups to gauge their awareness of the program and perception of its impact on their neighborhood. Residents were in consensus that new construction, particularly in the Cooper Plaza neighborhood, is improving area conditions and spurring additional redevelopment. They also expressed fear that this redevelopment may increase tax rates and cause the displacement of renters and low-income homeowners. Residents felt largely optimistic about the future of their neighborhood, due to the demolition of unsafe structures, the greening of vacant lots and the improvement of public infrastructure (increased lighting and repaired sidewalks). NSP2 activities also increased their desire for additional quality communal public spaces. Residents felt confident that community groups represented their interests well to city agencies. Lastly, they noted NSP was a good start, but for greater community change to occur and to retain new and existing residents within the city, access to commercial services, strong, collaborative connections with law enforcement, and quality public amenities are necessities.

Camden's approach to, and execution of, the NSP2 program appears to have had a marked improvement on housing markets in the target investment areas. Comparatively, only 25.5% of NICs nationally received an A on sales price change and 22.8% received an A on vacancy change. While Camden still has many development challenges, the NSP2 program positively impacted both the real estate market and residents' perception of the trajectory of growth in their neighborhood.

² One NIC had an insufficient number of sales to compare.

Camden NSP2 Evaluation Final Report

Introduction and Background

The Neighborhood Stabilization Program (NSP) was created to support communities with high rates of foreclosure and housing abandonment due to the mortgage foreclosure crisis. Congress authorized three rounds of NSP funding between 2008 and 2010. States, municipalities, nonprofit and for-profit entities could use these funds to purchase and rehabilitate abandoned or foreclosed properties, land bank vacant lots, demolish blighting buildings, and redevelop acquired land. Unlike NSP1, NSP was designed as a competitive award process. It required applicants to target specific census tracts with high scores on a HUD-determined measure of either foreclosure or vacancy risk. Applicants were encouraged to concentrate program activities in targeted census tracts to arrest declines in home sales price and to demonstrate how the scale of the intervention related to the scale of the problem.

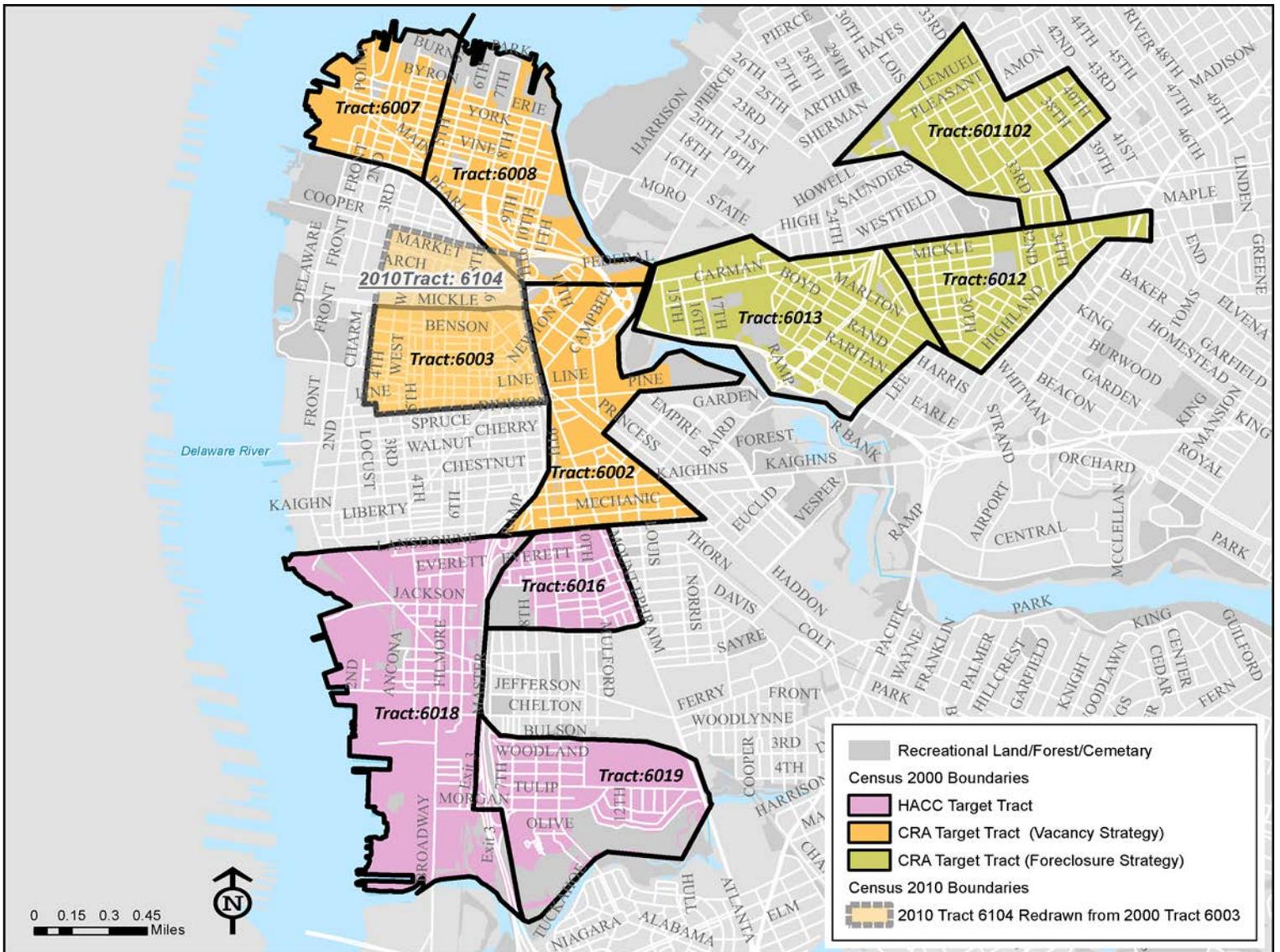
The City of Camden formulated two NSP2 applications. The Camden Redevelopment Agency (CRA) was the lead agency for one, with seven implementation partners, while the Housing Authority of the City of Camden (HACC) led the other. CRA proposed increasing production and sale of affordable, energy-efficient housing units, acquiring foreclosed and abandoned properties into a land bank, demolishing unsafe and abandoned properties, establishing public open space, and documenting and assessing the effectiveness of its programmatic activities. HACC planned rehabilitation and demolition of existing housing. The agencies conducted a data-based selection of eligible target areas from 18 eligible census tracts. Proposing four census tracts in central and North Camden as targets for a vacancy strategy and three census tracts in east Camden for a foreclosure strategy, CRA requested \$32,296,360. HACC targeted three census tracts in southern Camden for its proposed activities.

City of Camden Context NSP2 has Operated Within

- Camden's population is on the decline: The population declined from 79,904 in 2000 to 77,606 (2.9%) as of the 2008-2012 American Community Survey (ACS). The number of homeowners declined 11.2% over the same time period.
- Camden's population is young: Over 31% of Camden residents are under age 18, and only 7.7% is over age 65. (ACS)
- Unemployment is high: From 2004 through 2007, Camden's median unemployment rate was 10.2%. The unemployment rate peaked at 20.4% in July of 2011. Since then the unemployment rate has declined to 13.5% as of August, 2014. (Bureau of Labor Statistics - BLS)
- Incomes are growing: Median household income in Camden increased 14% from the 2000 census to the 2008-2012 ACS, while inflation over that time was a cumulative 26.6%. This household income change varied considerably for different racial and ethnic groups. White households experienced income gains of 8.8%, while Hispanic household incomes grew 14.1% and Black households 20.5%. (Census/ACS/BLS)
- Homeowners are cost-burdened: In 2000, 29.3% of homeowners spent 35% or more of their income on housing (i.e., were cost burdened). By 2008–2012, that rose to 43%. (Census/ACS)
- Poverty is high: In 2000, 35.5% of Camden residents were living in poverty. The 2008-2012 ACS estimated that the percentage of residents in poverty rose to 38.6%. (Census/ACS)

HUD awarded the CRA and its partners \$11,926,887 in NSP2 funds and HACC \$14,140,923. The proposals sought to leverage prior committed housing investments to stabilize neighborhoods and property values. The CRA's funds were intended to purchase 55 abandoned or foreclosed units for rehabilitation and resale, construct 40 multifamily housing units, demolish 45 blighted structures, acquire 85 properties for a land bank, and green 150 lots to support future redevelopment of vacant land. The activities would benefit households whose incomes were at or below 120% of area median family income, with 25 percent of the funds for households at or below 50% of area median family income. The overall goal was to stabilize the targeted neighborhoods and create new, long-term affordable housing units. With its grant funds, CRA also contracted with The Reinvestment Fund (TRF) to provide periodic data and evaluate the outcomes and long-term impacts of Camden NSP2 activities on the target neighborhoods.

Map 1: Location of Camden NSP2 Target Census Tracts



Research Questions

TRF formulated a logic model of Camden NSP2 activities and related outcomes that could reasonably be expected to flow from those activities over the short, medium, and long term. These include the expected outputs from NSP2 activities, the direct results that flow from those outputs and the broader change in neighborhood conditions years after NSP2 investment. The research questions TRF examined were:

- i. Were CRA and HACC able to meet all anticipated outputs of the NSP2 funded activities?
- ii. Have CRA and HACC NSP2 investments measurably impacted the real estate market and quality of life for residents of NSP2 targeted neighborhoods?
- iii. How do the areas that experienced concentrated NSP2 investment compare to those that did not experience these investments?
 1. What impacts, if any, have NSP2 investments had on the real estate markets of neighborhoods with concentrated investment?
 2. What observable differences result from varying types of NSP2 activities (i.e., new construction compared to demolition or land banking)?
 3. How do residents of neighborhoods that experienced NSP2 investment view the program and how have their views changed over time?

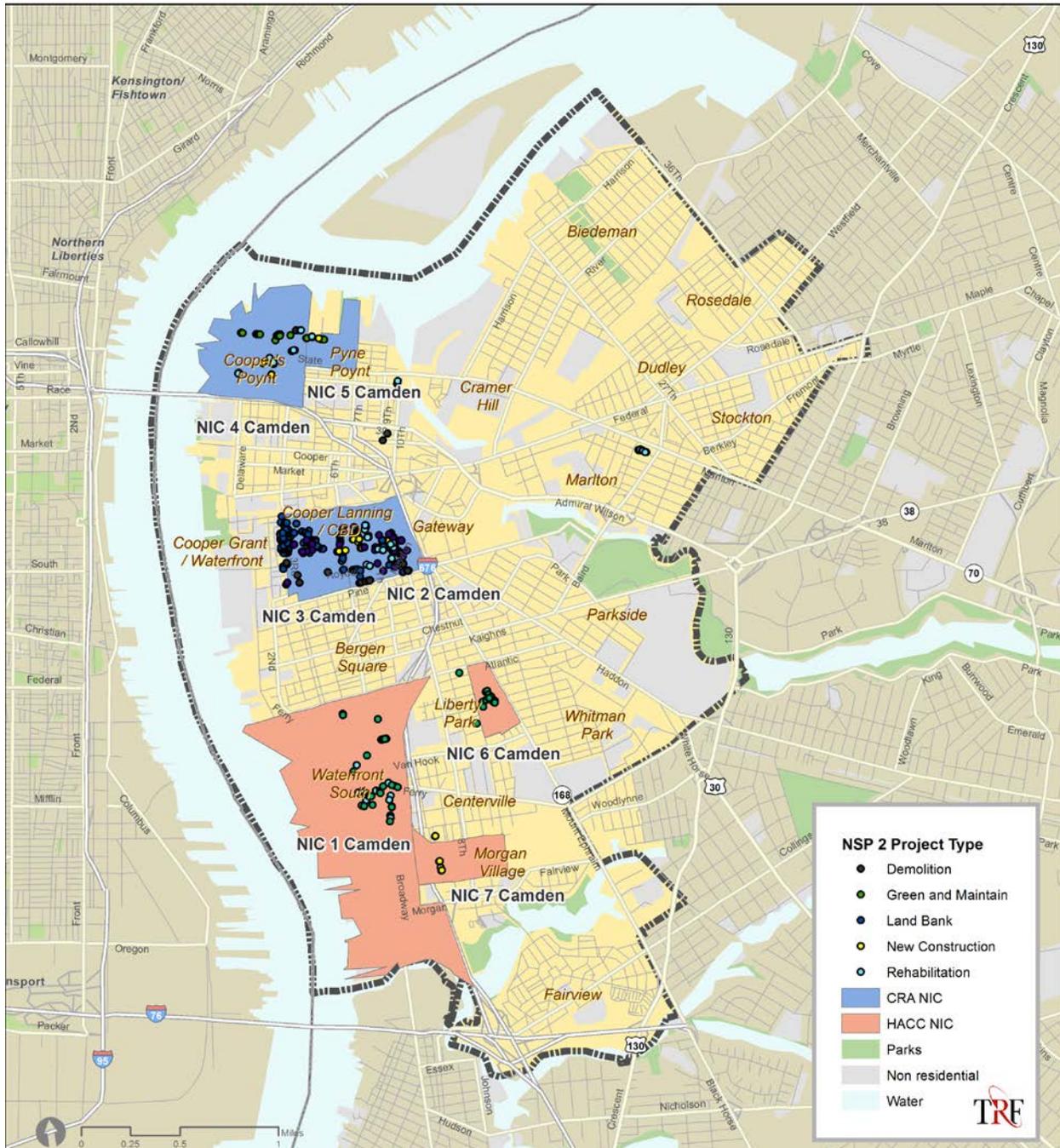
Methods: Identification of Areas with Concentrated NSP2 Investment and Comparable Areas

During the NSP2 program, TRF updated CRA and HACC twice yearly on the drivers of residential real estate markets in NSP2 target areas and throughout the City of Camden. The agencies, TRF, and community stakeholders met to examine changes in the median sales price of target areas, number of bank-owned properties (i.e., Real Estate Owned, REO), number of sheriff sales, number of nonprofit or subsidized sales, and the number of arms-length residential real estate transactions. This data helped the agencies understand the target areas. It identified the areas that were experiencing greater numbers of distressed sales and areas that were seeing “green shoots” of a return to healthy real estate markets. TRF cleaned, geocoded, and mapped the transactions and then displayed this data in relation to the location of NSP2 investments.

After the program concluded, TRF identified census block groups that experienced concentrated investment of NSP2 activities. These neighborhood investment clusters (NICs) are defined as having at least five NSP2 investments within a census block group. If the program theory was accurate, then concentrating investment would result in the stabilization of, or stimulate growth in, the nearby real estate market. The NICs represent places where concentrated investments occurred.

Using this methodology, TRF identified seven NICs in Camden. Map 2 displays the location of the Camden NICs.

Map 2: Location of NSP2 Neighborhood Investment Clusters (NICs)



TRF selected Camden neighborhoods that did not experience NSP2 investment but that are similar to the NICs based on several real estate market indicators. We used these comparable areas (comps), to measure trends in real estate market sales between the NICs (the “treatment” group) and the comparable neighborhoods (the “control” group). Comps must be at least .125 miles away from any NIC, and they share similar characteristics on the following indicators:

- (1) Median Housing Prices in 2008 (NJ MOD-IV);
- (2) Change in Housing Prices from 2006–2008 (i.e., the trajectory of sales price change);
- (3) Homeownership Rate (Census, 2010);
- (4) NSP2 Estimated Foreclosure Risk Score (HUD);
- (5) NSP2 Estimated Vacancy Risk Score (HUD); and
- (6) Number of Owner-occupied Households (Census, 2010).

Comparable markets closest to the NIC, but at least .125 miles away from any NIC, are preferred over those that are farther away. TRF allows comparable markets to include some NSP2 investments, although the comparable markets were penalized for having any NSP2 activity. In no instance could there be more than three NSP2 properties in a comparable area. As an example, Table 1 shows NIC 2 and how it compares on each variable with its top three comparable block groups. Because the range of values for each variable is very different (e.g. NSP2 risk scores range from 1-20, while home sales prices are in the tens or hundreds of thousands), variables were normalized and equally weighted when calculating the comparable score. Below, the data is displayed without the normalization.

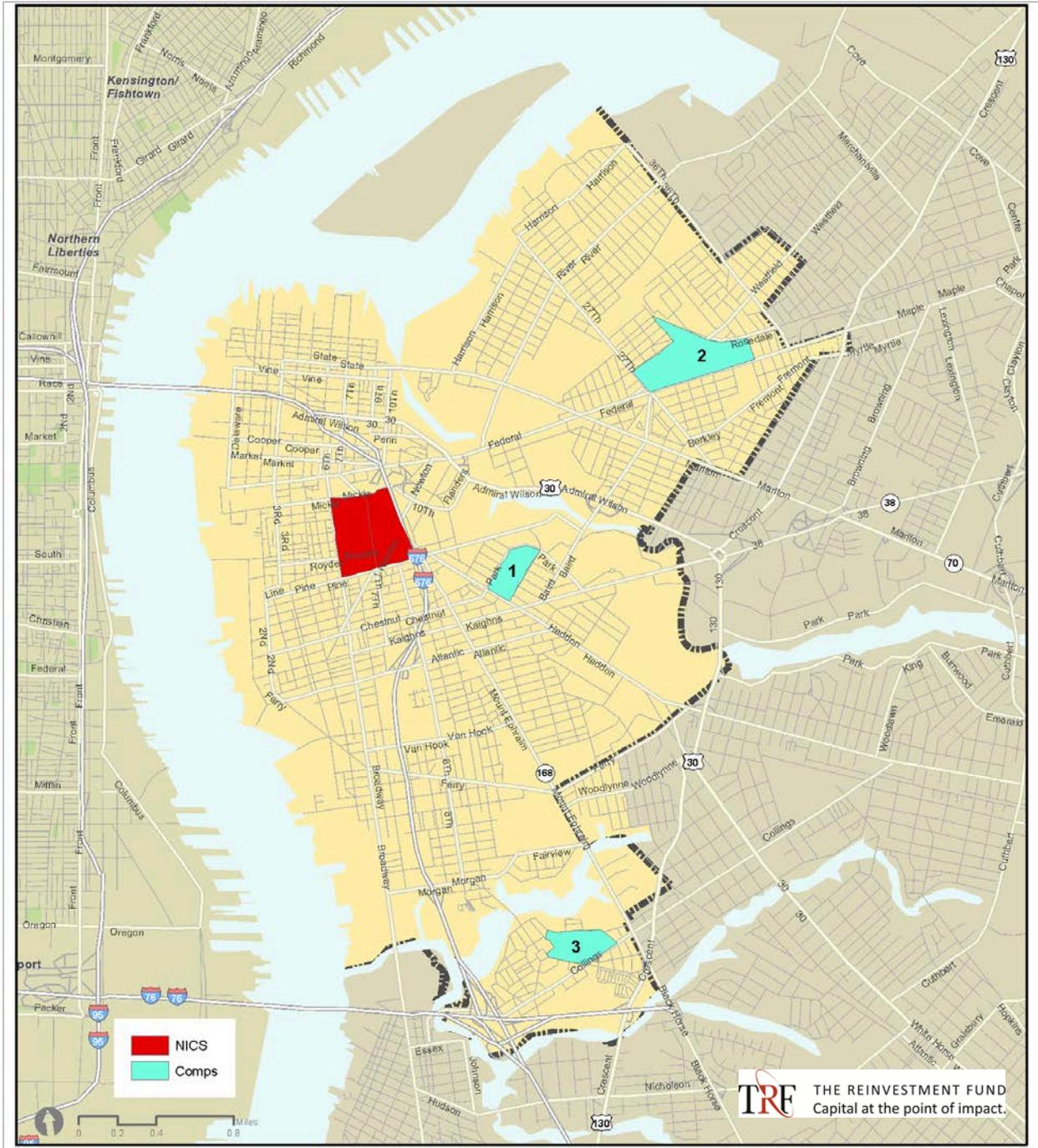
Table 1 and Map 3 show the block groups that are most comparable to NIC 2. NIC 2 is located in the Cooper Plaza neighborhood. (For reference, the score column below shows the results. A lower score indicates that the block groups are more comparable). Two of the three comparable block groups had similar increases in sale price from 2006–2008. The other comp was very close in owner-occupancy in 2010 and had similar HUD-determined foreclosure and vacancy risk scores.

Table 1: Camden NIC 2 Data and its Top Three Comparable Areas

STFID	Neighborhood	NIC / Comp	%Owner Occupied	# Owner Occupied	Foreclosure Risk Score	Vacancy Risk Score	Median Sales Price 2008	Change 2006 - 2008	Score	Rank
600301 / 600302	Cooper Plaza	NIC	44.2%	164	18	20	\$80,000	11.8%		
6014002	Parkside	Comp	54.1%	303	18	16	\$45,000	30.7%	-0.8073	1
6011011	Dudley	Comp	42.0%	355	17	18	\$79,250	-9.3%	-0.7266	2
6020003	Fairview	Comp	49.7%	312	18	17	\$54,000	22.6%	-0.6322	3

Map 3 highlights the location of the most comparable block groups. It shows that they are far enough from the NIC that their markets are not likely to be influenced by spillover effects from NSP2 investment in the NIC.

Map 3: NIC 2 and Top Three Comparable Block Groups



NSP Cluster Areas

CRA Neighborhoods

NSP2 activities were concentrated in three main areas of Camden: Cooper/Lanning, North Camden, and south Camden. In Cooper Plaza and Lanning Square, CRA funded entities to acquire and rehabilitate or build new housing units on 45 parcels. It also demolished 16 blighting properties and land banked two properties for future redevelopment. The new construction and rehabilitation activities were clustered around Cooper Hospital. In Lanning Square, the CRA land banked properties and demolished structures. TRF treated Cooper Plaza and Lanning Square as separate NICs, so that any differences in program outcomes from different NSP2 activities could be observed.

North Camden also had two clusters of NSP2 investments. In census tract 6007, CRA greened and maintained 28 lots, built 12 new construction houses, and demolished three properties. In the adjacent census tract 6008, the largest NSP2 investment was the Meadows at Pyne Poynt, a new 40-unit, multi-family apartment building. CRA also greened and maintained eight lots in that census tract and demolished three housing units.

HACC Neighborhoods

In Waterfront South, HACC rehabilitated 13 properties for sale and demolished 11 others. In Liberty Park HACC rehabilitated 10 properties and demolished seven others. Finally, in Morgan Village HACC built 39 new units of rental housing.

Camden's output numbers exceeded their program goals for all activities. The goal for new construction/rehabilitation was 55 properties; the output of 66 properties exceeded that goal by 20%. There were 113 land banked properties, 33% more than the anticipated goal of 85 land bank properties. There were 22 demolitions as a result of NSP2 activities, compared to a program goal of 16. Of the 242 investments, 239 (98.8%) fell in a block group with sufficiently concentrated investment to be considered a NIC.

Across Camden

Across Camden, Real Estate Owned (REO) properties increased between 2008 and 2010 but then declined by 2013. In 2010, there were 9.17 REO properties for every 1,000 properties in Camden. The share of REO properties declined to 6.48 per 1,000 in 2013.

Similar to the city, the REO properties in NSP2 target areas peaked at 9.0 per 1,000 in 2010, but then declined to 7.34 per 1,000 in 2013. Areas within the eligible tracts that actually received NSP2 investment had lower rates of REO. The rate peaked at 4.2 per 1,000 in 2010; by 2013, REO properties accounted for 3.12 of every 1,000 properties in areas that received NSP2 investment. Although acquisition of REO properties in target areas of east Camden (census tracts 6011.02, 6012 and 6013) was part of the CRA proposal submitted to HUD, the lower award amount resulted in CRA choosing to concentrate NSP2 dollars into the target census tracts with a vacancy strategy. Although REO acquisition was not an NSP2 activity, REO properties have declined in NSP2 target census tracts during the study period.

CRA Greening

Through NSP2 activities, Camden also sought to return vacant lots and buildings to community assets and eventually redevelop them. CRA acquired, cleaned, greened, and maintained 232 lots in Lanning Square, North Camden, and Cooper Plaza. Two Camden nonprofits performed the greening and maintenance of the lots: Greater Camden Partnership for properties in Lanning Square and Cooper Plaza, and Respond Inc. in North Camden. Many of these properties have been land banked for later development, especially in Lanning Square.

Photo 1: The corner of Washington and West Streets before greening



Photo 2: The corner of Second and Erie Streets after greening



Photo 3: Erie Street between Fourth and Fifth Streets



Change in Sales Price and Vacancy Findings

To compare changes in these markets over time, TRF examined all arms-length, residential real estate sales and residential vacancy in each NIC and its three comps from 2008-2009 to 2011-2012. Residential real estate sales data was collected, geocoded, and mapped from the State of New Jersey's MOD-IV database. These sales were divided into categories to separate distressed sales, such as foreclosure and REO sales, from sales associated with real estate market health (e.g., arms-length transactions, nonprofit sales to families). To examine changes in vacant residential properties, TRF compared the change in USPS-identified percentage of vacant properties from 2008 to 2012.

Once both NICs and comps were identified, TRF graded the NICs against the comps on changes in several indicators, specifically the change in the median residential real estate price, change in residential vacancy and change in the number and type of code violations. Each NIC received a grade based on how often it outperformed the comps. If a NIC performed better than one comp, it received a C, if it performed better than two comps it received a B, and if it performed better than all three comps, it received an A. If all three comps performed better than the NIC, it received a D.³

³ Exceeded, in this context, means that in relation to the comp, the NIC had higher sale prices, greater declines in vacancy (or slower rises), and fewer code violations.

NSP2 activities were generally successful in moving the target markets relative to similar markets that did not receive NSP2 investment. Five of the six areas that received grades⁴ experienced sales price changes that outperformed all three of their comparable markets during the period from 2008-2009 to 2012-2013. The sixth outperformed one of three comparable markets. As a group, the average sales price in the NICs declined slightly (-6.1%) compared to larger decline in the comps (-51.0%), indicating NSP2 activity successfully arrested declining sales prices in the target areas. Change in sales price increased the most in Cooper Plaza, where median sales price rose 69.1% during this period. Of all NSP2 activities, new construction and rehabilitation infill development correlated most strongly with sales price change performance. Cooper Plaza, Waterfront South, and Cooper's Point performed strongest of the examined neighborhoods and were all 'A' performers.

Table 4: NIC Grades for Sales Price Change and Vacancy Change

NIC Grades			
NIC #	Neighborhood	Sales Price Change	Vacancy Change
NIC 1	Waterfront South	A	B
NIC 2	Cooper Plaza	A	A
NIC 3	Lanning Square	A	A
NIC 4	Cooper's Point	A	A
NIC 5	Pyne Poynt	C	A
NIC 6	Liberty Park	A	A
NIC 7	Morgan Village	N/A	B

Table 5: Average Sale Price Change in the NICs and comps as a Group

	Average Sales Price		
	2008 - 2009	2012 - 2013	Change
NIC	\$34,925	\$32,808	-6.1%
Comp	\$43,189	\$21,144	-51.0%

⁴ NIC 7 did not receive a grade because it had less than five sales in both 2008-2009 and 2012-2013.

Table 6: Median Sales Price Change in NIC 1 and comps from 2008-2009 to 2012-2013

Neighborhood	Block Group	NIC / Comp	Sale Price 2008 / 2009	Sale Price 2012 / 2013	Percent Change	Beat Comp?
Waterfront South	6018001	NIC	\$21,000	\$20,500	-2.4%	N/A
Fairview	6020003	COMP	\$45,750	\$32,050	-29.9%	Yes
Marlton	6013001	COMP	\$28,335	\$25,000	-11.8%	Yes
Dudley	6011011	COMP	\$60,000	\$15,000	-75.0%	Yes

Table 7: Median Sales Price Change in NIC 2 and Comps from 2008/ 2009 – 2012/ 2013

Neighborhood	Block Group	NIC / Comp	Sale Price 2008 / 2009	Sale Price 2012 / 2013	Percent Change	Beat Comp?
Cooper Plaza	6003001 / 6003002	NIC	\$48,500	\$82,000	69.1%	N/A
Fairview	6020003	COMP	\$45,750	\$32,050	-29.9%	Yes
Parkside	6014002	COMP	\$57,700	\$18,750	-67.5%	Yes
Dudley	6011011	COMP	\$60,000	\$15,000	-75.0%	Yes

Table 8: Median Sales Price Change in NIC 3 and Comps from 2008 / 2009 – 2012/ 2013

Neighborhood	Block Group	NIC / Comp	Sale Price 2008 / 2009	Sale Price 2012 / 2013	Percent Change	Beat Comp?
Lanning Square	6003003 / 6003004	NIC	\$49,000	\$26,250	-46.4%	N/A
Parkside	6014002	COMP	\$57,700	\$18,750	-67.5%	Yes
Dudley	6011011	COMP	\$60,000	\$15,000	-75.0%	Yes
Dudley	6011013	COMP	\$40,000	\$8,000	-80.0%	Yes

Table 9: Median Sales Price Change in NIC 4 and Comps from 2008/ 2009 – 2012/ 2013

Neighborhood	Block Group	NIC / Comp	Sale Price 2008 / 2009	Sale Price 2012 / 2013	Percent Change	Beat Comp?
Cooper's Poynt	6007002	NIC	\$35,000	\$32,500	-7.1%	N/A
Fairview	6020003	COMP	\$45,750	\$32,050	-29.9%	Yes
Fairview	6020006	COMP	\$60,000	\$30,000	-50.0%	Yes
Gateway	6002003	COMP	\$46,500	\$17,000	-63.4%	Yes

Table 10: Median Sales Price Change in NIC 5 and Comps from 2008/ 2009 – 2012/ 2013

Neighborhood	Block Group	NIC / Comp	Sale Price 2008 / 2009	Sale Price 2012 / 2013	Percent Change	Beat Comp?
Pyne Poynt	6008004	NIC	\$12,050	\$2,000	-83.4%	N/A
Whitman Park	6015001	COMP	\$42,875	\$6,500	-84.8%	Yes
Whitman Park	6015003	COMP	\$15,000	\$12,000	-20.0%	No
Whitman Park	6015002	COMP	\$30,000	\$11,000	-63.3%	No

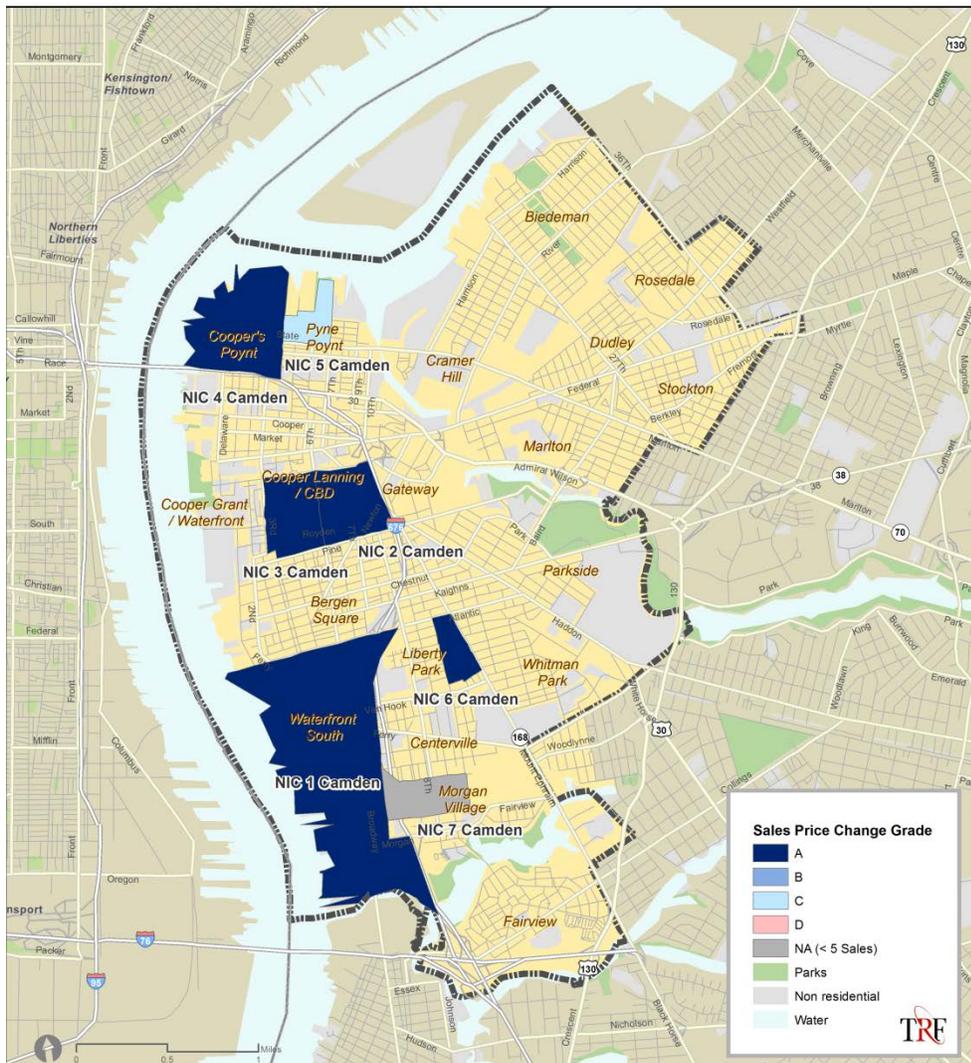
Table 11: Median Sales Price Change in NIC 6 and Comps from 2008/ 2009 – 2012/ 2013

Neighborhood	Block Group	NIC / Comp	Sale Price 2008 / 2009	Sale Price 2012 / 2013	Percent Change	Beat Comp?
Liberty Park	6016001	NIC	\$26,000	\$20,100	-22.7%	N/A
Parkside	6014001	COMP	\$22,750	\$17,250	-24.2%	Yes
Parkside	6014003	COMP	\$40,000	\$30,000	-25.0%	Yes
Fairview	6020005	COMP	\$44,952	\$30,000	-33.3%	Yes

Table 12: Median Sales Price Change in NIC 7 and Comps from 2008/ 2009 – 2012/ 2013

Neighborhood	Block Group	NIC / Comp	Sale Price 2008 / 2009	Sale Price 2012 / 2013	Percent Change	Beat Comp?
Morgan Village	6019003	NIC	N / A	N / A	N / A	N/A
Cramer Hill	6009001	COMP	\$77,900	\$37,500	-51.9%	N/A
Pyne Poynt	6008002	COMP	\$8,000	N / A	N / A	N/A
Parkside	6014003	COMP	\$40,000	\$30,000	-25.0%	N/A

Map 4: Change in Sale Price Grade



The NICs also performed well on change in the rate of vacant residential buildings. All seven neighborhoods earned grades 'B' or higher on vacancy change and five outperformed all of their comparable neighborhoods on this measure and were considered 'A' performers. From 2008 to 2012, the rate of residential vacancy grew only 1% (1.3%) in the NICs compared to 4.4% in the comps. In Cooper Plaza and Lanning Square, residential vacancy decreased. Residential vacancy stayed essentially the same in Waterfront South (0.3%). These results also suggest NSP2 activities were successful in arresting the increase of vacancy in these target areas.

Table 13: Aggregate Vacancy Rate Change in the NICs and Comps

	Vacancy Rate		
	2008	2012	Change
NIC	11.6%	12.9%	1.3%
Comp	6.8%	11.2%	4.4%

Table 14: NIC 1 and Comps, Vacancy Rate Change from 2008-2012

Neighborhood	Block Group	NIC / Comp	Percent Vacant 2008	Percent Vacant 2012	Percent Change	Beat Comp?
Waterfront South	6018001	NIC	20.6%	20.8%	0.27%	N/A
Fairview	6020003	COMP	5.0%	11.1%	6.10%	Yes
Marlton	6013001	COMP	2.0%	7.2%	5.15%	Yes
Dudley	6011011	COMP	9.9%	8.9%	-1.07%	No

Table 15: NIC 2 and Comps, Vacancy Rate Change from 2008-2012

Neighborhood	Block Group	NIC / Comp	Percent Vacant 2008	Percent Vacant 2012	Percent Change	Beat Comp?
Cooper Plaza	6003001 / 6003002	NIC	12.1%	10.9%	-1.15%	N/A
Fairview	6020003	COMP	5.0%	11.1%	6.10%	Yes
Parkside	6014002	COMP	4.2%	8.6%	4.35%	Yes
Dudley	6011011	COMP	9.9%	8.9%	-1.07%	Yes

Table 16: NIC 3 and Comps, Vacancy Rate Change from 2008-2012

Neighborhood	Block Group	NIC / Comp	Percent Vacant 2008	Percent Vacant 2012	Percent Change	Beat Comp?
Lanning Square	6003003 / 6003004	NIC	12.1%	10.9%	-1.15%	N/A
Parkside	6014002	COMP	4.2%	8.6%	4.35%	Yes
Dudley	6011011	COMP	9.9%	8.9%	-1.07%	Yes
Dudley	6011013	COMP	9.9%	8.9%	-1.07%	Yes

Table17: NIC 4 and Comps, Vacancy Rate Change, from 2008-2012

Neighborhood	Block Group	NIC / Comp	Percent Vacant 2008	Percent Vacant 2012	Percent Change	Beat Comp?
Cooper's Poynt	6007002	NIC	14.8%	17.0%	2.26%	N/A
Fairview	6020003	COMP	5.0%	11.1%	6.10%	Yes
Fairview	6020006	COMP	5.0%	11.1%	6.10%	Yes
Gateway	6002003	COMP	14.3%	24.6%	10.30%	Yes

Table 18: NIC 5 and Comps, Vacancy Rate Change from 2008-2012

Neighborhood	Block Group	NIC / Comp	Percent Vacant 2008	Percent Vacant 2012	Percent Change	Beat Comp?
Pyne Poynt	6008004	NIC	9.2%	13.0%	3.9%	N/A
Whitman Park	6015001	COMP	7.8%	16.0%	8.1%	Yes
Whitman Park	6015003	COMP	7.8%	16.0%	8.1%	Yes
Whitman Park	6015002	COMP	7.8%	16.0%	8.1%	Yes

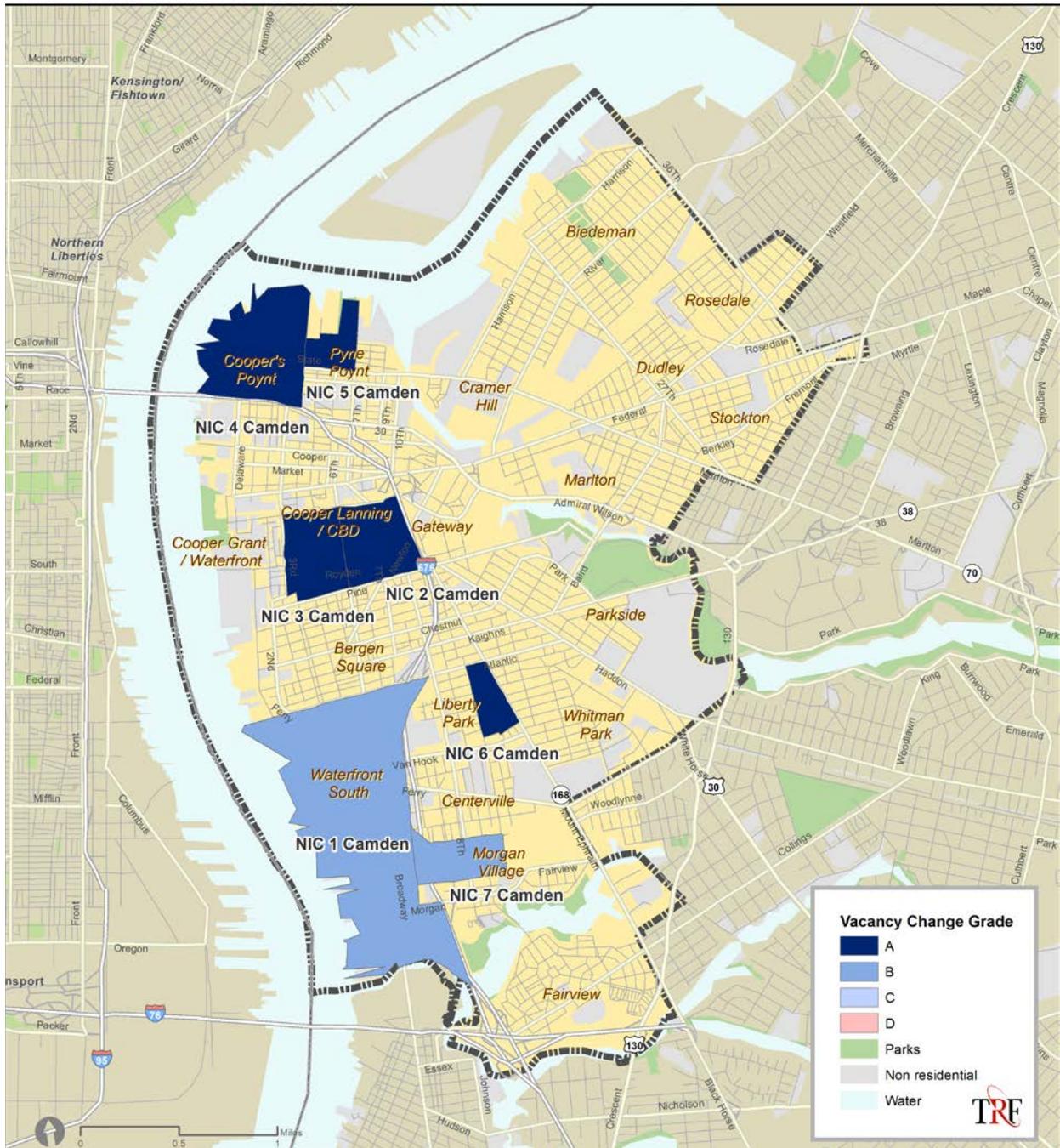
Table 19: NIC 6 and Comps, Vacancy Rate Change from 2008-2012

Neighborhood	Block Group	NIC / Comp	Percent Vacant 2008	Percent Vacant 2012	Percent Change	Beat Comp?
Liberty Park	6016001	NIC	7.8%	10.9%	3.1%	N/A
Parkside	6014001	COMP	4.2%	8.6%	4.4%	Yes
Parkside	6014003	COMP	4.2%	8.6%	4.4%	Yes
Fairview	6020005	COMP	5.0%	11.1%	6.1%	Yes

Table 20: NIC 7 and Comps, Vacancy Rate Change from 2008-2012

Neighborhood	Block Group	NIC / Comp	Percent Vacant 2008	Percent Vacant 2012	Percent Change	Beat Comp?
Morgan Village	6019003	NIC	5.0%	6.9%	1.9%	N/A
Cramer Hill	6009001	COMP	2.1%	2.9%	0.8%	No
Pyne Poynt	6008002	COMP	7.3%	12.5%	5.2%	Yes
Parkside	6014003	COMP	4.2%	8.6%	4.4%	Yes

Map 5: Change in Vacancy Rate Grade



Code Enforcement Findings

TRF examined changes in housing code violations between NICs and their comps from 2010 to 2012 to determine changes in both the number and severity of violations. The 35 most common types of code violations in Camden were broken into three classes based on the severity of the violation: habitability, appearance, and miscellaneous. **Habitability** violations are the most severe and can limit or prevent a resident from living in the building because of issues like a cracked foundation, a leaking roof, or insect or rodent infestation. **Appearance** violations are signs of whether residents are willing to invest in their properties (if they correct those violations) or whether they are not (if they leave violations unremediated). These include working windows and doors, the conditions of exterior stairways and balconies, painted exterior surfaces, and maintenance of grass and open space. Finally, **miscellaneous** violations are those that might be considered best practices, like working handrails on exterior steps or width requirements for sidewalks—these do not necessarily indicate residents’ willingness to invest, or lack thereof, in their homes. TRF tracked the number and type of each violation, and whether the violation was remediated. Across Camden, and in neighborhoods with NSP2 activity, the city was more likely to cite code violations on rental properties than on owner-occupied properties.

As a group, code violations in the NICs increased slightly from 2010 to 2012 (0.9%), although this increase was much smaller than the 14% increase in comps over the same time period. In the NICs, property violations were being resolved. The NICs experienced a 13.6% decrease in the number of habitability code violations, compared to a 6% decrease in comps. Appearance violations increased in NICs by 13.7% and in comps by 31.2%, and this violation category drove the overall increase in code violations.

Table 21: Aggregate Change in Code Violations by Type of Violation for NICs and Comps

	Change in Code Violations			
	Habitability	Appearance	Misc.	Total
NIC	-13.6%	13.7%	-2.2%	0.9%
Comp	-6.0%	31.2%	13.4%	14.0%

The NICs generally outperformed their comparable areas on change in code violations. Five of the seven NICs scored an ‘A’ on the most severe code violations, one scored a ‘C,’ and the last scored a ‘D.’ Four of the seven NICs had fewer total code violations than all of their comparable neighborhoods. NIC 4 however performed poorly on all measures of change in code violation (meaning that the number of unresolved violations in this area was greater than the rate in the comparable areas). This could indicate that neighbors were more actively reporting code violations or a shift in code enforcement resources to that area. TRF did not investigate the cause; additional examination may be useful to determine what caused this result.

Table 22: Change in Code Violations by Violation Type for NICs

		Change In Code Violations			
Neighborhood	NIC Number	Habitability	Appearance	Misc.	Total
Waterfront South	NIC 1	A	A	B	A
Cooper Plaza	NIC 2	A	A	B	A
Lanning Square	NIC 3	A	A	B	A
Cooper's Poynt	NIC 4	D	D	D	D
Pyne Poynt	NIC 5	A	C	A	C
Liberty Park	NIC 6	C	C	C	C
Morgan Village	NIC 7	A	C	A	A

Focus Group Findings

TRF conducted two focus groups in Camden in late 2013 to ascertain the views of residents living near NSP2 investment. We sought to understand the effects of NSP2 on their neighborhoods’ appearance and quality of life, how NSP2 activities fit within the context of other community issues, and their views of the future trajectory of their neighborhood. Thirty-two residents of the Cooper Plaza neighborhood composed the first focus group on December 19, 2013, and fourteen North Camden residents attended the second focus group on December 20, 2013. TRF provided residents a \$15 gift card incentive for participation. Cooper Lanning Civic Association and Respond Inc., community groups local to the NSP2 investment locations, gathered the focus group participants. TRF conducted structured conversations with residents guided by questions agreed to by CRA and the community groups. The questions were intended to prompt residents to discuss the range of impacts NSP2 investment had on their neighborhoods. These findings include both the main themes that emerged from these focus groups and the range of resident opinion about the issues discussed during the meetings.

Residents reported that NSP2 activities improved the appearance of their communities. These improvements, coordinated with public infrastructure improvements, positively changed the perception of the neighborhood for existing and new residents. In addition to the infill development, residents particularly liked the improved lighting on Berkley Street (saying “it looks wonderful” and the lighting

makes a “humongous difference”). They believed the lighting changes were a part of the new housing and the Cooper Building redevelopment projects. Residents of Cooper Plaza believed the NSP2 new development is in keeping with the historical character of the neighborhood. Some residents remained concerned, however, that lighting had not yet reached parts of the neighborhood further from Cooper Hospital. In North Camden, the community appreciated the new green spaces created by the maintained vacant lots and the reduction in abandoned buildings from the demolition activities.

Residents feel their community groups effectively communicate their views and needs to Camden city government. North Camden residents believed the community “speaking with one voice” helps the city prioritize the allocation of limited resources to residents’ most pressing needs. They identify those needs as jobs and opportunities (especially for younger people), connection to the rest of Camden through public transportation, commercial services, and crime and changes in policing. Residents of Cooper Plaza believed their voices were heard about issues like neighborhood infrastructure (i.e., lighting and sidewalks), and that the NSP2 new development is in keeping with the historical character of the neighborhood. Some residents remained concerned, however, that lighting had not yet reached parts of the neighborhood further from Cooper Hospital.

These communities desire stronger connection with the county police force. At the time of the focus group in Cooper Plaza, residents had been working to schedule a public meeting with the Camden County Police Force (CCPF), but had not yet been able to speak with the CCPF leadership. The community had many public safety concerns: open air drug markets, profiling of residents, arrests or tickets for small issues (e.g., a small-stakes card game between neighbors or a broken tail light) when larger issues like drug sales were clear to residents, and that other areas of the city were prioritized over Cooper Lanning and North Camden.

Residents desire communal spaces that are clean, attractive and crime-free. Residents appreciate the physical changes brought about by the NSP2 greening and land banking activities, yet the existing public spaces are of limited value. In North Camden, residents have found drug paraphernalia near playgrounds and decided to restrict where their children can play. Residents in North Camden believe parks are particularly important civic spaces where community members can gather to discuss local issues and share civic pride. Folks recalled parades and Fourth of July celebrations when they first moved into North Camden.

Access to commercial services, especially retailers that take responsibility for activity on their sidewalks and inside their stores, is a priority for reshaping the livability of NSP2 neighborhoods. Cooper Plaza residents said several stores and restaurants on Broadway tolerate drug activity within the premises or on sidewalks outside the stores. Residents perceive that this environment discourages more desirable vendors from considering these areas. One resident noted “bodegas need to be responsible for their surroundings ... they need to be held accountable.”

With NSP2 infill development in Cooper Plaza, residents are hopeful that this will create market demand for a grocery store and new restaurants. The grocery delivery system in Cooper Plaza has improved

residents' food access in the year since TRF last met with the community, but residents still feel a store within walking distance is necessary for access to fresh, healthy foods. In North Camden, residents feel more car dependent because they "need to leave Camden for any shopping." The future supermarket on Admiral Wilson Boulevard will help many households with cars, but other residents continue to feel isolated from grocery stores and shopping opportunities.

As NSP2 new construction spurs redevelopment in the Cooper Plaza neighborhood, residents are concerned about rising tax rates and displacement. Long-term residents of the Cooper Plaza neighborhood noted that with NSP2 home prices between \$150,000 and \$220,000, tax assessments of nearby properties may increase. These increases may cause a hardship on elderly and retired residents on fixed incomes. Residents suggested the city consider a tax relief program for long-term owners.

Residents are largely optimistic about the future of their neighborhoods, including the physical changes to the appearance of their neighborhood resulting from NSP2 program activities. One resident of Cooper Plaza said, "I think with the new medical school, all the redevelopment downtown and people feeling more comfortable being here, in another 10 years, this place is going to be dynamite." Cooper Plaza residents generally shared that optimism, and desired to see the changes to lighting and streetscape near the hospital extended further south to Royden and Line Streets. "We've come a long, long way in the past few years, but we need to keep going, keep people excited. And we want others in the neighborhood to feel the same way we do."

Conclusions

The City of Camden's commitment to using data-to drive its actions and reflection on changes in the market has proved to be an effective strategy for utilizing NSP2 resources. NSP2 program activities had a positive impact on the neighborhoods that experienced concentrated investment. Residential real estate sales prices in areas with concentrated NSP2 investment have remained robust relative to other areas of Camden. When compared directly to neighborhoods with similar residential real estate markets, census block groups with NSP2 investment outperform comparable block groups in sales price change and vacancy change. NSP2 new construction investment and rehabilitation activities had the largest impact on nearby properties. NSP2 clean and green and demolition activities also had positive effects. These neighborhoods also experienced stability in the number of code violations and a shift in emphasis from the most serious structural concerns to preserving homeowner value.

Neighbors are hopeful about the future and appreciate the physical changes NSP2 has created in their neighborhoods. They believe their community groups have established a strong connection with city decision makers, which allows knowledge and ideas from the neighborhood to reach those allocating resources. As of the time of the focus groups, residents wanted a similar connection with the new county police force. They also hoped that the positive changes in their neighborhoods could continue to spread to streets further from the NSP2 target areas, so that all residents of the neighborhood could benefit. In sum, residents of Cooper Plaza and North Camden believe their neighborhoods are headed in the right direction.

Appendix: National Benchmark of Findings from the HUD NIC Report

Comparing the performance of Camden’s NSP2-treated NICs to TRF’s study of nationwide NIC performance⁵ can establish a benchmark for NIC performance. TRF completed a nationwide analysis of NSP investments for HUD, and the data examined for that report, although helpful as a reference to compare to Camden’s NSP2 results, differs from the Camden data in two significant ways. First, the data examined for HUD included all three rounds of NSP funding (including NSP1, investments that tended to be less concentrated than NSP2 and NSP3). Second, the sales data in this report is from MOD-IV, a New Jersey state database of all sales and tax records, while TRF’s nationwide analysis used a third party data source (Boxwood Means).

TRF examined a file of 62,901 NSP-treated properties across the country and identified 2,614 NICs from that data. Of those, 1,936 NICs had sufficient home sales trend data for comparison against their comps. Seventy-two percent of NICs nationwide beat at least one comp in sales price change, and 26% were considered ‘A’ performers because they beat every comp.

Appendix A Table 1: National Number and Performance of NICs in Home Sales Price Change

Sales Performance 2008 - 2012	NIC Grade A	NIC Grade B	NIC Grade B	NIC Grade B	Insufficient Data	Total NICs
Number of NICs	493	479	413	551	678	2,614
Percent of NICs	25.5%	24.8%	21.3%	28.5%		

All 2,614 NICs had sufficient vacancy rate data to compare against their comps. Of those, 73% of NICs beat at least one of their comps and 23% beat every comp. NICs that beat every comp were considered ‘A’ performers.

Appendix A Table 2: National Number and Performance of NICs in Vacancy Change

Vacancy Performance 2008 - 2012	NIC Grade A	NIC Grade B	NIC Grade B	NIC Grade B	Insufficient Data	Total NICs
Number of NICs	596	648	665	705	0	2,614
Percent of NICs	22.8%	24.8%	25.4%	27.0%		

⁵ See The Reinvestment Fund. *NIC Reports Nationwide Summary*. Department of Housing and Urban Development. March 21, 2014. Available at: <https://www.hudexchange.info/resources/documents/NICReportsNationwideSummary.pdf> (accessed 11/17/2014).

The City of Camden would like to thank:

ARRA YouthBuild Program

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M&M Development LLC.

Cooper Plaza and Lanning Square Residents Associations

Cramer Hill Community Development Corporation

Greater Camden Partnership, Inc.

Camden Special Services District

Ingerman Affordable Housing, Inc. and RESPOND Inc.

Lutheran Social Ministries of New Jersey, Inc.

Neighborhood Housing Services, Inc.

St. Joseph's Carpenters Society

Volunteers of America DV Properties, Inc.

The Reinvestment Fund

Research conducted by
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TRF has published a range of reports about related to housing and market impact. For details, please visit the TRF's Policy Publications site at:

<http://www.trfund.com/impact/research-publications/>

What if Pennsylvania Had Not Had HEMAP?

Research Brief: What if Pennsylvania Had Not Had HEMAP?

I. Introduction

In 1983, the General Assembly of the Commonwealth of Pennsylvania took official notice that the Commonwealth was "in a severe recession and that the sharp downturn in economic activity has driven large numbers of workers into unemployment and has reduced the incomes of many others." The assembly responded to this crisis by creating the Homeowner's Emerging Mortgage Assistance Program (hereafter referred to as HEMAP), which was intended to "prevent widespread mortgage foreclosures and distress sale of homes which result from default, caused by circumstances beyond a homeowner's control." At that time, the unemployment rate of the Commonwealth rose to 12.7%. Areas most adversely impacted (such as Cambria County, home of Johnstown) experienced unemployment rates nearing 20%.

In general, HEMAP required lenders/servicers to give notice to homeowners prior to filing a foreclosure action (via the act 91 notice). Upon receipt of this notice, homeowners had the right to apply for assistance to the Pennsylvania Housing Finance Agency (PHFA) through one of the PHFA-approved housing counseling agencies. While an application was pending, lenders/servicers could not move forward with the foreclosure action. Upon receipt of an application, PHFA staff reviewed the application for eligibility on these grounds: the homeowner had to be a Pennsylvania resident who owned and occupied the home in foreclosure; delinquency must have lasted at least 60 days; the mortgage must not have been FHA-insured; the hardship triggering the delinquency could not have been of the homeowner's own making and the homeowner had to show reasonable prospects of resuming payments when the HEMAP assistance would end; HEMAP assistance could be either continuing (in the form of a small monthly amount to compensate for loss of income) or a single-sum; in either instance, HEMAP assistance was a loan for which the homeowner had a repayment obligation; and the PHFA received an interest in the home until the loan was paid in full.¹ Data reported by the Federal Reserve Bank of New York demonstrate that from 1988 through 2009, 23.0% (43,147) of all 183,040 applications to the HEMAP program were approved.²

In his July 2009 testimony before the Financial Services Committee of the U.S. House of Representatives, Executive Director Brian Huston of PHFA testified that HEMAP saved more than 42,700 families from foreclosures. HEMAP loans totaling \$442 million had been originated as of that date. He testified that more than 20,000 loans had been repaid in full, leading to a return of principal and interest of more than \$246 million.³

Mr. Huston also testified before the Appropriations Committee of the Senate of Pennsylvania, noting that since HEMAP's inception, state appropriations totaling \$233 million along with \$15 million in unexpended funds from

Philadelphia Residential Mortgage Foreclosure Diversion Program: Initial Report of Findings

Philadelphia Residential Mortgage Foreclosure Diversion Program: Initial Report of Findings

A study by The Reinvestment Fund of the Philadelphia Residential Mortgage Foreclosure Diversion Program
June 2012

Figure 1: Excerpt from State House Bill 300 (2002) Creating HEMAP

Neighborhood Stabilization Program, National Summary of Neighborhood Investment Clusters

MEMORANDUM

DATE: March 21, 2014
TO: Department of Housing and Urban Development
FROM: The Reinvestment Fund

We have completed our tenth analysis of NSP investments across the nation. For this analysis, we retain the NSP Investment Clusters (NICs) that were identified previously so that we can track these clusters over time. We also run our analysis to locate new clusters of NSP investment that emerged in the last quarter. This memo describes the methodology and presents tables summarizing where clusters of NSP investment seem to be outperforming similar or comparable markets.

The findings presented here are similar to findings presented in previous analyses – we continue to see growth in the percentage of "clustered" properties. In this analysis 63% of total treated properties were found to be located within clusters of NSP investment, compared to just over 50% of investments when we ran the analysis a year ago. NSP2 and NSP3 activity tends to be more geographically targeted than NSP1 and now account for 23% of all reported NSP activity. Whereas 58% of properties treated under NSP1 are located in NICs, 83% of NSP2 activity and 73% of NSP3 activity is clustered.

Our findings from this quarter show little difference between NSP1 and NSP2 NICs with respect to home sales and vacancy performance. Sample sizes of NSP2-dominant NICs are still low, and we will continue to monitor this over the next several quarters. It is still too early to make any conclusions about NSP3 NICs.

As in previous analyses, the purpose here is to:

1. Analyze how markets treated with a concentration of NSP investment have changed over time compared to similar markets that have only minimally been touched by NSP investment;
2. Identify "A Performers" – markets treated with a concentration of NSP investment where home sale price and vacancy indicators have trended better than all of their comparable markets; and
3. Create a series of maps and reports at the cluster level and at the grantee level that can assist grantees and HUD in understanding how markets in which they are investing are changing over time.

Strategic Property Code Enforcement and its Impacts on Surrounding Markets

Strategic Property Code Enforcement and its Impacts on Surrounding Markets

Prepared by
The Reinvestment Fund, Policy Solutions
August 2014

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