Center for COMMUNITY PROGRESS
Vacant Spaces into Vibrant Places

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# AN ASSESSMENT OF MARKET CONDITIONS AND TRENDS IN THE CITY OF HARTFORD

Prepared for the Hartford Land Bank by
the Center for Community Progress

A Center for Community Progress Report

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## ABOUT CENTER FOR COMMUNITY PROGRESS

The mission of Center for Community Progress is to foster strong, equitable communities where vacant, abandoned, and deteriorated properties are transformed into assets for neighbors and neighborhoods. Founded in 2010, Community Progress is the leading national, nonprofit resource for urban, suburban, and rural communities seeking to address the full cycle of property revitalization. The organization fulfills its mission by nurturing strong leadership and supporting systemic reforms. Community Progress works to ensure that public, private, and community leaders have the knowledge and capacity to create and sustain change. It also works to ensure that all communities have the policies, tools, and resources they need to support the effective, equitable reuse of vacant, abandoned, and deteriorated properties. More information is available at www.communityprogress.net.

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# INTRODUCTION

The Center for Community Progress ("Community Progress") was retained by the Hartford Land Bank ("Land Bank"), with the support of the Hartford Foundation and LISC Hartford, to conduct an analysis of small-area, or neighborhood, housing market conditions and trends in the city of Hartford. The commission of this report is the latest in a series of recent efforts by the Land Bank, as well as key leaders and staff at the City of Hartford ("City") and other local nonprofit and community stakeholders (collectively, "community stakeholders"), to identify and develop more impactful strategies to address vacant, abandoned, and substandard properties in Hartford. Those local efforts have included retaining Community Progress to provide guidance and assist in planning the initial direction and actions of the newly formed Land Bank, revising parts of the City's Municipal Code to provide more effective tools to address nuisances and substandard property conditions, playing a central role in the passage of new statewide land bank enabling legislation, and commissioning a citywide survey of all property in Hartford to assess vacancy, property condition, and other related factors.

The purpose of this report is to describe neighborhood market conditions and trends in Hartford, to enable the city and other stakeholders to use this information as a critical tool to inform and develop equitable, efficient, and effective strategies to address disinvestment and decline in neighborhoods and build stronger housing markets throughout the city. Beginning with a one-day site visit to assess the availability and accessibility of the data needed to inform the analysis, and a meeting with local Land Bank, City, and community stakeholders to discuss the purpose and utility of this analysis, we spent more than six months working closely with City officials and staff to identify, locate, and analyze the data. This report would not have been possible without the data and technical expertise of staff at Metro Hartford Innovation Services ("MHIS"). All the data presented in this report, except where specifically identified, was provided by MHIS staff at the City of Hartford.

In this report we examine market-oriented data; that is, measures that reflect the strength of demand for housing in the city and its neighborhoods, including direct measures of the housing market such as sales prices or vacancies, and measures that relate to the confidence of residents and that affect demand, such as crime rate or tax delinquency. We also present, based on Community Progress' work throughout the country, a series of observations and strategic options for local leaders to consider as they address concerns in neighborhoods experiencing different market conditions, and as a starting point for thinking about and framing effective strategies that reflect the distinctive realities of each of Hartford's unique neighborhoods.

While the housing market is far from the only thing that determines whether or not a neighborhood is a vital, thriving community, it powerfully affects neighborhood outcomes. The demand for housing in a neighborhood reflects the extent to which people choose to live in one particular place rather than other areas, given their means and their locational preferences. When people choose to move into a particular neighborhood, especially as homebuyers, they are making a longer-term commitment to that neighborhood that is often reflected in behaviors that enhance neighborhood vitality. Conversely, if people only live in that neighborhood because they lack other locational choices and would leave if they could, their behavior is likely to reflect that perspective and the neighborhood is likely to suffer as a result. By looking at housing markets we can get a sense of this critical underpinning for neighborhood strength and vitality.

Where market demand is weak, houses may sit empty for a long time. Those that do sell are more likely to attract purchasers who do not intend to occupy the property and whose sole interest in purchasing the property is as an investment; we refer to these type of purchasers as "investors" in this report, as opposed to those purchasers looking to occupy the property as their home, whom we refer to as "homebuyers." Homeowners often hesitate to make improvements in weak-market neighborhoods because they are unlikely to get their money back if they sell, while both types of property owners are more likely to fall behind on mortgage or property tax payments and let their houses go into mortgage or tax foreclosure. Conversely, too rapid growth in demand and prices can destabilize a neighborhood, potentially pushing low-income residents from their homes and undermining neighborhood stability and identity.

A thorough understanding of local market conditions is thus critically important for anyone working to foster or preserve neighborhood vitality. Data on those conditions can help to promote strategic thinking about the past, present and future of neighborhoods and suggest specific strategies and programs to address challenges. In some cases, strategies may be designed to stimulate the market—either by targeting the market directly or by taking steps to reduce factors like violent crimes or foreclosures which affect the market indirectly—or in other cases to address the consequences of accelerated market change and better protect the interests of the neighborhood's lower-income residents.

Our analysis of the housing market in Hartford resulted in the following key observations:

- There is an immediate need in Hartford to focus on developing citywide strategies to stimulate a stagnant and relatively weak housing market that affects almost all of the neighborhoods in Hartford. Strategies to encourage or incentivize homebuyers to purchase and upgrade 2 to 4 family buildings holds particular promise.[1]

[1] Although it is always important to monitor markets and to anticipate the need for strategies to protect residents against potential displacement from upward market change, the stagnation and decline of housing markets in many of Hartford's neighborhoods is likely to demand greater resources and attention from Land Bank, City and other community stakeholders at this point in time.

- While there is considerable variation in market conditions between neighborhoods, the variation is less than in many other cities; the strongest neighborhoods are not particularly strong, but the weakest neighborhoods are stronger than many weak neighborhoods elsewhere.
- A parcel survey commissioned by the Land Bank and completed in 2019 found that over 80% of Hartford's buildings were in good or excellent condition. While certain areas had more problem properties, no neighborhood was completely free of buildings in fair or poor condition, or vacant lots.
- Hartford's neighborhoods are far from homogenous, either in terms of strength or weakness. Within neighborhoods market conditions vary, often widely, from one cluster of city blocks to the next.

In looking at the housing market, we concentrated on Hartford's single-family and 2 to 4 family housing stock, the stock that represents the heart of Hartford's homebuyer market. Although roughly 40% of Hartford's housing stock is made up of multifamily properties with five or more units, the vast majority of these properties, although often legally organized as condominiums, are rental units.[2] Reliable data on rental markets, unfortunately, since rental transactions are not recorded, is far less available than that on property sales. Moreover, in most market environments, sales are a more significant driver of market trends than rental transactions.

Section 1 of this report provides an initial overview of market and related conditions in the city of Hartford as a whole. Section 2 looks at individual market factors—sales prices, tax delinquency, etc.—and then connects those factors to provide a sense of where each neighborhood stands on a market continuum. We looked at these factors at the neighborhood level and, in order to provide a finer grain for the information, at the level of census block groups[3] within each neighborhood. Since our focus was on Hartford's residential market, we concentrated on those neighborhoods and block groups that contain a significant *residential* population, and—particularly with respect to block groups—enough real estate transactions to provide usable information. Figure 1, prepared by MHIS staff, shows how the City breaks down neighborhoods and block groups.

Section 3 then looks at the implications of this information for public policy, and describes some broad strategic options for Land Bank, City, and community stakeholders to consider, based on the variation in neighborhood market conditions shown in the data.

Community Progress hopes that the analysis presented in this report, and the discussion of policy and strategies that flows from it, will be of value to all those Land Bank, City, and community leaders working to address neighborhood disinvestment and decline, improve property conditions, and build stronger housing markets in Hartford. As local stakeholders explore policies and strategies, however, it is always important to remember that markets are but one of many factors that need to be taken into consideration, including the perceptions and insights of the residents of the city's neighborhoods.

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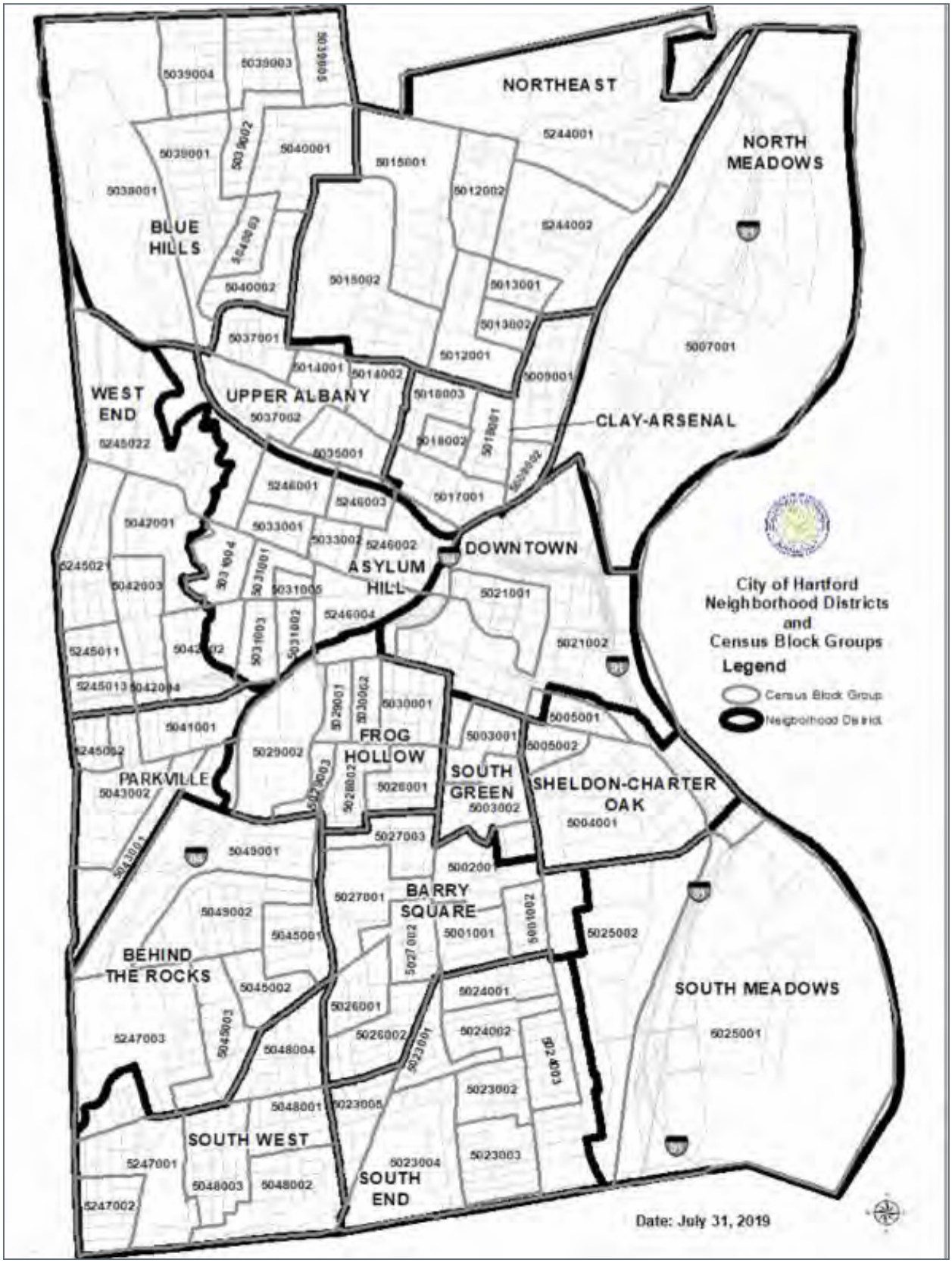
[2] According to the most recent American Community Survey data, 95% of the units in properties containing 5 or more units were renter-occupied.

[3] The US Census Bureau divides all communities into census tracts, generally areas of 2000 to 5000 population, and census tracts into block groups, typically areas with about 1,000 to 1,500 population. Hartford contains 96 block groups.

**FIGURE 1:** NEIGHBORHOODS AND BLOCK GROUPS IN HARTFORD *Source: City of Hartford MHIS*



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# I. OVERVIEW OF MARKET CONDITIONS IN THE CITY OF HARTFORD

Hartford, the capital of Connecticut, is a relatively small New England city with a population of 122,587 according to the most recent estimates. Although the population dropped by nearly one-third from a high of 177,397 in 1950, it has remained largely stable since 2000. The city's population is predominately African-American and Latinx, making up 38% and 44% of population respectively in 2017. As Figure 2 shows, while the city's African-American population is largely concentrated in the northern part of the city, the Latinx population lives primarily in the southern part of the city.

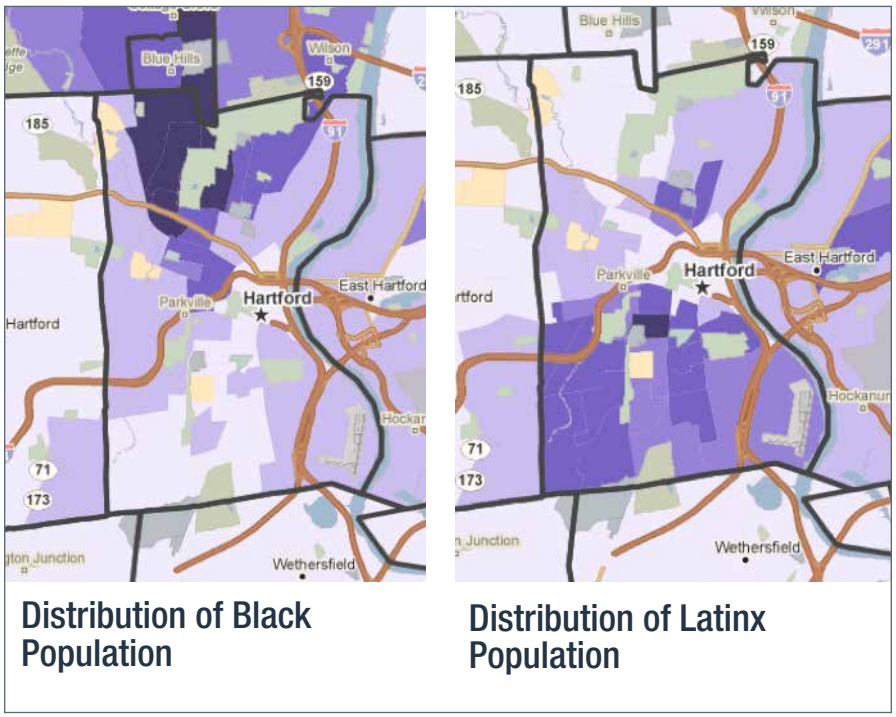


**FIGURE 2:** POPULATION DISTRIBUTION BY RACE AND ETHNICITY IN HARTFORD

*Source: American Community Survey 2013-2017, map by PolicyMap*

Despite being located in an affluent region, over 30% of Hartford's population has an income below the poverty level, making it one of the poorest cities in the United States. The poverty level, although fluctuating from year to year, is the same as it was in 2000. Hartford is a major employment center, with almost three times as many jobs in the city as the size of its resident workforce and has enjoyed modest but steady job growth over the last 10-15 years. Few of its residents, however, benefit from the growth. As Table 1 shows, only 12%—less than 1 out of 8—of the jobs in the city are held by Hartford residents. This is a low local share even by comparison to similar cities elsewhere,[4] and most probably reflects the unusually high share of the job base in finance, insurance and government. Even as the number of jobs in Hartford has grown, the number of Hartford residents working in Hartford has steadily declined.

| CATEGORY | 2002 | 2008 | 2015 | CHANGE 2002-2015 |
|---|---|---|---|---|
| People both living and working in Hartford | 16,112 | 14,795 | 13,813 | -2,299 |
| CHANGE | | -1,317 | -982 | -14.4% |
| People commuting into Hartford to work | 90,365 | 97,240 | 101,682 | +11,317 |
| CHANGE | | +6,875 | +4,442 | +12.5% |
| **TOTAL JOBS IN HARTFORD** | **106,477** | **112,035** | **115,495** | **+ 8.4%** |

**TABLE 1:**
CHANGE IN JOBS AND EMPLOYMENT IN HARTFORD 2002 TO 2015

*Source: US Census Longitudinal Employer-Household Dynamics database*

Median house prices in Hartford, after dipping in the wake of the foreclosure crisis and the Great Recession, have stayed fairly stable in recent years. In looking at house prices, as well as all housing data in Hartford, it is important to note that the city has a distinctive housing mix, characterized by large numbers of single-family houses, 2 to 4 (principally 2 to 3) family houses, and condominiums. The condominiums, however, are for the most part multifamily rental housing developments that have been converted to condominiums for legal reasons but remain mostly tenant-occupied. As mentioned in the Introduction, our analysis in this report will therefore focus on the 1 to 4 family housing stock. The split of single-family and 2 to 4 family houses varies greatly from neighborhood to neighborhood, as Table 2 shows. As will be the case throughout this report, neighborhoods shown in Figure 1 that are largely non-residential, and which contain too few 1 to 4 family properties for the data to be meaningful, are not included in the table.

[4] The figures for New Haven, Stamford and Bridgeport were 41%, 35% and 21% respectively.

| NEIGHBORHOOD | CATEGORY | 2 to 4 family properties | Single family properties | Total | % 2 to 4 family |
|---|---|---|---|---|---|
| Upper Albany | PREDOMINATELY 2 TO 4 FAMILY NEIGHBORHOODS (75%+ 2 to 4 family) | 663 | 71 | 734 | 90.3% |
| Frog Hollow | | 455 | 73 | 528 | 86.2% |
| Barry Square | | 912 | 253 | 1165 | 78.3% |
| Parkville | | 442 | 133 | 575 | 76.9% |
| Clay Arsenal | | 277 | 89 | 366 | 75.7% |
| Northeast | MIXED HOUSING NEIGHBORHOODS (45-60% 2 to 4 family) | 696 | 548 | 1244 | 55.9% |
| South Meadows | | 100 | 97 | 197 | 50.8% |
| South End | | 867 | 957 | 1824 | 47.5% |
| West End | PREDOMINATELY SINGLE-FAMILY NEIGHBORHOODS (<35% 2 to 4 family) | 318 | 593 | 911 | 34.9% |
| Behind The Rocks | | 525 | 1065 | 1590 | 33.0% |
| Blue Hills | | 626 | 1623 | 2249 | 27.8% |
| South West | | 315 | 1441 | 1756 | 17.9% |
| TOTAL | | 6380 | 7021 | 13401 | |

**TABLE 2:**
DISTRIBUTION OF 1 TO 4 FAMILY HOUSING STOCK BY NEIGHBORHOOD IN HARTFORD

*Source: Data provided by the City of Hartford, analysis by author.*

Sales prices and sales volumes in Hartford, after dropping from the 2007 peak—particularly with respect to 2 to 4 family properties—have stabilized in recent years, as shown in Figures 3 and 4. Although the prices commanded by each housing type are roughly the same, the price *per dwelling unit* is much lower in the 2 to 4 family than in the single-family stock. Based on an estimated average number of units to structures in the 2 to 4 family stock of 2.66, the estimated average *per unit* sales price of those properties in 2017 was $56,000.[5]


**FIGURE 3:**
MEDIAN SALES PRICE FOR SINGLE-FAMILY AND 2 TO 4 FAMILY HOMES IN HARTFORD 2007 TO 2017

[5] We derived the 2.66 number by comparing the total number of *units* in 2 to 4 family structures in 2017, as reported in the American Community Survey, with the total number of 2 to 4 family *properties* reported by the City of Hartford.

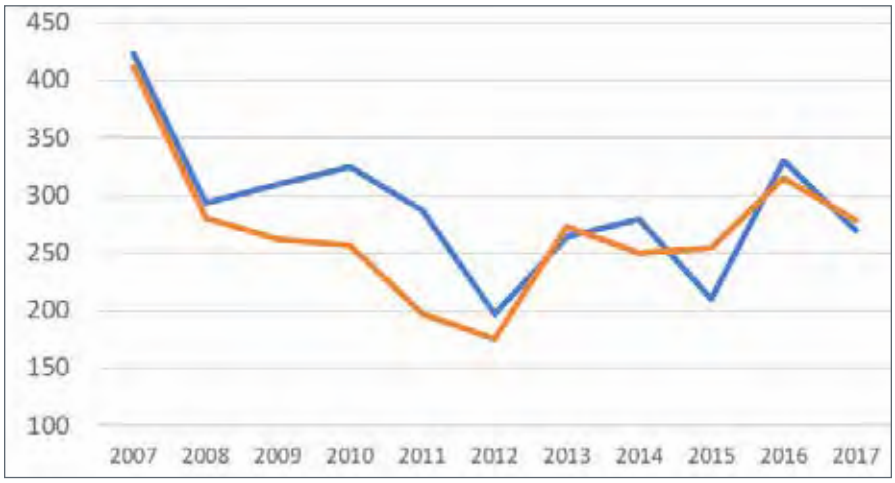


**FIGURE 4:**
MEDIAN SALES VOLUME FOR SINGLE-FAMILY AND 2 TO 4 FAMILY HOMES IN HARTFORD 2007 TO 2017

During the same period, rents, while fluctuating from year to year, have risen slowly at an average annual rate of increase of 1.5% to 2%, from a median gross rent of $765 per month in 2007 to $926 per month in 2017, as reported in the American Community Survey. When one compares rent figures to sales prices in Hartford, it becomes apparent that responsible landlords of 2 to 4 family properties can earn healthy returns on their investment, as shown in Table 3. As a general proposition, however, we believe these returns are not likely to lead to widespread 'milking' by landlords. Milking is a term used in this report to describe a situation where sales prices are particularly low relative to the rent the unit can command. In such a situation, a landlord may make few if any repairs to the property and pays property taxes late (if at all), all in order to maximize the return from cash flow over 3 to 5 years—at which point they may simply walk away from or abandon the property. For milking to be a productive strategy, however, the rent *relative to the purchase price* needs to be higher than that shown in Table 3.[6] That said, there are some parts of the city where sales prices for 2 and 3 family properties are significantly lower, and where the relationship between sales price and rental income may make the concept of milking attractive to some potential investors.

| | INVESTMENT | CASH FLOW |
|---|---|---|
| PER UNIT PURCHASE PRICE | $56,000 | |
| Annual gross unit rent ($926 x 12) | | $ 11,112 |
| Less $250/month for maintenance and repairs | | ( 3,000) |
| Less property taxes at 2.286%[7] | | ( 1,280) |
| Less 10% vacancy and collection loss | | ( 1,111) |
| TOTAL EXPENSES | | ( 5,391) |
| NET RENTAL INCOME | | $ 5,721 |
| ANNUAL RETURN ON INVESTMENT | 10.2% | |

**TABLE 3:**
HYPOTHETICAL PER UNIT RENTAL INCOME CALCULATION FOR MEDIAN PRICE AND MEDIAN RENT FOR 2 TO 4 FAMILY PROPERTY

6 Typically, milking is unlikely to happen unless the purchase price is below 3-4 times the gross annual rent, since the time horizon of a milking landlord is rarely more than five years.

7 There is some variation in the level of property taxes relative to current market prices in Hartford. In order to estimate a representative level, we took a sample of listings of mid-priced properties on Zillow and calculated the current property tax payments as a percentage of listing price, which ranged from 1.83% to 2.47%, with an average of 2.078%. We further assumed that the listing prices would be 10% higher than the final sales price, which resulted in an estimate in the table above of (2.078x1.1) = 2.286%.

Reflecting the attractive potential returns on investment, the 2 to 4 family property market has become more oriented to investors, rather than to prospective homebuyers. This is in contrast to the single-family market, which remains mostly homeowner oriented. The share of investors in both sectors, however, has increased over the past decade. The percentage of homebuyers of single-family homes has dropped from 77% to 67%, while the percentage of homebuyers of 2 to 4 family properties has dropped from 47% to 42%.

In both cases, this suggests that a slow but steady erosion of homeownership is taking place. Looking just at 2 to 4 family properties,[8] we estimate that the present homeownership rate in this sector is 55%, compared to a homebuyer share of purchases in this sector of 42%. While this discrepancy is not huge, if we assume a normal rate of turnover and that the current homeownership rate and homebuyer purchase share remains the same over the next decade, this discrepancy could lead to a further decline of roughly 5% in the homeownership rate of 2 to 4 family properties over the next decade. This reflects a long-term decline in what was historically a strongly homeowner-oriented sector; we estimate that the homeownership rate for 2 to 4 family properties in Hartford in 1970 was over 67%.

Sales volumes—that is, the ratio of sales in a given year to the size of the inventory—are relatively low. A widely held rule of thumb, reflecting typical rates of ownership turnover, is that a sales volume of 5% to 7% per year is appropriate for a healthy market. The ratio of sales to properties in Hartford, for both the single-family and 2 to 4 family inventories, over the past three years has averaged 4%. This rate varies relatively little by neighborhood, reflecting a general sluggishness of the market in Hartford rather than a case of some very strong market areas and other very weak ones. All of this suggests that a strategy to increase sales to homebuyers for both the single-family and the 2 to 4 family markets could be an important area for the Land Bank, City, and community stakeholders to consider.

Given that most *units* in 2 to 4 family properties are rental units, and over 40% of the city's housing stock is multifamily (5 or more units) housing, it is not surprising that Hartford is largely a renter city; 76% of, or more than 3 out of 4, families in Hartford are renters. A much larger percentage of these families live in subsidized housing than in most similar cities. According to the National Housing Preservation Database, there are 8,854 units in subsidized housing developments in Hartford,[9] in addition to which 5,933 Hartford households hold Housing Choice Vouchers, for a total of 14,757 subsidized households, or nearly 1 out of every 3 households and 42% of all renter households. As Figure 5 on the following page shows, Hartford's subsidized housing, as in many other American cities, is concentrated in Hartford's highest poverty areas.

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[8] There is a very large discrepancy between American Community Survey and City data in terms of the homeowner share of single-family properties, with the City data showing considerably higher homeownership rates. The data from both sources for 2 to 4 family properties is more closely aligned. A review of the underlying data does not suggest a clear reason for the discrepancy.

[9] This figure does not include any units, such as state-funded affordable housing projects, where federal funds or other federal support are not involved. Some small percentage of these units may be market-rate units in otherwise subsidized developments.

Overall, the picture of Hartford in recent years is one of relative market stability, but at a fairly low level. Hartford is fortunate not to have large parts of the city, as one finds elsewhere, where the housing market has effectively ceased to function; at the same time, it has no truly strong market areas, nor is there much evidence of any upward trends likely to lead to greater market strength in the future.

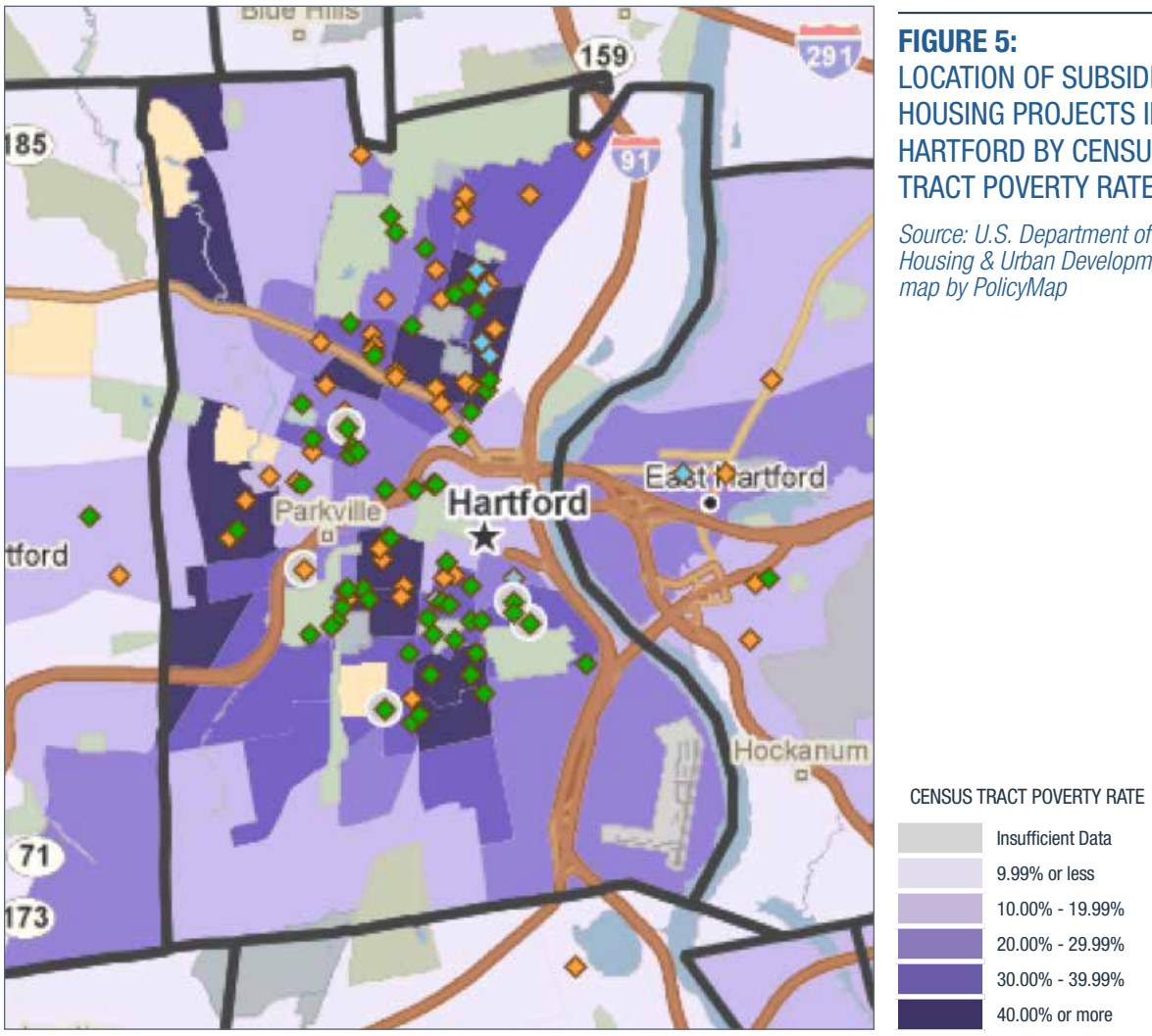


**FIGURE 5:**
LOCATION OF SUBSIDIZED HOUSING PROJECTS IN HARTFORD BY CENSUS TRACT POVERTY RATE[10]

*Source: U.S. Department of Housing & Urban Development; map by PolicyMap*

[10] Each rectangle represents a separate project. Green rectangles are both public housing and LIHTC projects, while orange rectangles are other HUD-supported projects. Only federally-supported projects are shown.

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# II. COMPARING MARKET CONDITIONS OF NEIGHBORHOODS AND BLOCK GROUPS

No single statistic or data point can tell the entire story of the condition of a neighborhood or how well its housing market is working. In order to assess neighborhood market conditions, we followed a model, initially developed by The Reinvestment Fund for Philadelphia in 2001, under which different measures or variables are first examined separately, and then combined into a single index to better understand the overall market condition of each neighborhood in Hartford.[11] In this section, we will first provide an overview of the methodology and process we followed, describe each variable and how each is relevant to understanding Hartford's neighborhoods, and finally assemble that information to create a market typology for Hartford's neighborhoods and block groups.

## A. ORGANIZING THE DATA

This subsection describes how the data was put together and how the different variables were used to conduct the analysis. The first step was to determine which subareas to examine. While most neighborhood studies break down cities by census tracts, which are standardized geographic areas defined by the United States Bureau of the Census, or by block groups, into which census tracts are divided, it was apparent from the beginning that the census tracts do not reflect Hartford's neighborhood boundaries as understood by City officials and local residents.

In place of using census tracts, we organized the data around Hartford's neighborhoods, as they are defined by City officials and staff, and further subdivided each neighborhood into its constituent block groups. Where a block group straddled neighborhood boundaries, City staff determined where to assign it, based on where most of its housing and population was located. We ended up with a total of 17 neighborhoods, which contained 96 block groups. However, five of these neighborhoods[12] and many block groups contain little or no residential population and were not included in the analysis. Since, as we discuss below, some datasets were meaningful for some neighborhoods but not for others, the tables included in this report only include those neighborhoods where adequate data was available for analysis.

[11] Community Progress partnered with New Jersey Community Capital in 2015 to conduct a housing market analysis and assessment of Trenton, New Jersey. The report, *Laying the Foundation for Strong Neighborhoods in Trenton, NJ: A Market-Oriented Assessment*, is available on the Community Progress website at: https://www.communityprogress.net/filebin/Trenton_Report_Full_Final_Copy.pdf.

[12] Downtown, North Meadows, Sheldon-Charter Oak, South Green and South Meadows.

The data sets we used for the analysis were compiled and broken down by neighborhood and block group by City staff. Table 4 on the following page shows the variables that were used for this report. Except for the property condition and vacant property data compiled from a 2019 parcel survey, described later in the report, all data was provided by the City for the years from 2007 to 2017. As Table 4 shows, this enabled us to look at both current conditions as well as trends over that 11-year period and factor both into the analysis.

Data sets for areas as small as many of Hartford's neighborhoods, and even more so for individual block groups, have limitations. Because of the small numbers of people or houses in some areas, measures such as crime or home sales are likely to fluctuate widely from year to year in ways that do not necessarily reflect actual trends. In a number of cases, we had to reorganize the raw data to yield a reliable measure; these instances are discussed in the section under that particular variable below. Even there, the number of cases—say, for 2 to 4 family sales in a particular block group—may be at the lowest level possible for meaningful analysis, and carries a significant margin of error.

**TABLE 4:**
MARKET CONDITION AND TREND VARIABLES

| VARIABLE | MEASURE | RATIONALE |
|---|---|---|
| **Sales price** | Median sales price in 2017 by housing type (e.g., 1 family, 2-4 family, etc.) | How much people are willing to pay for a given property is arguably the most important single measure of the housing market |
| **Sales price trend** | Trend in median sales price by housing type from 2007 through 2017 | Rising prices indicate market strength |
| **Homeownership rate** | Percentage of units by housing type that are owner-occupied in 2017 | Higher levels of homeownership tend to indicate greater levels of neighborhood stability and market strength |
| **Homeownership rate trend** | Trend in homeownership rate by housing type from 2007 to 2017 | Declining homeownership rate can reflect neighborhood destabilization and market weakness |
| **Investor buyer rate** | Percentage of new buyers who are investors vs. homebuyers for five years between 2007 and 2017 | High levels of investor purchases may indicate neighborhood destabilization and market weakness |
| **Property condition** | Property condition ratings from 2019 parcel survey | Poor property conditions are both an indicator of market weakness as well as a deterrent to prospective buyers |
| **Vacant properties** | Number of vacant buildings and lots from 2019 parcel survey | Large numbers of vacant properties are both an indicator of market weakness as well as a deterrent to prospective buyers |
| **Tax delinquency** | Number of properties with outstanding tax bills from 2015 to present | Non-payment of property taxes reflects market weakness and lack of confidence in neighborhood |
| **Violent crime** | Homicide, robbery and aggravated assault in 2017 | Crime incidence as well as perception powerfully influence home buyer and investment decisions |
| **Violent crime trend** | Trend in level of violent crime from 2007 to 2017 | Rising crime rates have a negative effect on market behavior |

Once the actual data on each variable was organized, we assigned each neighborhood or block group a score from 1 to 4 on each variable, in which 1 reflects the strongest condition—meaning the highest sales price or homeownership rate—and 4 the weakest.[13] Trend variables were given half the weight of the condition variables, based on the proposition that while trends matter, the current state of affairs is more significant in assessing neighborhood conditions. In order to come up with the market index for each neighborhood or subarea, the scores for the individual variables were combined to create an aggregate score. These scores were then divided into four clusters reflecting different levels of neighborhood market strength or weakness.

# B. COMPARING NEIGHBORHOODS ON INDIVIDUAL VARIABLES

In this subsection we will discuss the significance of each of the variables we used in the analysis and describe how conditions and trends in Hartford's neighborhoods vary with respect to each factor. The variables we use fall into two broad categories:

- Market variables, which directly measure how the housing market is working, such as sales price or the share of properties bought by investors; and
- Market-driving variables, which measure factors that influence the housing market, such as vacant properties or crime.

## 1. Sales price and price trend

The price for which houses sell in a neighborhood or city is probably the single most direct measure of market performance – the higher the price for a comparable house, the stronger the market, and the more people in the market who value the neighborhood as a place to live and invest. While prices that are too high or are rising too fast can cause problems such as displacement, low sales prices can be an even more serious problem. One way to look at this is by comparing prices to the replacement cost of a house, which can be the cost to restore a vacant building, or the cost of constructing a comparable new house on the property. When home prices fall below replacement cost, property owners have no economic incentive to upgrade existing homes, rehabilitate vacant properties, or build new homes on vacant lots. Low prices encourage speculation and encourage investors to milk the value from their properties, rather than maintain them as long-term investments.[14]

Because the number of sales in many neighborhoods in any one year is often too small to be a reliable indicator, we looked at the average sales price for the three year period from 2015 to 2017 to define the current market condition, and compared it to the average for 2007 through 2009 to measure the

[13] See Appendix 1 for further discussion of data sources and methodology used.

[14] Below a certain point, low sales prices provide little or no benefit to low-income households. Depending on the area, once unit sales prices get below $75,000 to $100,000 they tend to have little impact on increasing homeownership opportunities. At current mortgage rates, a family with an adequate down payment and an income of $30,000 – which is arguably about as low an income as one can find significant numbers of households that can qualify to become homeowners – can afford a house of $100,000 to $120,000, although lower sales prices will enable lower-income buyers to spend less for shelter, thus giving them more disposable income for other needs. The negative destabilizing effects of lower sales prices, however, significantly outweigh the modest benefits to some low-income homebuyers. Lower sales prices, moreover, have little or no effect on reducing costs to low-income *renters*.

trend. Because single-family homes dominate in some parts of Hartford, and 2 to 4 family properties in others, we looked at each category separately. Tables 5 and 6 on the following page show median sales prices for each category for 2007 to 2009 and 2015 to 2017, and the change over that period.

| | 2007-2009 | 2015-2017 | CHANGE |
|---|---|---|---|
| ASYLUM HILL | $ 195,655 | $ 100,766 | -48.5% |
| BARRY SQUARE | $ 208,726 | $ 142,392 | -31.8% |
| BEHIND THE ROCKS | $ 202,339 | $ 141,915 | -29.9% |
| BLUE HILLS | $ 260,953 | $ 121,036 | -53.6% |
| CLAY ARSENAL | $ 116,987 | $ 126,383 | 8.0% |
| FROG HOLLOW | $ 155,397 | $ 134,776 | -13.3% |
| NORTHEAST | $ 109,009 | $ 102,767 | -5.7% |
| PARKVILLE | $ 193,984 | $ 152,484 | -21.4% |
| SOUTH END | $ 205,632 | $ 173,861 | -15.5% |
| SOUTH WEST | $ 237,098 | $ 180,170 | -24.0% |
| UPPER ALBANY | $ 148,847 | $ 78,537 | -47.2% |
| WEST END | $ 226,684 | $ 172,741 | -23.8% |
| CITYWIDE | $ 179,007 | $ 132,042 | -26.2% |

**TABLE 5:**
NEIGHBORHOOD SALES PRICES AND SALES PRICE CHANGE FOR 2 TO 4 FAMILY PROPERTIES

| | 2007-2009 | 2015-2019 | CHANGE |
|---|---|---|---|
| BARRY SQUARE | $ 138,131.08 | $ 115,505.90 | -16.4% |
| BEHIND THE ROCKS | $ 135,481.65 | $ 89,777.88 | -33.7% |
| BLUE HILLS | $ 139,161.93 | $ 86,598.83 | -37.7% |
| NORTHEAST | $ 113,729.77 | $ 86,925.20 | -23.6% |
| SOUTH END | $ 155,246.48 | $ 121,332.56 | -21.8% |
| SOUTH WEST | $ 165,541.67 | $ 130,591.82 | -21.1% |
| WEST END | $ 358,526.32 | $ 331,223.00 | -7.6% |
| CITYWIDE | $ 167,772.80 | $ 117,136.35 | -30.2% |

**TABLE 6:**
NEIGHBORHOOD SALES PRICES AND SALES PRICE CHANGE FOR SINGLE-FAMILY PROPERTIES

What is most notable is how *little* price variation there is between neighborhoods. With the exception of Upper Albany at the low end, all the neighborhood-level prices for 2 to 4 family properties fall in the range from $100,000 to $180,000. With respect to single-family properties, with the exception of West End at the high end, all the neighborhood level prices fall between $85,000 and $130,000. The average price shown for the West End, moreover, is actually much higher than the typical or median price in that neighborhood, since the average is pushed upward by a small number of extremely high-priced house sales. Such a narrow range, where the highest prices are less than twice the lowest, is rare. By contrast, in New Haven, single-family sales prices by census tract range from a low of $60,000 to a high of $735,000, or a ratio of 12 to 1.

Although there is little price variation between neighborhoods, there is much more variation between neighborhoods in terms of sales price *change* for both 2 to 4 family and single-family homes over the past decade. The price declines in Blue Hills, which has seen the sharpest decline of any neighborhood with respect to both 2 to 4 family and single-family properties, should be a matter of particular concern. It is worth keeping a close eye on rental properties in Upper Albany, Asylum Hill,

and Northeast in particular, as sales prices for 2 to 4 family properties in those neighborhoods are in the territory where the systematic disinvestment associated with 'milking' rental properties may be taking place. The concept of 'milking' will be explored in greater detail in Section III of this report.

## 2. Homeownership rate and rate trend

The homeownership rate is an important indicator of neighborhood stability. Not only is homeownership powerfully correlated with greater stability of tenure,[15] but it is also strongly associated with positive neighborhood attributes including greater investment in one's property, greater neighborhood engagement, and stronger social capital. This doesn't mean that everyone should be a homeowner, but that higher levels of homeownership tend to help foster stronger neighborhood markets. While the causal connections are not straightforward—after all, people who buy homes may have stronger social capital to begin with and tend to pick stronger neighborhoods when they can—the relationship is a strong one.

Table 7 shows homeownership rates by property type, and the change in homeownership rates from 2007 to 2017 for all neighborhoods which contained at least 100 properties of each type. As with sales prices, the range of variation between neighborhoods is relatively modest, with a handful of outliers. South West and Frog Hollow are worth singling out in terms of their 2 to 4 family housing stock. In South West, the homeownership rate in 2 to 4 family housing stock is unusually high and rising strongly; in Frog Hollow, it is unusually low and dropping sharply. It is worth noting that the homeownership rate for single-family properties has risen during the past decade, while declining—although only modestly—for 2 to 4 family properties, suggesting that homeowners may be losing ground against investors. In light of the significant financial benefits for homeowners, a policy to encourage more families to buy 2 to 4 family properties for owner-occupancy would be well worth considering. We discuss this further in Section III of this report

| | SINGLE-FAMILY PROPERTIES | | | 2 TO 4 FAMILY PROPERTIES | | |
|---|---|---|---|---|---|---|
| | 2007 | 2017 | CHANGE | 2007 | 2017 | CHANGE |
| ASYLUM HILL | NA | 85.18% | NA | 61.41% | 61.54% | 0.1% |
| BARRY SQUARE | 78.66% | 82.71% | 4.0% | 59.54% | 60.20% | 0.7% |
| BEHIND THE ROCKS | 80.20% | 82.38% | 2.2% | 59.62% | 59.03% | -0.6% |
| BLUE HILLS | 83.30% | 83.25% | 0.0% | 72.04% | 69.86% | -2.2% |
| CLAY ARSENAL | NA | NA | NA | 49.82% | 54.09% | 4.3% |
| FROG HOLLOW | NA | NA | NA | 47.25% | 39.11% | -8.1% |
| NORTHEAST | 79.01% | 77.08% | -1.9% | 51.72% | 48.23% | -3.5% |
| PARKVILLE | 75.19% | 71.85% | -3.3% | 58.60% | 55.80% | -2.8% |
| SOUTH END | 80.25% | 82.52% | 2.3% | 62.28% | 63.11% | 0.8% |
| SOUTH MEADOWS | NA | 71.29% | NA | 61.00% | 62.38% | 1.4% |
| SOUTH WEST | 82.65% | 85.97% | 3.3% | 66.35% | 75.24% | 8.9% |
| UPPER ALBANY | NA | 77.63% | NA | 60.78% | 58.16% | -2.6% |
| WEST END | 88.20% | 91.46% | 3.3% | 59.12% | 55.42% | -3.7% |
| MEDIAN | | | 2.3% | | | -0.6% |

**TABLE 7:** NEIGHBORHOOD HOMEOWNERSHIP RATES FOR SINGLE-FAMILY AND 2 TO 4 FAMILY PROPERTIES

*NOTE: where there were fewer than 100 properties in a category in a neighborhood, NA appears in the table. As a reminder, neighborhoods that had 100 or fewer properties in both categories are not shown.*

[15] The average length of stay in the same unit for a renter in Hartford is 2.1 years, while for a homeowner it is 13 years. It has been argued that some of the benefits associated with homeownership are actually the benefits of residential stability independent of tenure. While there is likely to be some validity to that argument, the fact is that the disparity in stability is so great, and so powerfully associated with tenure, that the distinction is largely without practical significance.

## 3. Investor purchases

The share of property purchases by investors rather than homebuyers both reflects market demand and affects neighborhood stability. To maintain a stable homeownership rate, it is important that there be enough homebuyers in the market to replace the natural attrition from those who move or pass away. There are other reasons, though, why this indicator is important. Homebuyers are much more selective about where they buy than investors. Unlike most investors, whose fundamental concern is whether the house offers an opportunity to make money, homebuyers make a personal as well as financial investment in the house and neighborhood.

Since the number of purchases in many neighborhoods in a given year is quite small, we have presented the data for selected years between 2007 and 2017 in Table 8, color-coded to reflect the extent to which each deviates from the citywide median for the year, as shown on the following page. The data shows a mixed pattern. While many neighborhoods do not show a clear pattern, some do. Over the decade, investor purchases of 2 to 4 family properties have been particularly heavy in Frog Hollow, Northeast, and Parkville, and to a lesser extent in Barry Square and Clay Arsenal. It is also worth noting that overall, the share of investor purchases of single-family homes has increased markedly in recent years compared to a decade earlier. That trend is particularly pronounced in Behind the Rocks.

| 2 TO 4 FAMILY PROPERTIES | 2007 | 2010 | 2013 | 2015 | 2017 |
|---|---|---|---|---|---|
| ASYLUM HILL | 70.60% | 46.20% | 87.50% | 50.00% | 61.50% |
| BARRY SQUARE | 56.30% | 50.00% | 60.50% | 54.50% | 58.10% |
| BEHIND THE ROCKS | 50.00% | 48.10% | 65.20% | 35.30% | 40.00% |
| BLUE HILLS | 24.00% | 30.00% | 52.90% | 60.00% | 52.40% |
| CLAY ARSENAL | 61.30% | 87.50% | 35.70% | 57.10% | 61.50% |
| FROG HOLLOW | 53.60% | 66.70% | 57.10% | 60.00% | 85.00% |
| NORTHEAST | 75.40% | 65.20% | 79.10% | 55.60% | 62.50% |
| PARKVILLE | 57.60% | 58.80% | 66.70% | 73.70% | 47.40% |
| SOUTH END | 38.60% | 55.60% | 27.30% | 26.10% | 36.40% |
| SOUTH MEADOWS | 75.00% | | | | |
| SOUTH WEST | 28.60% | 0.00% | 20.00% | 36.40% | 40.00% |
| UPPER ALBANY | 56.30% | 66.70% | 55.60% | 47.10% | 67.90% |
| WEST END | 31.30% | 38.50% | 50.00% | 50.00% | 81.30% |
| CITYWIDE | 53.00% | 57.10% | 55.70% | 51.00% | 58.10% |
| **SINGLE-FAMILY PROPERTIES** | **2007** | **2010** | **2013** | **2015** | **2017** |
| ASYLUM HILL | | 14.30% | | | |
| BARRY SQUARE | 52.40% | 55.60% | 37.50% | 20.00% | |
| BEHIND THE ROCKS | 22.40% | 44.00% | 30.80% | 43.80% | 55.60% |
| BLUE HILLS | 21.40% | 34.10% | 43.60% | 58.10% | 28.90% |
| CLAY ARSENAL | | | | 33.90% | 32.70% |
| FROG HOLLOW | 40.00% | | | | |
| NORTHEAST | 18.60% | 22.20% | 68.80% | | |
| PARKVILLE | 45.50% | | 80.00% | 48.50% | 28.00% |
| SOUTH END | 34.50% | 17.20% | 23.70% | | |
| SOUTH MEADOWS | | | | 33.30% | 35.20% |
| SOUTH WEST | 11.40% | 22.50% | 29.00% | | 57.10% |
| UPPER ALBANY | | | | 32.60% | 32.70% |
| WEST END | 17.50% | 0.00% | 25.60% | 22.20% | 11.50% |
| CITYWIDE | 22.80% | 25.00% | 34.40% | 39.60% | 33.20% |

**TABLE 8:**
SHARE OF TOTAL PURCHASES BY INVESTORS PER NEIGHBORHOOD FOR SELECTED YEARS

| | |
|---|---|
| | Significantly lower than the citywide rate |
| | Slightly lower than the citywide rate |
| | Slightly higher than the citywide rate |
| | Significantly higher than the citywide rate |

## 4. Vacant Properties

Vacancy is a critical factor in looking at the strength of a neighborhood's market. In a strong neighborhood, when a house becomes vacant it is typically put up for sale or rent and usually occupied within a few months. Houses in healthy neighborhoods are rarely abandoned, and then rarely for economic reasons, but usually because of complicated personal or legal reasons such as bankruptcies or estate disputes. As a result, vacancy rates are low and reflect normal population turnover in the area. In neighborhoods where large numbers of houses remain vacant for extended periods, are increasingly neglected, and eventually abandoned, that is a powerful reflection of market weakness. Even in neighborhoods where a house in decent or at least habitable condition may find a buyer (if only an investor), a house that has been abandoned may remain that way until it is demolished, because once stripped and exposed to the elements the cost to rehabilitate it may substantially exceed its post-rehab market value.

Vacant, abandoned properties are not only an *indicator* of market weakness, they are a *driver* of increased market weakness. There is a substantial body of solid research that has shown that the presence of a vacant, abandoned building (as opposed to a vacant and unimproved lot) on a block will reduce the value of the adjacent occupied properties; in some cases by as much as 20%.[16] Vacant properties, including both vacant buildings and vacant lots, have also been shown to increase crime incidence, fire hazards, and potential public health problems.[17] For many prospective homebuyers, the presence of a vacant property on a block is a powerful 'red flag,' deterring them from even considering buying a home on that block.

The impact of vacant lots on neighboring property values and markets is more ambiguous than that of vacant buildings. The same is true of commercial and industrial buildings compared to residential properties. As Table 9 shows, many of the neighborhoods in Hartford with the most vacant properties—particularly vacant lots—are areas of primarily commercial/industrial character, such as North Meadows, South Green and South Meadows. Vacant lots may be the result of the demolition of abandoned residential properties, which is usually the case in lower-income residential areas, but elsewhere may be properties being held for various reasons, including parcels associated with industrial or similar uses but not current in active use. In light of these factors, vacant structures are a more significant indicator of weak markets than vacant lots.

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16 Many studies have found that vacant properties significantly affect the value of the other properties close to it. Two studies of vacant properties in Philadelphia nearly a decade apart came to similar conclusions, with the latter study finding that the presence of a vacant property could reduce the value of nearby properties by up to 20% (Temple University Center for Public Policy 2001; Econsult 2010). Seo and von Rabenau (2011) found that a single vacant property reduced property values in a Columbus, Ohio microneighborhood by 22%. The Temple University study found that the effect of *one* vacant property on the block was not that different from the effect of 2 or more vacant properties, suggesting that initiatives that remove some but not all of the vacant properties from a block are much less likely to have a positive impact than those that remove *all* of the vacant properties. For full references, see Alan Mallach, *What Drives Neighborhood Trajectories in Legacy Cities? Understanding the Dynamics of Change*, Lincoln Institute of Land Policy (2015), available at https://www.lincolninst.edu/sites/default/files/pubfiles/3610_2958_Mallach%20WP15AM1.pdf.

17 Vacant properties are also associated with crime and violence. Spelman (1993) found that crime rates on blocks with abandoned properties were twice as high as on those without, while also finding significant differences between buildings that were or were not secured against illegal entry. A more sophisticated study in Philadelphia found a strong relationship between the presence and number of vacant properties and reported aggravated assaults on the same block (Branas, Rubin & Guo 2012), with the risk of violence increasing as the number of vacant properties goes up. For full references, see footnote 16.

Similarly, while abandonment of a residential building is typically a function of neighborhood conditions rather than because the building itself has become obsolete,[18] industrial and commercial properties become obsolete all the time, as manufacturing processes, transportation systems and retail trade patterns shift, any of which can lead to high commercial or industrial vacancy rates even in areas where housing may be in strong demand.[19]

The vacant property data presented here was gathered in the course of the 2019 parcel survey, during which 19,147 separate parcels were identified and classified according to status (vacant or occupied), use (residential, commercial, institutional, etc.) and condition, on a scale from A to F.[20] The percentage of total properties (including both commercial or industrial properties and multi-family properties) that were identified as vacant in the 2019 parcel survey is shown by neighborhood in Table 9.

**TABLE 9:**
VACANT PROPERTIES BY NEIGHBORHOOD

| | VACANT BLDGS | VACANT LOTS | ALL VACANT PROPERTIES |
|---|---|---|---|
| ASYLUM HILL | 4.5% | 3.4% | 7.9% |
| BARRY SQUARE | 1.7% | 1.2% | 2.9% |
| BEHIND THE ROCKS | 1.4% | 5.0% | 6.4% |
| BLUE HILLS | 1.8% | 1.2% | 3.0% |
| CLAY ARSENAL | 5.2% | 13.6% | 18.8% |
| DOWNTOWN | 4.9% | 3.8% | 8.7% |
| FROG HOLLOW | 4.1% | 4.0% | 8.2% |
| NORTH MEADOWS | 4.0% | 16.0% | 20.0% |
| NORTHEAST | 5.6% | 6.8% | 14.4% |
| PARKVILLE | 3.2% | 2.3% | 5.9% |
| SHELDON CHARTER OAK | 0.9% | 10.5% | 11.4% |
| SOUTH END | 0.8% | 0.9% | 1.7% |
| SOUTH GREEN | 4.3% | 9.4% | 13.7% |
| SOUTH MEADOWS | 2.5% | 7.8% | 10.3% |
| SOUTH WEST | 0.5% | 0.7% | 1.2% |
| UPPER ALBANY | 5.7% | 6.2% | 11.9% |
| WEST END | 0.8% | 0.9% | 1.7% |
| CITYWIDE | 2.6% | 3.7% | 6.3% |

[18] Clearly, there are demand shifts in housing resulting from changing demographics, such as the increase in single-person households, or changing tastes and preferences. Thus, there may be less demand for a particular type of house, such as a small row house or 1950s Cape Cod, as a result of which such houses, *in relatively less desirable neighborhoods*, will be seen as obsolete. It is not the house itself that is obsolete, but the combination of the house and its location. In a more desirable neighborhood, the identical house will find a market.

[19] For an extended discussion of this and related issues, see Alan Mallach, *The Empty House Next Door: Understanding and Reducing Vacancy and Hypervacancy in the United States*, Lincoln Institute of Land Policy (2018).

[20] Unfortunately, the data does not enable one to determine the prior use (before becoming vacant) of vacant buildings.

The 2019 parcel survey identified a total of 705 vacant lots and 500 vacant buildings in the city of Hartford. While any vacant and abandoned property is a problem, this is actually a fairly low number compared to other older cities in the Northeast and Midwest of similar size and may reflect the positive effects of the city's blight removal efforts in recent years. By comparison, the city of Syracuse, New York, roughly 50% larger than Hartford, has three times as many vacant buildings.

## 5. Property condition

Similar to vacancy, the presence of large numbers of properties in poor condition, reflecting neglect or poor maintenance, is both a sign of weak market conditions as well as a factor tending to perpetuate those conditions. Property neglect can be a reflection of financial hardship, as in the case of a low-income, elderly person or a couple in a large, old house in need of repair, but it is also a reflection of a lack of confidence in the neighborhood and in the future value of one's property. This lack of confidence may lead property owners—often but not always investor owners—to conclude it simply isn't worth their while to continue to put money into the property. Neglect has an element of contagion as well, as research has shown that property owners' maintenance decisions are affected by how they see the owners of properties around them behaving.[21] As with vacant properties, neglected, visibly substandard occupied properties can not only devalue adjacent properties, but emit negative signals to prospective homebuyers.

As noted previously in this report, the 2019 parcel survey rated properties on a scale from A to F, where 'A' represented a property in excellent condition and maintenance, and 'F' represented a property in need of major rehabilitation or demolition. For purposes of this analysis, we limited our scope to residential properties and gave each property condition category a numerical score in order to arrive at an average condition score for each neighborhood. Table 10 shows the citywide distribution of residential properties by condition and the score associated with each rating. So, if half the properties in a neighborhood received an A (1) and half a B (2), the neighborhood's condition score would be 1.5.

| RATING | NUMBER OF PROPERTIES | % OF PROPERTIES | SCORING |
|---|---|---|---|
| A EXCELLENT | 5072 | 33.1% | 1 |
| B GOOD | 8126 | 53.0% | 2 |
| C FAIR | 1833 | 11.9% | 3 |
| D POOR | 262 | 1.7% | 4 |
| F DILAPIDATED | 46 | 0.3% | 6 |
| TOTAL | 15339 | 100% | |

**TABLE 10:** CITYWIDE DISTRIBUTION OF RESIDENTIAL PROPERTIES BY CONDITION

[21] The most extensive discussion of this point is in George Galster, *Homeowners and Neighborhood Reinvestment*, Duke University Press (1987).

In addition to compiling a condition score for each neighborhood, we compiled a separate score for owner-occupied and investor-owned properties in each neighborhood. As a general proposition, property condition surveys have consistently found that investor-owned properties score more poorly than owner-occupied properties. As long as (1) the investor-owned property scores are not excessively low, and (2) the disparity between the two scores is not that great, this is not necessarily a problem. In stronger neighborhoods, the disparity may simply reflect the absence of the niceties (labor-intensive garden plantings, decorative fixtures, etc.) many homeowners indulge in. Where the variation is substantial, however, and the investor-owned property scores are unduly high, this measure can be seen as a red flag for actual or potential neighborhood distress.

Table 11 shows the condition scores for homeowners and investor-owners by neighborhood.[22] The data shows that the condition of occupied residential property conditions is cause for the most concern in Frog Hollow and Parkville (both with scores > 2.0). Of areas with large residential populations, Frog Hollow has the greatest disparity between the condition of owner-occupied and investor-owned properties.[23] Other areas with high levels of variation between the quality of owner-occupied and investor-owned properties are Barry Square and Behind the Rocks. The best overall property conditions are found in the West End and Asylum hill, followed by Blue Hills, South West, and the South End.

| | CONDITION SCORE | | | VARIATION (see note) |
|---|---|---|---|---|
| | ALL PROPERTIES | OWNER-OCCUPANT | INVESTOR OWNER | |
| ASYLUM HILL | 1.547 | 1.498 | 1.590 | 6.1% |
| BARRY SQUARE | 1.941 | 1.833 | 2.084 | 13.7% |
| BEHIND THE ROCKS | 1.943 | 1.874 | 2.126 | 13.4% |
| BLUE HILLS | 1.629 | 1.622 | 1.659 | 2.3% |
| CLAY ARSENAL | 1.903 | 1.832 | 1.960 | 7.0% |
| FROG HOLLOW | 2.218 | 2.042 | 2.364 | 15.8% |
| NORTHEAST | 1.984 | 1.871 | 2.118 | 13.2% |
| PARKVILLE | 2.089 | 2.008 | 2.183 | 8.7% |
| SHELDON CHARTER OAK | 1.644 | 1.44 | 1.79 | 24.3% |
| SOUTH END | 1.793 | 1.764 | 1.860 | 5.4% |
| SOUTH MEADOWS | 1.758 | 1.655 | 1.929 | 16.6% |
| SOUTH WEST | 1.731 | 1.728 | 1.744 | 0.9% |
| UPPER ALBANY | 1.999 | 1.901 | 2.12 | 11.5% |
| WEST END | 1.57 | 1.527 | 1.667 | 9.2% |

**TABLE 11:**
CONDITION SCORES BY NEIGHBORHOOD AND OWNERSHIP TYPE

*NOTE: Variation represents the percentage difference between the owner-occupied and the investor-owned property scores; that is, the percentage by which the latter is higher (worse condition).*

[22] On their face, the differences in score across neighborhoods appear quite small. This is misleading. Given the narrow range of the variables—e.g., a neighborhood where every property is perfect would score a 1, and one where every property is in visible severe disrepair would score a 4, but where the range of *realistically possible* scores is at most 1.5 or so—a difference of .3. or .4 is very meaningful. In this case, that is reinforced by the fact that the B category used by those who conducted the 2019 parcel survey tends to include an extremely wide range of property conditions, which leads to scores being clustered near the middle.

[23] The greatest disparity is in Sheldon Charter Oak. Although it made the cut-off (>100 properties) for inclusion in Table 11, this neighborhood has barely more than 100 total properties, including some subsidized multifamily housing, thus making it highly unrepresentative. The adjacent South Meadows area, with the next greatest disparity, also has barely more than 100 properties.

## 6. Tax delinquency

Whether someone is unable or unwilling to pay their property tax bill stems from dynamics similar to those driving property neglect. While in some cases it is a product of financial hardship, it is also often a product of property owners concluding that it is no longer worth their while to put money into the property in terms of property tax payments, and being willing to accept the risk that they may ultimately lose the property through tax lien foreclosure. As such, high levels of tax delinquency reflect owners' lack of confidence in the neighborhood where their property is located, and their pessimistic assessment of the condition and future prospects of the neighborhood. As such, short of conducting surveys of neighborhood property owners, it is arguably the best indicator of owners' confidence in and expectations for their neighborhood.

To measure this, we looked at the number of properties with outstanding property tax bills unpaid from 2017 or earlier. The number of such properties, and the percentage of total properties they represent for each neighborhood, is shown in Table 12. This data raises a number of potentially important points. First, the overall level of properties in Hartford that owe back taxes (10%) is high and should be a serious concern. Second, tax delinquency in predominately non-residential areas varies widely; while the rate of delinquency in North Meadows is the lowest in the city, that of South Green is the highest.

| NEIGHBORHOOD | DELINQUENT PROPERTIES | TOTAL PROPERTIES | % |
|---|---|---|---|
| ASYLUM HILL | 168 | 794 | 21.16 |
| BARRY SQUARE | 212 | 1616 | 13.12 |
| BEHIND THE ROCKS | 122 | 1999 | 6.10 |
| BLUE HILLS | 187 | 2373 | 7.88 |
| CLAY ARSENAL | 153 | 790 | 19.37 |
| DOWNTOWN | 50 | 457 | 10.94 |
| FROG HOLLOW | 112 | 1011 | 11.08 |
| NORTH MEADOWS | 3 | 155 | 1.94 |
| NORTHEAST | 270 | 1956 | 13.80 |
| PARKVILLE | 46 | 839 | 5.48 |
| SHELDON CHARTER OAK | 15 | 229 | 6.55 |
| SOUTH END | 103 | 2130 | 4.84 |
| SOUTH GREEN | 73 | 255 | 28.63 |
| SOUTH MEADOWS | 45 | 516 | 8.72 |
| SOUTH WEST | 60 | 1820 | 3.30 |
| UPPER ALBANY | 149 | 995 | 14.97 |
| WEST END | 66 | 1234 | 5.35 |
| **CITYWIDE** | **1834** | **19169** | **9.57%** |

**TABLE 12:** PROPERTIES WITH OUTSTANDING TAX BILLS BY NEIGHBORHOOD

Among residential areas, the lowest rates of tax delinquency are in the South West, South End and West End neighborhoods. The highest are in Asylum Hill, Clay Arsenal and Upper Albany. Given the relatively poor property condition score, level of vacancy, and sales prices levels, the rate of tax delinquency in Frog Hollow appears somewhat low. This may reflect the profitability of operating rental housing in that predominately investor-owned neighborhood.

## 7. Violent crime and crime trend

Crime in general, and violent crime in particular, are important—perhaps the most important—factors in how people, both within and outside an area, assess a neighborhood. Both the actual rate at which crimes occur in a neighborhood, as well as what the perception of what that crime rate reflects, exert a powerful influence on whether people choose to buy a home in a particular area; or, if they live in that area, choose to stay if they have the economic means to move elsewhere.[24] For this analysis, we looked at violent crime; specifically, homicides, aggravated assaults and robberies by year. Since these numbers tend to fluctuate in small areas, we compared crime rates for 2015 through 2017, and then looked at the overall year-by-year trend from 2007 through 2017. To measure the trend, we used the slope of the 11-year trend line, a figure that averages out the annual shifts in the numbers.[25] In looking at Table 13, the larger the *negative* number (minus sign) the better, as that reflects a greater decline in crime.

Table 13 presents the data on current crime rates and trends for Hartford's neighborhoods. Largely non-residential areas like North Meadows and South Green are included, since each has at least 1,000 residents, but it is impossible to determine how much of the crime in those areas is associated with their residential population. Downtown has been excluded because its large daytime population triggers a crime rate that is not elevated by comparison to the daytime population, but excessively so by comparison with the small resident population.

**TABLE 13:** VIOLENT CRIME RATE BY NEIGHBORHOOD

| | VIOLENT CRIMES PER 1,000 POPULATION (AVERAGE OF PAST THREE YEARS) | VIOLENT CRIME TREND LINE COEFFICIENT 2007 TO 2017 |
|---|---|---|
| ASYLUM HILL | 29.7 | 6.06 |
| BARRY SQUARE | 17.4 | -1.77 |
| BEHIND THE ROCKS | 12.6 | -1.92 |
| BLUE HILLS | 7.2 | -5.40 |
| CLAY-ARSENAL | 37.1 | -5.19 |
| FROG HOLLOW | 28.0 | 0.08 |
| NORTH MEADOWS | 32.9 | -4.98 |
| NORTHEAST | 31.9 | -8.86 |
| PARKVILLE | 19.8 | -6.19 |
| SHELDON-CHARTER OAK | 19.0 | 1.44 |
| SOUTH END | 16.3 | -2.56 |
| SOUTH GREEN | 55.5 | 4.66 |
| SOUTH MEADOWS | 7.3 | -8.95 |
| SOUTH WEST | 6.3 | -1.49 |
| UPPER ALBANY | 34.4 | -9.84 |
| WEST END | 9.0 | -2.20 |
| **CITYWIDE** | **21.5** | **-3.15** |

[24] While the fear of crime and the perception of the amount of crime in an area are not always consistent with the actual level of criminal activity, particularly when there has been recent significant change, the two are generally reasonably congruent with one another, with the well-known exception, validated through research, that white respondents tend to perceive levels of crime in predominately African-American neighborhoods as higher than they often are. The impact of crime on neighborhoods has been studied closely for many decades. Increases in crime are linked to out-migration, increased poverty concentration (because of the selective out-migration of those with more ability to do so), and other measures of neighborhood instability (Kirk and Laub 2010, Hipp 2013). Strong relationships have also been found between crime and increased mobility, foreclosure, and vacant properties. For full references see footnote 16.

[25] For an explanation of the trend line slope or coefficient, see Appendix 1.

Overall, Hartford has a high crime rate compared to the national average. In 2017, the Federal Bureau of Investigation's (FBI) violent crime index figure for Hartford was 1,093.65 per 100,000 persons compared to a national rate of 393.89 per 100,000 persons.[26] The overall trend in violent crime rate in Hartford, as shown in Figure 6, was an increase from 2007 to 2011-12, a sharp decrease from 2012 to 2014, and a roughly level rate since then.

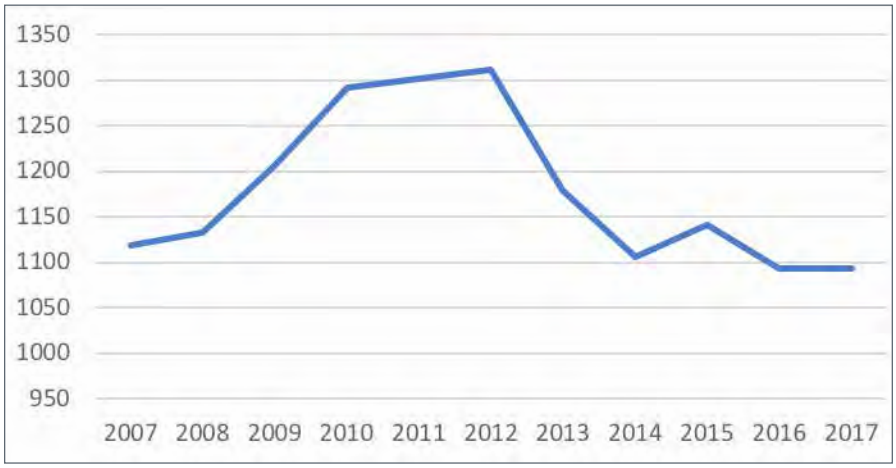



**FIGURE 6:**
CITYWIDE FBI VIOLENT CRIME INDEX CRIMES 2007 THROUGH 2017

*SOURCE: FBI Uniform Crime Reports*

Among predominately residential neighborhoods, crime rates are lowest in the South West, Blue Hills and West End neighborhoods, and highest in Upper Albany, Clay Arsenal and Northeast. That said, the trend coefficient shows that crime has declined at a greater rate over the past decade than citywide in those three neighborhoods. By contrast, two neighborhoods that also have high levels of violent crime, Asylum Hill and Frog Hollow, have not shown similar improvement. In the former crime has increased significantly, while in the latter it has remained steady despite the citywide decline. Figure 7 below provides a graphic picture of crime trends by neighborhood, with the y axis representing the trend line coefficient from the table.

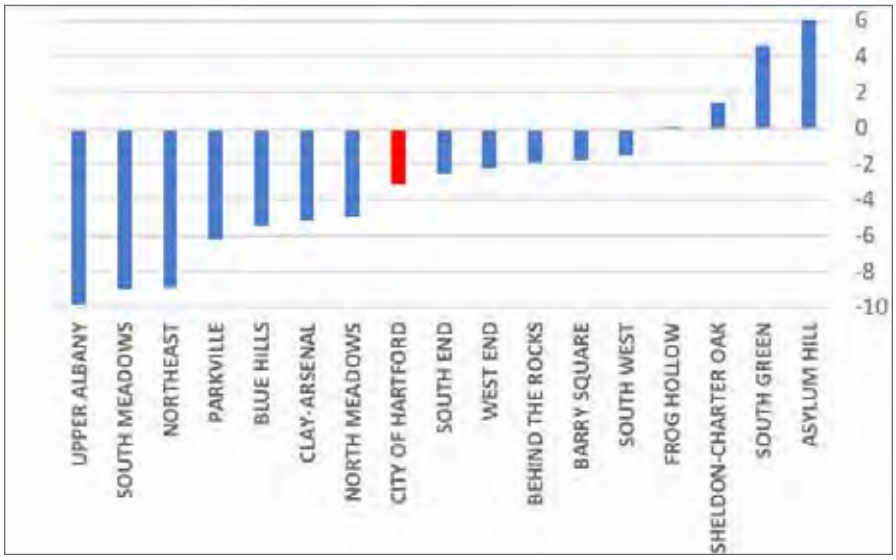



**FIGURE 7:**
CRIME TRENDS (TREND LINE COEFFICIENTS) BY NEIGHBORHOOD

[26] Except for the data cited here and illustrated in Figure 6, the data on violent crimes used in this report was provided by MHIS from the Hartford Police Department, which uses a much broader definition of violent crimes that are used by the FBI.

# C. INTEGRATING THE DATA: CREATING A MARKET TYPOLOGY

The ultimate goal of the analysis of these market and market-influencing variables is to come up with a single measure that combines current data and trend data to categorize the market condition of each of Hartford's predominately residential neighborhoods and residential census block groups. As discussed earlier, that involves giving each neighborhood and block group a score from 1 to 4 on each of the variables described above, and then aggregating those scores into a single score that represents the neighborhood's market condition. Those scores, in turn, can then be clustered to place neighborhoods or block groups of similar market character into a distinct category, thus creating a market typology of the city's neighborhoods and block groups.

## 1. Neighborhood analysis

Figure 8 below summarizes the results of the analysis for Hartford's twelve residential neighborhoods, based on the ten variables described above. Seven variables measured current conditions, and three measured trends over the past decade; as noted previously, trend variables were given half the weight of current condition variables. Thus, a 'perfect' score—that is, a neighborhood that is as strong as possible on every variable—would be 8.5; the worst possible score, for a neighborhood that was as weak as possible on all variables would be 34. Within that range, the twelve primarily residential neighborhoods formed four distinct clusters, as shown by the colors on the chart. Table 14 on the following page shows the scores for each variable as well as the total score for each neighborhood, which are also shown on the map in Figure 9.

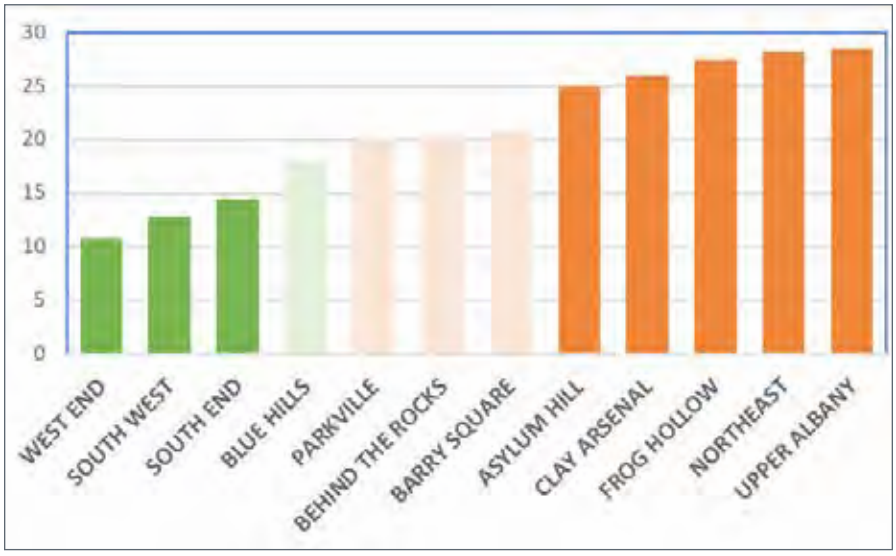



**FIGURE 8:** SUMMARY RESULTS OF NEIGHBORHOOD MARKET ANALYSIS

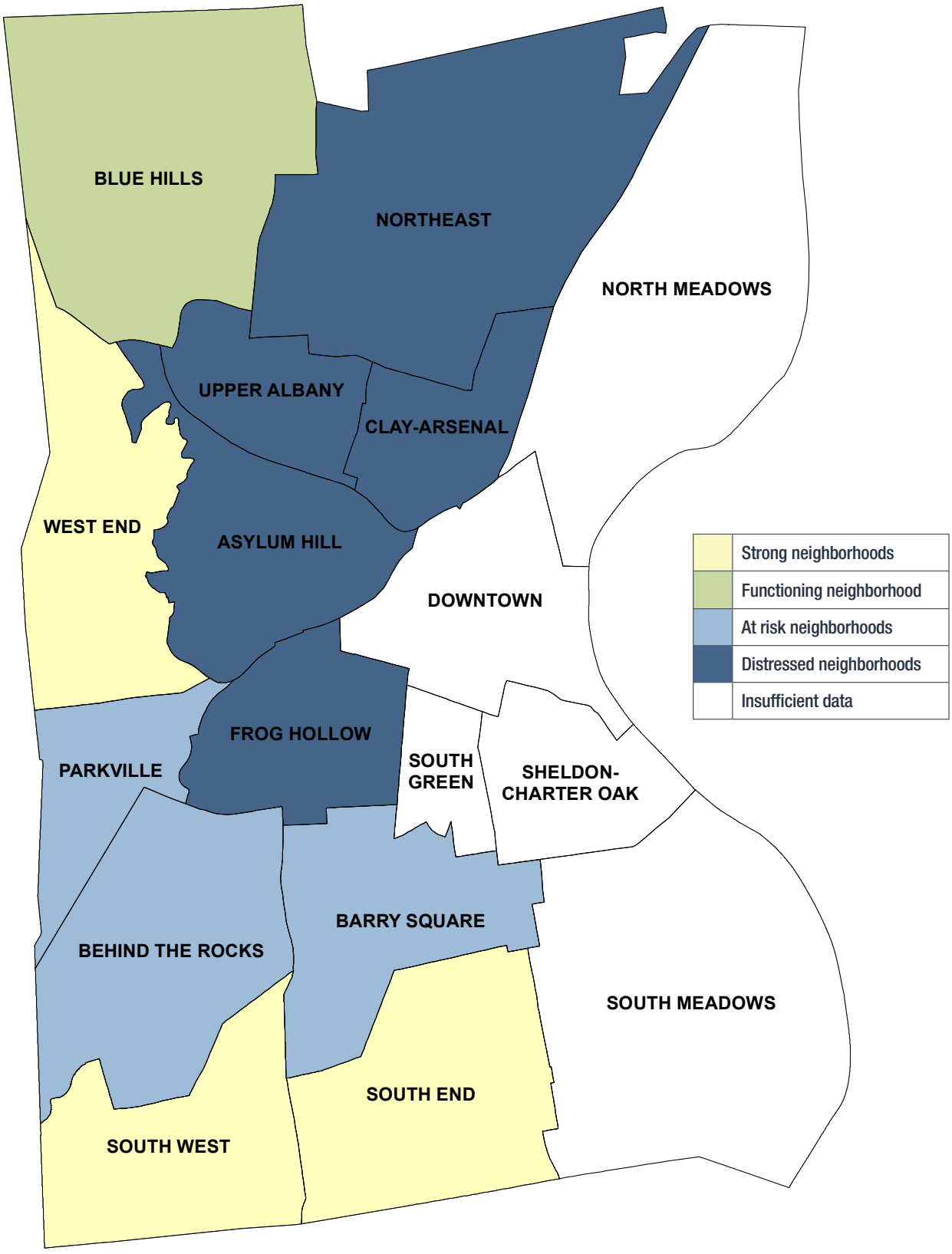
| | |
|---|---|
| | Strong neighborhoods |
| | Functioning neighborhood |
| | At risk neighborhoods |
| | Distressed neighborhoods |

**TABLE 14:**
INDIVIDUAL VARIABLE AND COMPOSITE NEIGHBORHOOD MARKET SCORES

| | HOMEOWNERSHIP RATE | HOMEOWNERSHIP TREND | INVESTOR BUYER RATE | PROPERTY CONDITION | VACANT PROPERTIES | MEDIAN SALES PRICE | SALES PRICE TREND | TAX DELINQUENCY | CRIME RATE | CRIME RATE TREND | COMPOSITE SCORE |
|---|---|---|---|---|---|---|---|---|---|---|---|
| ASYLUM HILL | 2 | 1 | 3 | 1 | 2 | 4 | 2 | 4 | 4 | 2 | 25 |
| BARRY SQUARE | 2 | 0.875 | 3.25 | 3 | 2 | 2 | 1.25 | 3 | 2 | 1.5 | 20.875 |
| BEHIND THE ROCKS | 2.75 | 1.125 | 2.75 | 3 | 2 | 2.75 | 1.5 | 2 | 1 | 1.5 | 20.375 |
| BLUE HILLS | 1.75 | 1.875 | 2 | 1 | 2 | 3.75 | 1.625 | 2 | 1 | 1 | 18 |
| CLAY ARSENAL | 3 | 0.5 | 3 | 3 | 4 | 3 | 0.5 | 4 | 4 | 1 | 26 |
| FROG HOLLOW | 4 | 2 | 4 | 4 | 3 | 2 | 1 | 3 | 3 | 1.5 | 27.5 |
| NORTHEAST | 3 | 2 | 3.5 | 3 | 4 | 3.5 | 0.75 | 4 | 4 | 0.5 | 28.25 |
| PARKVILLE | 3 | 2 | 3 | 3 | 2 | 2 | 1 | 1 | 2 | 1 | 20 |
| SOUTH END | 2 | 1 | 1.5 | 2 | 1 | 1.5 | 1 | 1 | 2 | 1.5 | 14.5 |
| SOUTH WEST | 1.75 | 0.875 | 1.75 | 2 | 1 | 1 | 1 | 1 | 1 | 1.5 | 12.875 |
| UPPER ALBANY | 3 | 1.5 | 3 | 3 | 4 | 4 | 1.5 | 4 | 4 | 0.5 | 28.5 |
| WEST END | 1.25 | 1.25 | 1.25 | 1 | 1 | 1 | 0.625 | 1 | 1 | 1.5 | 10.875 |

| | |
|---|---|
| | Strong neighborhoods |
| | Functioning neighborhood |
| | At risk neighborhoods |
| | Distressed neighborhoods |

**FIGURE 9:** NEIGHBORHOOD MARKET TYPOLOGY MAP



It is worth briefly discussing the relationship between neighborhood market condition, race and ethnicity. As noted earlier, Hartford is a 'majority-minority' city, in which 86% of its population is either African-American or Latinx. Table 15 provides a breakdown by race and ethnicity for the neighborhoods shown in Map 9. Unlike many cities, Hartford has *no* neighborhoods in which people of color do not represent the great majority of the population. As noted earlier, however, African-American and Latinx residents are clustered in different parts of the city, and predominately African-American neighborhoods are more likely to be in severe distress than predominately Latinx communities, which tend to range from strong to distressed.

**TABLE 15:**
NEIGHBORHOODS BY RACE AND ETHNICITY

| | LATINX % | WHITE NON-LATINX % | BLACK % | CATEGORY |
|---|---|---|---|---|
| ASYLUM HILL | 31.7 | 8.2 | 51.7 | DISTRESSED |
| BARRY SQUARE | 62.2 | 11.5 | 21.4 | AT RISK |
| BEHIND THE ROCKS | 73.5 | 1.4 | 24.2 | AT RISK |
| BLUE HILLS | 8.2 | 14.8 | 72.9 | FUNCTIONING |
| CLAY ARSENAL | 56.4 | 0.0 | 53.2 | DISTRESSED |
| FROG HOLLOW | 73.5 | 2.1 | 23.8 | DISTRESSED |
| NORTHEAST | 25.2 | 0.2 | 77.5 | DISTRESSED |
| PARKVILLE | 63.9 | 7.3 | 21.1 | AT RISK |
| SOUTH END | 58.7 | 17.9 | 18.9 | STRONG |
| SOUTH WEST | 57.5 | 14.8 | 22.5 | STRONG |
| UPPER ALBANY | 15.9 | 0.2 | 87.4 | DISTRESSED |
| WEST END | 30.3 | 30.3 | 32.7 | STRONG |

## 2. Risk and opportunity factors

As Table 14 shows, while the neighborhoods fall into four discrete categories in terms of overall market strength or weakness, the specific factors that are stronger or weaker vary widely from neighborhood to neighborhood. In Table 16, we pull out individual factors that appear to be to some degree 'outliers' relative to the overall neighborhood pattern; for example, an area of weakness in a generally strong neighborhood, or an area of strength in a generally weak one.

| | RISK FACTORS | OPPORTUNITY FACTORS |
|---|---|---|
| **ASYLUM HILL** | Crime<br>Tax Delinquency<br>House prices | Homeownership<br>Property conditions<br>Non-market opportunity factors |
| **BARRY SQUARE** | Investor buyers<br>Property conditions | Sales price<br>Crime<br>Non-market opportunity factors |
| **BEHIND THE ROCKS** | Property conditions | Crime<br>Tax delinquency<br>Non-market opportunity factors |
| **BLUE HILLS** | Homeownership trend<br>Sales price | Crime<br>Property conditions<br>Non-market opportunity factors |
| **CLAY ARSENAL** | Vacant properties<br>Tax delinquency<br>Crime | Homeownership trend<br>Sales price trend<br>Non-market opportunity factors |
| **FROG HOLLOW** | Homeownership rate and trend<br>Investor buyer rate<br>Property conditions | Sales price and sales price trend<br>Non-market opportunity factors |
| **NORTHEAST** | Homeownership trend<br>Investor buyer rate<br>Vacant properties<br>Tax delinquency<br>Crime | Non-market opportunity factors |
| **PARKVILLE** | Homeownership trend<br>Investor buyer rate | Sales price<br>Tax delinquency<br>Non-market opportunity factors |
| **SOUTH END** | Crime trend | Homeownership trend<br>Sales price trend<br>Non-market opportunity factors |
| **SOUTH WEST** | Property conditions<br>Crime trend | Sales price and sales price trend<br>Crime<br>Non-market opportunity factors |
| **UPPER ALBANY** | Vacant properties<br>Sales prices<br>Tax delinquency<br>Crime | Non-market opportunity factors |
| **WEST END** | Homeownership trend<br>Crime trend | Sales price<br>Tax delinquency |

**TABLE 16:**
NEIGHBORHOOD RISK AND OPPORTUNITY FACTORS

We must stress that these are not the only relevant factors, particularly in terms of opportunity. Many neighborhoods which may have weak *market* conditions may have *non-market* features that can be used to build opportunity and market strength. These include high levels of social capital or collective efficacy, the presence of strong neighborhood-based organizations and CDCs, important neighborhood institutions, location close to strong neighborhoods or major anchors such as universities or hospitals, or subareas with an architecturally or historically distinctive housing stock.

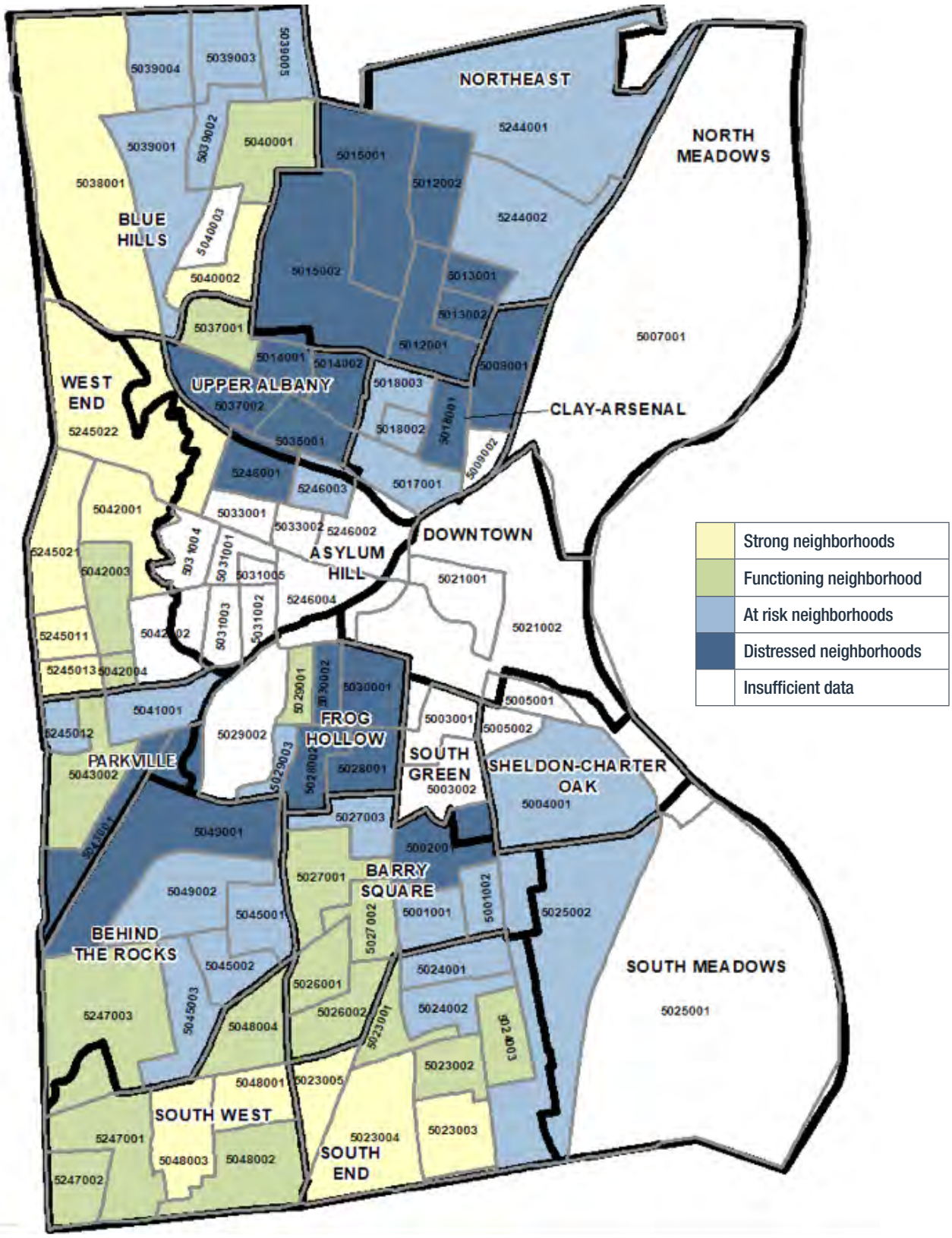
All of these factors can be used as elements in thinking about neighborhood strategies. Addressing rising crime rates in an otherwise strong neighborhood can be important to sustaining that area's vitality, while in a neighborhood with good property conditions and low crime, but with low sales prices and declining homeownership rates, its positive features could help position the neighborhood for a homeownership strategy. At the same time, however, one must look at these factors in context. Frog Hollow has relatively high sales prices compared to its other market and market-driving characteristics. While that might be seen as an opportunity factor, it appears that those prices are driven by investor rather than homebuyer demand and may reflect the possibility that Frog Hollow is seen as a potentially profitable area for investors, which is not necessarily a positive neighborhood feature.

## 3. Block group characteristics

Hartford's neighborhoods are relatively large and market conditions can often vary from one group of blocks to another; thus, the overall market conditions of each neighborhood could easily mask market variations *within* the neighborhood. In order to identify those variations, following the neighborhood-level analysis, we did a parallel analysis of market conditions using the same or similar variables for the block groups of each of Hartford's residential neighborhoods. The composite ranking for each block group is shown on the map in Figure 10. Since a number of block groups lacked enough property or transaction data to be usable, we have not assigned a market score to every block group, only to those block groups for which adequate data was available. Where only one variable was missing, however, we have imputed values to that variable based on the average of the other variables in that block group, in order to be able to create a market score for those block groups. This provides a more nuanced picture of market conditions than the neighborhood-level analysis. Detailed tables of individual variables and composite score for each block group are provided in Appendix 1.

Despite the absence of usable data for some block groups, the map paints a useful picture. It shows that Hartford's neighborhoods are in fact composites of stronger and weaker market subareas. Strong neighborhoods, notably the South End and Blue Hills, contain many subareas that are much weaker than the overall strength of the surrounding neighborhood, and may require more immediate attention. At the same time, their proximity to stronger neighborhood markets may offer key opportunities for revitalization. The same is true of some distressed areas in Parkville, Behind the Rocks, and Northeast.

**FIGURE 10:** BLOCK GROUP MARKET TYPOLOGY MAP



Center for COMMUNITY PROGRESS
Vacant Spaces into Vibrant Places

# III. MOVING FORWARD

The information in this report is designed to help the Land Bank, the City, and community stakeholders plan and develop strategies and initiatives, target resources, and assess the results of ongoing revitalization efforts. This information is provided as another tool for stakeholders to deploy, and not a set of answers for what will or will not be the most successful approach or intervention. How this report is used depends on the goals of the City and of other stakeholders with respect to Hartford as a whole and each of its many different neighborhoods. The report can, however, provide useful input into the process of setting those goals, as well as serve as a reality check on the effectiveness of goals and strategies that may have been developed in the past.

**At the same time, this information, and market data in general, should not serve as the only input into the planning process. Many other sources of information, including simple observation, neighborhood surveys, and ongoing conversations with residents—especially those residents most impacted by neighborhood disinvestment and decline—and others knowledgeable about neighborhood conditions, are also critically important.**

This section is not intended to be prescriptive with respect to how the information in this report should be used, nor is this section intended to recommend specific, targeted revitalization strategies based on an in-depth analysis of the laws, policies, and systems available to City and other community stakeholders in Hartford. Instead, we offer a series of relatively broad ways in which this report may be useful by showing how this data *could* be used to inform or develop potential revitalization strategies and interventions.

The first part of this section addresses the general subject of using data to design revitalization strategies and guide investment by the Land Bank and the City. The second part looks at more specific areas or topics of intervention that can be guided by data, focusing in particular on three areas: fostering home ownership, improving rental housing conditions, and dealing with vacant properties. The third and final part of this section examines how differences between neighborhoods affect strategies, and how best to align neighborhood strategies with market conditions as identified in the report.

While the observations and recommendations provided in this section should provide rich food for thought for local officials and other stakeholders concerned with the future of the city's neighborhoods, in many respects it is the underlying, baseline data that has been assembled for this report that ultimately may become the truly powerful planning tool. While a report is inevitably frozen in time and limited to the material that can be presented in its pages, neighborhoods are a constantly moving target.

*Thus, the first and perhaps most important recommendation in this section is that the Land Bank, City and other stakeholders consider developing an ongoing neighborhood conditions database using the data that has been gathered for this report as the initial baseline data.* Such a database could and should be regularly updated and could also be used in many different ways to answer both general and highly specific questions.

Development and management of the database should be overseen by a City official with sufficient authority to hold City staff, departments, or other partners who would develop, manage, and contribute data to the database accountable. The database should contain, at a minimum, all of the data assembled for this report, including annual data for such variables as real estate transactions and violent crime, tax delinquencies, and homeownership rates. It should be possible not only to update transaction, ownership, tax delinquency, and crime data on a regular basis, but to also add additional datasets, such as rental housing inspection results. In addition, it is desirable to update the parcel survey, perhaps at three-year intervals, to more accurately assess changes and trends in property condition and vacancy.

As additional years of information are added to the data base, both internal (City) and external (public) users can track how their neighborhoods are trending and use this information to measure progress, identify problem areas, and evaluate and refine strategies. It is also vital to create a platform or interface for this database that is easy to use, accessible, and contains the ability to visualize or map the data across all or selected parts of Hartford. The City may, in addition, use each update to prepare an annual (or every two year) 'state of the city's neighborhoods' report, showing changes that have taken place since the previous report, and highlighting important strategies and initiatives taking place.

## A. USING DATA AS A TOOL FOR STABILIZATION AND REVITALIZATION

*Using data as a tool for a stabilization or revitalization strategy is based on the fundamental proposition that planning and resource allocation should be goal-oriented; in other words, that public resources should be used in ways that further rational and agreed-upon short- and long-term goals for each area.*

Wide variation in property conditions from area to area dictates that the most appropriate goals for different areas will vary significantly. In some areas, the goal may be to stabilize and prevent the decline of a relatively healthy neighborhood; elsewhere, it may be to build on opportunities to build a stronger market in a neighborhood, or to create a decent quality of life within the present market conditions as a stepping stone to potential future revitalization. Different goals call for different strategies. In all cases, the present needs of residents as well as the longer-term goals for the neighborhood and the city must both be acknowledged and addressed. Table 18 lists and provides brief definitions of some of the strategy areas where neighborhood market data can be used to help frame plans, strategies, and activities. These strategies are presented here in general; later in this section, we discuss how different strategies are likely to be more or less effective for different neighborhoods, based on their condition.

| STRATEGY | DEFINITION |
|---|---|
| **Strategic code enforcement** | Using code enforcement as a strategic tool to address particular problematic geographic areas or housing types in contrast to or in addition to traditional complaint-driven code enforcement, often focusing on problem rental properties. |
| **Nuisance abatement** | Using public resources and legal authority to abate nuisance conditions, through means such as lot cleaning, boarding, etc. on private properties after owners have failed to address violations after notice. |
| **Strategic demolition** | Strategic use of demolition to target key blighted properties, particularly in locations where they significantly impact the vitality of otherwise viable blocks or neighborhoods. |
| **Vacant lot treatments** | Maintenance and greening of vacant or underutilized land. |
| **Strategic tax foreclosure or other public acquisition** | Creating a partnership between the Land Bank and the City to Identify locations for strategic acquisition of property through tax foreclosure or other methods in order to complement neighborhood revitalization and stabilization strategies. |
| **Conveyance of public property** | Selling, leasing or donating publicly-owned vacant lots or other land to private entities for reuse for purposes designed to further neighborhood revitalization, such as homesteading or side lot programs. |
| **Housing rehabilitation** | Providing financial assistance to owners of residential property to rehabilitate their buildings, or for developers to rehabilitate vacant buildings. |
| **New construction** | Encouraging and supporting developers and Community Development Corporations to build new housing in locations and of types that will enhance community stability and revitalization. |
| **Homeownership promotion** | Strategies to increase the homebuyer market, and in particular to encourage greater homeownership of 2 to 4 family properties. |
| **Public realm improvements** | Improvements to streets and sidewalks, tree planting, street lighting, park improvements, etc., designed to improve the quality of life and appearance of an area, in conjunction with marketing, public safety and other revitalization strategies. |
| **Crime prevention** | Reducing crime through community-based activities and partnerships with public safety agencies. |
| **Neighborhood marketing** | Strategies to maximize the market assets of a neighborhood, typically designed to increase homeownership rates, pursued in conjunction with substantive efforts to improve neighborhood conditions. |
| **Landlord programs and incentives** | Provide financial and non-financial incentives, as well as technical support, to foster higher rental quality and more responsible landlord behavior, usually as a complement to a strategic code enforcement program. |

**TABLE 18:** REPRESENTATIVE NEIGHBORHOOD STABILIZATION AND REVITALIZATION STRATEGIES

## 1. Identifying and targeting strategies

Neighborhood market information can be a useful guide in identifying where limited public resources should be targeted, including both what may work best where from a citywide perspective, and how best to target resources within neighborhoods. This is often a difficult subject to address. On the one hand, the City's resources are limited, even with the recent creation of the Land Bank as a new partner to support local efforts to address these needs, and are far from sufficient to tackle all the needs or seize all the opportunities that exist in all Hartford's neighborhoods. At the same time, while the City may have to make tough choices about where to invest its limited resources,

fairness dictates that decisions must be made in the interest of all Hartford's residents. It would be unconscionable for the City or the Land Bank ever to 'write off' any neighborhood or ignore the needs of its residents. The issue is not whether or not to invest in any area, but which investments make the most sense in which areas.

The information can be used to help target activities to areas where they may have the most impact. For example, if one of the City's goals is to stabilize the housing market and maintain the confidence of residents in still-vital but at-risk neighborhoods, the City and Land Bank have a compelling interest in minimizing the onset of decline or substandard conditions in those neighborhoods and maximizing investments that are explicitly designed to eliminate such conditions and stabilize the market. That may suggest, in turn, that certain activities known to be particularly well-suited to achieving that goal should be actively pursued in those areas. One example of such a targeted approach might be demolition. From the standpoint of the economic impact of a particular dollar amount of investment, it is likely to be more productive, for example, to prioritize demolition of buildings where that action can be shown to significantly improve the stability of a block or neighborhood, such as when there is a single derelict building on an otherwise largely stable block.[27] While this report does not pinpoint those blocks, the 2019 parcel survey can be used to do just that. The Hartford neighborhoods that are most likely to be fit the description of 'still-vital but at-risk' are likely to be those shown as 'functioning' or 'at risk' in the market typology presented in the previous section of this report.

At the same time, some Hartford neighborhoods, like Frog Hollow, are suffering from more extensive decline or disinvestment. The needs of these neighborhoods may call for different strategies reflecting their conditions. The Land Bank's potential ability to assemble multiple vacant properties in order to create larger-scale opportunities for new construction or rehabilitation, for example, may be an appropriate tool for areas that have large numbers of vacant lots or buildings, but which by virtue of their location or other features may be seen as potential candidates for market revival. Strategic demolition may play a pivotal role in these situations as well, to remove decrepit properties that may pose a barrier to investment as well as remove the harmful or negative impact of such properties on neighborhood residents.

Targeted landlord strategies are often particularly appropriate in areas with low market values relative to rent levels. It is important to stress that while Hartford has distressed areas, none of them—in contrast to areas in many other older cities—are so heavily disinvested or beset by abandonment that they lack any market activity. While landlords in these areas are the most likely to be 'milkers' of their properties, their low existing level of investment relative to their rental revenues means that they are also likely to be able, if properly motivated, to invest more in their properties while still realizing a reasonable rate of return on their investment. These strategies are likely to be effective in both 'at-risk' and 'distressed' neighborhoods. Other types of activities, such as a program of low-interest loans

[27] A 2014 research study from Cleveland—produced by the Griswold Consulting Group and commissioned by the Thriving Communities Institute, a program of the Western Reserve Land Conservancy—found that the higher the market value in the neighborhood to begin with, the greater the positive benefit from demolishing blighted structures in terms of the relationship between the cost of demolition and the incremental effect on neighborhood property values. This reflects in part the fact that a smaller number of demolitions can have a more significant impact in a neighborhood where abandoned properties are still relatively few in number. It is also consistent with other research that found that it is the first abandoned property on a block that does the greatest damage to value of the adjacent properties, with each additional vacant property having less and less additional impact. The report can be found on the Western Land Conservancy website at: https://www.wrlandconservancy.org/documents/FinalReportwithExecSummary_modified.pdf.

to landlords to improve their properties, can similarly be targeted around market conditions, by prioritizing assistance to landlords in areas where the value of their collateral or their market returns may be more limited.

The data in this report may also suggest neighborhoods or blocks that should be targeted for strategies designed around a neighborhood's specific strengths or weaknesses. The data highlights significant differences between tracts in some key areas:

- Some neighborhoods or blocks are seeing particularly high levels of tax delinquency (e.g., South Green and Asylum Hill), while others are seeing delinquency levels that are low in comparison to other conditions (e.g., West End, South End, and Parksville). It may be appropriate to target the former neighborhoods for interventions that focus on this issue, such as efforts to reduce tax delinquency – or alternatively, for the City and Land Bank to move more aggressively on tax foreclosure with respect to vacant and abandoned properties.
- Levels of violent crime vary widely from one part of the city to another. Neighborhoods with higher crime levels (e.g., South Green and Asylum Hill) may benefit from the City's community policing efforts, Crime Prevention Through Environmental Design (CPTED) initiatives,[28] community organizing around public safety, or special strategies targeting gang behavior.
- Some neighborhoods are seeing particularly elevated levels of purchases of either single-family or 2 to 4 family properties by investor buyers, especially relative to current homeownership rates (e.g., Frog's Hollow). Here the City might want to give priority either to increasing homebuyer activity and/or to better monitor the activities of a growing body of investor landlords.

The database recommended at the beginning of this section could be particularly helpful in allowing planners working with the City and Land Bank to go beyond the neighborhood or block group level covered in this report to identify both strengths and challenges in even smaller geographies. Such a database could be used to identify individual blocks or small clusters of blocks where homeownership is much higher or lower than in the neighborhood overall or, for example, identify particular 'hot spots' of violent crime or concentrations of vacant, boarded-up properties.

While all neighborhoods have needs that should be addressed, both the City and the Land Bank should resist the temptation to try to do something in too many areas at the same time. The City is unlikely to have the resources, either in terms of personnel capacity or financial wherewithal, to mount an effective strategy in more than a small number of areas at any given point. However appealing it may initially appear, spreading programs and activities thinly across all of the city's neighborhoods is unlikely to bring about meaningful change in *any* neighborhood.[29]

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[28] CPTED is defined as "a multi-disciplinary approach to deterring criminal behavior through environmental design." based on the seminal work of Oscar Newman. More information can be found at http://www.cpted.net/.

[29] A separate concern, particularly with respect to market-building activities, is whether the potential demand that can be generated is large enough to have a significant impact beyond one or two neighborhoods at a time, as discussed later.

# B. DESIGNING INTERVENTIONS TO ADDRESS KEY PROPERTY ISSUES

The previous subsection described generally how the information in this report and in the database can be used for planning, for developing strategies, and for more effectively targeting public investment at the neighborhood level. This part will discuss in greater detail some of the specific interventions that the Land Bank, City, and its community partners may want to consider using within the framework of a neighborhood revitalization strategy, as well as the relationship between the effectiveness or impact of the strategy and the market conditions of the neighborhoods. We focus on three types of intervention:

1. Strategies to build homeownership
2. Rental housing/landlord strategies
3. Vacant property strategies

The types of interventions discussed in this part are presented as examples of approaches for Land Bank, City, and community leaders to consider; including them here does not imply that they will necessarily be adopted, or that they reflect the City's policies.

## 1. Strategies to build homeownership

A reasonably high homeownership rate—not so high that an adequate stock of rental housing is unavailable, but high enough to define the character of the area—is an important component of any strong residential neighborhood market. As noted earlier, an extensive body of research has shown that homeownership, independent of household income, tends to foster neighborhood stability, higher quality property maintenance, and greater neighborhood engagement, as well as better child and youth outcomes.[30] There are several settings in which a strategy to support homeownership may be effective:

- To sustain homeownership in neighborhoods where it is still relatively high but is being eroded through a rising share of investor purchases.
- To increase homeownership in areas where it has declined, but where other features of the neighborhood suggest that the potential exists to reverse the trend.

[30] Research has found strong connections between homeownership and many social or behavioral conditions likely to affect neighborhood change. Strong relationships between homeownership and educational attainment, lower drop-out rates and teen pregnancies were found by Green and White (1997), while Boehm and Schlottmann (1999) found that the children of homeowners are more likely to achieve higher levels of education and subsequent earnings, even after controlling for relevant social and economic factors affecting educational outcomes and earnings. Homeownership is also linked to health and well-being, with positive relationships to physical health (Rossi and Weber 1996) and to psychological health and life satisfaction (Diaz-Serrano 2009, Rohe and Basolo 1997). Homeownership is positively associated with social capital (DiPasquale and Glaeser 1998, Cheo, Fesselmeyer and Seah 2013). The latter study found that homeowners were much more likely to participate in activities that increase neighborhood social capital, such as volunteering or participating in block group meetings. Manturuk, Lindblad and Quercia (2010) found similar results specifically among low and moderate income homeowners. One study that looked directly at the relationship between homeownership, collective efficacy and neighborhood crime and disorder found a strong relationship (Lindblad, Manturuk and Quercia 2013). Two European studies also provide strong support for the link between homeownership and collective efficacy. (Lauridsen, Nannerup and Skak 2006, Friedrichs and Blasius 2006). For full references, see footnote 16.

In both cases, strategies should involve both supporting existing homeowners—enabling them to remain in their homes—and encouraging new homebuyers to buy in targeted areas.

While Hartford has not seen as sharp a decline in homeownership over the past two decades as many other cities, the trend is downward and more pronounced in some parts of Hartford than in others. The decline in home ownership in the 2 to 4 family stock is a matter of particular concern, in part because those properties, if occupied as homes, offer an unusual opportunity for a neighborhood to have both a solid homeowner base as well as a healthy stock of relatively affordable housing. This is in part because the economics of 2 and particularly 3 family homeownership are exceptionally favorable. As Table 19 shows, if a homebuyer purchases a median priced 3 family house in Hartford at current mortgage interest and property tax rates, lives in one unit and rents out the other two at the Hartford median market rent, the rental income after expenses covers all but $92 per month of the owner's principal, interest, taxes and insurance. In essence, the owner gets to live in the house for barely more than the cost of the utilities.

| | INVESTMENT | MONTHLY CASH FLOW |
|---|---|---|
| PURCHASE PRICE | $168,000 | |
| A. 95% Mortgage @ 3.75% APR for 30 years | $159,600 | ( 739.10) |
| B. Property taxes @ 2.286% | | ( 320.00) |
| C. Insurance | | ( 200.00) |
| D. SUBTOTAL OWNERSHIP MONTHLY COSTS (A+B+C) | | ( 1,259.10) |
| E. Annual gross unit rent ($926 x 2 X 12) | $ 22,224 | |
| F. Less $250/month/unit for maintenance and repairs | | ( 500.00) |
| G. Less 10% vacancy and collection loss | | ( 185.20) |
| H. SUBTOTAL LANDLORD MONTHLY COSTS (F+G) | | ( 685.20) |
| I. TOTAL ALL MONTHLY COSTS (D+H) | | ( 1,944.40) |
| | | |
| J. NET MONTHLY COST TO OWNER/LANDLORD (D-E) | | ($ 92.40) |

**TABLE 19:** COST CALCULATION FOR OWNER-OCCUPIED MEDIAN 3 FAMILY PROPERTY

Rebuilding 2 to 4 family homeownership may be difficult. Such properties can be difficult to finance, and the prospect of being both a homeowner and a landlord may not appeal to many of today's prospective homebuyers, less for economic than for cultural reasons. That said, there are many families who may see this kind of homeownership model, including potentially immigrant families and those seeking a truly affordable starter home opportunity.

Sales of single-family homes, while a less pressing challenge for Hartford than the 2 to 4 family stock, are also a concern. The data on sales volumes suggest a sluggish market. This is borne out by a comparison of single-family sales volumes to the size of the inventory: in 2017, sales amounted to only 3.5% of the inventory in Hartford, compared to 4.8% in both East and West Hartford.[31]

[31] Data on sales from Zillow provided by PolicyMap compared to inventory data from the American Community Survey.

One area which may offer an opportunity for intervention by the City or other stakeholders is the unusually large number of people who work in Hartford but live outside the city, as noted on pages 3 and 4 of this report. Although many of these individuals are presumably well-settled, it is likely that a significant percentage at any given point might be contemplating a move—particularly young people who may be contemplating buying their first home and older couples who may be downsizing after their children have grown.

Some specific strategies to further homeownership that might be explored include:

- Increasing homebuyer activity in key neighborhoods, including:
  - Marketing strategies, including information and outreach to people working in but not living in Hartford, potential buyers of 2 to 4 family houses, etc.
  - Improving access to mortgage financing
  - Facilitating the process of buying and rehabilitating distressed properties for owner-occupancy
  - Providing financial incentives such as down payment assistance or tax abatement
- Targeted efforts to assist homeowners at risk of losing their properties, by focusing on those whose homes have gone through tax sale or are in foreclosure and providing them with assistance, such as counseling or emergency financial assistance.
- Providing financial assistance to low-income homeowners, either for property improvement generally, or to address urgent health and safety problems with their homes.
- Building a support system for existing homeowners, focusing on counseling, emergency assistance and other activities, to reduce the risk of loss of their homes.
- Strengthening neighborhood or civic associations in key areas.

There are many examples of successful programs to sustain or increase homeownership around the United States. Baltimore has effectively marketed itself and key target neighborhoods to prospective homebuyers through the Live Baltimore Home Center,[32] which also provides a variety of services and incentives to new homebuyers. Post-purchase counseling programs in areas as diverse as Chicago and Long Island have shown clear benefits in sustaining existing homeowners,[33] while the Self-Help Credit Union, based in Durham, North Carolina, has shown that mortgage lending to lower-income borrowers can be a sound financial proposition.[34]

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[32] The Live Baltimore Home Center is an organization, funded in part by Baltimore City and in part by local corporations and foundations, that markets Baltimore City as a place for people to buy homes, and has pursued a wide variety of strategies to that end. For further information, see https://livebaltimore.com/.

[33] For a good overview, see Lucy Gorham et al., *Effective Practices in Post-Purchase Foreclosure Prevention and Sustainable Homeownership Programs*, Center for Urban and Regional Studies, University of North Carolina (2004).

[34] See Allison Freeman and Roberto Quercia, *Policy Brief: Low- and Moderate-Income Homeownership and Wealth Creation*, Center for Community Capital, University of North Carolina (2014).

## 2. Rental Housing/Landlord strategies

While homeownership strategies are important, strategies to sustain and improve the quality and affordability of Hartford's rental housing stock are equally important, particularly the large share of the city's rental stock made up of 2 to 4 family properties. Rental housing is a critical resource for housing Hartford's low-income population. While the median income for homeowners in Hartford is $66,100, the median income for renters is $26,370, barely above the poverty level. While there is little the City can do to reduce rents in existing privately-owned housing, it can encourage additional affordable rental housing in appropriate locations; and, perhaps even more importantly, it can take steps to ensure that Hartford's nearly 35,000 renter families live in safe, healthy, and sound housing.

The most effective way of pursuing this goal is through systematically regulating Hartford's rental housing sector through a rental licensing approach. Under a licensing approach, all rental properties, in addition to registering with the City, must pass a basic health and safety inspection as a condition of obtaining the license. There are sound arguments that regularly scheduled inspections, particularly in the context of a performance-based system, are preferable to inspections that are a condition of re-occupancy of a vacant house or apartment, referred to as certificate of occupancy inspections. The latter rely heavily on the honor system, in the sense that the municipality is dependent on the landlord contacting them and requesting the inspection; arguably, the worse the condition of the unit, the less likely the landlord is to contact the municipality.[35]

The type of database recommended at the beginning of this section can be a particularly valuable tool in developing an effective landlord strategy. Since such a database has already classified all properties as either homeowner- or investor-owned, it can be used as the basis for a rental property information database. That database can enable the city to track each property and its owner, and to support outreach efforts to ensure that all rental properties in the city are registered and licensed.

The database could also be used to track code violation complaints and citations, police and nuisance calls, and whether the owner is current on taxes and utility bills, as shown in Figure 11. Such a database could be used in a number of ways. It can be used to develop targeted code enforcement strategies by identifying problem 'hot spots,' or by identifying areas where landlords are most likely to be 'milkers' of their properties rather than responsible long-term landlords, or by focusing on areas where investor purchases are increasing and the area is at high risk of destabilization.

The database can also be used to create a performance-based licensing system, such as those performance-based systems established in the cities of Minneapolis, Minnesota, and Brooklyn Center, Minnesota,[36] in which individual properties and owners are rated annually on the basis of their performance with respect to code violations, police and nuisance calls and timely tax payment. The rating can then be used in a number of ways:

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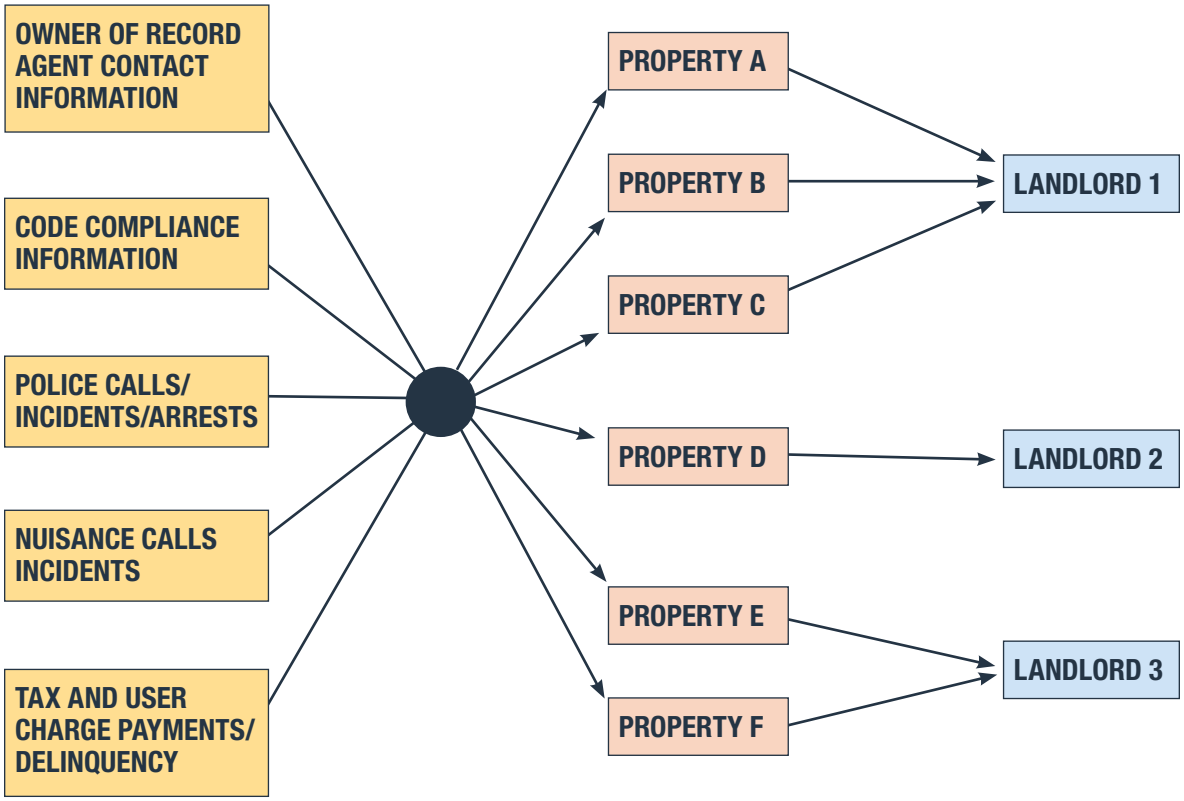
[35] Moreover, should the City learn subsequently that a vacant unit has been re-occupied without passing inspection, it has few remedies other than to order the landlord to remove the tenant, which becomes a matter of an innocent party paying the price for the landlord's misbehavior.

[36] Information on how Minneapolis, Minnesota, rates properties on the basis of performance with their rental licensing program can be found on the city's website here: http://www.minneapolismn.gov/inspections/rental/tiering. Information on the performance-based rental licensing program in the city of Brooklyn Center, Minnesota, can be found on the city's website here: http://www.cityofbrooklyncenter.org/index.aspx?NID=316.

- Problem landlords—i.e., those with a poor rating—can be inspected and re-inspected more often than good landlords. This enables the City to concentrate its limited inspection resources where they are most needed.
- Problem landlords can also be identified and required to participate in training or technical assistance programs; or, in the most severe cases, to prepare a remedial action plan for approval by the City.
- To build a sustainable, sound rental housing stock, the City must not only effectively regulate problem landlords, but reward responsible ones.[37] Good landlords can be offered incentives to reward responsible stewardship of their properties. Incentives can be 'bundled' into a good landlord program, which would be available to any landlord meeting appropriate performance criteria.[38]

**FIGURE 11:**
SCHEMATIC REPRESENTATION OF A STRAIGHTFORWARD RENTAL PROPERTY INFORMATION SYSTEM




[37] For additional information, see Alan Mallach, *Raising the Bar: Linking Landlord Incentives and Regulation through Rental Licensing* (2015), available for download on the Community Progress website at: http://action.communityprogress.net/p/salsa/web/common/public/signup?signup_page_KEY=10111.

[38] A good landlord program does not have to be put on hold until the performance-based system is up and running. It can be initiated based on landlords committing to a code of good practice, including maintaining the property to code, working with the policy on crime-free standards, timely tax payment, and responsible tenant selection and leasing practices. Once the performance based system is in effect, landlords in the program would be removed if they failed to meet minimum performance standards.

## 3. Vacant property strategies

Hartford is fortunate, by comparison to many other older cities, that its inventory of abandoned buildings and vacant lots is relatively small, numbering in the hundreds rather than the thousands. That said, any neglected, derelict vacant building or lot is a *de facto* nuisance to its neighbors, diminishing their quality of life and reducing the value of their properties.

The central goal with respect to vacant properties is to get them into productive use, a goal in which the Land Bank can play a critical role in supporting City policies. Productive use can mean many different things:

- Using the City's code enforcement tools to incentivize owners to restore their property to productive use through rehabilitation;
- Compelling a transfer of the property so that the Land Bank or City can either repurpose the property for public use or put it in the hands of a new, more responsible owner;
- Building a new structure on a vacant lot;
- Demolishing a property and constructing a new structure on the vacant site; or
- Using a vacant lot for a non-redevelopment purpose, such as a community garden or farm, or other form of open space.

Which outcome is most appropriate, and which is most realistic, will depend not only on the property but on the neighborhood context, particularly the area's market strength. An owner is not likely to put more money into a vacant property than she can expect to get back, either through resale or rental income. A developer will not build an infill house on a vacant lot unless he either (1) expects to make enough money to recover his costs and a reasonable profit, or (2) receives a public subsidy large enough to make up the difference. Such a subsidy might be a small amount in some neighborhoods, but very large in others, again, depending on their market conditions. Thus, a successful vacant property strategy requires not only that the City and Land Bank use the legal tools and resources that they have at their disposal, but that they use them in ways that are sensitive to variations in neighborhood market context.[39]

The database discussed at the beginning of this section can help with developing a vacant property strategy, including, for example, analyzing areas in terms of vacancy and ownership patterns in order to identify sites with high potential for assembly. Where one or two vacant properties are present on an otherwise strong block, it may be more appropriate to work closely with the owners to get those properties rehabilitated and reused (or facilitate the transfer to a more capable owner), rather than pursuing demolition.

[39] Community Progress has an extensive library of resources and publications that discusses the various strategies and legal and policy tools communities might consider in developing an equitable, effective, and efficient comprehensive strategy to address vacant property. See more on the Publications page of the Community Progress website at: https://www.communityprogress.net/publications-pages-396.php.

Some other market-informed vacant property strategies to consider include:

- In neighborhoods where the reuse or rehabilitation of a vacant building is likely to be cost- effective, the City may explore strategies like receivership to compel the owner to take action or risk losing the property. Baltimore, for example, has run a successful receivership program along those lines since 2010, through which it has put over 3,000 vacant houses back into use, by using the unique receivership ordinance created by the city for that purpose.[40]

- Market data can help the City target limited resources for demolition in areas where demolition will have the greatest impact. For example, demolition could be targeted to:
    - Blocks containing no more than 1 or 2 properties in need of demolition, to stabilize the block.
    - Individual problem properties in areas with large numbers of vacant structures. Problem properties include those properties whose condition and location have the greatest impact on the neighborhood's quality of life.
    - Vacant properties where demolition can materially further the assembly of a larger group of properties that collectively hold significant redevelopment potential.

- Market data may also help to identify those neighborhoods where economic constraints will make it difficult or impossible for a building to be rehabilitated and reused. If the building is demolished, a positive use other than redevelopment will have to be found for the vacant lot that remains. Factors to consider in developing a strategy for vacant lot reuse may include:
    - The particular reuse for each lot should be determined in partnership with neighborhood and nonprofit stakeholders to ensure that it is consistent with their vision for the neighborhood, and that it will be well- maintained.[41]
    - In those neighborhoods or areas with limited financial or volunteer resources, the Land Bank or City should be prepared to engage in basic lot treatment or stewardship, including sodding, planting one or two trees, and putting up a simple split-rail or similar fence, thereby minimizing the negative effect of the lot on its surroundings, including discouraging dumping and trashing of the lot.[42]

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[40] See more about Baltimore City's Vacants to Value program on the program website at: http://www.vacantstovalue.org/. It is all but certain, however, that it would require action by the state legislature to allow Hartford to implement a receivership program such as that which is the starting point of Baltimore's initiative. Advocating for legislative action to create an enabling statute to that end might be worth serious consideration.

[41] A number of communities, including Baltimore and Detroit, have created 'pattern books' showing a wide range of green reuse options, including breakdowns of the costs, supplies and materials, and specialized skill needs (if any) for each. See https://www.baltimoresustainability.org/wp-content/uploads/2015/12/Green_Pattern_Book.pdf and https://dfc-lots.com/

[42] The Philadelphia LandCare program, run by the Pennsylvania Horticultural Society, is a model program along these lines. For more information, see http://phsonline.org/greening/landcare-program. An excellent article about the program and its effect in reducing crime, based on a substantial body of research conducted at the University of Pennsylvania, is John MacDonald and Charles Branas, *Cleaning up vacant lots can curb urban crime*, https://www.manhattan-institute.org/crime-prevention-cleaning-up-vacant-lots.

# C. MATCHING STRATEGIES TO NEIGHBORHOOD CONDITIONS

In the preceding pages, we have frequently pointed out how neighborhood market conditions, as measured with the data presented in this report and in the database, affect how effective a particular strategy is likely to be. 'Effective,' however, can have many different meanings. In some cases, it may mean that a strategy is likely to work in some areas and not in others. In other cases, it may mean that the strategy will have a greater economic effect in terms of increasing property values in some neighborhoods than in others. Changing property values, however, is not the only criterion for choosing a strategy. Demolishing a vacant property in a severely distressed neighborhood may not affect the neighborhood's property values; it can still have, depending on its location and visibility, an impact on the quality of life of the people who live in the neighborhood. Thus, it may be an appropriate strategy for a public agency, whether or not it influences the trajectory of property values.

*If a particular strategy is designed to influence market-driven property decisions by homeowners and investors, however, its success is likely to depend heavily on the market strength of the area in which it is applied.* Thus, strategies such as those designed to increase homeownership rates or efforts to motivate the owners of vacant properties to invest the money needed to put them back to productive use will have better results in stronger market areas. Landlord strategies are a single but very important exception to this rule. As we discussed earlier, there is a strong argument for targeting strategic code enforcement of problem landlords to low-value or weaker areas, because low property acquisition costs mean that landlords in those areas may be able to afford to make significant improvements while still gaining a fair rate of return.

Similarly, we recommend that, to the extent feasible, future siting of subsidized housing developments focus on two strategies: (1) limiting additional such developments in high-poverty areas and areas with large amounts of subsidized housing *except where a compelling case can be made that the project will enhance parallel efforts of neighborhood revitalization;* and (2) locating future developments in areas of greater opportunity and more economic diversity. There is no evidence that putting subsidized housing in distressed neighborhoods *as such* improves neighborhood conditions, and there is compelling evidence that living—and even more, growing up—in areas of concentrated poverty is damaging to current and future prospects, independent of the quality of the housing in which one lives.

Table 20 on the following page describes the relationship between strategies and neighborhood conditions for many of the specific strategies discussed in the preceding pages. As the table shows, in this respect strategies fall into three distinct categories:

- Strategies that are likely to be effective, or more effective, in higher-value areas, such as those designed to encourage individual homebuyers.
- Strategies that are likely to be more effective in lower-value areas, such as code enforcement targeting problem landlords, or acquisition for site assembly.
- Strategies that should be established citywide or pursued independently of neighborhood condition, such as rental licensing or vacant lot maintenance.

**TABLE 20:**
EVALUATING STRATEGIES ON THE BASIS OF NEIGHBORHOOD MARKET CONDITIONS

| STRATEGY | NEIGHBORHOOD MARKET CONDITIONS |
|---|---|
| **Increasing homebuyer activity** | Small-scale and individual-buyer oriented strategies are most appropriate in areas that have some level of homebuyer demand at present. Larger scale strategies, such as new construction, may be effective in weaker areas, particularly if targeted to blocks or subareas with stronger assets. |
| **Targeted efforts to help homeowners at risk of losing their homes** | Should be pursued independently of neighborhood condition. |
| **Financial assistance to low-income homeowners for property improvements** | Programs to assist low-income homeowners with urgent health & safety conditions should be pursued independently of neighborhood conditions. Programs that provide additional assistance, such as with respect to façade improvements, should be integrated with programs to increase homebuyer activity or other neighborhood stabilization efforts in stronger areas. |
| **Building homeowner support system** | Programs such as post-purchase counseling should be pursued independently of neighborhood conditions. |
| **Strengthen civic and neighborhood associations** | Programs to strengthen civic and neighborhood associations should focus on associations with strong potential for becoming strong vehicles for effective collective action in their neighborhoods, and coordinated with other efforts, particularly those associated with increasing homeowner activity. |
| **Rental licensing system** | Should be established citywide. Priority in outreach and inspection should be given to one and two family properties. |
| **Performance-based licensing** | Should be established citywide independently of neighborhood conditions. |
| **Good landlord program** | Should be established citywide independently of neighborhood conditions. |
| **Strategic Code enforcement focusing on problem landlords** | This strategy should prioritize lower-value areas where risk of landlords 'milking' properties is greatest. |
| **Code enforcement aimed at motivating property owners to restore vacant properties** | This strategy is likely to be effective largely in higher-value areas where return from rehabilitation is greater. |
| **Demolition** | Should be strategic and focus not only on property condition but on impact of demolition on surrounding properties. Demolition should prioritize scattered (no more than 1-2/block) vacant properties in higher value areas, and properties with high quality of life impact or significant redevelopment opportunities in lower value areas. |
| **Vacant lot treatments** | Should be option in all areas. Key criterion is whether entities (individuals, businesses, organizations) exist to maintain lot. |
| **Tax foreclosure and other public acquisition** | Should be pursued primarily in areas with high potential for reuse of the property or post- demolition lot. Individual house rehabilitation is likely to be more feasible in higher-value areas, but acquisition for purposes of site assembly should be pursued wherever opportunities present themselves, principally in low-value areas. |
| **New construction** | Should be pursued in locations where new construction, whether for homeownership or LIHTC, will clearly enhance neighborhood quality of life and/or market conditions. |

Finally, it is important to stress that the individual strategies described above should not be seen or carried out in isolation. Neighborhoods are complex, multifaceted entities. While some strategies may do some good by themselves, such as demolishing an eyesore on an otherwise attractive block, most are more effective when combined with other efforts. Thus, efforts to encourage new homebuyers should be linked to parallel efforts to support the area's existing homeowners, to motivate good landlord behavior, to remove dangerous properties, to make streetscape improvements, to improve vacant lots, and to tackle other issues that are not property- related such as violent crime, but which directly affect resident perceptions and neighborhood market conditions. The ultimate goal remains not only to improve individual houses, but to change the trajectory of Hartford's neighborhoods for the better.

## CONCLUSION

Community Progress hopes that the analysis, observations, and recommendations included in this report provide a helpful resource for Land Bank, City, and other community stakeholders to consider as the continue their efforts to revitalize Hartford and its neighborhoods. We look forward to finding new ways to support the development of strong and more equitable neighborhoods for all in Hartford in the coming months and years.

Center for COMMUNITY PROGRESS
Vacant Spaces into Vibrant Places

# APPENDIX 1. DATA SOURCES AND METHODOLOGY

All data analysis was done with data assembled by the Metro Hartford Innovation Services (MHIS) staff using the city of Hartford GIS parcel polygon layer, City of Hartford GIS address point layer, City of Hartford Neighborhood polygon layer and United States Census Bureau 2010 Census Block Group geographic boundaries. And in addition, we used the various data from Departments in the City. Specific data sources used are shown in the table below.

| DATASET | SOURCE |
|---|---|
| Sales prices | City of Hartford Assessor Office<br>Computer-Aided Mass Appraisal Records<br>Downloaded by year for 2007 through 2017 |
| Sales volume | |
| % of sales to absentee (investor) buyers* | |
| Homeownership rate* | |
| Vacant properties | Assembled by MHIS from Loveland Technologies Parcel Survey performed between December 5, 2017 and March 1, 2019 |
| Property condition | |
| Tax delinquency | City of Hartford Tax Collector Office<br>Downloaded by year for 2015 through 2017 |
| Violent crime | City of Hartford Police Department<br>Downloaded by year for 2007 through 2017 |

**Assessor appraisal records were analyzed by MHIS staff to determine owner-occupant vs. investor status by using address matching.*

Data was aggregated by neighborhood and by census block group. As noted earlier, in order to address the wide variation from neighborhood to neighborhood with respect to the composition of the 1 to 4 family housing stock, data sets on prices, volume, sales to investors and homeownership rate were weighted on the basis of the weight of single-family and 2 to 4 family properties in each neighborhood's housing stock. Also, as noted earlier, trend variables were given half the weight of condition variables in determining each neighborhood or block group composite score.

In order to score individual variables, we first decided upon the appropriate metric. The metrics used are described in the text with respect to each variable. We used a variety of different metrics for different variables, reflecting our judgment of what metric would best capture meaningful data, and minimize the inherent weakness in the data. For example, when looking at homeownership rate, where size of the universe was large, we used that of individual years, 2017 for current condition,

and 2007 and 2017 for the trend. In the case of sales data, however, where the universe is much smaller and values fluctuate from year to year, a single year's data would be far less meaningful; thus, we aggregated multiple years' data to create the metric. In the case of sales data, we aggregated 2015 through 2017 for current condition, and compared it with 2007 through 2009 to measure the trend.

Having chosen the appropriate metric, we calculated the standard deviation, a commonly used measure that reflects dispersal from the midpoint, for the scores. Where the scores were tightly clustered, we calculated the ranges based on one-half (.5) of the standard deviation; that is, the lowest scores were more than .5 standard deviation below the mean, the next category was between the mean .5 standard deviation below the mean, the third between the mean and .5 standard deviation above the mean, etc. Where the scores were more widely distributed, we used 1 standard deviation as the breakpoint between the first and second, and the third and fourth categories.

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# APPENDIX 2. INDIVIDUAL VARIABLE AND COMPOSITE BLOCK GROUP SCORES

| BLOCK GROUP | NEIGHBORHOOD | TAX DELINQUENCY SCORE | HOME OWNERSHIP SCORE | OWNERSHIP CHANGE SCORE | INVESTOR BUYER SCORE | PROPERTY CONDITION SCORE | VACANCY SCORE | SALES PRICE SCORE | SALES CHANGE SCORE | CRIME RATE SCORE | CRIME RATE CHANGE SCORE | COMPOSITE SCORE |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 5031001 | ASYLUM HILL | 2 | | | | 2 | 2 | | | 4 | 2 | |
| 5031002 | ASYLUM HILL | 1 | | | | 2 | 1 | | | 4 | 1 | |
| 5031003 | ASYLUM HILL | 3 | | | | 1 | 4 | | | 3 | 1 | |
| 5031004 | ASYLUM HILL | 4 | | | | | | | | 1 | 0.5 | |
| 5031005 | ASYLUM HILL | 4 | | | | | | | | 4 | 1 | |
| 5033001 | ASYLUM HILL | 4 | | | | | | | | 3 | 2 | |
| 5033002 | ASYLUM HILL | 1 | | | | 2 | 2 | | | 3 | 2 | |
| 5246001 | ASYLUM HILL | 4 | 2 | 1 | 4 | 2 | 4 | 2 | 1 | 4 | 1 | 25 |
| 5246002 | ASYLUM HILL | 2 | | | | | | | | 2 | 0.5 | |
| 5246003 | ASYLUM HILL | 4 | 2 | 1.5 | 3 | 3 | 3 | 2 | 1.5 | 3 | 0.5 | 24.5 |
| 5246004 | ASYLUM HILL | 1 | | | | 1 | 1 | | | 4 | 1 | |
| 5026001 | BARRY SQUARE | 1 | 2 | 1 | 2 | 3 | 1 | 2 | 1 | 2 | 0.5 | 15.5 |
| 5026002 | BARRY SQUARE | 3 | 2 | 1 | 3 | 2 | 1 | 2 | 1 | 2 | 2 | 19 |
| 5027001 | BARRY SQUARE | 1 | 3 | 1.5 | 2 | 4 | 2 | 3 | | 1 | 1 | 18.5 |
| 5027002 | BARRY SQUARE | 2 | 2 | 1 | 4 | 2 | 1 | 2 | 1 | 3 | 1.5 | 19.5 |

* Imputed value based on average of other values for block group.

| Strong block groups | Functioning block groups | At risk block groups | Distressed block groups |
|---|---|---|---|

## APPENDIX 2. INDIVIDUAL VARIABLE AND COMPOSITE BLOCK GROUP SCORES *(CONTINUED)*

| | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 5027003 | BARRY SQUARE | 4 | 3 | 1.5 | 2.5 | 3 | 1 | 3 | 1.5 | 1 | 2 | 22.5 |
| 5001001 | BARRY SQUARE | 3 | 3 | 1 | 2 | 3 | 2 | 3 | 1 | 3 | 0.5 | 21.5 |
| 5001002 | BARRY SQUARE | 3 | 3 | 1 | 2 | 4 | 2 | 3 | 1 | 4 | 1 | 24 |
| 5002001 | BARRY SQUARE | 3 | 3 | 1 | 4 | 4 | 2 | 3 | 1 | 3 | 1.5 | 25.5 |
| 5045001 | BEHIND THE ROCKS | 1 | 4 | 2 | 2 | 4 | 2 | 2.4* | 1.2* | 2 | 2 | 22.6* |
| 5045002 | BEHIND THE ROCKS | 1 | 2 | 0.5 | 2 | 4 | 1 | 4 | 2 | 2 | 1.5 | 20 |
| 5045003 | BEHIND THE ROCKS | 2 | 3 | 1 | 1 | 3 | 4 | 3 | 2 | 1 | 1 | 21 |
| 5049001 | BEHIND THE ROCKS | 3 | 4 | 2 | 3 | 4 | 4 | 2 | 1.5 | 2 | 1 | 26.5 |
| 5049002 | BEHIND THE ROCKS | 1 | 3 | 1 | 2 | 3 | 1 | 4 | 2 | 1 | 2 | 20 |
| 5247003 | BEHIND THE ROCKS | 1 | 2 | 0.5 | 1 | 2 | 3 | 3 | 1.5 | 3 | 1 | 18 |
| 5038001 | BLUE HILLS | 1 | 1 | 0.5 | 1.4* | 1 | 4 | 1 | .7* | 1 | 2 | 13.6* |
| 5039001 | BLUE HILLS | 2 | 3 | 1.5 | 2.0* | 3 | 1 | 3 | 2 | 1 | 1.5 | 20.0* |
| 5039002 | BLUE HILLS | 2 | 1 | 1 | 2.0* | 3 | 1 | 3 | 1.5 | 4 | 1.5 | 20.0* |
| 5039003 | BLUE HILLS | 2 | 3 | 2 | 2.5 | 2 | 2 | 3 | 2 | 4 | 1 | 23.5 |
| 5039004 | BLUE HILLS | 3 | 3 | 1.5 | 2.1* | 2 | 2 | 3 | 1.5 | 1 | 1.5 | 20.6* |
| 5039005 | BLUE HILLS | 3 | 3 | 1.5 | 2.5 | 3 | 1 | 3 | 2 | 1 | 2 | 22 |
| 5040001 | BLUE HILLS | 3 | 3 | 1.5 | 1 | 2 | 1 | 2 | 1.5 | 1 | 2 | 18 |
| 5040002 | BLUE HILLS | 1 | 2 | 1.5 | 1.5 | 1 | 2 | 1 | 0.5 | 1 | 2 | 13.5 |
| 5040003 | BLUE HILLS | 1 | 2 | 0.5 | 1 | 1 | 1 | | | 1 | 2 | |
| 5009001 | CLAY ARSENAL | 4 | 3 | 1.5 | 3.0* | 3 | 4 | 3 | 1.5 | 4 | 2 | 30* |
| 5009002 | CLAY ARSENAL | 2 | | | | | | | | 2 | 1.5 | |
| 5021001 | DOWNTOWN | 4 | | | | 1 | 4 | | | 4 | 1.5 | |
| 5021002 | DOWNTOWN | 1 | | | | 1 | 3 | | | 4 | 1 | |
| 5028001 | FROG HOLLOW | 3 | 4 | 1.5 | 4 | 4 | 4 | 4 | 1.5 | 4 | 1.5 | 31.5 |
| 5028002 | FROG HOLLOW | 4 | 4 | 1.5 | 3.5 | 4 | 4 | 4 | 1.5 | 4 | 1.5 | 32 |
| 5029001 | FROG HOLLOW | 1 | 2 | 0.5 | 1.5 | 3 | 2 | 2 | 0.5 | 3 | 1.5 | 17 |
| 5029002 | FROG HOLLOW | 1 | | | | | | | | 3 | 0.5 | |
| 5029003 | FROG HOLLOW | 1 | 4 | 1.5 | 2.5 | 4 | 2 | 4 | 1.5 | 2 | 1 | 23.5 |
| 5030001 | FROG HOLLOW | 2 | 4 | 1 | 4 | 4 | 3 | 4 | 1 | 4 | 0.5 | 27.5 |
| 5030002 | FROG HOLLOW | 4 | 4 | 1.5 | 4 | 4 | 2 | 4 | 1.5 | 3 | 1 | 29 |
| 5007001 | NORTH MEADOWS | 1 | | | | 2 | 1 | | | 4 | 1 | |
| 5012001 | NORTHEAST | 4 | 4 | 1.5 | 3 | 4 | 4 | 4 | 1 | 4 | 1 | 30.5 |

* Imputed value based on average of other values for block group.

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| | Strong block groups | | Functioning block groups | | At risk block groups | | Distressed block groups |

## APPENDIX 2. INDIVIDUAL VARIABLE AND COMPOSITE BLOCK GROUP SCORES *(CONTINUED)*

| | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 5012002 | NORTHEAST | 2 | 4 | 1.75 | 3 | 2 | 4 | 4 | 1.5 | 4 | 0.5 | 26.75 |
| 5013001 | NORTHEAST | 4 | 4 | 1 | 3.5 | 4 | 4 | 3.5 | 1 | 3 | 1 | 29 |
| 5013002 | NORTHEAST | 3 | 3 | 1.75 | 3 | 4 | 4 | 2.5 | 1.5 | 4 | 1 | 27.75 |
| 5014001 | UPPER ALBANY | 3 | 3 | 1 | 4 | 4 | 4 | 3.1* | 1.55* | 4 | 1.5 | 29.15* |
| 5015001 | NORTHEAST | 3 | 3 | 1.25 | 3 | 4 | 2 | 3 | 1 | 3 | 2 | 25.25 |
| 5015002 | NORTHEAST | 4 | 3.5 | 1.5 | 3 | 2 | 4 | 3.5 | 1.5 | 4 | 1.5 | 28.5 |
| 5244001 | NORTHEAST | 2 | 3.5 | 1.5 | 2.3* | 3 | 4 | 2.5 | 1.25 | 2 | 1 | 23.05* |
| 5244002 | NORTHEAST | 3 | 2.5 | 1.25 | 2 | 2 | 4 | 3 | 0.75 | 4 | 0.5 | 23 |
| 5041001 | PARKVILLE | 1 | 3 | 1 | 3 | 3 | 1 | 2.1* | 1.05* | 3 | 2 | 20.15* |
| 5043001 | PARKVILLE | 3 | 4 | 1.5 | 4 | 3 | 4 | 2.9* | 1.5* | 2 | 1.5 | 27.4* |
| 5043002 | PARKVILLE | 1 | 2 | 1 | 1 | 4 | 3 | 2* | 1* | 2 | 2 | 19* |
| 5245012 | PARKVILLE | 1 | 3 | 1 | 2 | 4 | 1 | 2.1* | 1.05* | 4 | 1 | 20.15* |
| 5005001 | SHELDON CHARTER OAK | 1 | | | | | | | | 2 | 1 | |
| 5005002 | SHELDON CHARTER OAK | 1 | | | | 1 | 2 | | | 2 | 1 | |
| 5023001 | SOUTH END | 1 | 2.5 | 1.25 | 1 | 4 | 2 | 2 | 0.5 | 3 | 2 | 19.25 |
| 5023002 | SOUTH END | 1 | 2 | 1 | 2 | 2 | 1 | 2 | 1.25 | 2 | 1 | 15.25 |
| 5023003 | SOUTH END | 1 | 2 | 1.5 | 1.4* | 2 | 1 | 2 | 1.5 | 1 | 0.5 | 13.9* |
| 5023004 | SOUTH END | 1 | 2 | 1 | 1.4* | 2 | 1 | 1.5 | 1 | 1 | 2 | 13.9* |
| 5023005 | SOUTH END | 1 | 1.5 | 0.5 | 1.5 | 3 | 1 | 1 | 0.5 | 1 | 1.5 | 12.5 |
| 5024001 | SOUTH END | 2 | 3 | 1.5 | 4 | 3 | 2 | 1.5 | 1 | 2 | 1.5 | 21.5 |
| 5024002 | SOUTH END | 3 | 3.5 | 1.25 | 3 | 3 | 1 | 3 | 1.75 | 2 | 2 | 23.5 |
| 5024003 | SOUTH END | 2 | 3.5 | 0.75 | 1 | 4 | 1 | 2.5 | 1 | 2 | 1 | 18.75 |
| 5003001 | SOUTH GREEN | 4 | | | | 3 | 3 | | | 4 | 1 | |
| 5003002 | SOUTH GREEN | 4 | | | | 3 | 3 | | | 4 | 1.5 | |
| 5025001 | SOUTH MEADOWS | 1 | | | | 2 | 4 | | | | | |
| 5025002 | SOUTH MEADOWS | 3 | 2 | 1 | 1.5 | 3 | 3 | 2 | 1 | 3 | 0.5 | 20 |
| 5048001 | SOUTH WEST | 1 | 1 | 1 | 1 | 3 | 4 | 1 | 1 | 1 | 0.5 | 14.5 |
| 5048002 | SOUTH WEST | 1 | 2 | 1 | 1.5* | 3 | 3 | 1 | 1 | 1 | 0.5 | 15* |
| 5048003 | SOUTH WEST | 1 | 1 | 1 | 1.2* | 3 | 1 | 1 | 0.5 | 1 | 1.5 | 12.2* |
| 5048004 | SOUTH WEST | 1 | 2 | 1 | 1 | 3 | 2 | 3 | 2 | 2 | 1 | 18 |
| 5247001 | SOUTH WEST | 1 | 4 | 2 | 1.9* | 2 | 2 | 2 | 1 | 1 | 2 | 18.9* |
| 5247002 | SOUTH WEST | 1 | 3 | 1 | 1.6* | 3 | 1 | 1 | 1 | 1 | 2 | 15.6* |

* Imputed value based on average of other values for block group.

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| | Strong block groups | | Functioning block groups | | At risk block groups | | Distressed block groups |

## APPENDIX 2. INDIVIDUAL VARIABLE AND COMPOSITE BLOCK GROUP SCORES *(CONTINUED)*

| | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 5042001 | WEST END | 1 | 1 | 1 | | 2 | 1 | 1 | 1 | 1 | 1.5 | 10.5 |
| 5042002 | WEST END | 1 | | | | 2 | 3 | | | 2 | 2 | |
| 5042003 | WEST END | 2 | 2 | 1 | 2.5 | 2 | 1 | 1 | 0.5 | 2 | 1.5 | 15.5 |
| 5042004 | WEST END | 1 | | | | 2 | 1 | 3 | | 1 | 2 | |
| 5245011 | WEST END | 1 | 2 | 1.5 | 4 | 2 | 1 | 1 | 0.75* | 1 | 0.5 | 14.75* |
| 5245013 | WEST END | 2 | 1 | 0.5 | 2 | 3 | 1 | 1 | 0.75* | 2 | 1 | 14.25* |
| 5245021 | WEST END | 1 | 1 | 1.5 | 1.5 | 2 | 1 | 1 | 0.5 | 1 | 2 | 12.5 |
| 5245022 | WEST END | 2 | 1 | 1 | 1.3* | 1 | 2 | 1 | 0.5 | 1 | 2 | 12.8* |

* Imputed value based on average of other values for block group.

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| | Strong block groups | | Functioning block groups | | At risk block groups | | Distressed block groups |

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