



Welcome to Middle Neighborhoods

A growing national movement to address the trends undermining the household wealth of millions of middle Americans, and the long-term viability of cities.

Welcome

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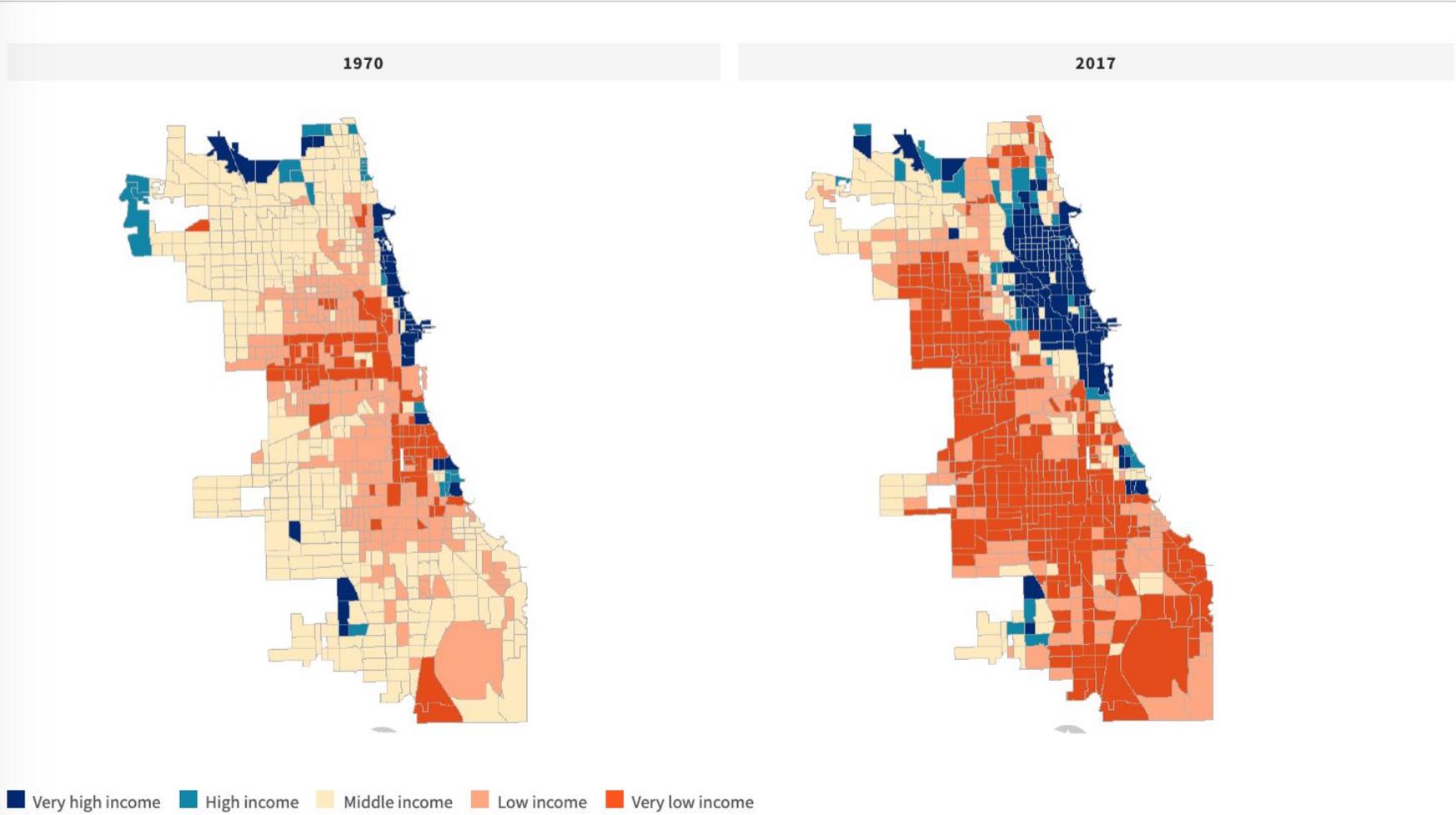


CAUGHT IN THE MIDDLE

What are Middle Neighborhoods?

- Middle neighborhoods are neither healthy and thriving, nor overtly distressed
- Long seen as stable communities for middle and working class families, today many middle neighborhoods are on the edge of growth or decline
- As a result of demographic, socioeconomic, and market trends in regions across the country, middle neighborhoods are steadily disappearing
- Despite their prevalence in America's cities and suburbs, middle neighborhoods tend to be overlooked by national and local policymakers and philanthropies

Change in Income of Chicago Census Tracts 1970-2017



Maps show average individual income by census tract.

Source: *Voorhees Center, University of Illinois at Chicago*



Characteristics of Middle Neighborhoods

- Mostly single-family homes built for families with children.
- Still well more than 50% owner-occupied, but slowly eroding.
- Housing stock is aging, still in generally acceptable condition, but often lacks features and updates to compete well for today's homebuyers.
- More racially, ethnically and economically diverse.



Many Middle Neighborhoods Are Faltering In Their Sustainability

- Ability to ***reliably attract replacement owner occupants*** and other neighborhood-friendly buyers
- Ability to ***generate home values that support quality maintenance***, repairs and updates without appraisal gaps
- Ability to ***repel irresponsible investors***
- Ability to ***maintain engaged residents taking stewardship*** of the neighborhood
- Ability to ***deliver home equity to owners and revenue to municipal government***



Some Middle Neighborhoods Are Facing Gentrification and Displacement

- Regions with strong economies and/or housing supply shortages
- Loss of affordable housing
- Risk displacement of lower-income renters, homeowners, and commercial tenants.
- A critical opportunity to:
 - Ensure that existing residents and businesses share in the community's growing prosperity.
 - Preserve affordable housing before it is lost.



ON THE EDGE

AMERICA'S MIDDLE NEIGHBORHOODS



Paul C. Brophy, Editor

- These concerns led a group of researchers, practitioners and policymakers to write a book: *On the Edge: America's Middle Neighborhoods*.
- Dialogue and organizing surrounding the book launched a movement in multiple cities and suburbs to protect middle neighborhoods from the negative effects of gentrification or decline.
- This agenda was further developed at national convenings in 2017 and 2018. In 2017, a Community of Practice was also formed to facilitate peer learning among Middle Neighborhoods practitioners.

Middle Neighborhoods Initiative

A **National Initiative** focused on mobilizing attention to reverse the disappearance of middle neighborhoods through decline or gentrification. The initiative does this through

- A **Community of Practice** that facilitates peer-to-peer learning among middle neighborhood practitioners. The CoP connects more than 800 practitioners, policymakers and researchers to each other through webinars, events, case studies, newsletters, and virtual site visits.
- **Research** into topics relevant to middle neighborhood practitioners and policymakers.
- **Policy analysis and advocacy** around housing, lending and other community development issues.
- **Communications** strategies to advance awareness and technical knowledge among a wide variety of audiences.

The initiative is coordinated by the **National Community Stabilization Trust** and **NeighborWorks America** and is advised by a **Steering Committee** of 20 prominent researchers, practitioners, and policy makers.



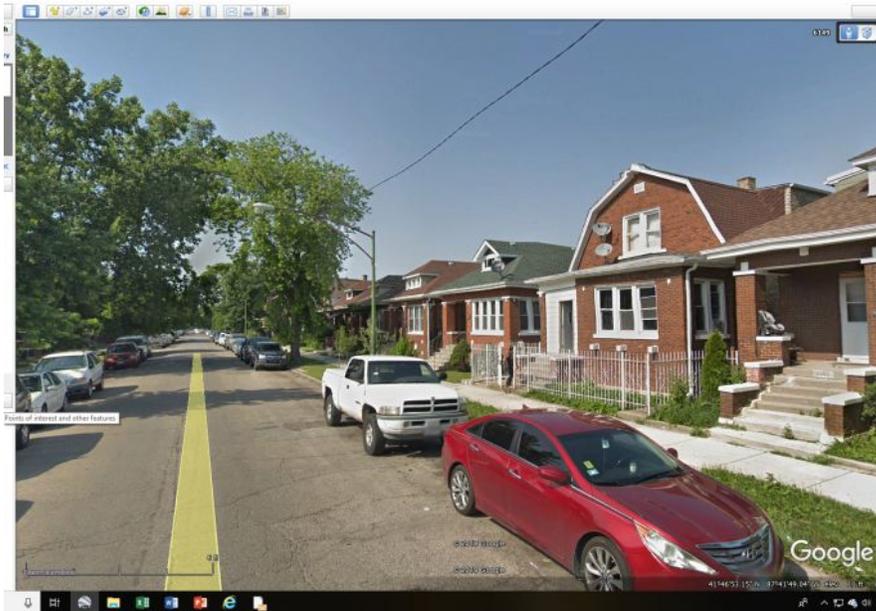


Des Moines

Home values: \$80,000-\$180,000 across four target neighborhoods.



The 8500 block of South Rhodes Avenue, in Chicago's Chatham neighborhood.



Chicago

Single-Family median sales price approximately \$60,000 to \$85,000 (to \$140,000 in 2020) across four Greater Chatham neighborhoods.



Cleveland

Prices range from \$80,000 to \$140,000 in Old Brooklyn.

In the Southwest: Arlington and Lubbock



Arlington, Texas 3B/2Bath

\$220,000



Lubbock, Texas 3B/2Bath

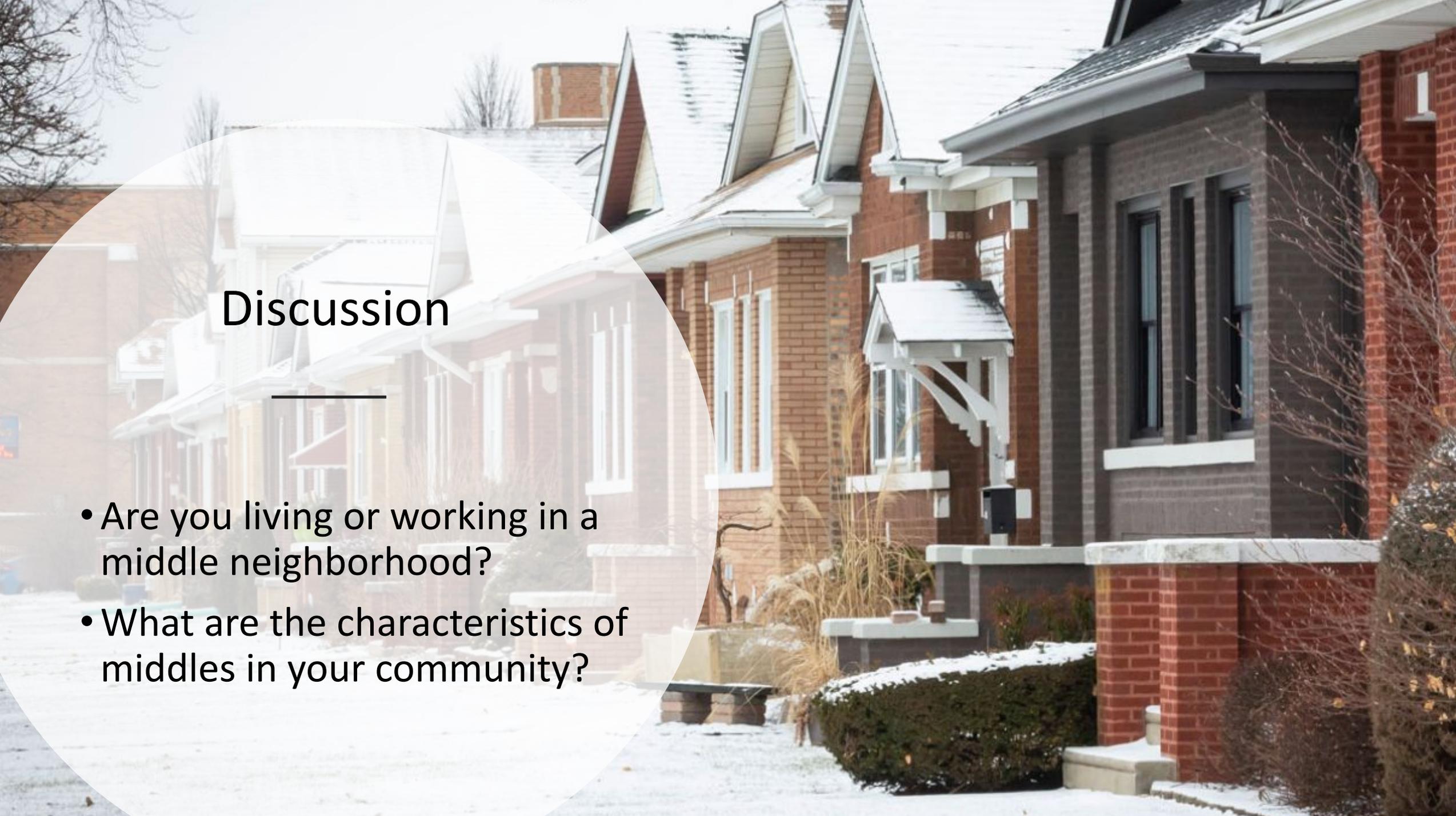
\$245,000



Las Vegas and Albuquerque

Phoenix and Fresno



A photograph of a row of brick houses in a snowy winter setting. The houses have gabled roofs with snow on them. The foreground shows a snow-covered lawn and some bushes. A large white circle is overlaid on the left side of the image, containing the text 'Discussion' and a list of two bullet points.

Discussion

- Are you living or working in a middle neighborhood?
- What are the characteristics of middles in your community?

A photograph of a two-story tan house with a gabled roof and a chain-link fence in the foreground. The house has white window frames and a small porch. The background shows a blue sky with some clouds and green trees. The text is overlaid in white on the image.

Do You/Why Do You Think
Middle Neighborhoods
Matter in Your Community?



Why Middle Neighborhoods Matter

- Almost half of all urban residents in the US live in middle neighborhoods. (RF)
- There is substantial home equity in these neighborhoods, the household wealth of many families.
- They are a place of diversity in cities and keep them from becoming nothing but rich and poor.
- Middle neighborhoods generate a large part of tax revenue for city governments.
- Their housing stock is naturally affordable and often well-built, and the neighborhoods usually have unique amenities like big parks and community institutions. Often naturally walkable.



Trends Working Against Middle Neighborhoods



Growing inequality and labor market trends

- Since the 1970s, our nation's income distribution has become increasingly unequal and polarized. As a result, there are fewer middle-income households.
- Over the same period, segregation by income has increased.
- Longstanding decline of middle-class industrial jobs.



Changing household demographics

- Decline in the share of households that are married couples with children.
- Growth in younger, highly educated, often childless households has not fully replaced the eroding family base.
- High-paying jobs increasingly held by non-City residents.
- Looking across regions, growth and prosperity have become increasingly concentrated in a small number of metropolitan areas.

Older housing stock and market pressures

- Deferred maintenance and updates needed to remain competitive for choices of homebuyers.
- Mismatch of bed-bath configurations and other amenities to current homebuyer preferences.
- In weaker markets, erosion of housing values creates appraisal gaps that limit capital for updates.
- In stronger markets, moderate-income homebuyers have difficulty competing against investors and high-income homebuyers.





Pop Quiz

Which of the following statements is FALSE in middle neighborhoods?

- A. Deferred maintenance is often a problem
- B. Most homes have 3-4 bedrooms and 2 bathrooms
- C. Many first-time buyers are unable to compete against investors, high-income or cash buyers
- D. The appraisal gap is an issue and negatively affects borrowing power



Middle Neighborhood Trends in the Desert Southwest: A First Look

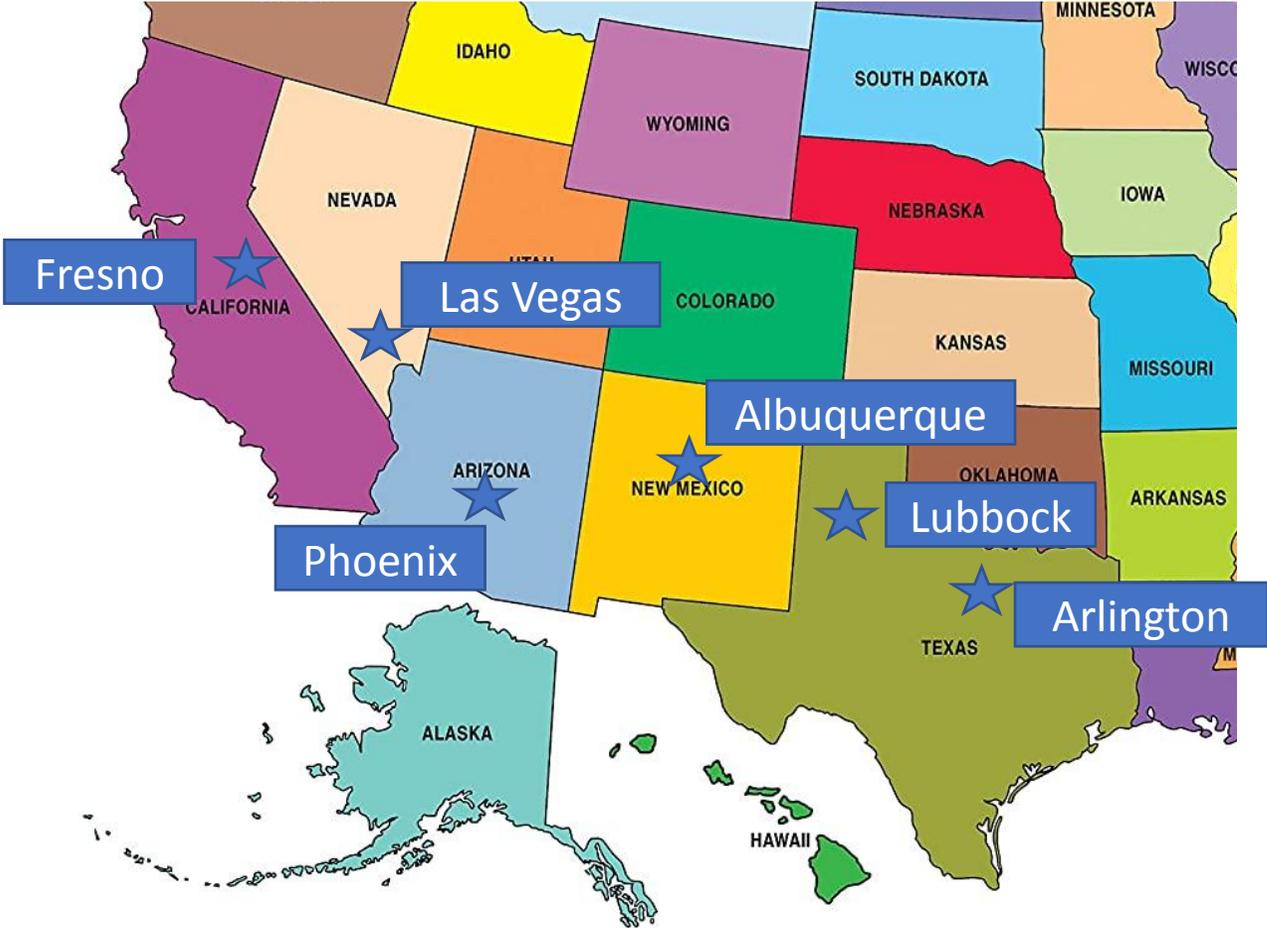


Why this study of Southwestern middles?

- The middle neighborhoods movement started growing from the northeast, especially legacy cities.
- We are young movement and most of our members are in the Northeast and Midwest.
- We want to learn about middles in places with very different economies and demographics.
- We want to learn how the initiative can be useful to middles in the Southwest.

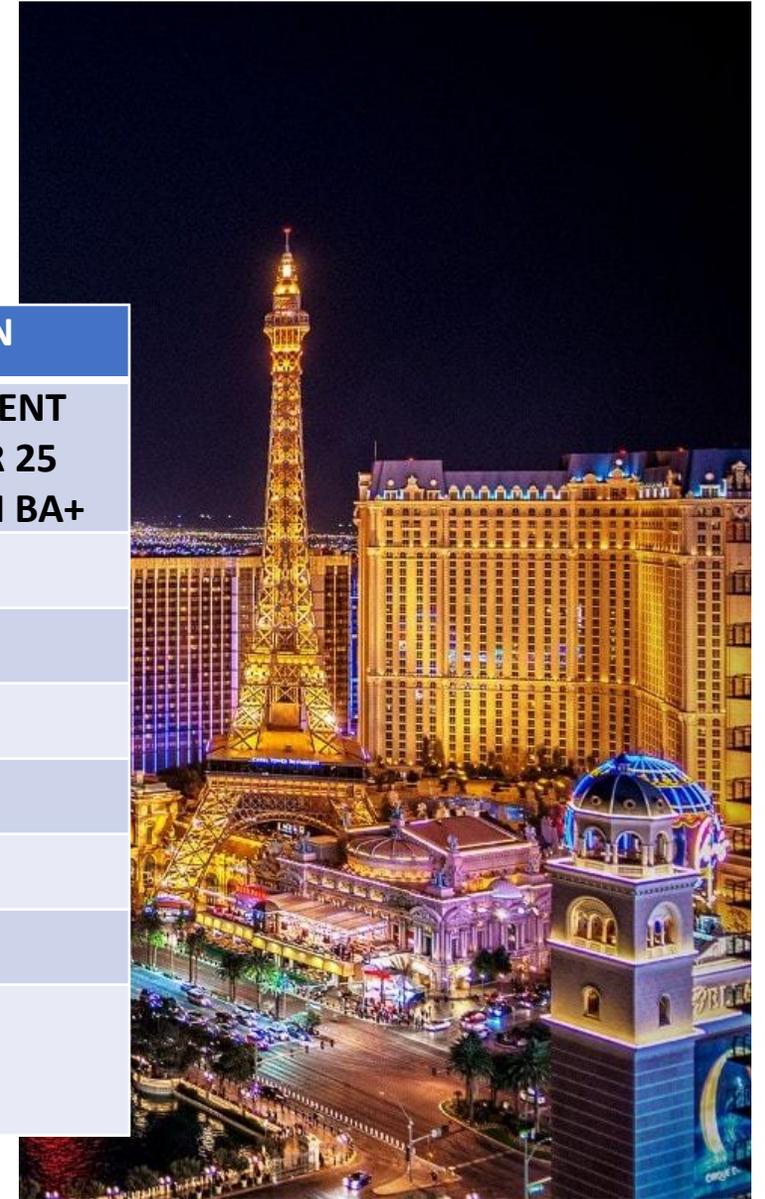
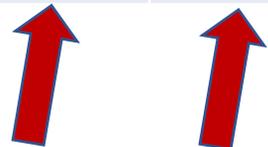
The cities we looked at

	2020 CENSUS POPULATION	INCREASE FROM 2010
Phoenix	1,608,139	11%
Las Vegas	641,903	10%
Albuquerque	564,559	3%
Fresno	542,629	10%
Arlington	394,266	8%
Lubbock	257,141	12%

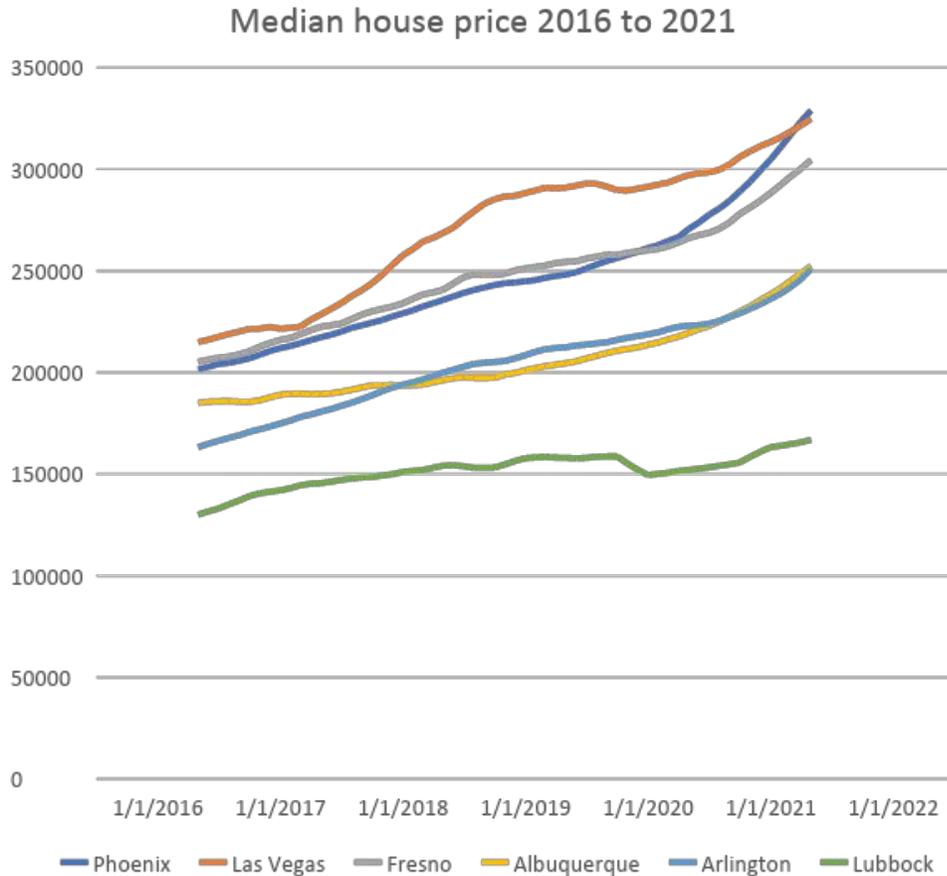


City characteristics

	RACE AND ETHNICITY			POVERTY AND INCOME		AGE AND EDUCATION	
	ASIAN	BLACK	LATINX	MEDIAN HH INCOME	PERCENT IN POVERTY	PERCENT AGE 65 OR OVER	PERCENT OVER 25 WITH BA+
Albuquerque	2%	3%	49%	\$52,911	17%	16%	35%
Arlington	7%	23%	30%	\$60,571	15%	10%	30%
Fresno	14%	7%	50%	\$50,432	25%	11%	22%
Las Vegas	7%	12%	33%	\$56,354	15%	15%	25%
Lubbock	3%	8%	36%	\$50,453	20%	12%	32%
Phoenix	4%	7%	43%	\$57,459	18%	11%	29%
UNITED STATES	6%	13%	18%	\$62,843	13%	16%	32%



Housing market



One year house price trend

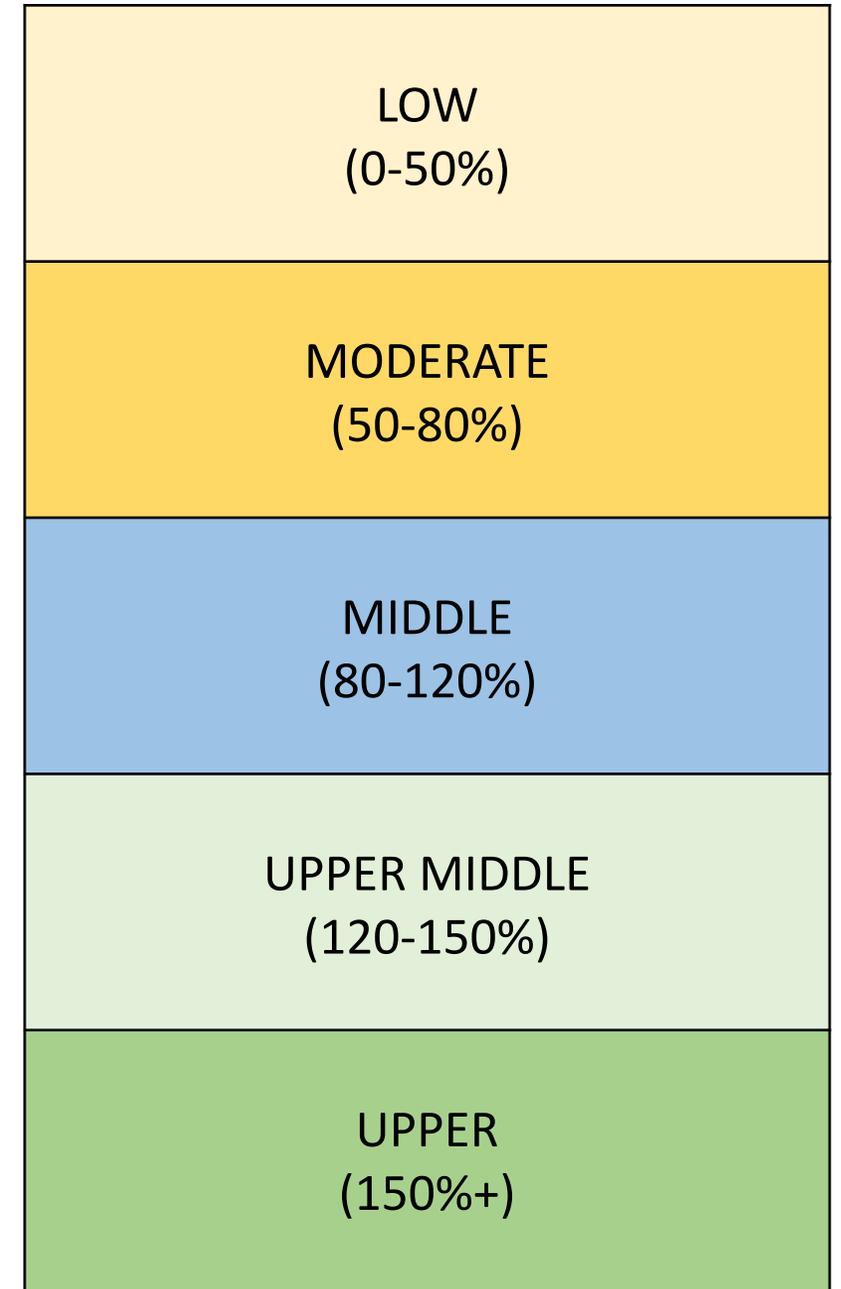
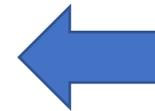
	4 30 20	4 30 21	INCREASE
Phoenix	\$ 270,541	\$ 328,883	21.6%
Las Vegas	\$ 297,068	\$ 324,738	9.3%
Fresno	\$ 266,073	\$ 304,566	14.5%
Albuquerque	\$ 219,347	\$ 252,410	15.1%
Arlington	\$ 222,958	\$ 251,065	12.6%
Lubbock	\$ 152,024	\$ 166,821	9.7%



Source: Zillow

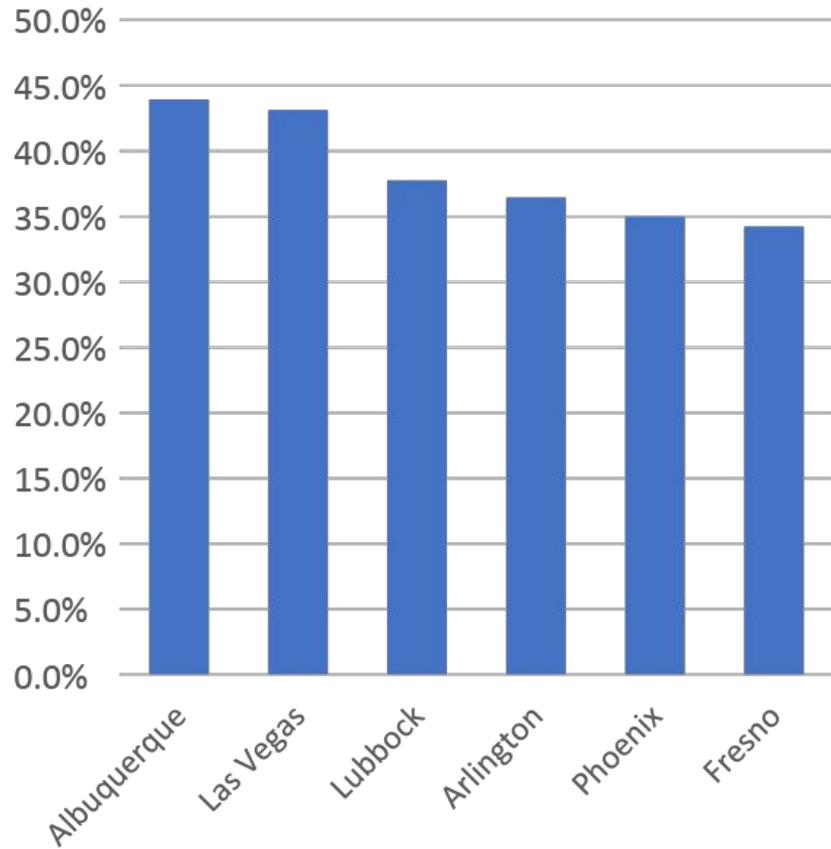
What is a middle neighborhood?

PHOENIX	2000	2019
0-50%	\$0 to \$20603	\$0 to \$28719
50-80%	\$20604 to \$32965	\$28720 to \$45951
80-120%	\$32966 to \$49448	\$45952 to \$68926
120-150%	\$49449 to \$61810	\$68927 to \$86158
150%+	\$68111+	\$86159+
CITY MEDIAN	\$41207	\$57439

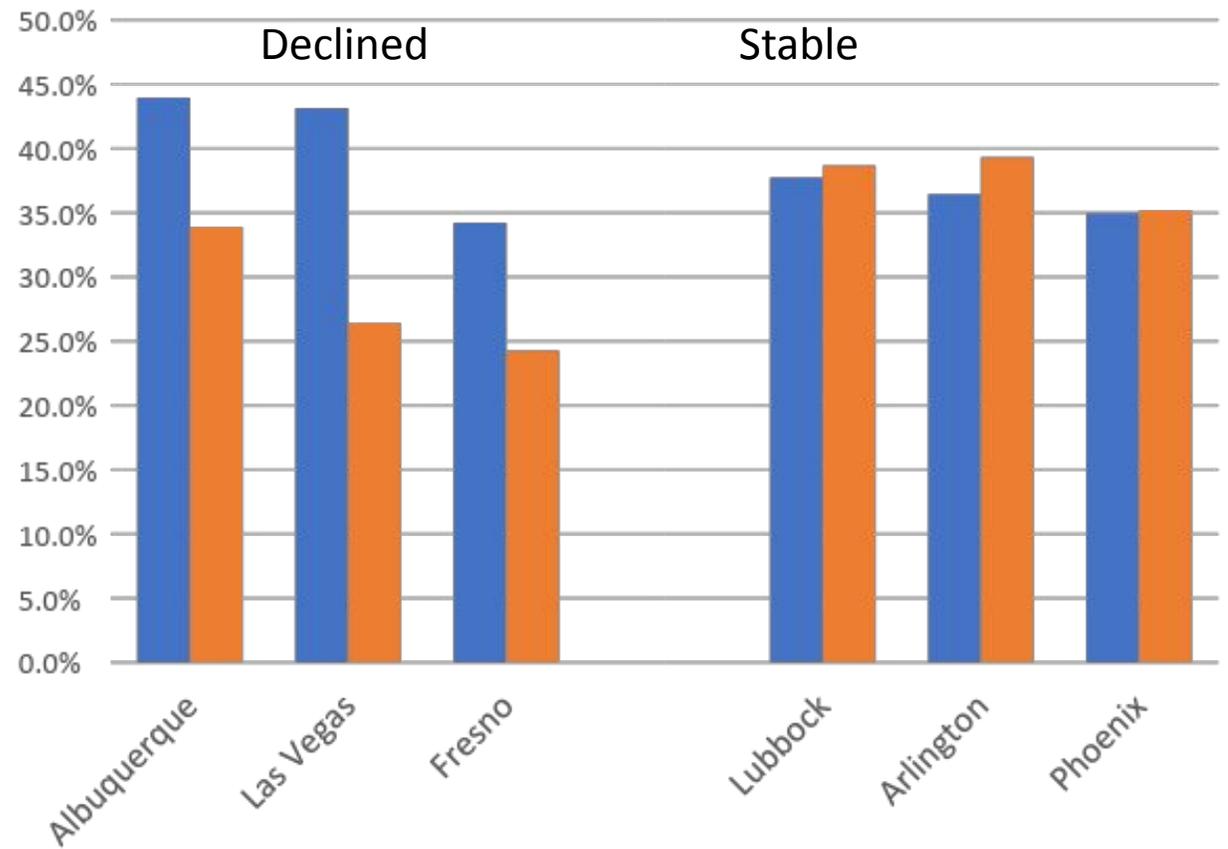


Population share in middle neighborhoods

Middle neighborhood share in 2000

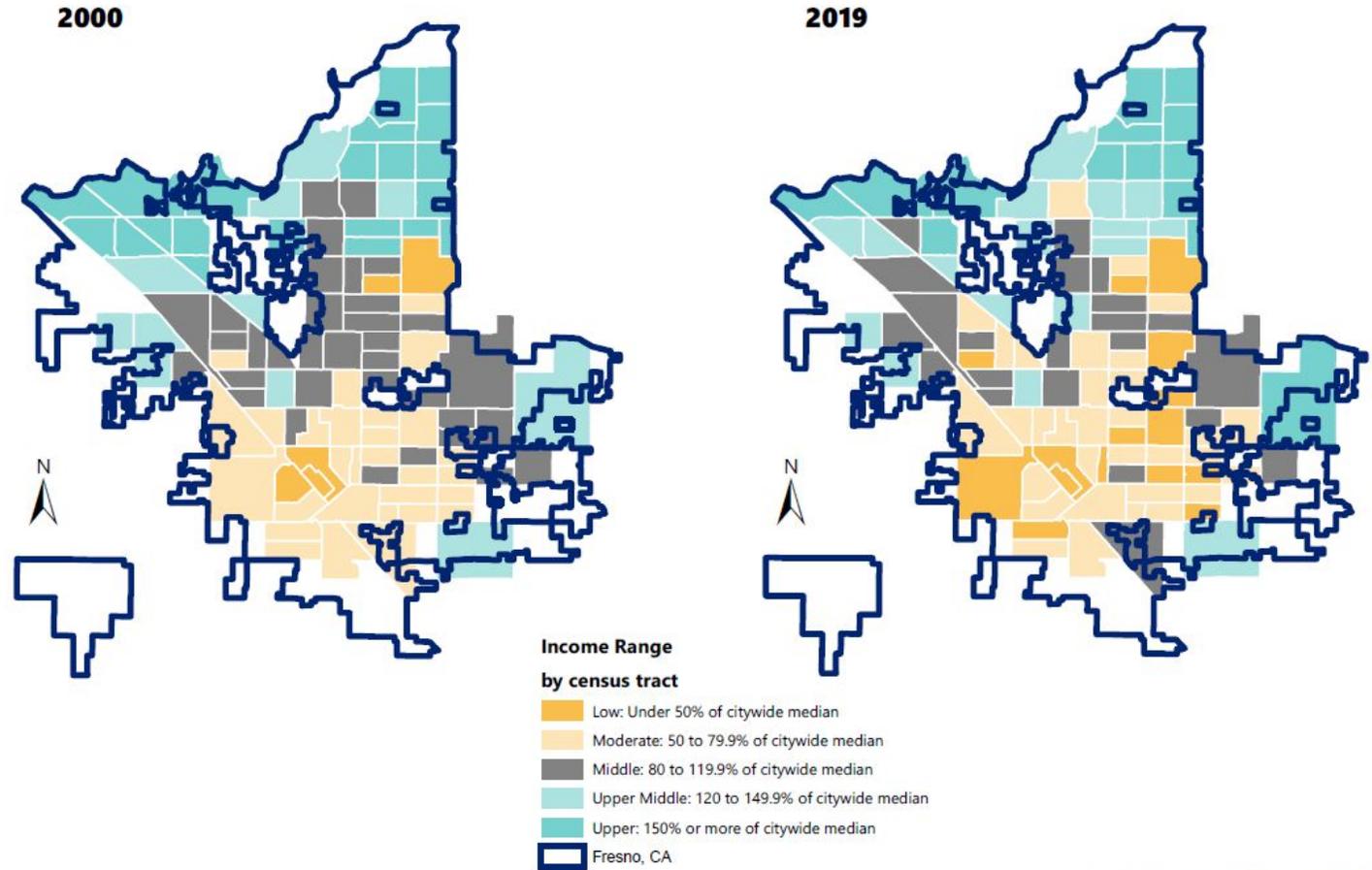
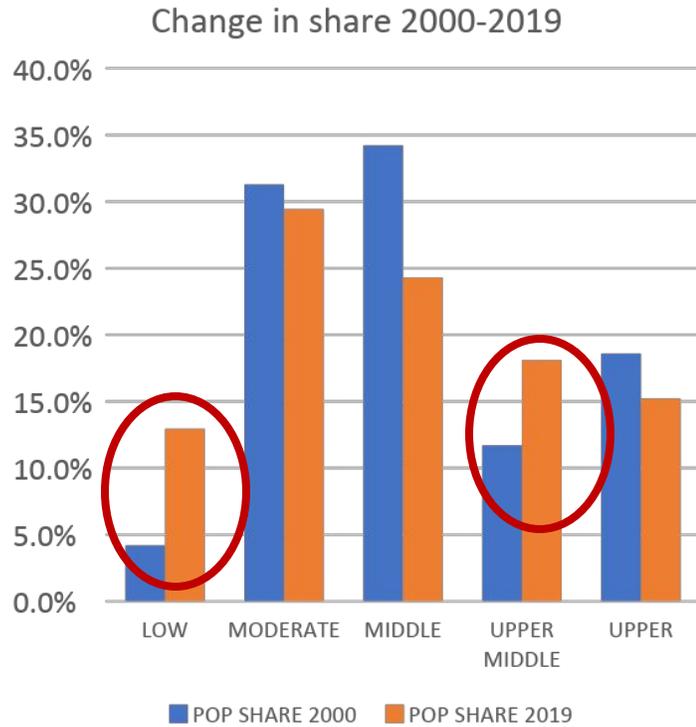


In 2019



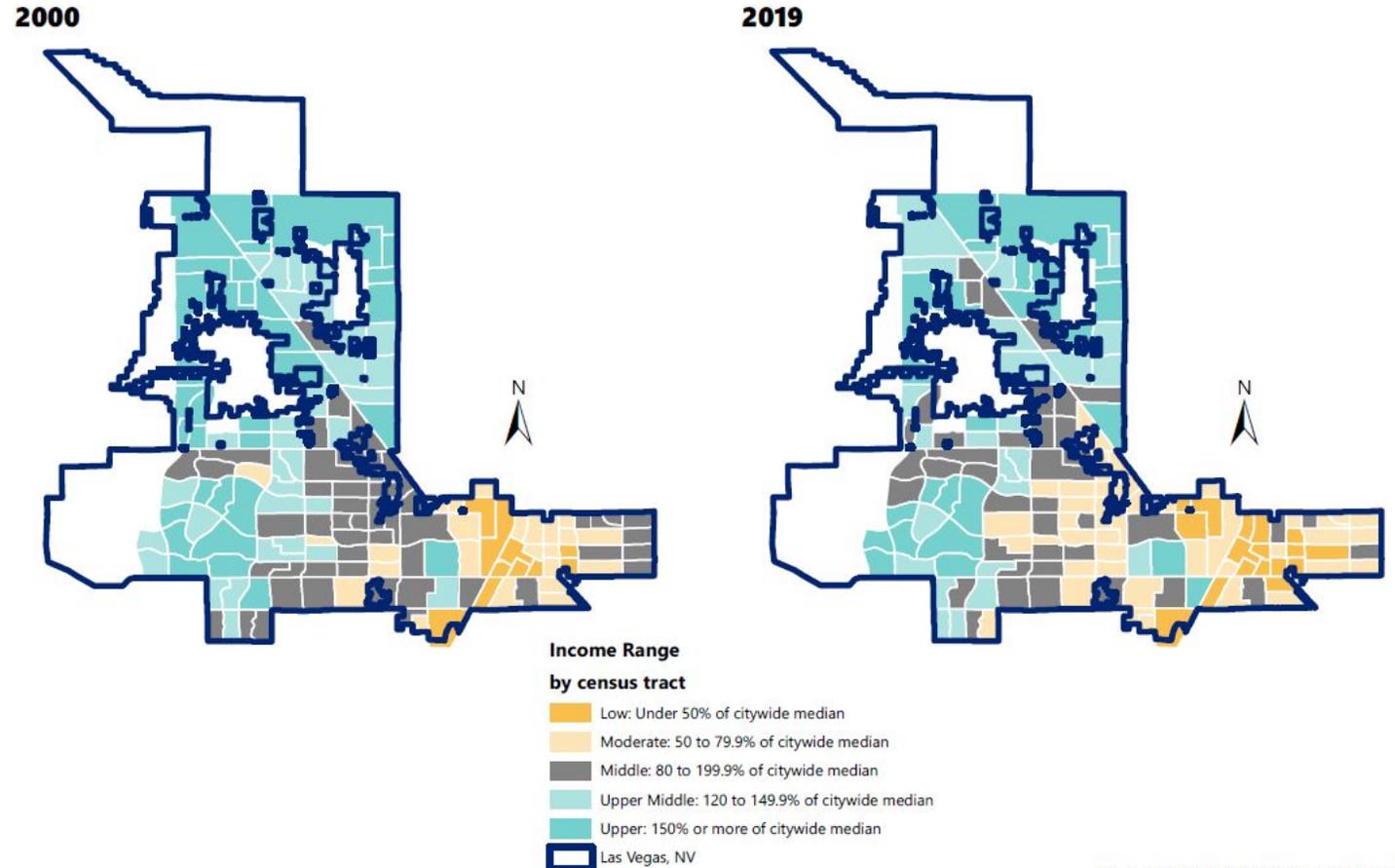
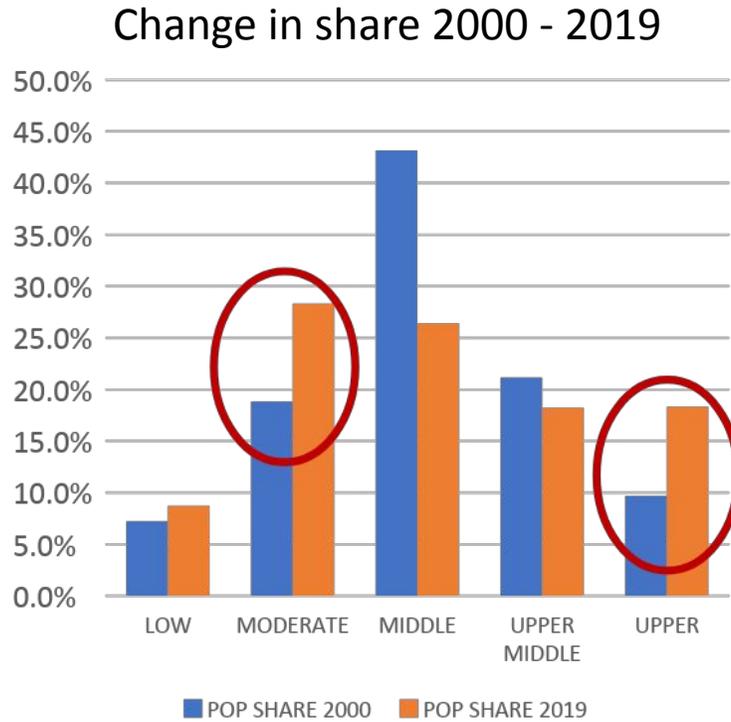
Fresno

Fresno, CA Median Income as a percentage of Citywide Median Income, 2000 & 2019

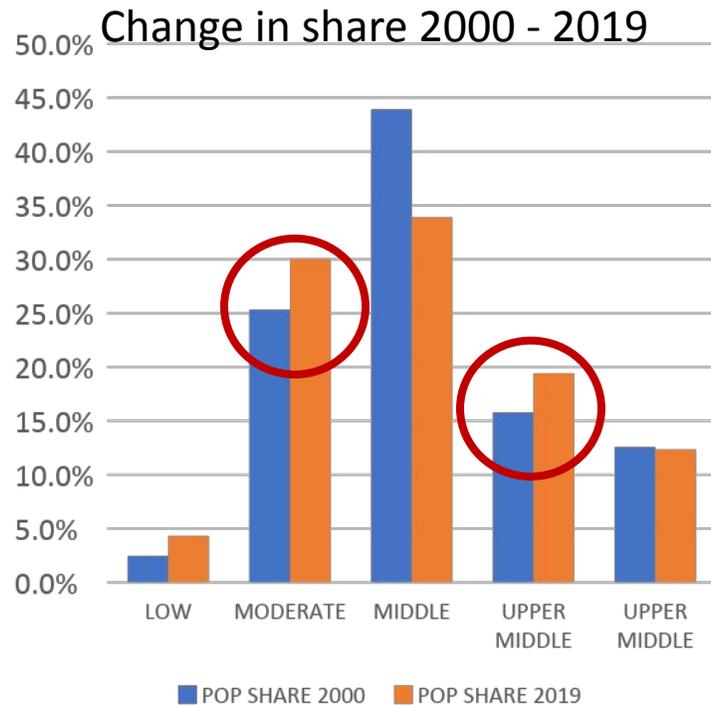


Las Vegas

Las Vegas, NV Median Income as a percentage of Citywide Median Income, 2000 & 2019



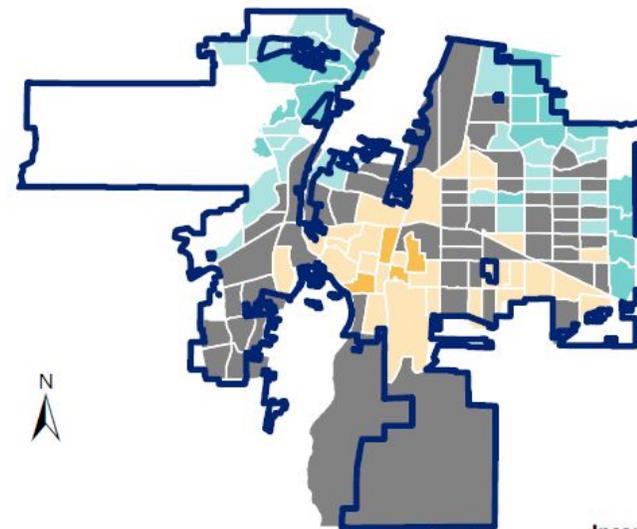
Albuquerque



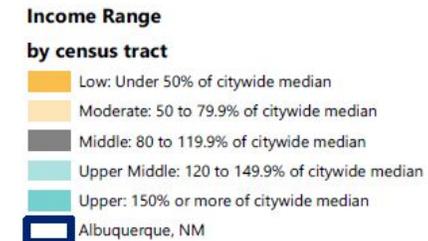
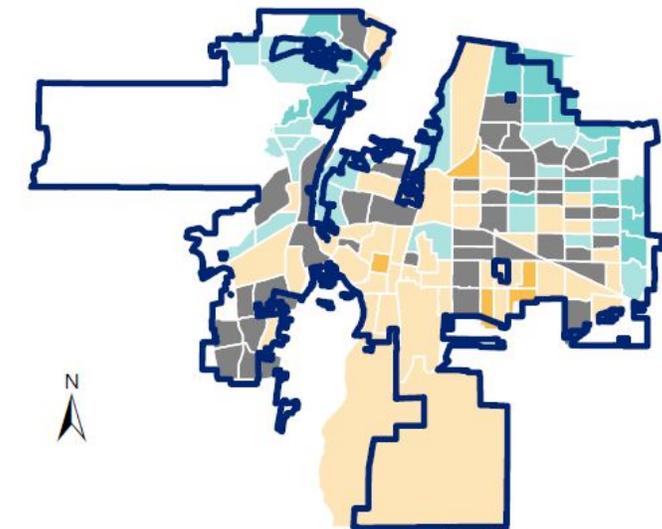
Albuquerque, NM

Median Income as a percentage of Citywide Median Income, 2000 & 2019

2000

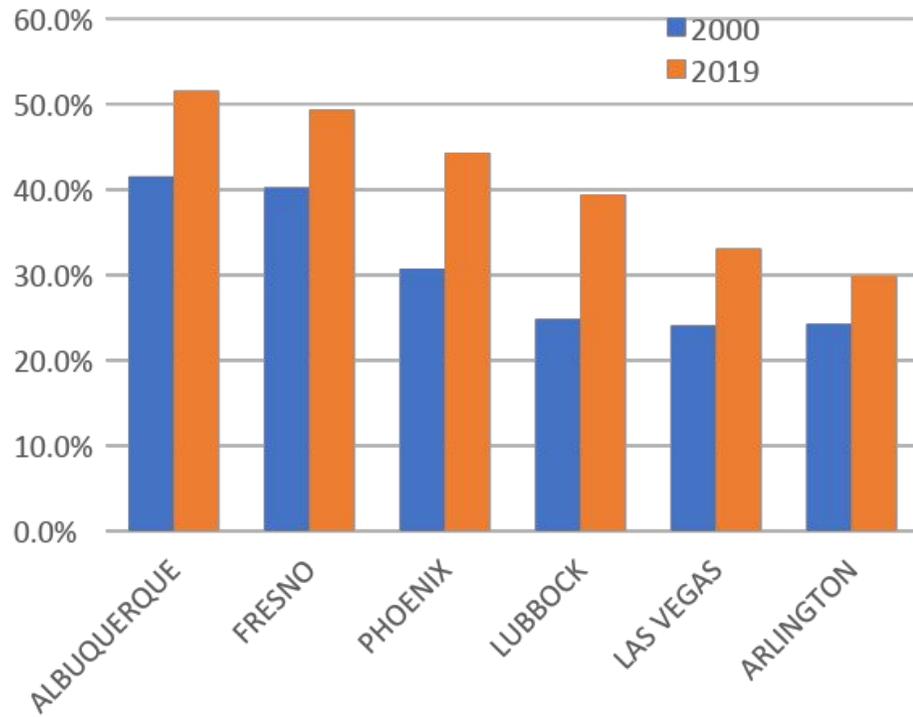


2019

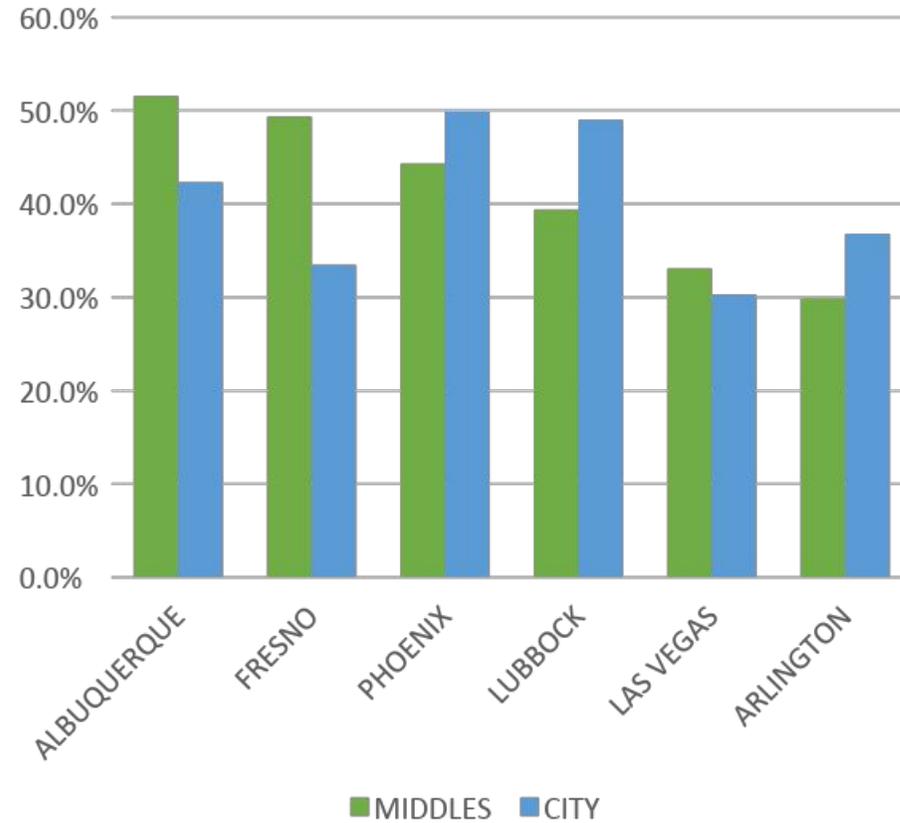


City and middle neighborhood populations are increasingly Latinx

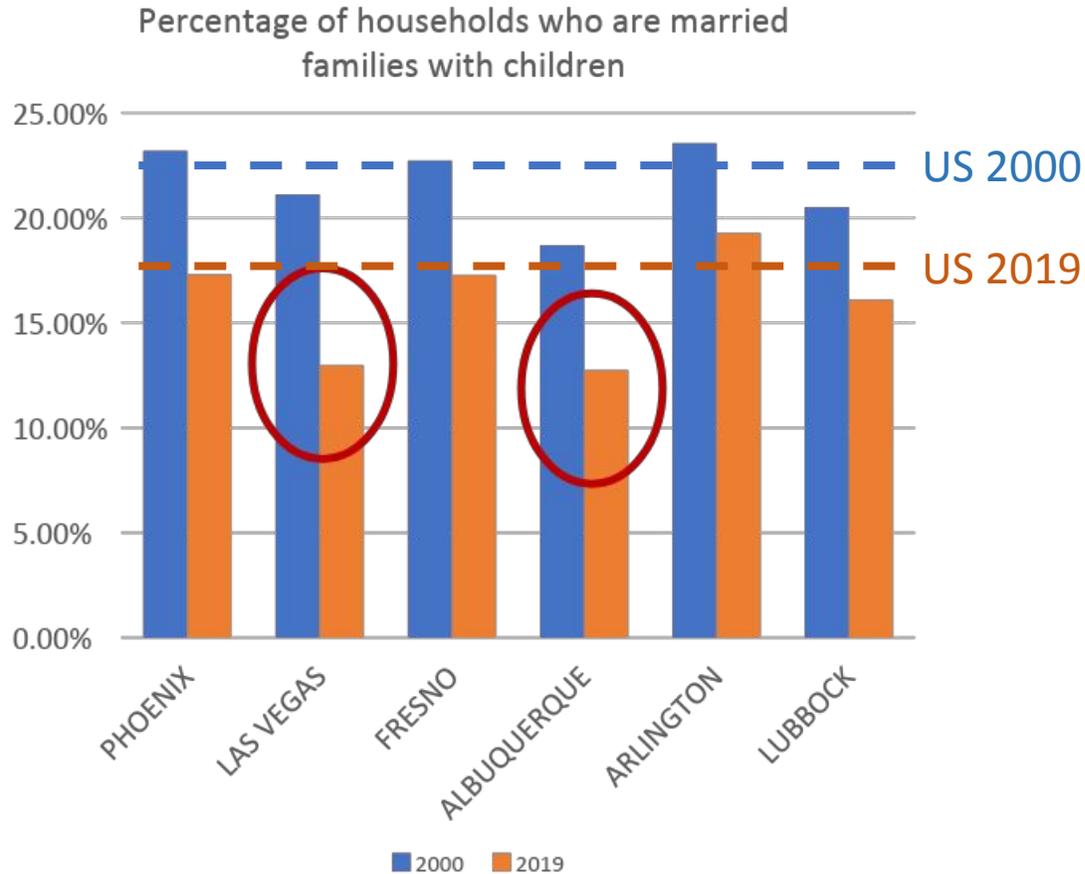
Latinx population share in middle neighborhoods:
2000 and 2019



Latinx population share: middles and citywide
2019

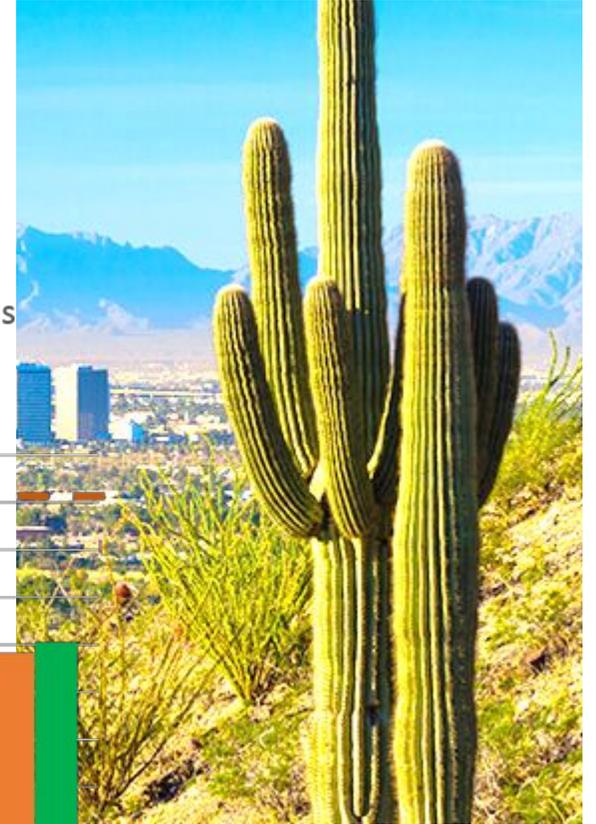
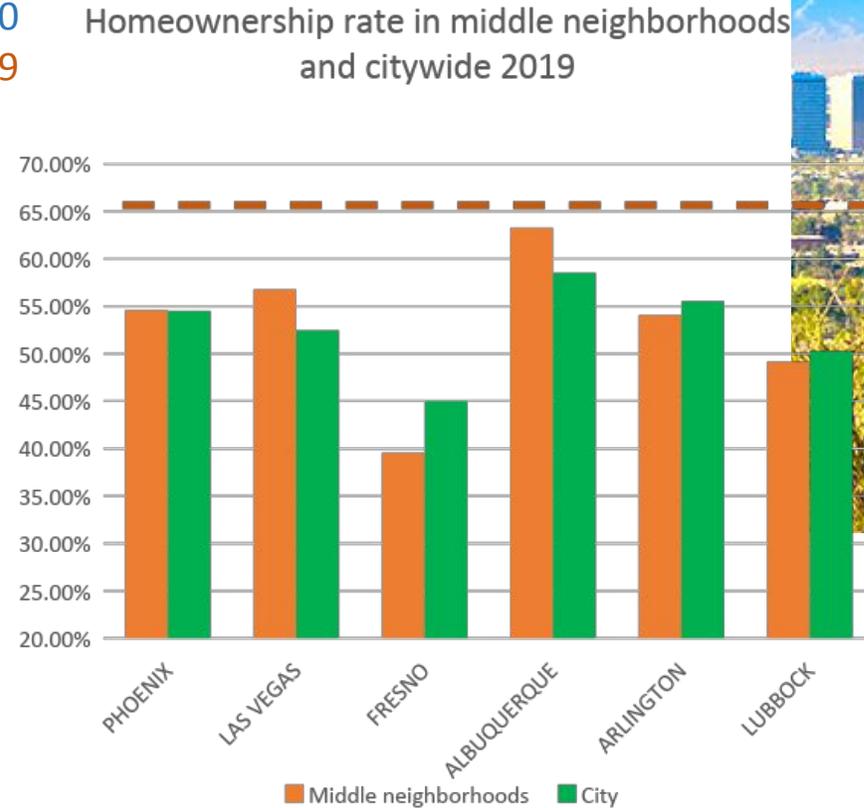
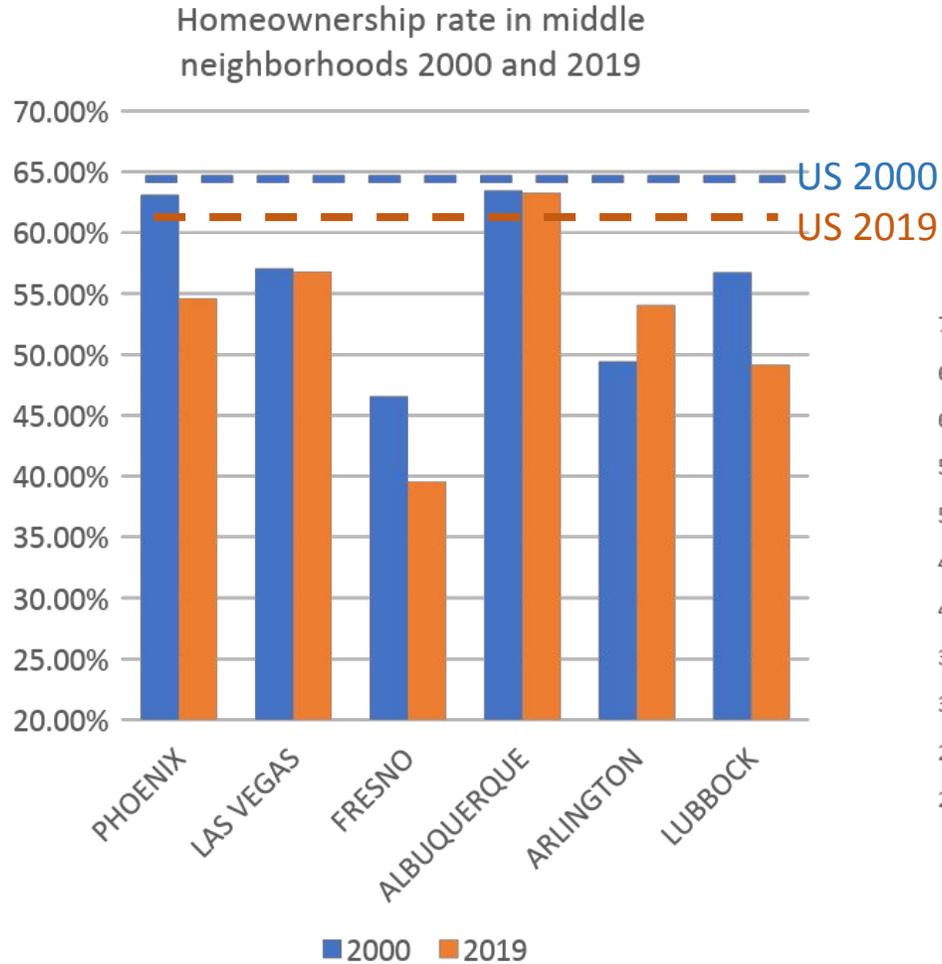


The share of married families with children in middle neighborhoods is declining



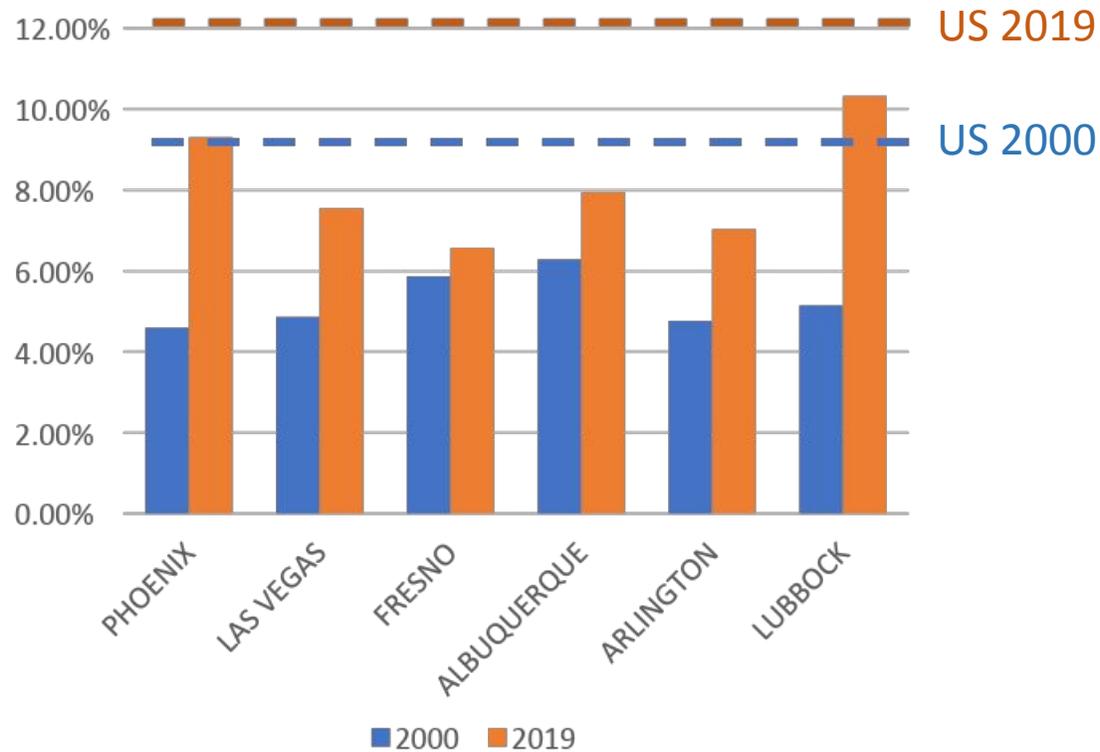
Implication: Less household income to maintain property, less time to engage in community matters, possibly different needs from government.

Homeownership rates in Southwest are generally below national levels

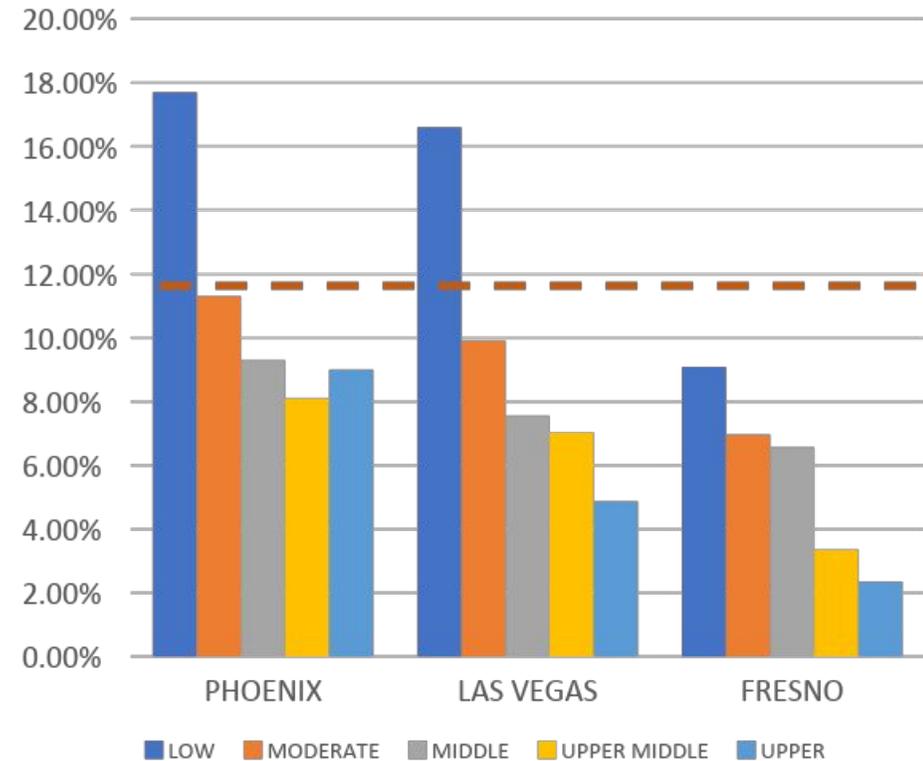


Vacancy rates are rising but still well below national levels

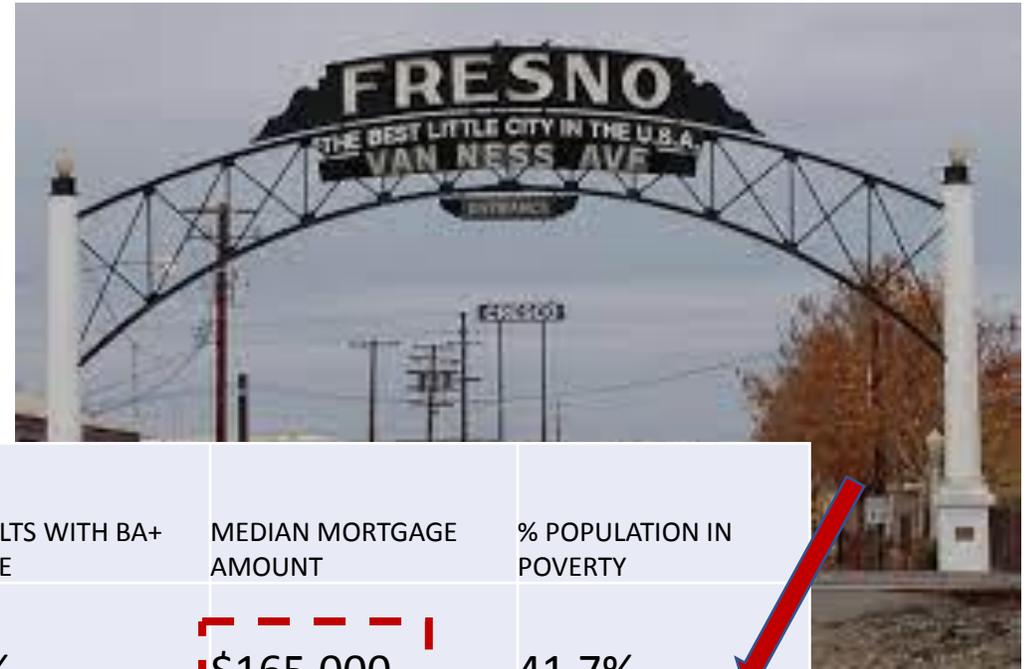
Vacancy rate in middle neighborhoods
2000 and 2019



Vacancy rate by neighborhood category 2019



Drilling down in Fresno



	% POPULATION 65+	% POPULATION FOREIGN-BORN	% HOUSEHOLDS SINGLE WOMEN WITH CHILDREN	% NON-FAMILY HOUSEHOLDS	% ADULTS WITH BA+ DEGREE	MEDIAN MORTGAGE AMOUNT	% POPULATION IN POVERTY
LOW	9.5%	24.6%	16.2%	39.0%	4.1%	\$165,000	41.7%
MODERATE	8.3%	20.5%	14.2%	25.9%	4.7%	\$172,500	33.3%
MIDDLE	14.0%	24.3%	15.2%	47.6%	16.0%	\$195,000	30.0%
UPPER MIDDLE	10.6%	13.0%	6.2%	21.6%	13.0%	\$255,000	11.1%
UPPER	15.1%	16.4%	6.9%	26.7%	32.4%	\$315,000	6.1%
FRESNO	11.3%	20.0%	12.0%	32.2%	13.1%	\$195,000	25.4%

Some key takeaways

- There is no consistent pattern to middle neighborhood trends in desert Southwest cities, as there is in midwestern or Eastern cities: some cities are showing declines, others are stable.
- Middle neighborhoods are increasingly diverse and may represent a zone of opportunity for upwardly mobile Latinx households.
- Low or declining homeownership rates are in issue in some cities, but not all.
- Vacancy rates are rising, but usually not to problematic levels.
- Declines in the number of child-rearing married-couple households, historically an important market for middle neighborhoods, are an issue in some cities.

Thoughts for local officials and NGOs

- Track middle neighborhood trends and develop 'early warning' metrics to identify threats to stability.
- Encourage stable home ownership through capital access and partnerships with NGOs.
- Strengthen markets with curb appeal, services and amenities.
- Foster neighborhood identity and engagement.

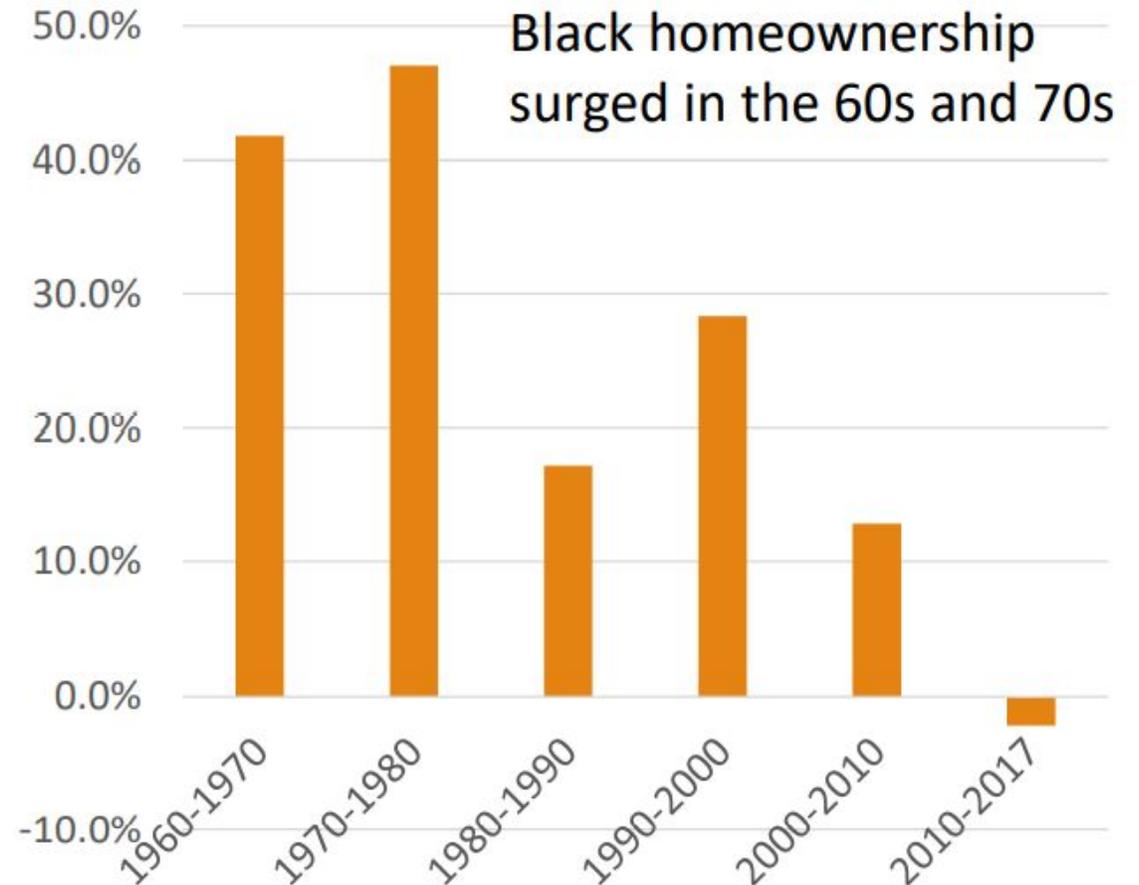




Trends Affecting Black Middle Neighborhoods

The origins of legacy city Black middle neighborhoods

- Poor housing conditions
- Pent-up homeownership demand
- Removal of (some) barriers of discrimination
- White flight ➡ opportunity

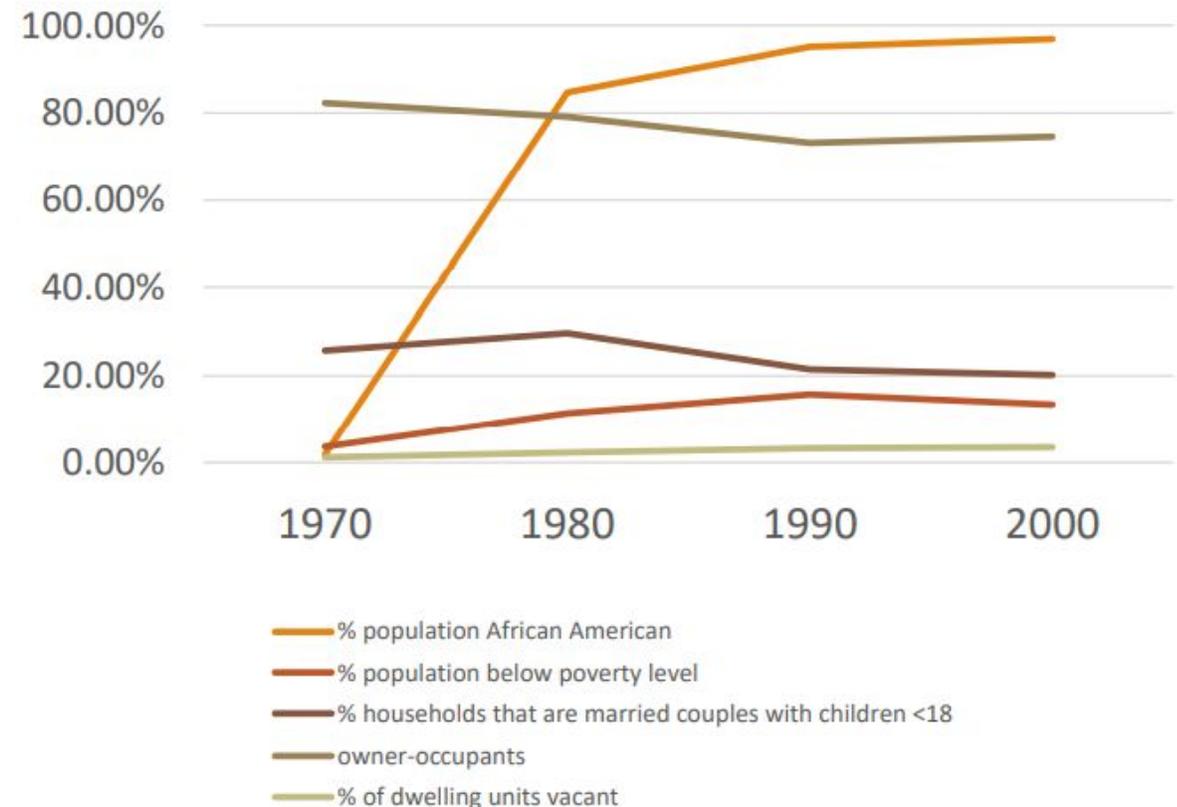


Black middle neighborhoods went through stresses, but generally held together until 2000

Stress factors:

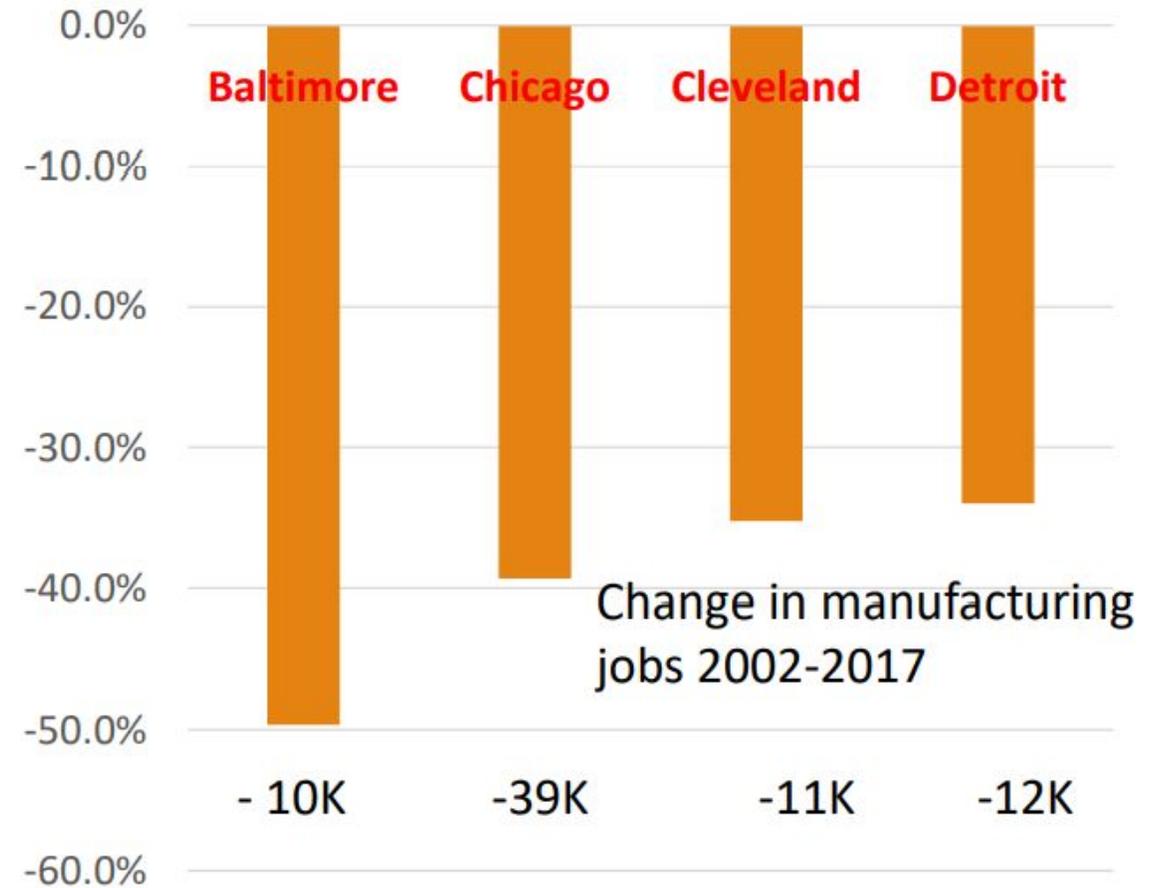
- Loss of well-paying manufacturing jobs
- Crack epidemic
- Incarceration
- Deteriorating public services

Crary-St. Mary's 1970 to 2000

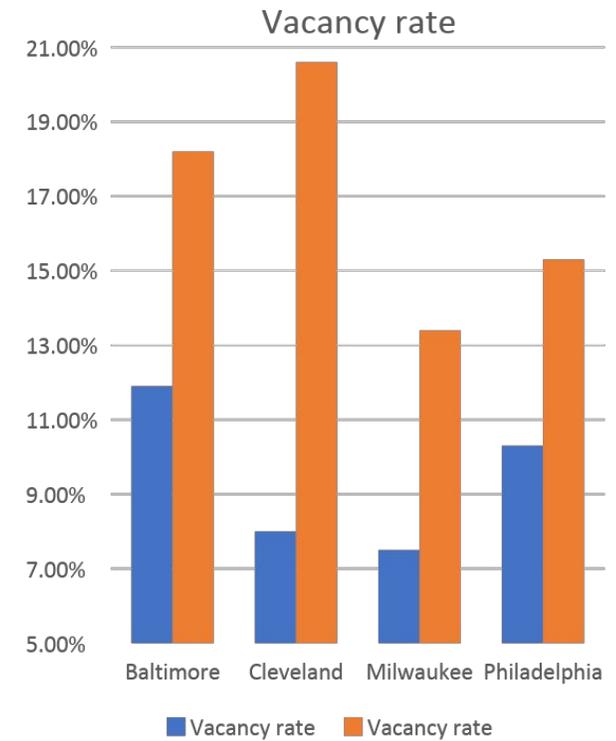
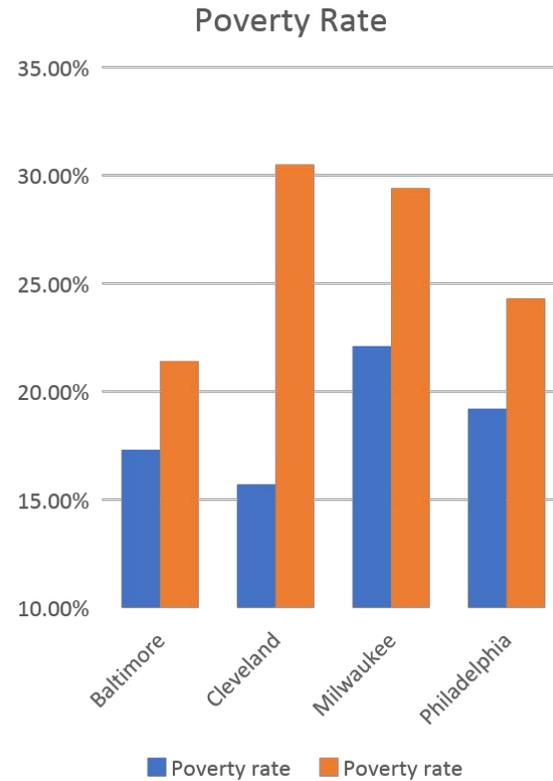
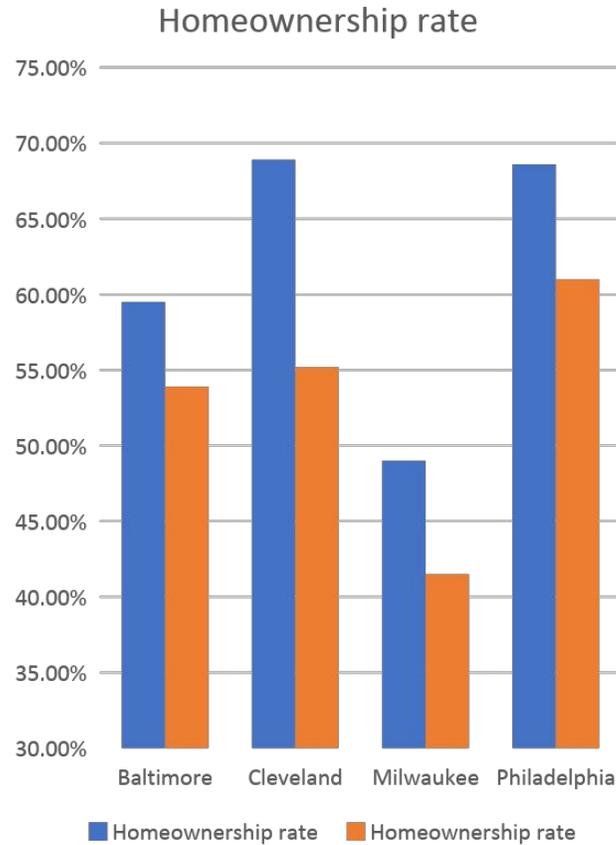


After 2000, things started to fall apart. Why?

- Continued loss of manufacturing jobs
- Subprime and predatory lending
- Foreclosures and loss of wealth
- Loss of homeownership
- Suburbanization



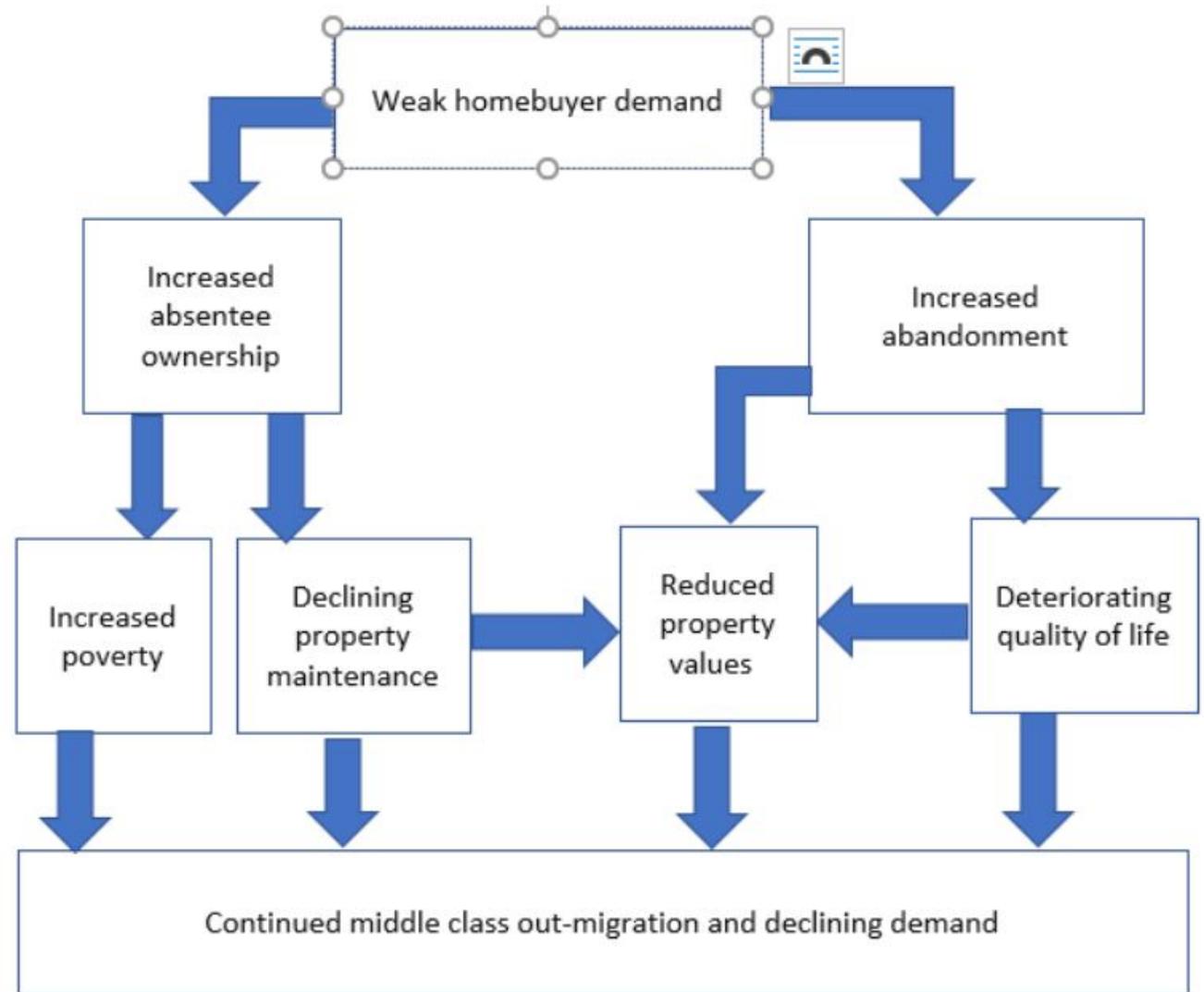
Change in middle neighborhood indicators 2000 to 2018



Source: Alan Mallach, "Meeting the challenge of Black middle neighborhoods in legacy cities"

What does this mean?

- Too few homebuyers to absorb supply
- Investors buy some houses, but many others remain vacant
- Property values stay low
- These changes trigger a vicious cycle of decline



Some of the factors that drive low demand in Black middle neighborhoods



- Low expectations of equity growth
- Difficulty accessing capital for homebuyers
- Obsolete housing stock
- Public safety (real and/or perceived)
- School quality (real and/or perceived)
- Racially-driven homebuying decisions by non-Black buyers



Learning Check

After 2000, decline in Black middle neighborhoods was due to:

- A. Subprime and predatory lending
- B. Loss of jobs
- C. Foreclosures and loss of wealth
- D. Loss of homeownership
- E. Suburbanization
- F. All of the above were factors in neighborhood decline



What's Being Done About Middle Neighborhoods



Research

- NCST recently launched a free mapping tool to assist in identifying middle neighborhoods. middleneighborhoods.org/defining-middle-neighborhoods-a-map-based-tool/
- Alan Mallach's research agenda with the Lincoln Institute focuses on middle neighborhoods in legacy cities and Black middle neighborhoods in particular.
- The National Steering Committee and CoP each count prominent researchers among their members.



Policy

- Local governments are investing in middle neighborhoods in new ways with new sources of funds, expecting ROI in tax revenue.
- NCST is researching and developing policy proposals for supporting and investing in middle neighborhoods.
- The Middle Neighborhoods Steering Committee and the CoP are connecting researchers and practitioners with policymakers to raise awareness, and craft and share better policy.
- The Neighborhood Homes Investment Act is proposed federal legislation that would create a federal tax credit to generate equity investment for the development and renovation of 1-4 family housing in neighborhoods where appraisal gap is an issue. This could benefit many middle neighborhoods.

Practice

Actors

Local Housing and Neighborhood Nonprofits

Regional and National Intermediaries

Neighborhood Associations

Financial Institutions

Other Private Sector

Municipal Government

Funding

Foundations

General Revenue

Private Loan Capital

Bond Proceeds

Sales Tax

Rarely, CDBG

GOAL: Sustainable Real Estate Market

1. Successfully Retains Existing Neighbors and Attracts Replacement Owner Occupants and Other Neighborhood-Friendly Buyers
2. Home Values Support Quality Maintenance, Repairs and Updates
3. Engaged Residents Exercise Stewardship Over Neighborhood
4. Has Mixed Income Choices
5. Delivers Home Equity to Households; Revenue to Municipality
6. Commercial Districts and Other Amenities are Healthy and Sustainable.

Middle Neighborhood Core Strategies



1: Activate and Support Residents



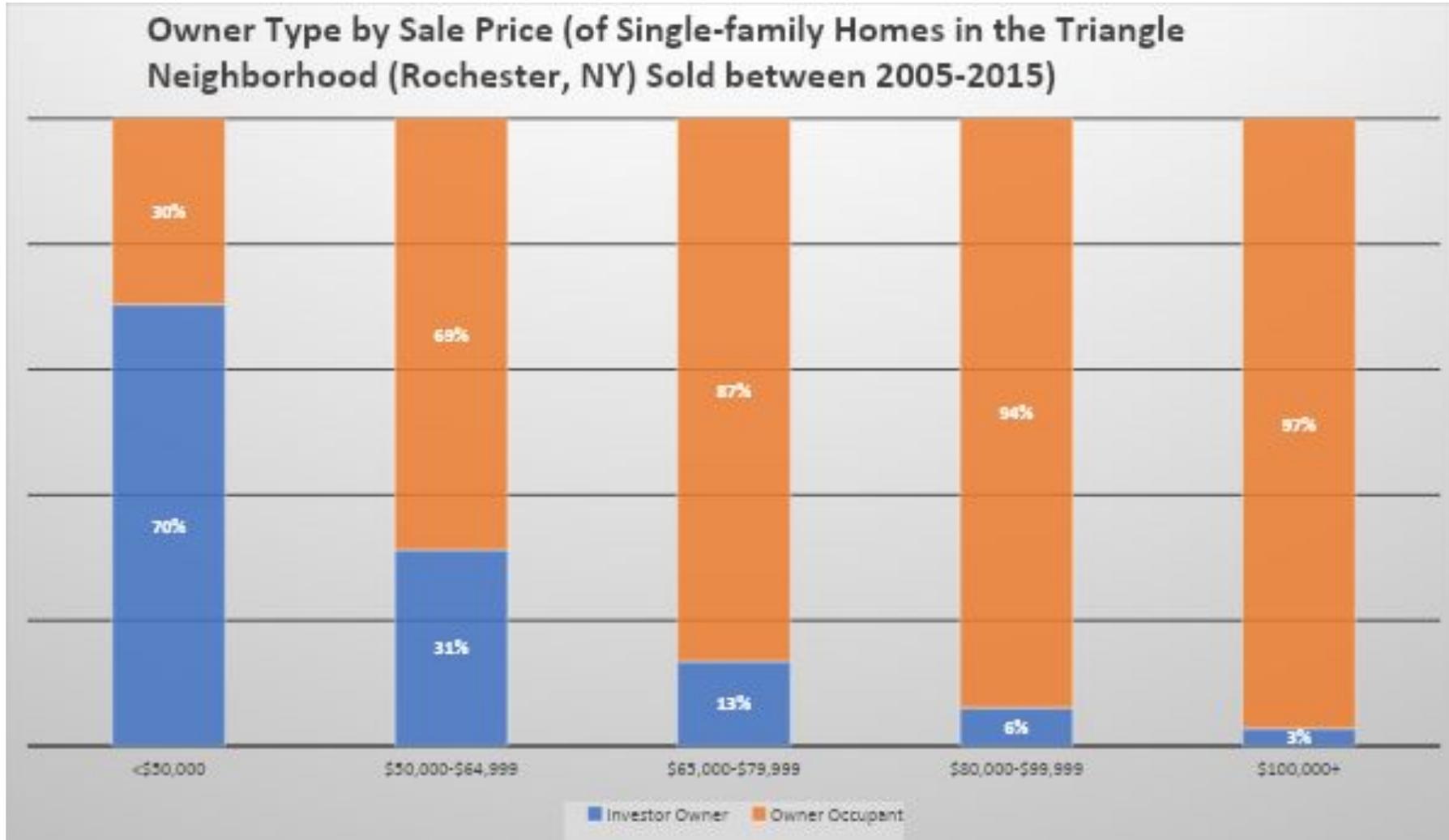
- Organized, grassroots neighborhood residents are the key players in repositioning middle neighborhoods.
- Goals include building community and social capital, building confidence.
- Fears of gentrification are addressed thoughtfully and thoroughly.
- Social events, beautification activities, safety, marketing – more fun than not.

2: Update Housing Stock & Curb Appeal, Lend to Lead Appraisals and/or Affordable Preservation

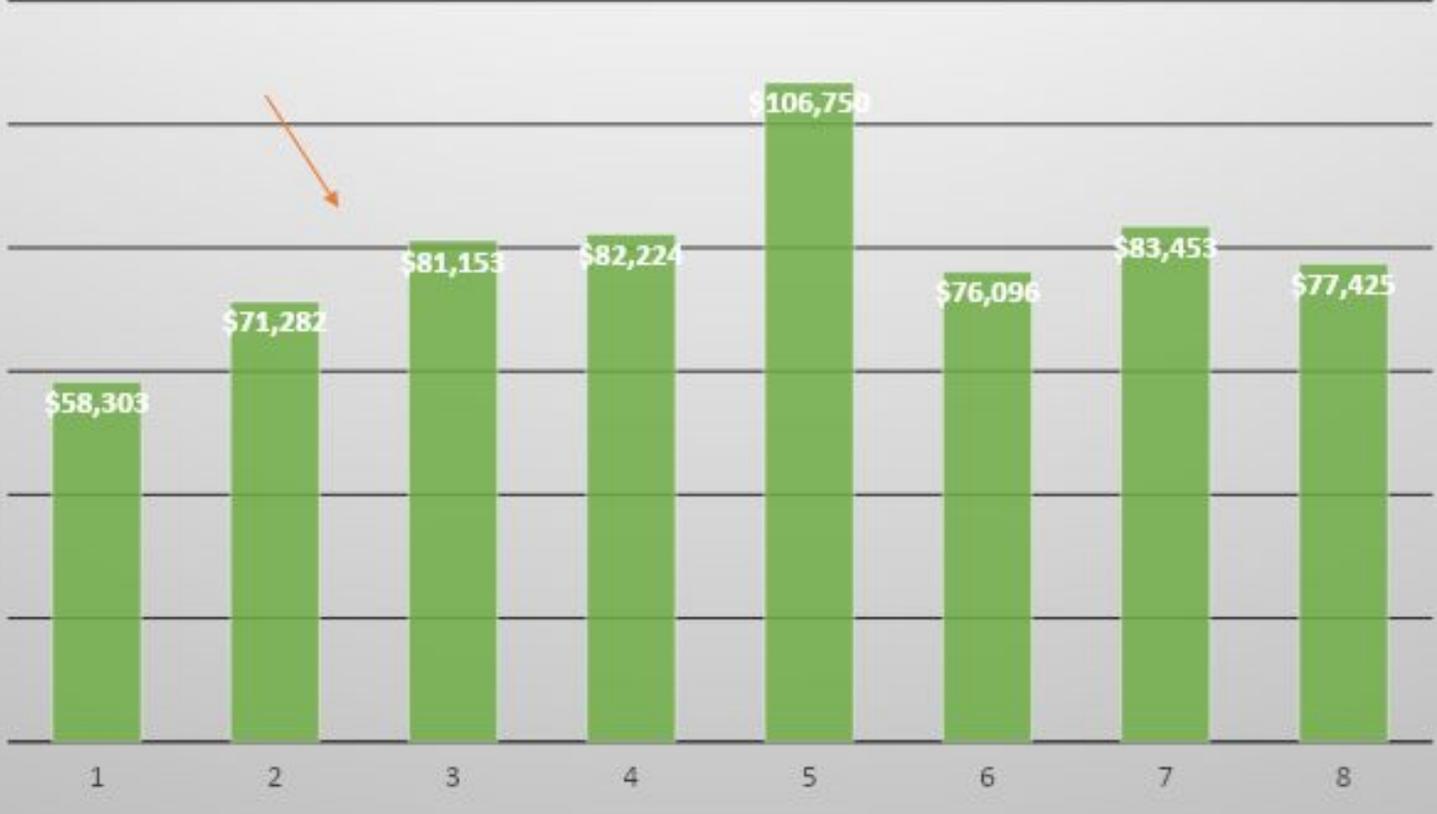
- Middle neighborhoods tend to have homes that are out of step with today's homebuyers: e.g., one bath, kitchens not updated in several decades.
- Appraisal gaps for rehab are common, so specialized loan capital needed.
- Values have often slipped to where investors buy half+ of the homes each year.
- Residents often fail to see their property, block, neighborhood with "fresh eyes", so curb appeal suffers.



Example: Most middle neighborhoods have a price point below which investors become common purchasers. Knowing where this price point is makes it possible to strategize around at-risk properties.



Average Sale Price by # of Bedrooms and Bathrooms in Single-family Homes Sold 2005-2015 in the Triangle Neighborhood



Market analysis in the Triangle neighborhood also showed how configurations of beds and baths correlated with sales price. The nonprofit then targeted homes at greatest risk of investor purchase (because of low value and only 1 bath), with free architectural design and rehab loans to add a half bath, hoping to position them more competitively for a new owner-occupant when they next sell.

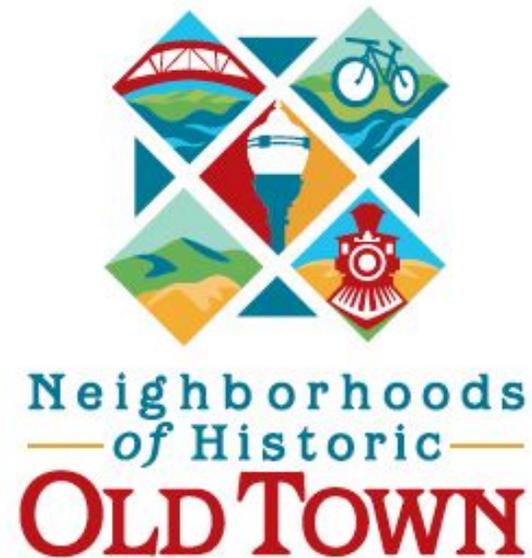


6" Breakout Discussion

If you were going to analyze the same data and fund a similar program, where would you start?

1. Click on the padlet link in the chat.
2. Enter ideas into the Padlet for each of the three columns:
 - Getting the MLS analysis done.
 - Funding the technical assistance on design.
 - Setting up/accessing low-interest rehab loans.

3: Rebrand+Promote New Image and/or Preserve and Center Existing Culture+Leadership



- Professional, integrated place branding strategy.
- Find matches between neighborhood's strongest selling points and target markets' highest priorities = core brand attributes.
- Core brand attribute examples: family-friendly, tree-lined streets, close to downtown, artsy/creative, outdoor rec, friendly neighbors.
- Merge with overall improvement plan to align neighborhood improvement priorities to support core brand attributes.
- Residents, institutions, Realtors, etc. all use same language, and flood market with that language.
- Especially in hot markets, center existing culture + leadership



THE TRIANGLE
OF NORTH WINTON VILLAGE



TRIANGLE
MERCHANTS ASSOCIATION
OF NORTH WINTON VILLAGE

And other strategies, as needed

- Business (usually retail) recruitment, organizing and development
- School marketing
- Landlord/investor strategies
- Safety

THE TRIANGLE
OF NORTH WINTON VILLAGE





JOIN US!
The Middle Neighborhoods
Community of Practice
(CoP)

The Middle Neighborhoods CoP is an informal, facilitated network of practitioners, researchers and policymakers engaged in revitalizing middle neighborhoods. CoP members share learnings through topical webinars, referrals, site visits, phone calls, and occasional larger group events.

There are currently more than 300 people in the CoP. Please join us!

middleneighborhoods.org



We'll do a custom webinar for you!

- Just ask.
- We'll do a webinar for your staff, board, community group or any interested group.
- We'll customize it for your geography or group interests.
- marcia@middleneighborhoods.org





Chat Discussion

- What could the Community of Practice offer you to help you in your work in middle neighborhoods, or to assess the possibility of working in middle neighborhoods in your community?
- What advice would you give the National Middle Neighborhoods Steering Committee in creating awareness about the trends in middle neighborhoods and in inspiring cities to have a middle neighborhoods strategy?



Cleveland community celebrates opening of new bike lane in Old Brooklyn with Mayor Frank Jackson. Photo credit: Old Brooklyn Community Development Corporation.

[What We Talk About When We Talk About Middle Neighborhoods](#)

By Nelson Beckford, The Cleveland Foundation

Picture this: a rectangular table with 30 leaders from Cleveland's community development field. We were there to discuss the concept of "middle neighborhoods" and to provide a recap of the Middle Neighborhood working group meeting in Cleveland for those who weren't able to join. I didn't know what to expect. Will the group take offense to the term "middle neighborhood"? [Read more](#)

ON THE EDGE

AMERICA'S MIDDLE NEIGHBORHOODS



Paul C. Brophy, Editor



Why Middle Neighborhoods Matter

In many cities, up to forty percent of residents live in middle neighborhoods, representing a major source of

UPCOMING EVENTS

THE MIDDLE NEIGHBORHOODS CONVENING IN CHICAGO

WHEN
More information forthcoming

[Learn more >](#)

JOIN THE CONVERSATION

 Middle Neighborhoods

For More
Information

www.middleneighborhoods.org