

Neighborhood Stabilization Principles

- Comprehensive Plan – The community should have a strategy that determines areas of greatest need. Also, an understanding of the local housing market is critical to focusing on market recovery.
- Acquisition and Disposition Strategy – The unit of local government should have clean policies both for acquiring properties and the disposition process. Specifically, which properties will be acquired and held, which properties will be sold, and the time frame for holding properties. In this scenario, the local procedures should also outline the properties to be rehabilitated and the projected selling prices. Appropriate financing mechanisms for properties to be sold to eligible homebuyers should also include affordability gap assistance.
- Code Enforcement – Proactive regulatory strategies to minimize neighborhood destabilization. Any nuisance abatement strategy should include the necessary legal tools to force code compliance up to and including demolition. The use of housing or environmental courts can be a strong tool for ensuring maintenance of properties. In addition, property maintenance of vacant properties is critical to neighborhood stabilization. The use of a land bank can aid in this endeavor. Creation of a central maintenance system with standardized property maintenance protocols can also be an effective tool.
- Demolition Strategy – Similar to a decision process on when to rehabilitate properties is a need to make decisions on properties to be demolished. The strategy should focus on specific neighborhoods and the need to eliminate nuisances especially properties that threaten to further deteriorate a specific block. A critical element also consists of historic preservation as well as a deconstruction component to reuse and recycle building materials.
- Rehabilitation Strategy and Experience – The cost of rehabilitation is a critical element in determining which houses to renovate, especially if the projected sales price is markedly below the acquisition and rehabilitation expenses. Local staff or non-profits with specification writing experience are an important component to making decisions on specific properties. Using a neighborhood based non-profit or community housing development organization is a critical component of neighborhood stabilization. A non-profit with adequate capacity can facilitate acquisition and rehabilitation of properties and work in defined geographic areas of need. The unit of local government should also ensure that any rehabilitation activities incorporate energy efficiency (green principles) and utilize renewable energy technologies when possible.
- Rental Strategy – Stabilizing neighborhoods must involve a rental housing component. Rehabilitation of vacant and abandoned residential property and redevelopment of demolished or vacant structures into affordable rental housing serving households with incomes at or below 50 percent of the Area Median is critical to ensuring an adequate housing supply.
- Leveraging – The unit of local government should form partnerships with public, private, and non-profit entities to obtain additional resources. Included in this endeavor should be rehabilitation assistance of existing occupied single-family homes in the targeted areas.
- Neighborhood Development Task Force – Various departments and offices within the unit of local government should coordinate to ensure effective linkages and strategies for neighborhood stabilization activities. Included in the process should be a neighborhood safety component to ensure that residents have a level of comfort in the area.