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# Economic Place-Making: How to Develop a “Neighborhood Business Plan”

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*Choice Neighborhoods Southeast Convening*

*HUD Atlanta Field Office*  
March 20-21, 2014

Sophie Cohen  
Teresa Lynch, Mass Economics  
Robert Weissbourd

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# Agenda Review

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THE FOLLOWING **PRESENTATION** HAS BEEN APPROVED FOR  
**MATURE AUDIENCES**

**R**

**RADICAL**



THIS PRESENTATION HAS BEEN RATED R FOR  
CONTENT. AUDIENCE DISCRETION ADVISED.

**CONTENT MAY BE UNCONVENTIONAL,  
EXPLORATORY AND PROVOCATIVE**

# Origins: From “Equity” to ... “Equity”



Putting the *Economics* in  
Economic Development/Growth

# What's our subject?

**Inclusive  
Regional Growth**

**ECONOMIC  
GROWTH**  
Productivity,  
Outputs

**COMMUNITY  
DEVELOPMENT**  
Healthy  
Communities

**ECONOMIC  
DEVELOPMENT**  
Wealth  
Creation

**Wealth creation  
for residents**

**Neighborhoods  
as healthy, vital  
places to live**

# Two Frames

Conventional Frame (2):  
Internal Neighborhood Focus

New Frame (1): Neighborhoods  
within Regional Economies

- Neighborhoods as collection of amenities - housing, retail, public goods, etc. - interacting in place
- Whole greater than the sum of its parts
- Emphasis on quality of life

- Neighborhoods as collection of assets - labor, land, businesses, etc. - nested in larger markets
- Function = develop and deploy assets into larger systems
- Emphasis on economics

# Two Theories of Change - Frame 1: Inclusive Economic Growth

- To address poverty, create wealth
- Wealth is created by investing in assets
- The economic mechanism for investing in assets is the market
- To create wealth in low income communities, develop and deploy their assets into relevant markets (generally regional)
- Align neighborhood and regional growth strategies

# Two Theories of Change - Frame 2: Neighborhoods as a Whole

- Neighborhoods do not have economies: they have assets
- However, neighborhoods are whole greater than sum of parts:
  - Offer differentiated packages of amenities to serve/house varied residents and assets across region
  - Different types and trajectories
  - Where economic and non-economic factors most iterate
  - Ultimately, we care about a lot more than economics



# Connecting the Frames

**FRAME 1:  
Inclusive Economic Growth**



**FRAME 2:  
Neighborhoods as a Whole**

- We're primarily focused on frame 1 - how well you develop and deploy assets
- In addition to causing economic growth, success in frame 1 affects frame 2 -- how attractive your neighborhood is overall and how it changes
- Success in frame 2 iterates with and provides various foundational supports for success in frame 1

As we look at these two frames, we'll be learning:

- A. How to analyze and seize the economic opportunities - from macro to metro to micro; and
- B. How to develop integrated strategies tailored to your whole neighborhood - to create a neighborhood business plan

# Agenda - Day 1

## ▶ **MODULE I: CONTEXT AND OVERVIEW**

- Economic Framework
- Neighborhood Business Planning

## ▶ **MODULE II: HIGH LEVEL NEIGHBORHOOD ASSESSMENT AND GOAL DEVELOPMENT**

- Neighborhood Typologies
- Goal Development

## ▶ **MODULE III: NEIGHBORHOOD ECONOMIC GROWTH -- DEVELOPING AND DEPLOYING NEIGHBORHOOD ASSETS IN THE CONTEXT OF THE REGIONAL ECONOMY**

- Human Capital
- Clusters

## Agenda - Day 2

- ▶ **MODULE III (CONTINUED): NEIGHBORHOOD ECONOMIC GROWTH -- DEVELOPING AND DEPLOYING NEIGHBORHOOD ASSETS IN THE CONTEXT OF THE REGIONAL ECONOMY**
  - Innovation and Entrepreneurship
  - Urban Growth Form
  - Governance and Institutional Environment
  
- ▶ **MODULE IV: NEIGHBORHOODS AS PLACES TO LIVE**
  - Connecting the Two Frames (Part I)
  - Important Neighborhood Amenities
  - Connecting the Two Frames (Part II)
  
- ▶ **MODULE V: BRINGING IT ALL TOGETHER**
  - Sample Case Study
  - Creating Your Neighborhood Business Plan
  - Wrap-Up and Next Steps



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# Module I: Context and Overview

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# Session 1: Economic Framework

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# Agenda

I

The Knowledge Economy Revolution

II

"Metro-Economics"

III

The Economic Functions of Neighborhoods

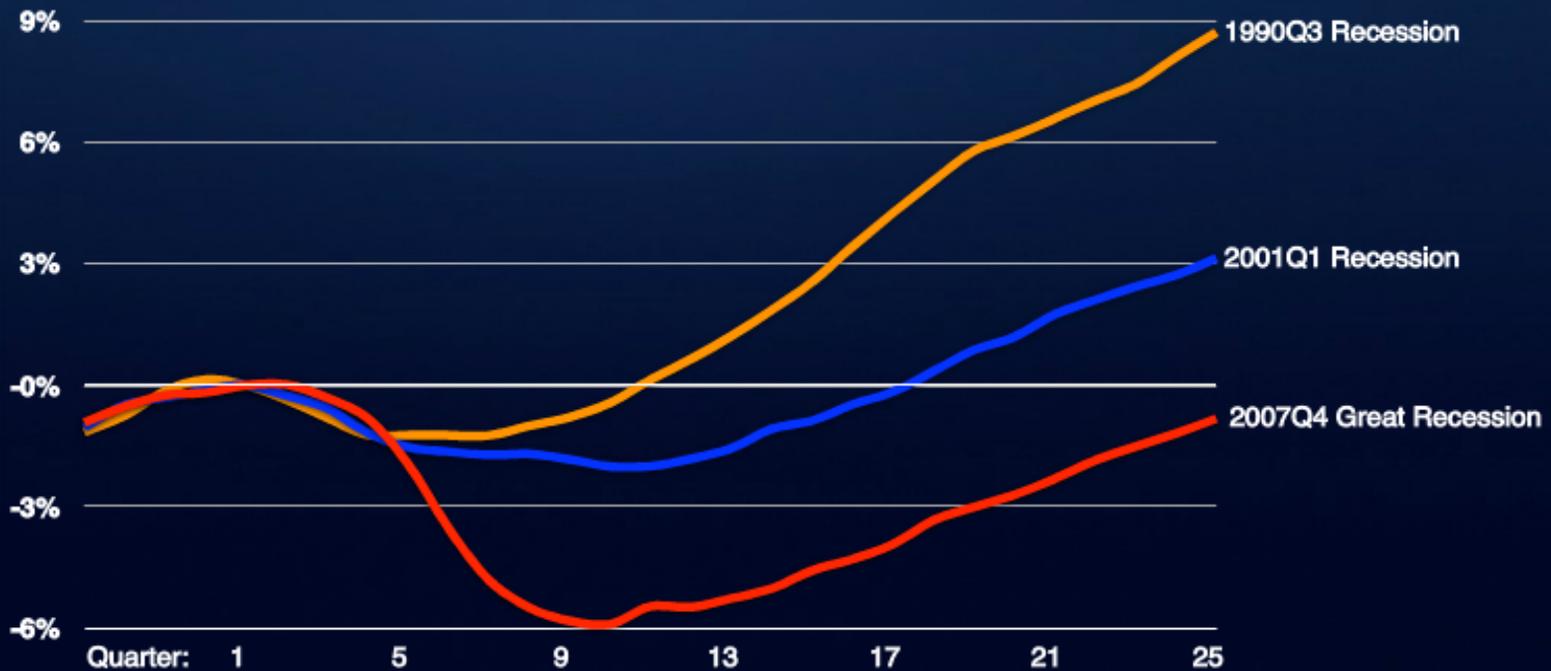
IV

Implications: Neighborhood Business Planning

# A Fundamental Change in the Economy

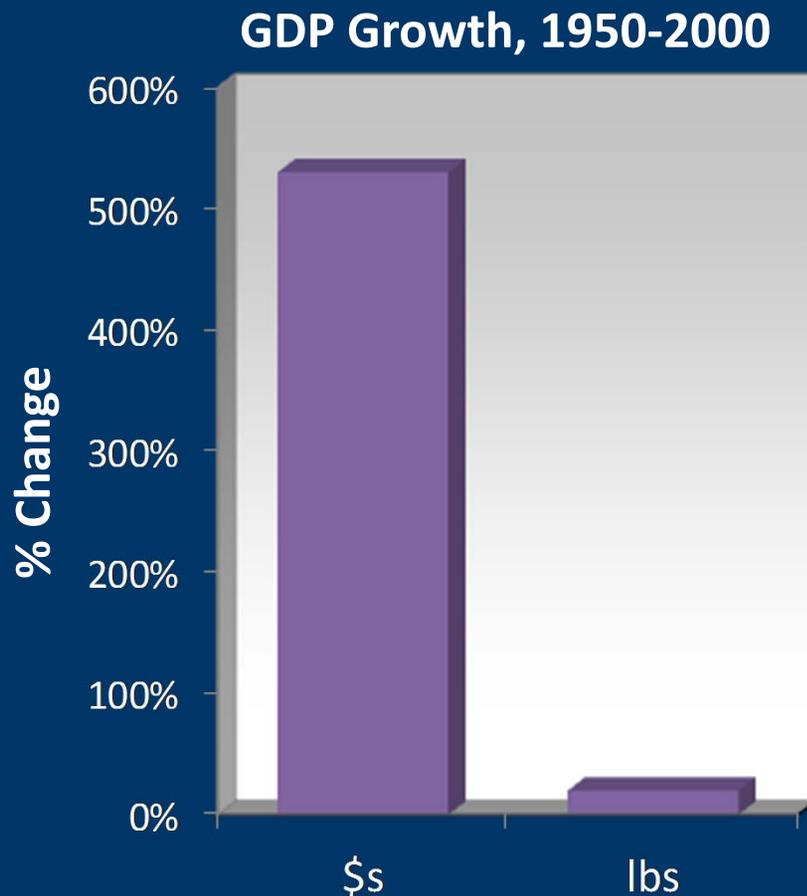
## Employment Change During Recession and Recovery

*Percent change since initial quarter of recession*



No more "business as usual"

# The Global Economy is Undergoing a Fundamental Transformation, Driven by Knowledge Assets

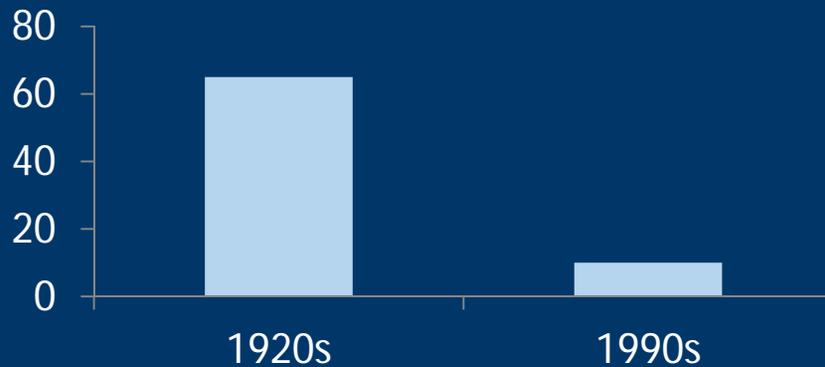


- **Human Capital**
- **Information technologies**
- **Product innovation; flexible customization**
- **Firm, consumer and knowledge networks**
- **Increasing returns; divergence**

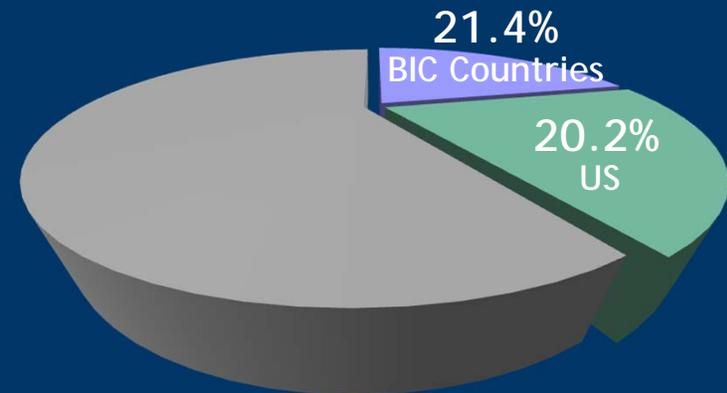


# As a Result, the Economy is More Dynamic -- and Global

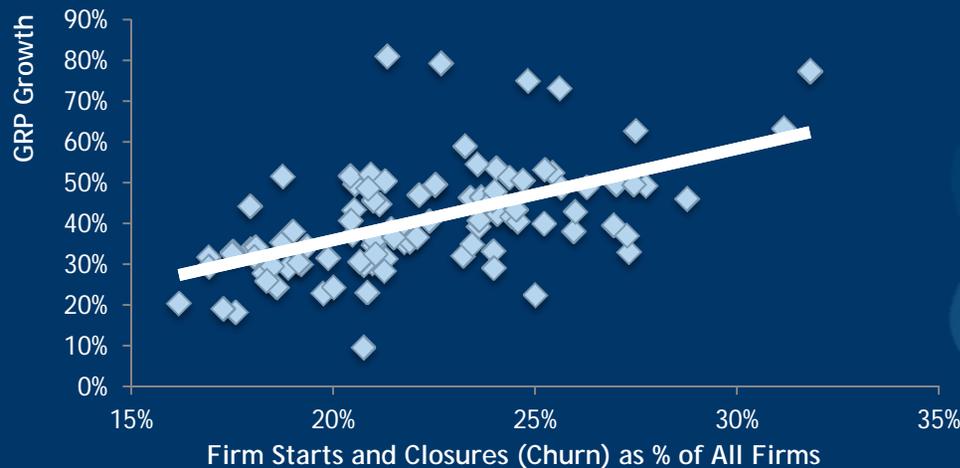
### Years Spent on the S&P Index



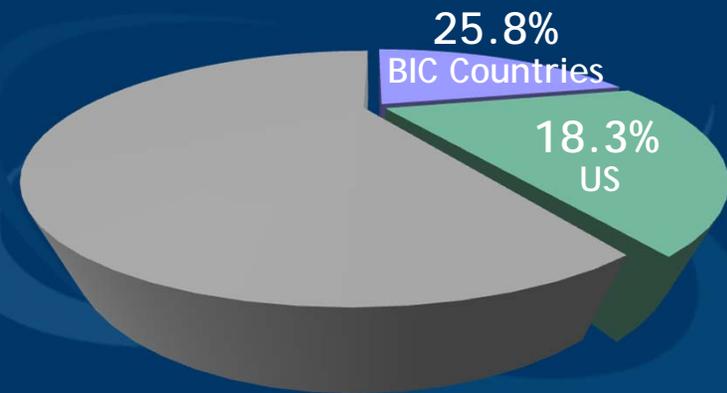
### Global GDP (2010)



### Churn and GRP Growth by MSA



### Global GDP (2015)



# ...and Centered in Metropolitan Areas

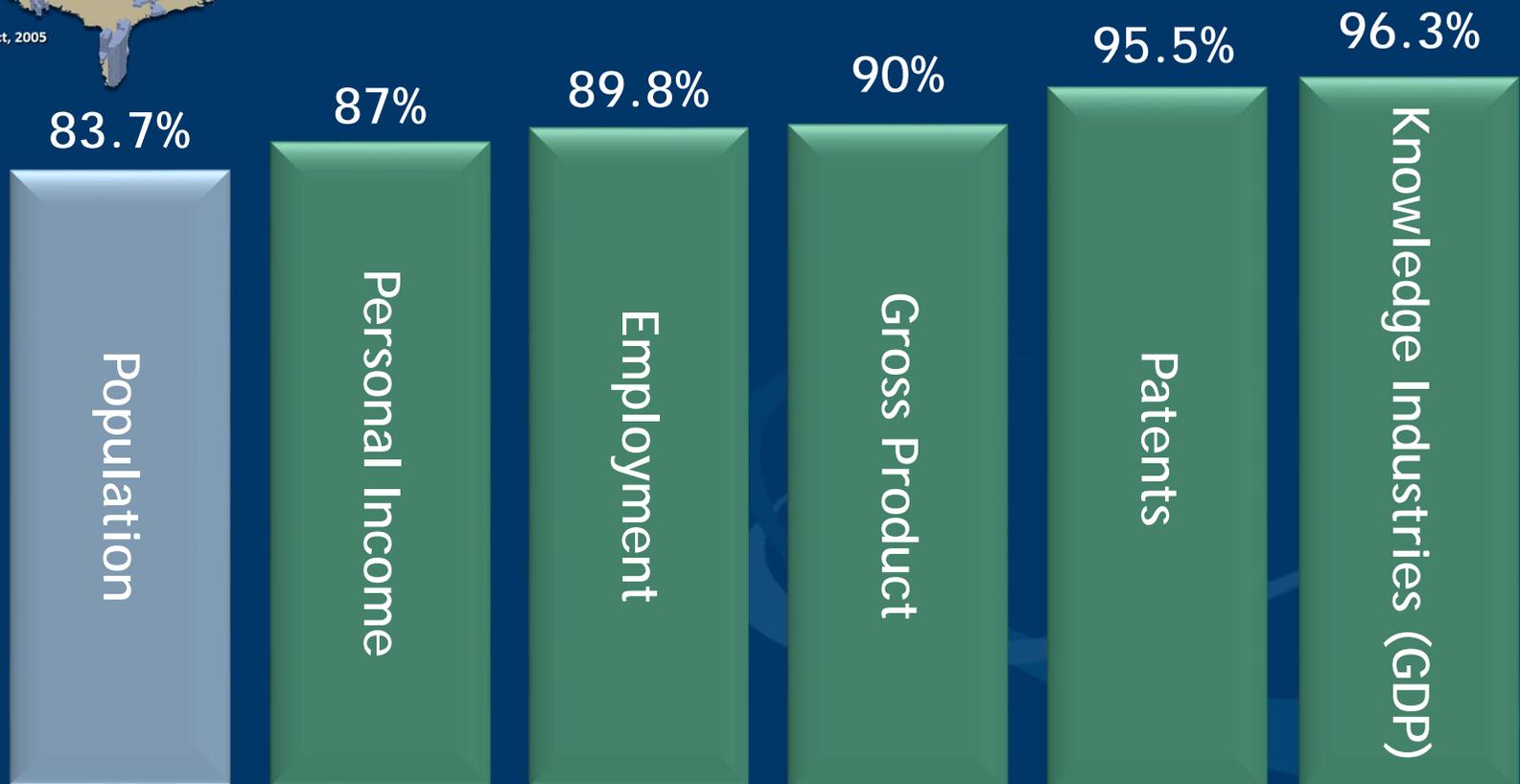


Gross Metropolitan Product, 2005

# ...and Centered in Metropolitan Areas



## Metros Share of U.S. Total



Source: Brookings Institution; Bureau of Economic Analysis, U.S. Patent and Trademark Office

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“Metro-Economics”

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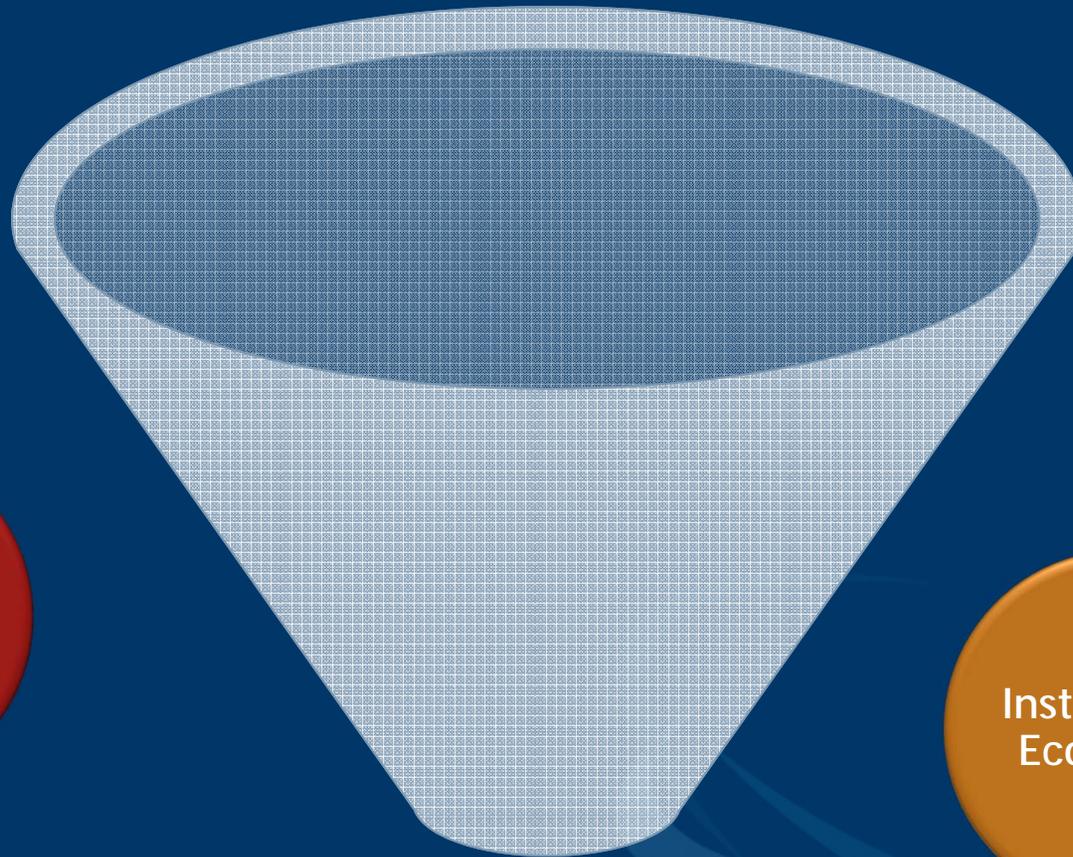
The Economic Functions of Neighborhoods

IV

Implications: Neighborhood Business Planning

# What Makes Metropolitan Regions more Productive in the Next Economy?

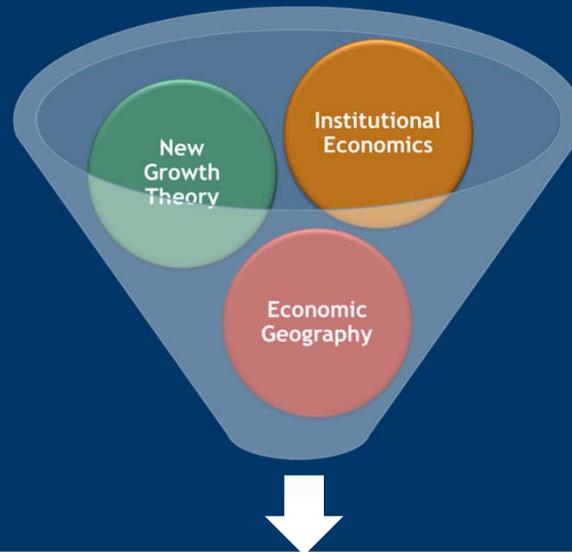
Economic  
Geography



New  
Growth  
Theory

Institutional  
Economics

# Metros Concentrate People and Firms to Achieve Efficiencies



**Act Comprehensively – The Whole is Greater than the Sum of the Parts.**

**Customize and Build on Distinctive Assets.**

**Develop Institutional Capacity and Intentionality.**

# What is it About Place that Affects Economic Performance?

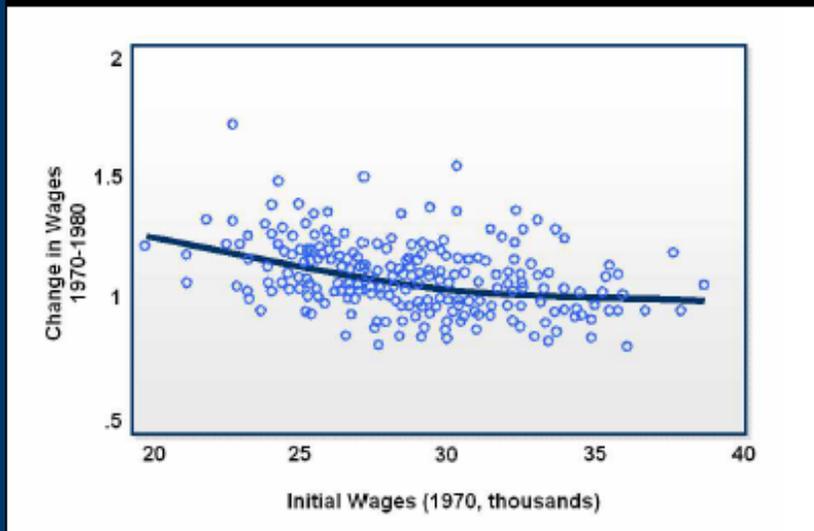
“Cities exist to eliminate transport costs for people, goods and ideas” (Glaeser)

- **Urbanization and Localization Economies:** general and industry-specific benefits of concentration as workers and firms co-locate because of spillovers, synergies, shared labor and job pools, backward and forward linkages among firms, etc. - generating increased efficiency and productivity through flow of ideas and technologies, enhancements to human capital, economies of scale, reduced transaction and transport costs, and so forth. (Marshall, Krugman)
- **New Growth Theory:** location is becoming more important, and with different benefits, in the knowledge economy, as metros become increasingly centers of idea creation and transmission (through technology, human capital externalities, intellectual spillovers). Increasing returns to knowledge and imperfect competition lead to metro specialization and divergence. (Romer, Lucas)
- **Institutional Economics:** growth, and particularly innovation, take place in the context of an institutional infrastructure - research, professional and learning networks; universities and civic/business organizations; quasi- and governmental organizations and regulation - which can hamper or accelerate all of the other benefits of concentration. (Coase, Atkinson)

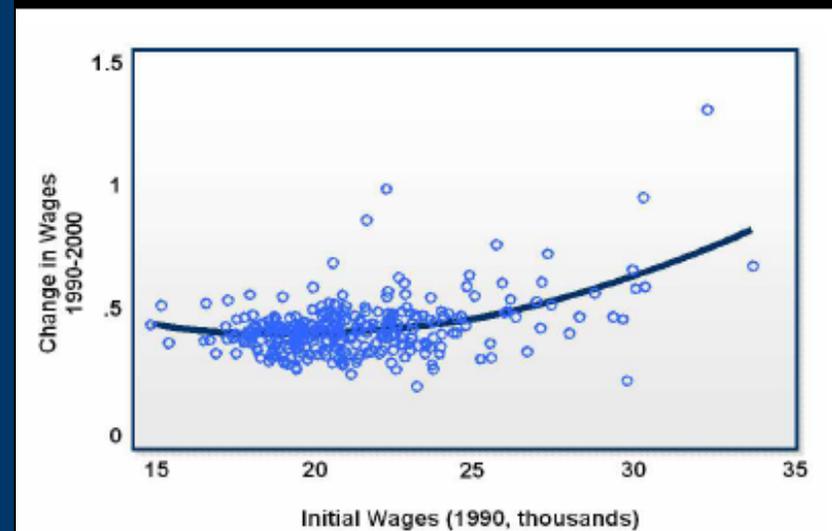
Productivity and efficiency depend upon concentrations, interactions and synergies between economic activities

# Metro Performance is Diverging

**Initial Wages and Growth (1970-1980)**



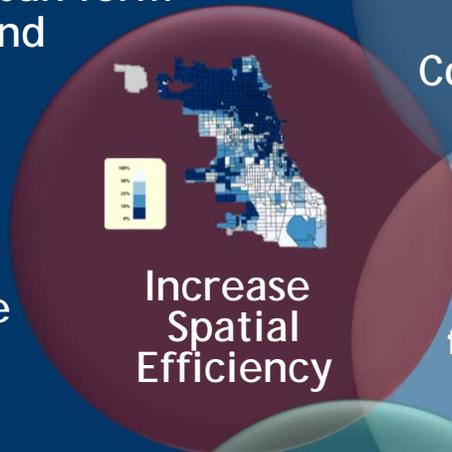
**Initial Wages and Growth (1990-2000)**



Knowledge assets beget more knowledge assets

# Five Market Levers Drive Regional Economic Performance

- ❖ Compact, well-connected urban form
- ❖ Segregation and isolation
- ❖ Jobs-housing mismatch
- ❖ Next generation infrastructure



- ❖ Government fragmentation
- ❖ Tax-value proposition
- ❖ Cross-sector governance



- ❖ Current Concentrations: Assets, Legacies and Bets
- ❖ Cluster Dynamics and Drivers

Leverage Points for Sustainable and Inclusive Prosperity



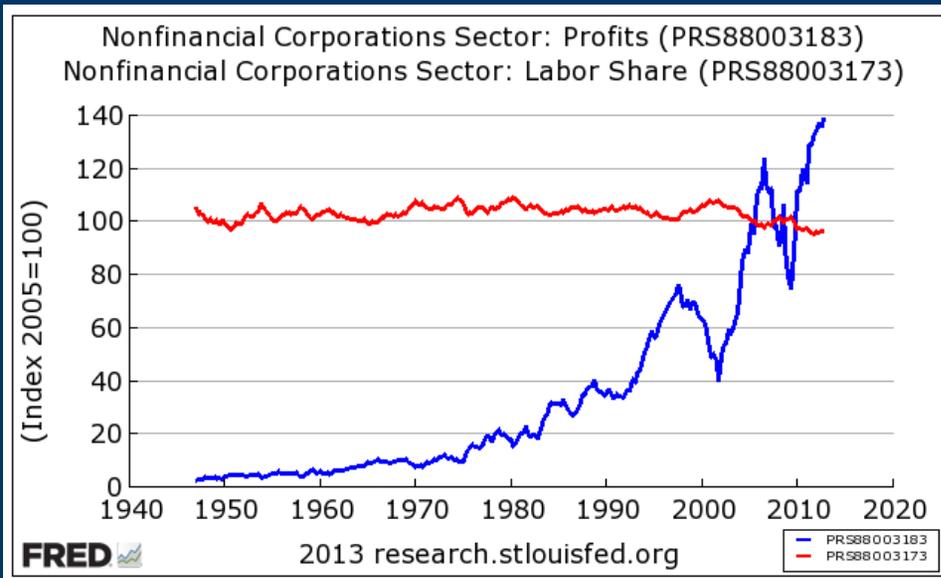
- ❖ High levels of human capital and rich job pools
- ❖ Job matching and worker mobility
- ❖ Inclusiveness and opportunity



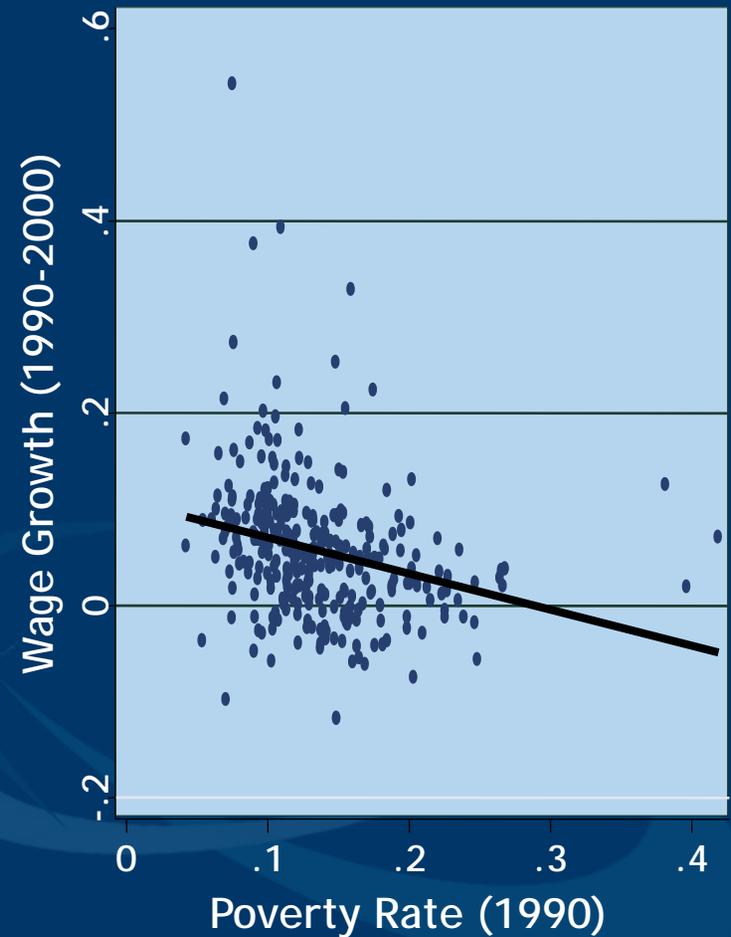
- ❖ Commercialization of R&D
- ❖ Cluster- and firm-based innovation
- ❖ Entrepreneurship

# The Inclusive Growth Paradox

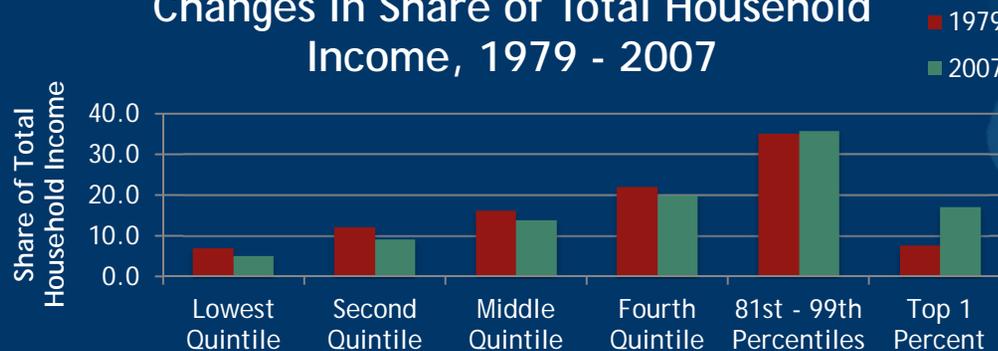
## Drivers of growth exacerbate inequity



## Inequity is bad for growth



## Changes in Share of Total Household Income, 1979 - 2007



Sources: Federal Reserve Bank of St. Louis; Congressional Budget Office; RW Ventures Analysis

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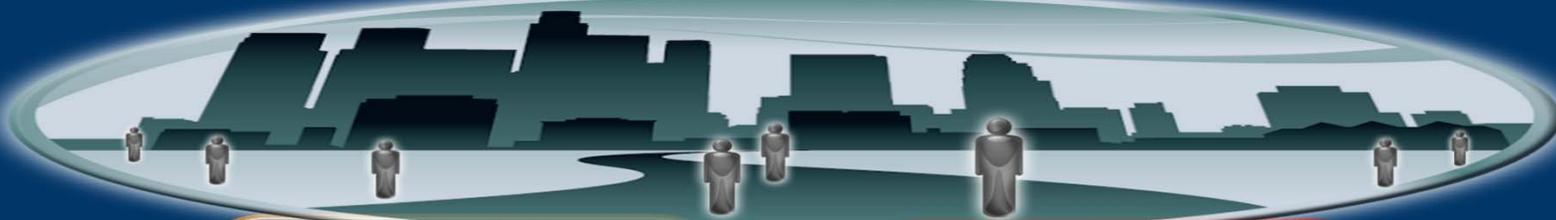
IV

Implications: Neighborhood Business Planning

# Neighborhoods are Complex



# Neighborhoods are Complex



## PEOPLE

Ethnicity, Age,  
Family Structure

## AMENITIES

Physical environment,  
Entertainment venues, Public  
transit

## GOVERNANCE

Infrastructure, Policing,  
Social Services

## SOCIAL ENVIRONMENT

Civic engagement, Social  
networks, Community  
organizations

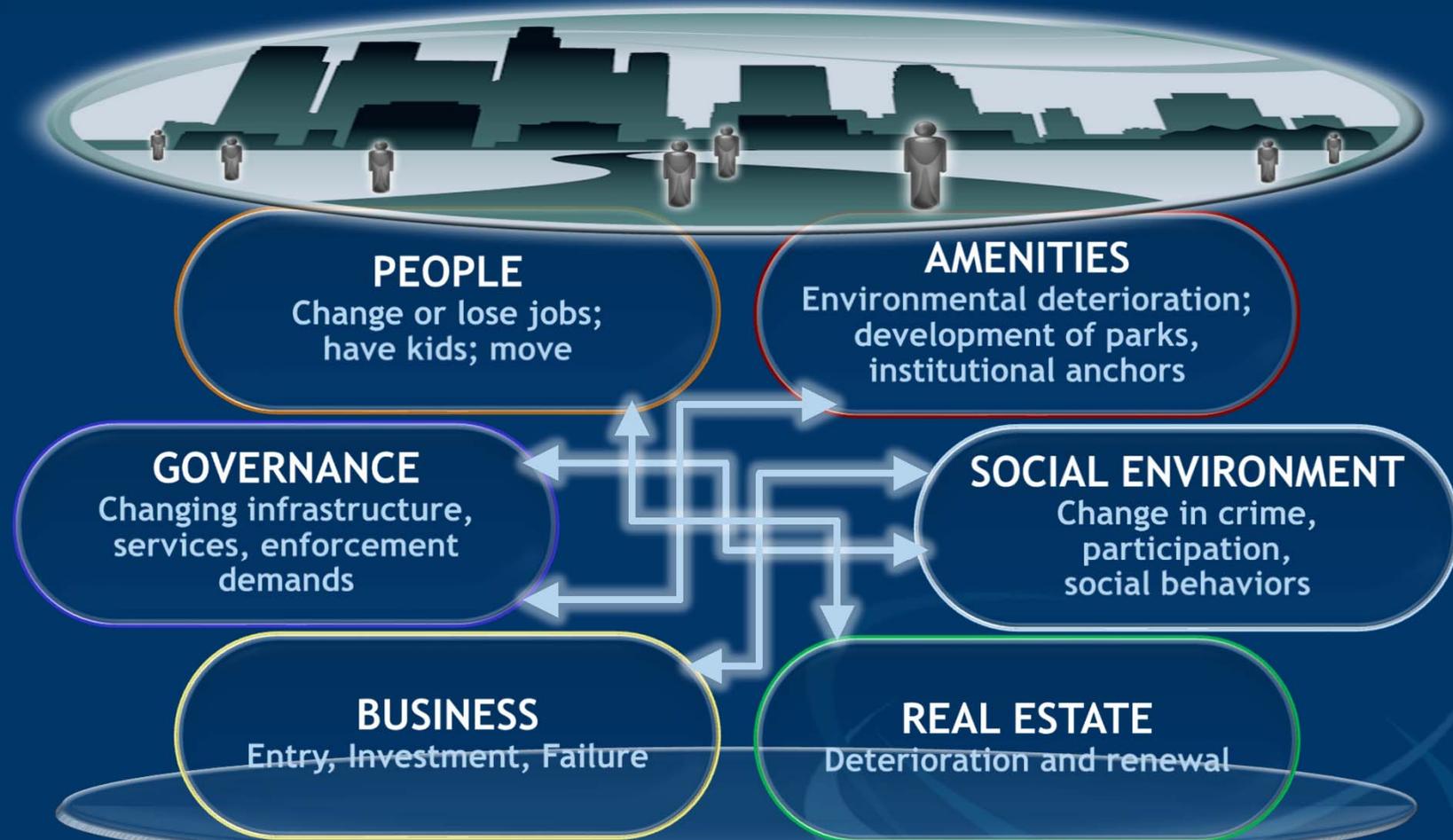
## BUSINESS

Number, size and type  
of businesses

## REAL ESTATE

Commercial and Residential,  
Type and Quality of Housing

# Neighborhoods are Dynamic

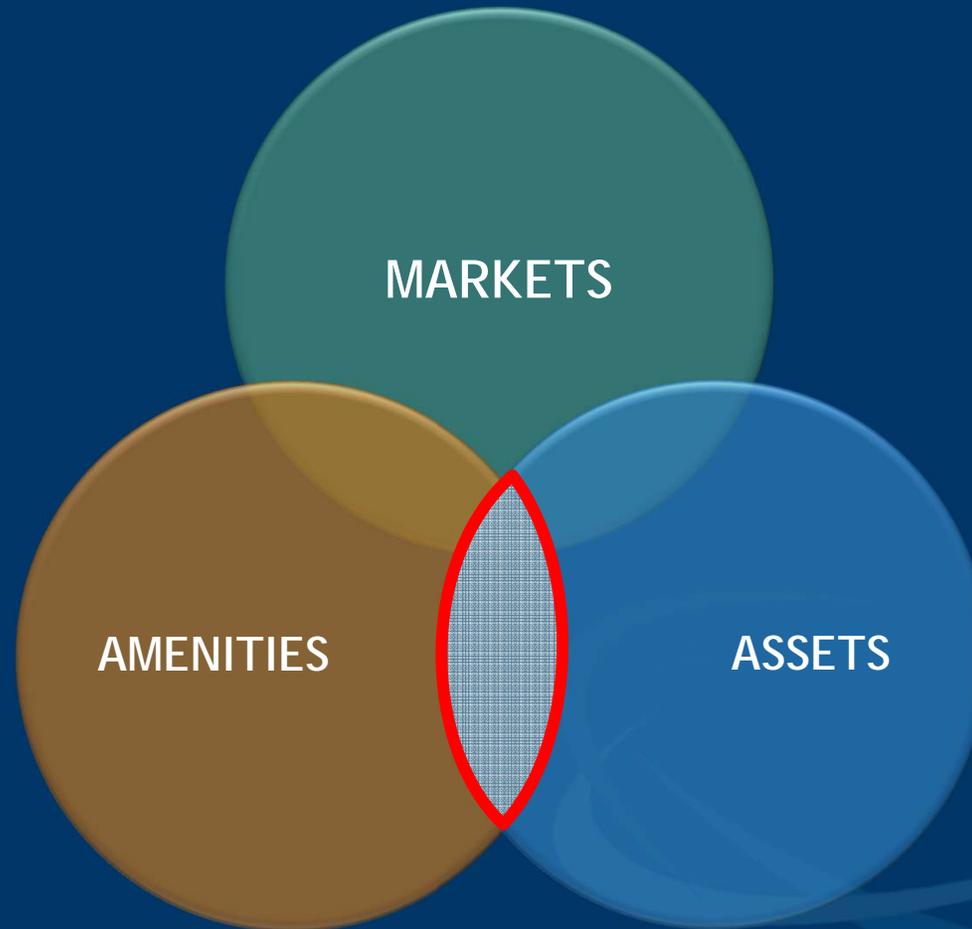


**A Web of Interdependent Activities: “Organized Complexity” (Jacobs)**

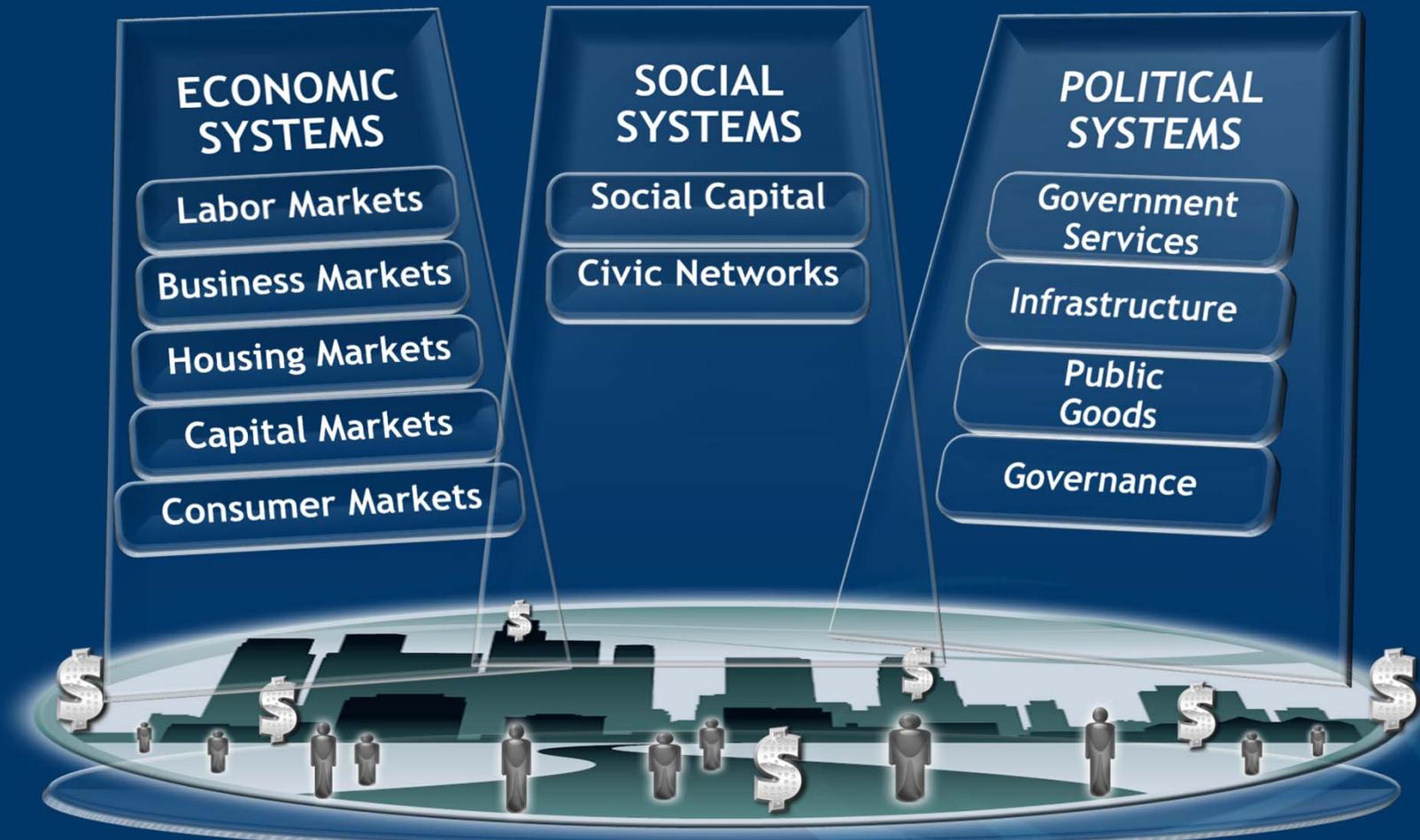
## Frame 2



# Frame 2

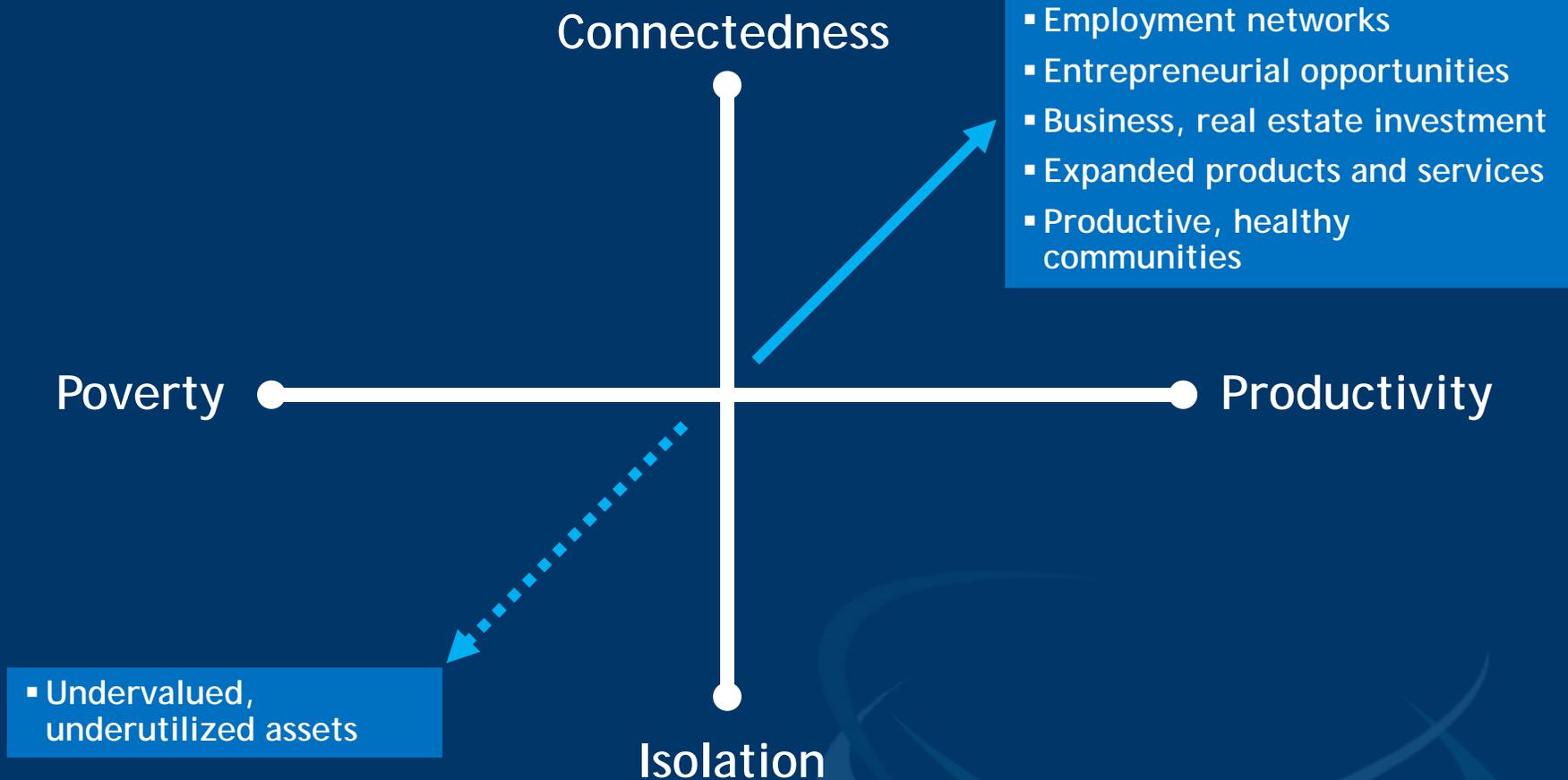


# Neighborhoods are Nested in Larger Systems Which Drive the Flows of People and Capital



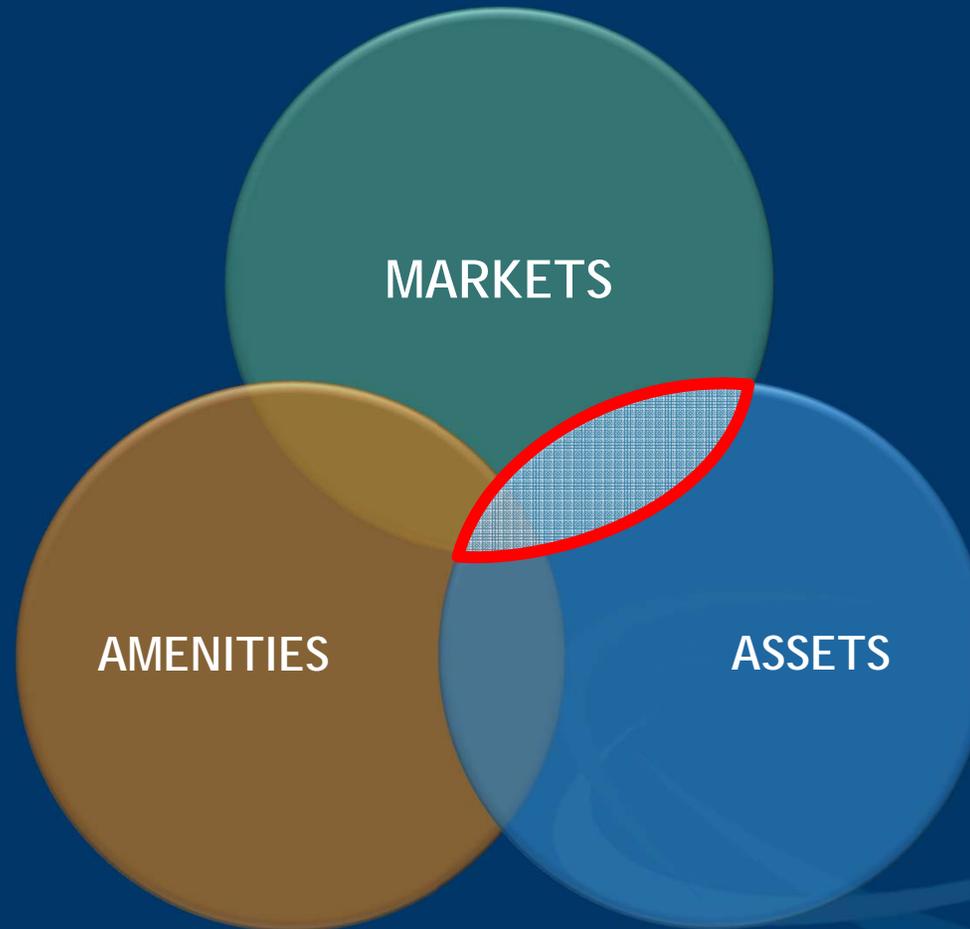
Neighborhoods arise from the interaction of regional economic, social and political systems with physical place.

# Functioning Neighborhoods Connect Residents and Assets to Larger Systems

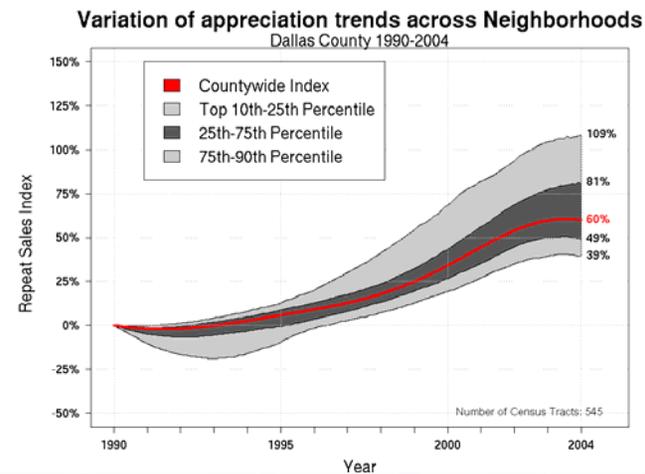
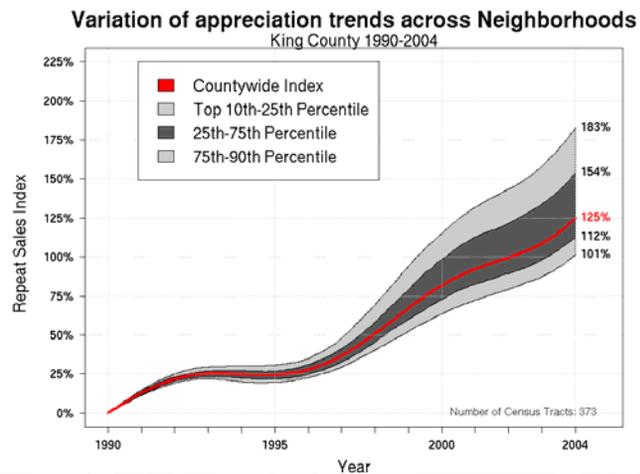
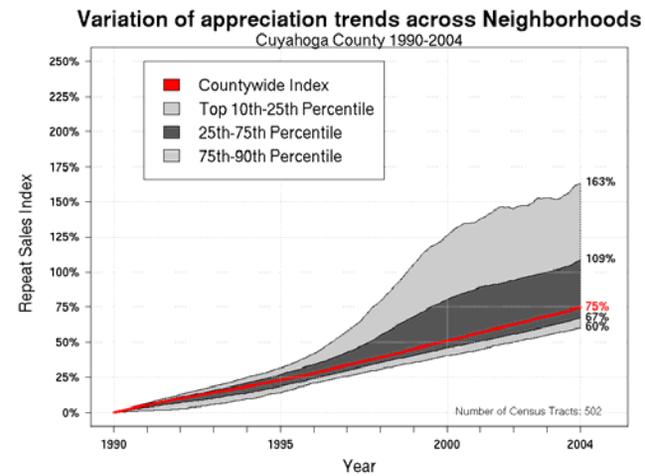
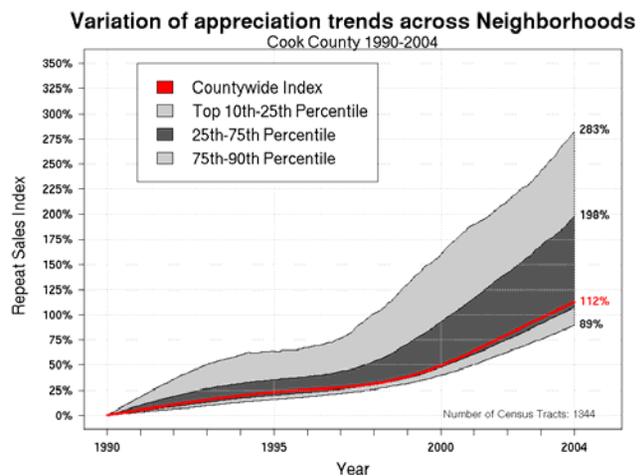


**Goal: Neighborhoods that Build Capacity and Opportunity (Amartya Sen)**

# Frame 1

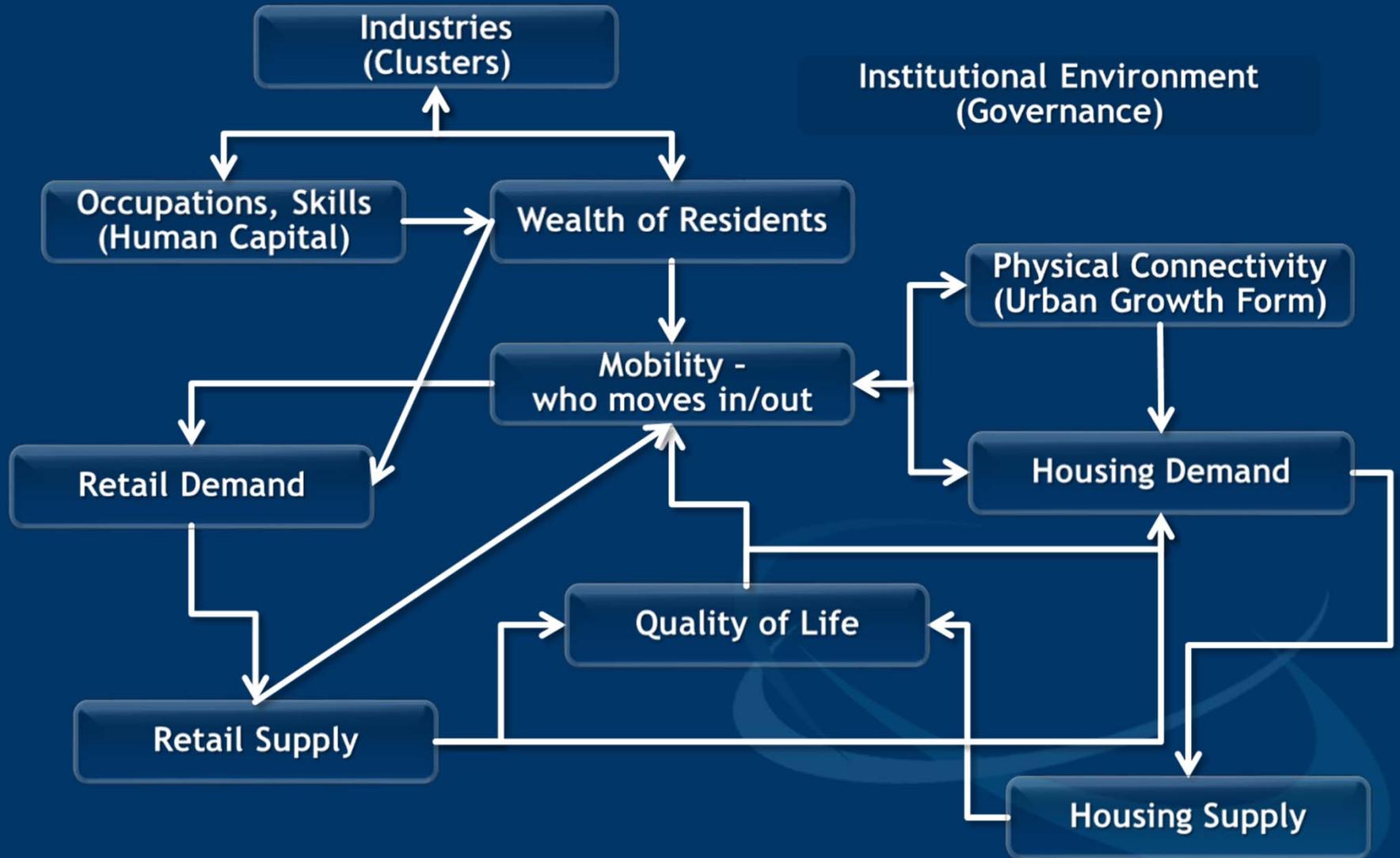


# Two Sides of the Same Coin: Neighborhoods and Regions Need Each Other



Neighborhoods tend to move with their regions.

# Connecting the “Frames”



# Preview: Implications of Changing Regional Drivers for Neighborhoods

- ❖ New, mixed uses
- ❖ Development opportunities
- ❖ Bring jobs back
- ❖ Next generation infrastructure

- ❖ Efficiency
- ❖ Engagement
- ❖ Networks



# DISCUSSION

- What makes a well-functioning neighborhood?
  - How does this framing relate to your current approaches?
  - How do these economic changes influence your opportunities?
- 



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# Session 2: Neighborhood Business Planning

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# Business Planning: A Proven Discipline for Comprehensive, Effective Action

- **Identify neighborhood assets/opportunities**
- **Develop customized strategies**
- **Turn strategies into concrete actions**
- **Build institutional capacity**
- **Execute**

## NEIGHBORHOOD BUSINESS PLANNING

Mission and Vision

Market Analysis

Strategies

Products and Services

Operational Planning

Financial Planning

Performance Monitoring

CONFIDENTIAL EXECUTIVE SUMMARY  
**Austin Monthly & San Antonio Magazine**  
a division of  
**Conley Magazines, LLC**



  
PROMONTORY POINT  
LLC  
[www.promcp.com](http://www.promcp.com)



Another thing from the past:  
Building Data Warehouses by hand

# Elements of A Business Plan



# It's not about the plan ...

Q|U|A|L|I|T|Y  
OF LIFE PLAN

CREATING OUR FUTURE SOUTHEAST NEIGHBORHOOD



# It's the linked, mutually reinforcing enterprises ....

## Selected initiatives with strong neighborhood orientation

Initiative	Components of successful neighborhood economies <sup>1</sup>			
	Finance	Workforce training/development	Business growth	Infrastructure
⑨ Seed Chicago: Crowdfunding	✓			
⑨ Capital Access Centers (CAC)	✓			
⑥ Skills for Chicagoland's Future		✓		
⑨ Anchor Institutions/CASE			✓	
⑧ BRT Financing Plan				✓
⑧ Garfield Boulevard: ULI Tap				✓
⑨ Broadband: Smart Communities		✓		
⑨ CTA Red Line Expansion Development				✓
① CWFA/Manufacturing Works Grant		✓		
⑥ City Colleges: College to Careers		✓		

## When to Undertake NBPing?

# ALWAYS!

- Like regular business planning, useful at any stage of development to understand your “market” and have tailored plans, strategies, products, management and review
- If you can't answer questions today, you'll know what to ask when you return home

# DISCUSSION

- In what ways does the proposed approach of Neighborhood Business Planning differ from more traditional development?
  - Subjects it focuses on?
  - Methodologies?
  - Stakeholders and participants?
  - Capacities?
  - Nature and scope of “plans” and implementation?
  - Overall process?
  - Other?



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# Module II: High Level Neighborhood Assessment and Goal Development

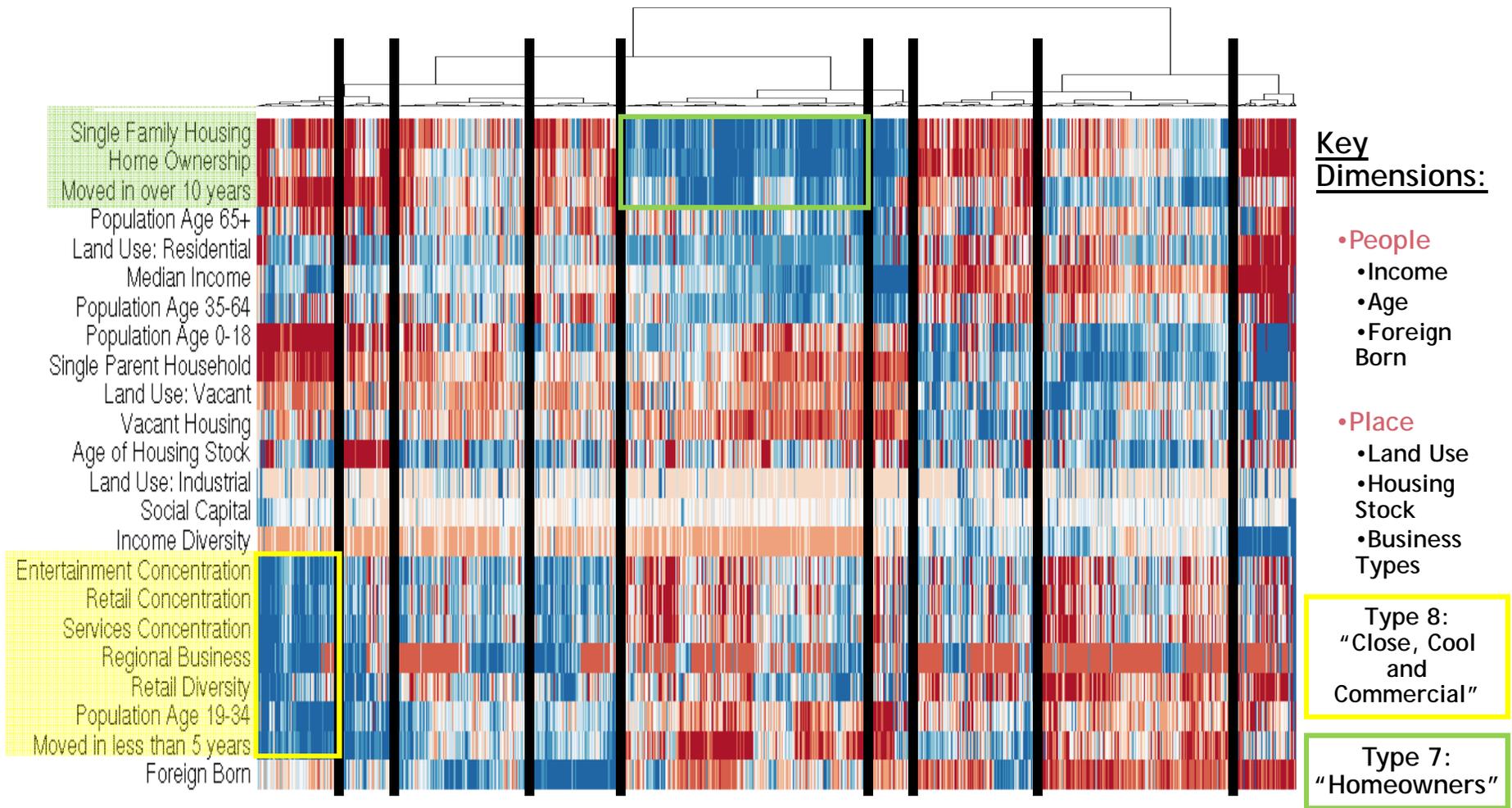
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# Session 3: Neighborhood Typologies

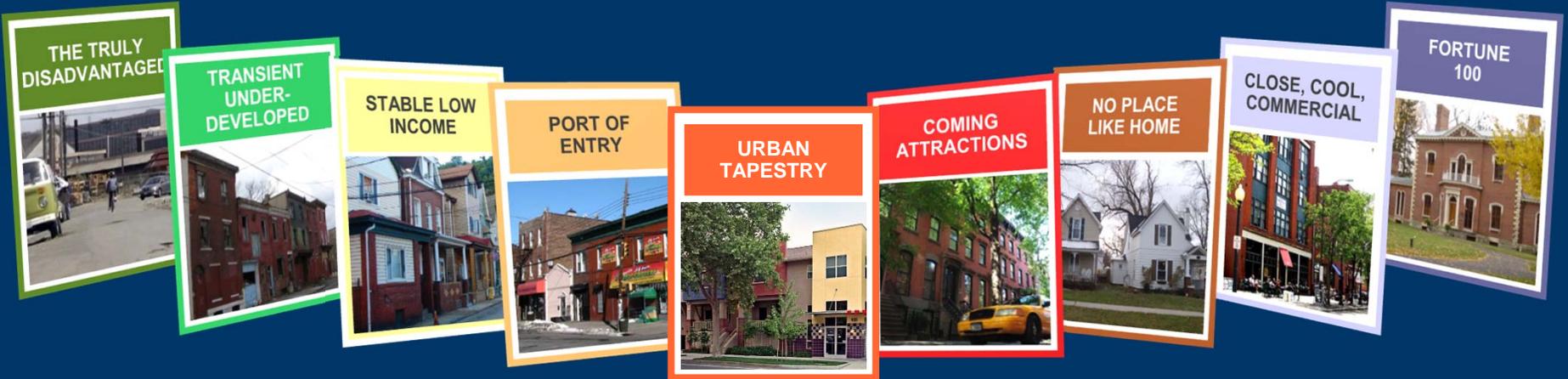
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# A Taxonomy of Neighborhoods



← lower income

higher income →

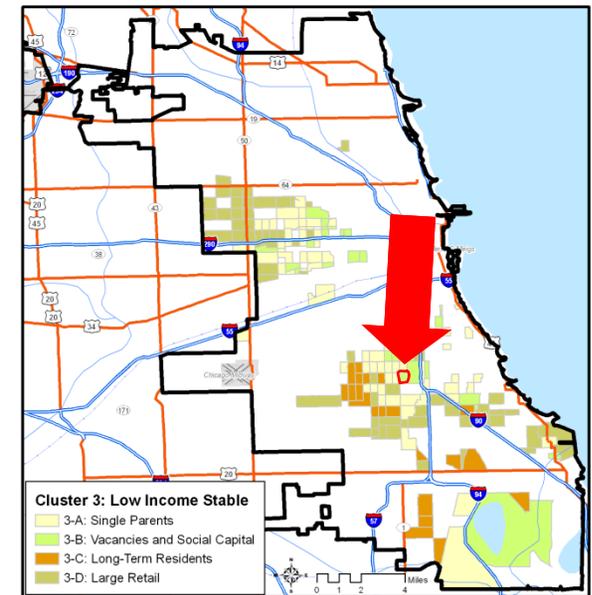


Taxonomy Structure: "Genus, Phylum, Species"

# Applying the Taxonomy...

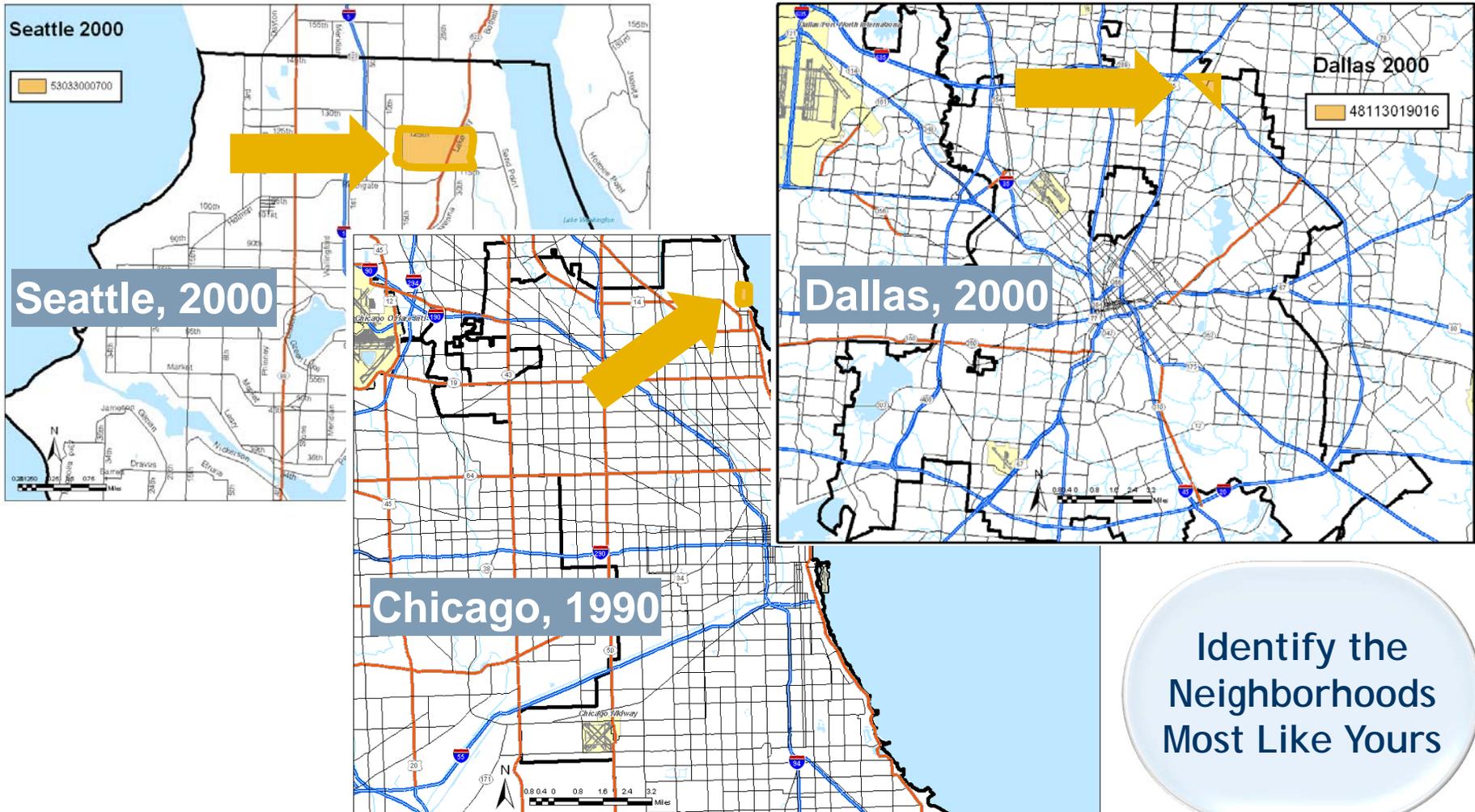
## Comparing Within Type:

	Tract 680800	Type 3-B, "Vacancies and Social Capital"
Change in Value	6%	125%
Median Income	\$26,319	\$21,600
Vacant Units	18.5%	14.9%
Social Capital	1.5	4.2
Unemployment Rate	46.5%	19.3%
Turnover (% Moved in Last Five Years)	47.4%	37.4%
Educational Attainment - More than High School	25%	29.8%



Identify Factors  
Affecting  
Neighborhood  
Performance  
Compared to Peers

# One Layer Deeper: What Neighborhoods Are Comparable?



← lower income

higher income →

PORT OF  
TAPES

URBAN  
TAPESTRY

COMING  
ATTRACTIONS

NO PLACE  
LIKE HOME

CLOSE, COOL,  
COMMERCIAL

FORTUNE  
100

### THE TRULY DISADVANTAGED

- Poverty, crime and unemployment
- Vacant lots, public housing projects and industrial infrastructure
- Children with single parents and seniors are majority of population
- Many residents hold no high school diploma
- Lacking in business and social infrastructure
- Close to city's Central Business District and presence of developable land create reinvestment opportunities



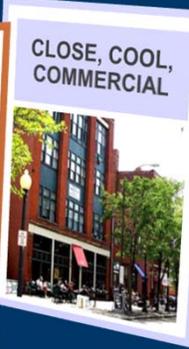
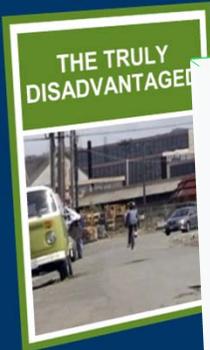
1a Single Parents

1b Disadvantaged Seniors

1c Industrial Lands

← lower income

higher income →



### TRANSIENT UNDER DEVELOPED

- Moving trucks and vacancy signs
- Close to the city center
- Quick turnover in residents
- Few homeowners, mostly apartments
- High crime rates
- Low property values and vacant land
- Very little business diversity
- Susceptible to improvement with some degree of displacement



2a Seniors and Centers

2b Families on the move

2c Immigrants

← lower income

higher income →



### STABLE LOW INCOME

- Modest single-family homes
- Well-worn city blocks
- Primarily African-American residents
- Variety of occupations
- Lack business and service amenities
- Median income \$23,800
- High crime and foreclosure rates



3a Low income families

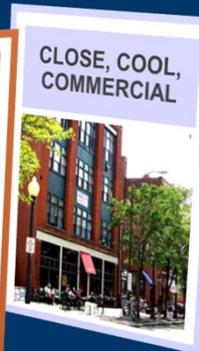
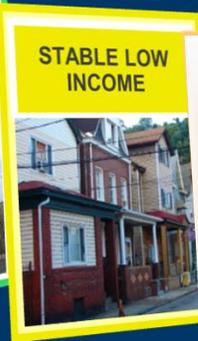
3b Vacancies

3c Long term residents

3d Regional shops

← lower income

higher income →



### PORT OF ENTRY

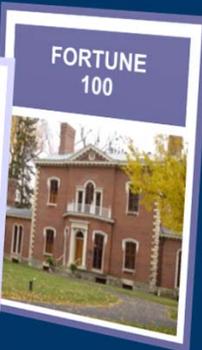
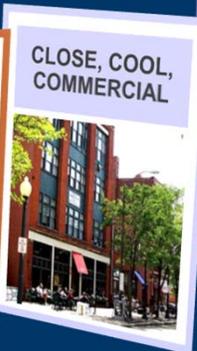
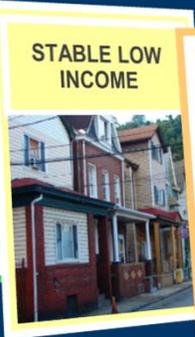
- Variety of business
- Hispanic majority, can also be enclaves of Asian and European immigrants
- Almost half of residents born outside the United States
- Slightly lower-than-average incomes
- Unemployment is less than 10%
- Two parents present in most households with children



- 4a Young adults
- 4b Regional shopping
- 4c Local shops
- 4d Stable residents

← lower income

higher income →



## URBAN TAPESTRY

- Eclectic neighborhoods
- Ethnic diversity
- Healthy diversity in business types
- Most of the land is residential
- Residents tend to live in older housing and many own
- Almost half have advance education
- Many work in professional occupations



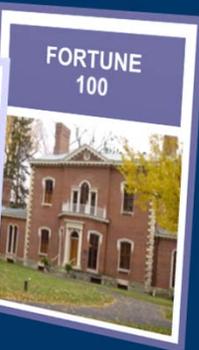
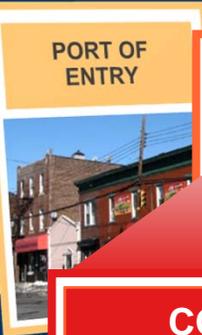
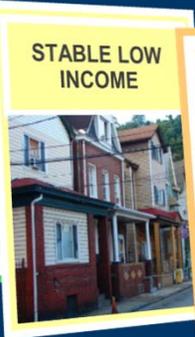
5a Immigrant eclectic

5b High diversity

5c Young adults

← lower income

higher income →



### COMING ATTRACTIONS

- Usually built in the last 20 years
- Racially diverse
- Ages 19-34
- Employed in professional occupations
- Further from central business district
- Median income \$40,000
- Diverse businesses providing services and entertainment for the residents



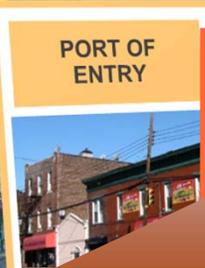
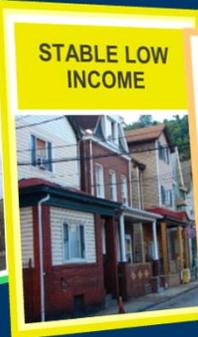
6a Commercial districts

6b Middle class residential

6c New developments

← lower income

higher income →



### NO PLACE LIKE HOME

- Family homes close to city limits
- Moderate to high incomes
- Mostly residential
- Equal spread of age groups
- Most residents in house for 10+ years



7a Blue collar diverse

7b Settled and stable

7c New picket fences

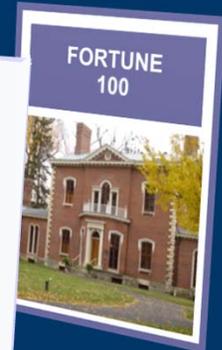
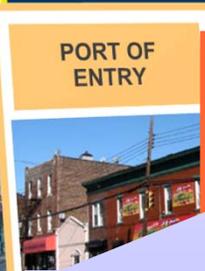
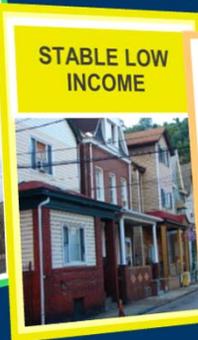
7d Corner stores/shopping ctr.

7e High end housing

7f Higher income homes

← lower income

higher income →



### CLOSE, COOL, COMMERCIAL

- Young professional
- High-end rental apartments close to central business district
- 19-34 year olds
- Highly diverse
- Concentration of service, retail and entertainment businesses
- Post-high school education with work in professional occupations



**8a** Walk-ups and Laundromats

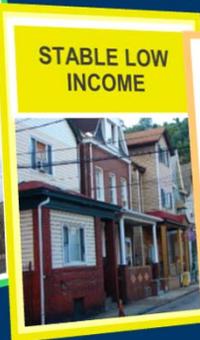
**8b** Urban pioneers

**8c** Downtown

**8d** Doormen and delivery

← lower income

higher income →



### FORTUNE 100

- Expensive single family homes
- Few business enterprises
- Median income around \$100,000
- Professionals with advanced degrees
- Low crime and long term residential stability
- Lack of diversity with residents and income



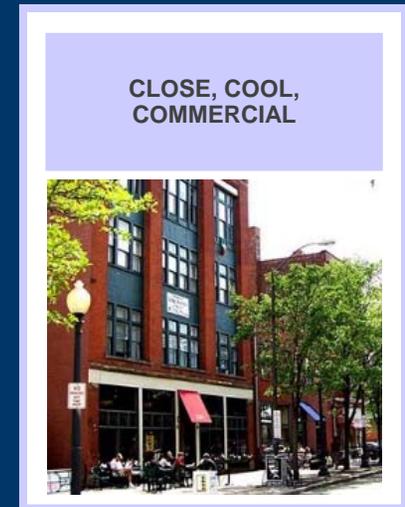
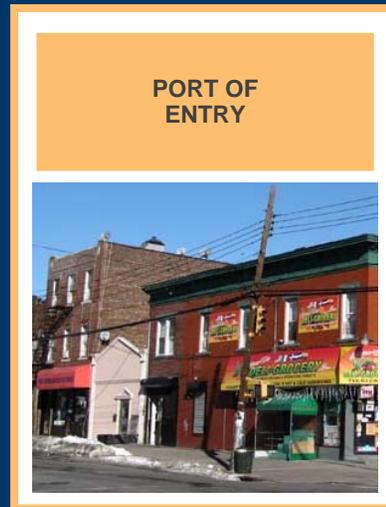
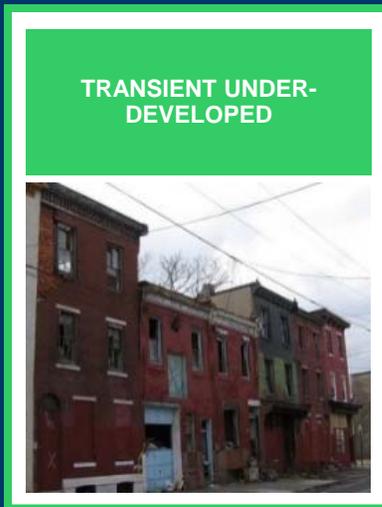
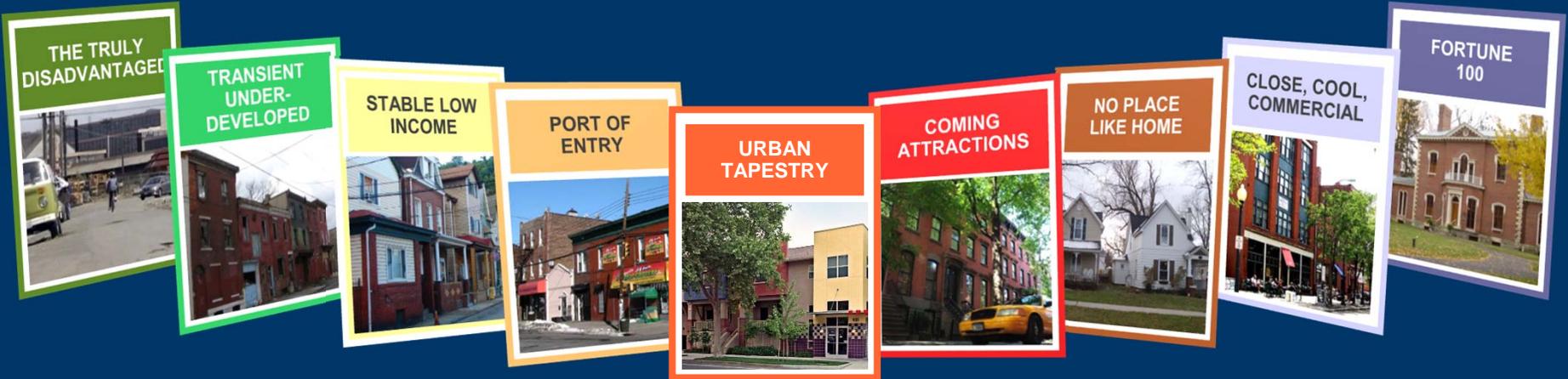
9a Old money

9b Wealthy boom

9c Exclusive enclaves

← lower income

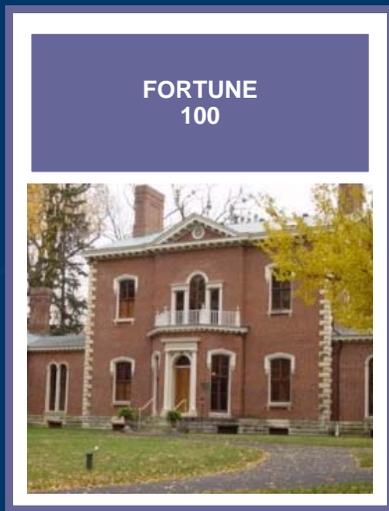
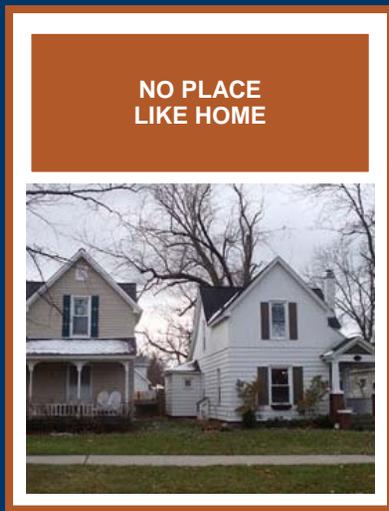
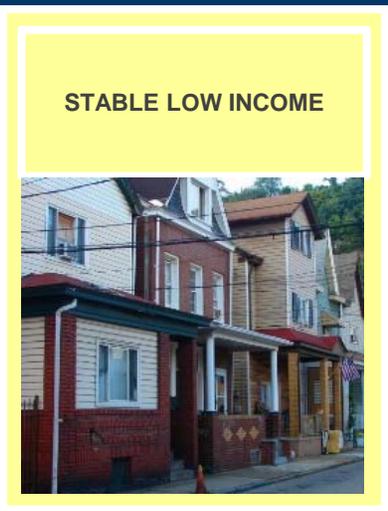
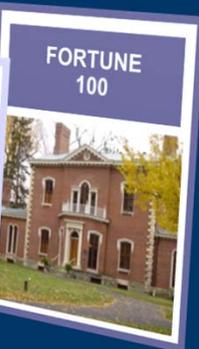
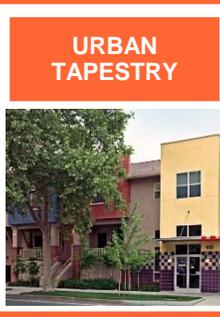
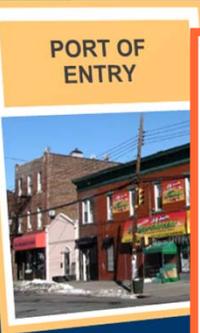
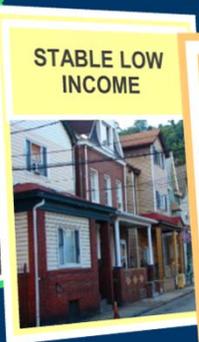
higher income →



# Stage of Life Communities

← lower income

higher income →



# Bedroom Communities



# YOUR TURN!

- Review data provided about your neighborhood
- Compare to Type Means, Type Heat Map and written descriptions of types
- What type(s) of neighborhood is yours?

# One Neighborhood, One Type?

- ...Not necessarily
- Your neighborhood may have several different types within its boundaries
- Note: Data pulled from tracts that are at least 40% in your neighborhood, so may include some adjacent areas/exclude some portions of your neighborhood

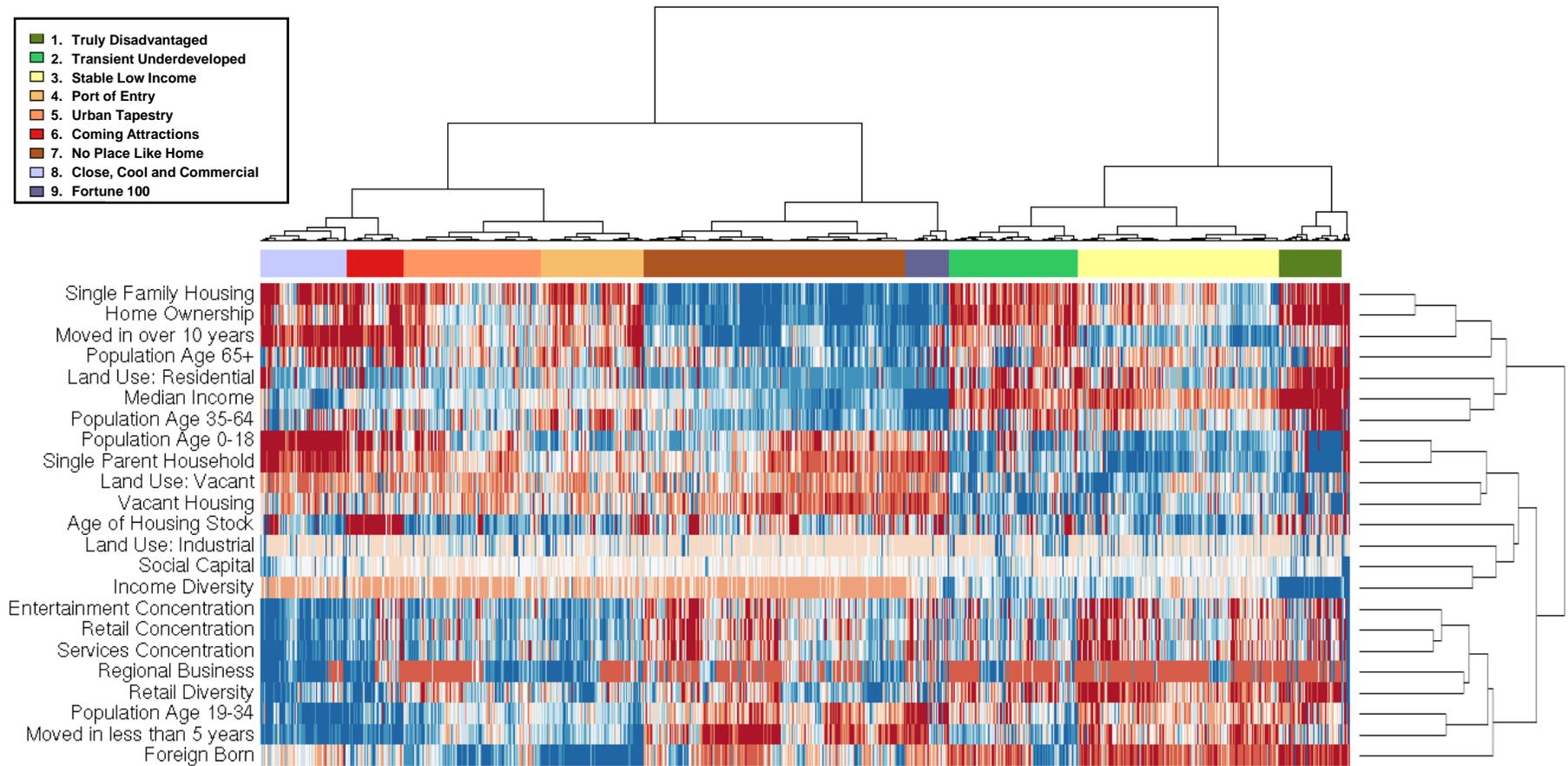
# Identifying Your Type: Type Means

	Type 1	Type 2	Type 3	Type 4	Type 5	Type 6	Type 7	Type 8	Type 9
	The Truly Dis-advantaged	Transient Under-Developed	Low Income Stable	Port of Entry	Urban Tapestry	Coming Attractions	No Place Like Home	Close, Cool, Commercial	Fortune 100
Median Household Income (in 2000 dollars)	9950	20900	23800	32200	37300	39900	45400	51700	100000
% Age 0-18	40%	31%	34%	31%	25%	16%	25%	10%	23%
% Age 19-34	24%	28%	23%	32%	31%	44%	24%	48%	18%
% Age 35-64	25%	30%	32%	30%	33%	32%	37%	34%	45%
% Age 65+	13%	12%	12%	8%	11%	9%	15%	10%	15%
% Single Parent Households	36%	20%	23%	11%	9%	6%	8%	3%	3%
% Foreign Born	2%	12%	3%	45%	24%	17%	12%	12%	7%
% Moved in Less than 5 Years	53%	60%	42%	60%	55%	78%	39%	73%	43%
% Moved in Over 10 Years	30%	25%	44%	25%	31%	12%	48%	16%	41%
% Single Family Detached	8%	13%	32%	17%	25%	15%	71%	12%	74%
% Vacant Housing Units	21%	17%	13%	8%	7%	11%	5%	8%	4%
% Home Owner	9%	18%	36%	29%	40%	22%	69%	29%	77%
Median Age of Housing Stock	38.4	45.1	51.2	49.5	51.2	18.8	42	46.8	33.8
Land Use: % Residential	0.337	0.581	0.702	0.723	0.787	0.759	0.885	0.729	0.839
Land Use: % Vacant	0.222	0.158	0.176	0.0713	0.0528	0.0877	0.066	0.0352	0.0966
Land Use: % Industrial	0.0665	0.0425	0.026	0.0333	0.0298	0.0189	0.0111	0.0294	0.017
Social Capital per person	0.0034	0.00245	0.00225	0.00109	0.00116	0.00162	0.00132	0.00558	0.00254
Retail Diversity (# Unique Retailer Types)	11	18.9	12.5	31.9	24.3	44.2	29.2	46.2	36.6
Retail Concentration (per tract area)	3.02	3.75	3.07	4.48	3.86	3.84	3.16	5.05	3.28
Services Concentration (per tract area)	3.47	3.93	3.23	4.49	4.23	4.23	3.55	5.48	3.46
Entertainment Venues (per tract area)	1.9	2.76	1.87	3.53	3.16	2.95	2.22	4.63	2.13

■ Very Low  
 ■ Low  
 ■ High  
 ■ Very High

# Visualizing the Types: Type Heat Map

- 1. Truly Disadvantaged
- 2. Transient Underdeveloped
- 3. Stable Low Income
- 4. Port of Entry
- 5. Urban Tapestry
- 6. Coming Attractions
- 7. No Place Like Home
- 8. Close, Cool and Commercial
- 9. Fortune 100



# Tips

- The specific numbers matter less than direction/ order of magnitude relative to the mean
- Think about defining factors, e.g.,
  - If 50+% moved within last 5 years, probably not stable, bedroom community
  - If more than 30% immigrant, almost certainly either type 4, 5, 2C, or maybe 7
  - If more than 50% single family, likely type 3, 7 or 9A (or maybe 4 or 5, if foreign-born population also high)
  - If median income is less than \$30,000/year, likely types 1-5
  - Main difference between types 1 + 2 is higher concentration of retail, services and entertainment.

# DISCUSSION

- How does your neighborhood fit into the designated types?
  - What are its defining characteristics?
  - How can the typology framework help you understand the challenges and opportunities for your neighborhood?
- 



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# Session 4: Goal Development

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# Applying the Taxonomy: Neighborhood Transition

Type 5: Urban  
Tapestry  
58.9%

*High Racial Diversity  
Older, Single Family Homes  
Average Incomes,  
Low Unemployment  
Low Crime*

Type 4: Port of  
Entry  
21.1%

*High Population Foreign Born  
Families, High Resident Mobilit,  
Below-average Incomes  
Unemployment < 10%  
Low Crime*

Type 8: Close,  
Cool,  
Commercial  
7.8%

*Young, Educated Professionals  
Rented Apartments  
Mid-High Income  
Many Consumption Amenities  
High Residential Mobility*

Type 3: Stable  
Low Income  
7.2%

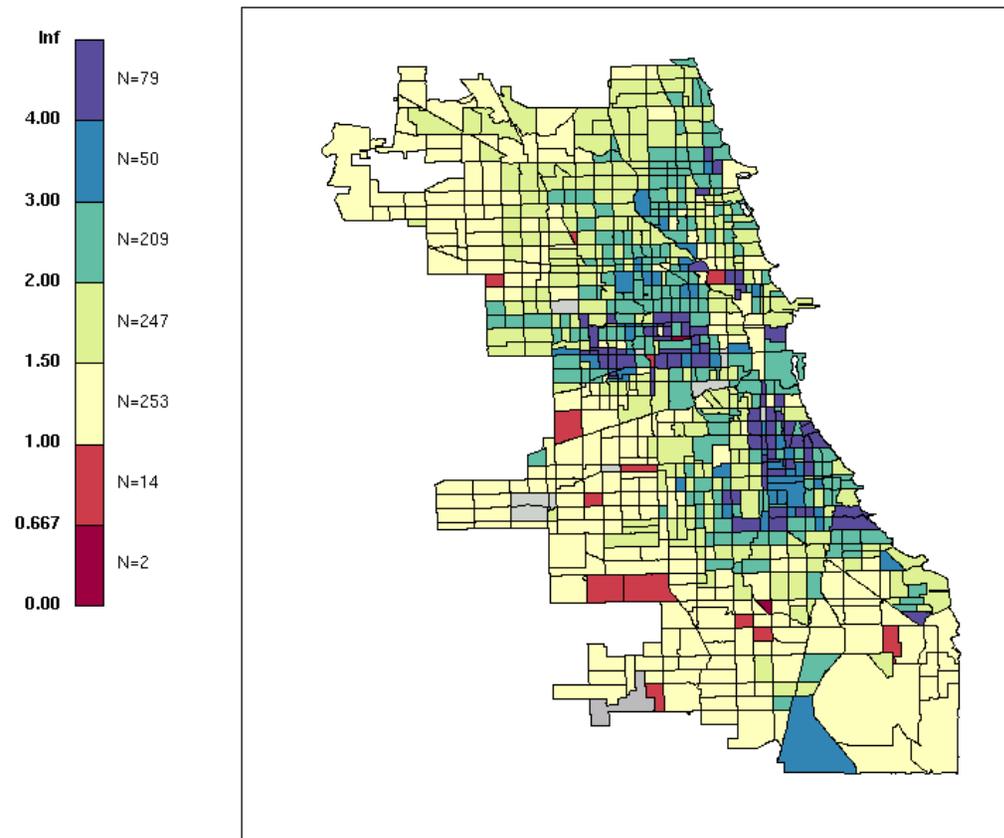
*Primarily African American  
Single Family Homes,  
High Residential Stability  
High Crime  
High Unemployment*

Transition Matrix

1990	Truly Disadvantaged	35.8	40.8	19.2	0.8		0.8		1.7	0.8
	Trans. Under-developed		45.5	16.7	16.7	11.1	4	0.5	5.1	0.5
	Stable Low Income	1.2	2	89.8	0.4	2.5		4.1		
	Port of Entry	0.9	3.7		74.1	17.6			3.7	
	Urban Tapestry		1.7	7.2	21.1	58.9		2.8	7.8	0.6
	Coming Attractions		1.2		9.5	13.1	61.9	3.6	9.5	1.2
	No Place Like Home			3.6	2.2	6.6	0.3	86.3	0.5	0.5
	Close, Cool, Commercial					4.9	3.9	1	85.3	4.9
	Fortune 500		1.8				5.3	14	1.8	77.2
		2000								
		Truly Disadvantaged	Trans. Underdeveloped	Stable Low Income	Port of Entry	Urban Tapestry	Coming Attractions	No Place Like Home	Close, Cool, Commercial	Fortune 500

# The Big Picture: Neighborhood Change = Changing Neighbors?

Ratio of HMDA Borrower Income (2000-2005) to Census Income (2000)



The primary mechanism of change overall appears to be the movement of people.

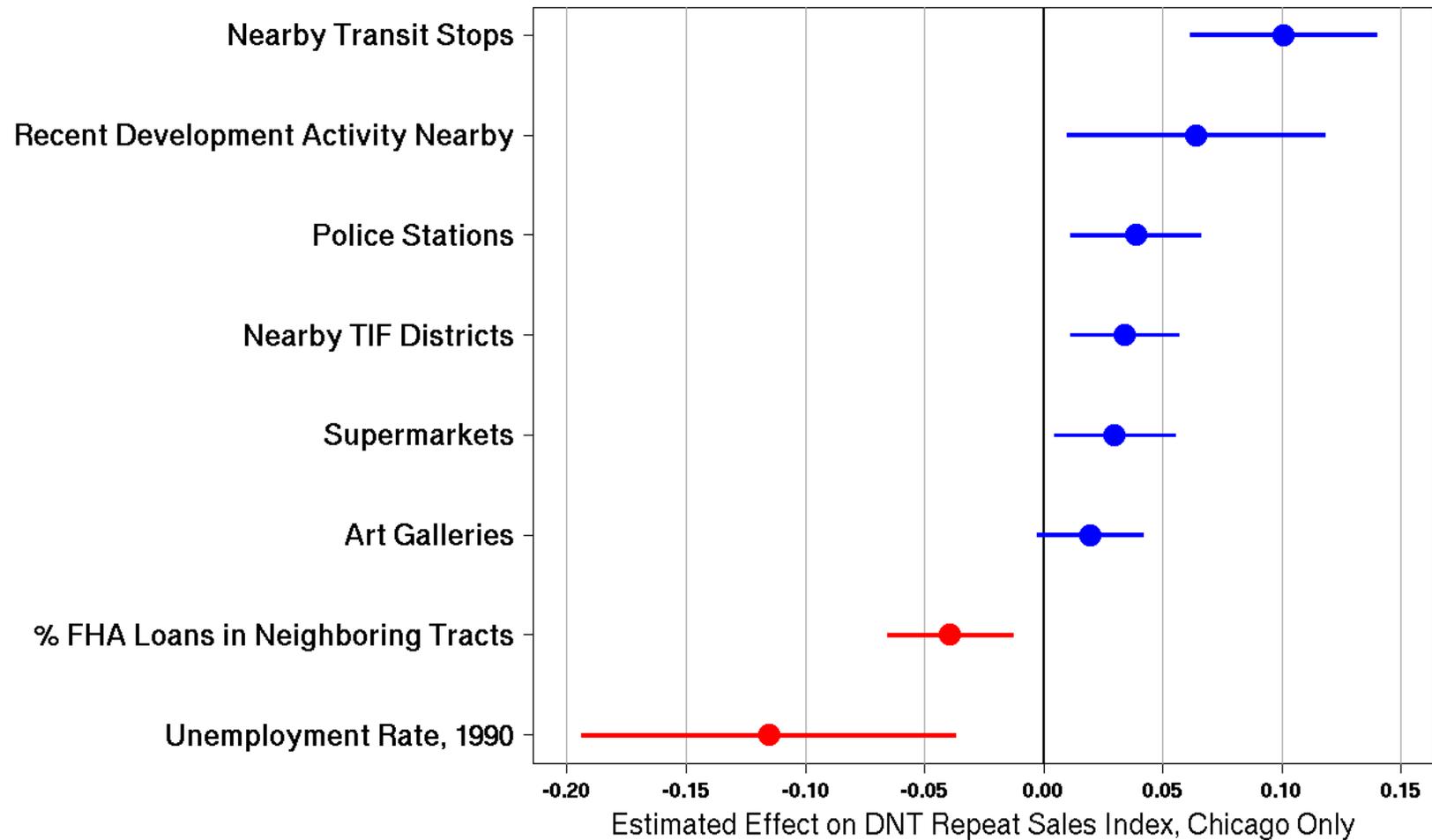
# The Big Picture: Drivers of Neighborhood Change

## “The Goldilocks Theory” ...

- Mobility is the key mechanism of change
- Movers are attracted to areas with undervalued housing but sound economic fundamentals (employment, income, education, young adults)
- Being connected is important: proximity to job centers, access to transit, lower commuting times are positive
- Neighborhood spillovers are important: what happens in your neighborhood reflects what happens in the neighborhoods around you
- Context matters: substantial variation by type and stage
- Cultural and recreational amenities (art galleries, bars and restaurants) help, but are not the main event

... **Neighborhoods of Opportunity are “Just Right.”**

# The Big Picture: Relative Importance of Different Drivers of Change



(1994-2004 Random Effects Model, Standardized Coefficients with 95% Confidence Interval)

# The “Little” Picture: Few Silver Bullets



## 3'-By-4' Plot Of Green Space Rejuvenates Neighborhood

FEBRUARY 11, 2008 | [ISSUE 44•07](#)

**DETROIT**—Notorious for its abandoned buildings, industrial warehouses, and gray, dilapidated roads, Detroit's Warrendale neighborhood was miraculously revitalized this week by the installation of a single, three-by-four-foot plot of green space.

The green space, a rectangular patch of crabgrass located on a busy median divider, has by all accounts turned what was once a rundown community into a thriving, picturesque oasis, filled with charming shops, luxury condominiums, and, for the first time ever, hope.

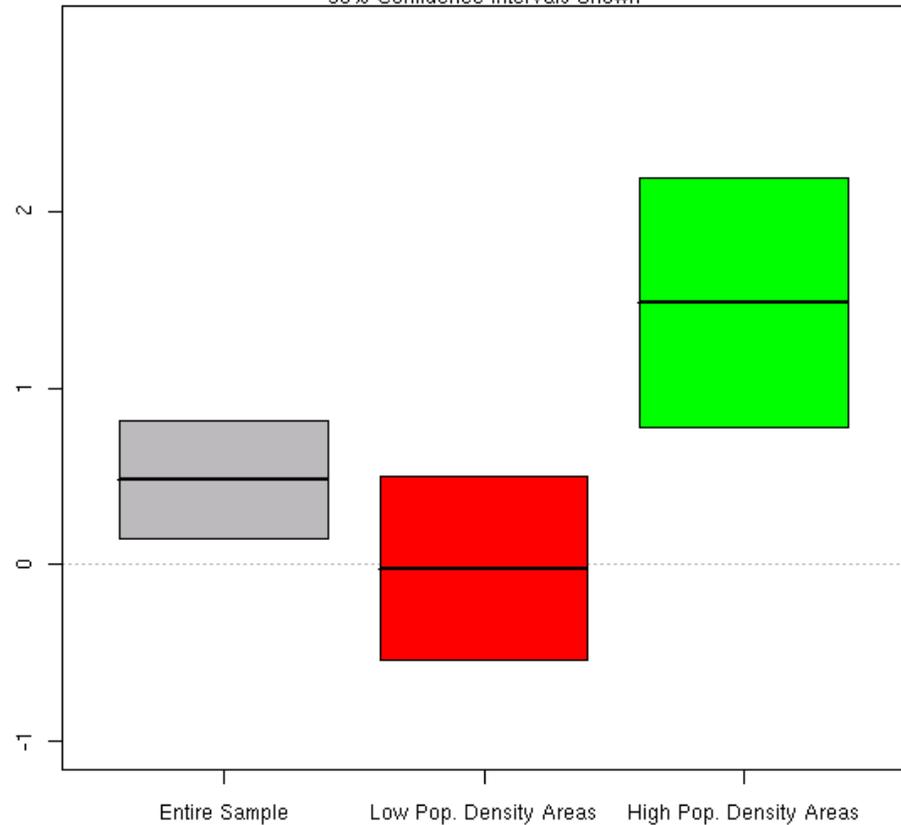
The Johansens, who just moved to Warrendale, enjoy some outdoor time.



# The "Little" Picture: Few Silver Bullets

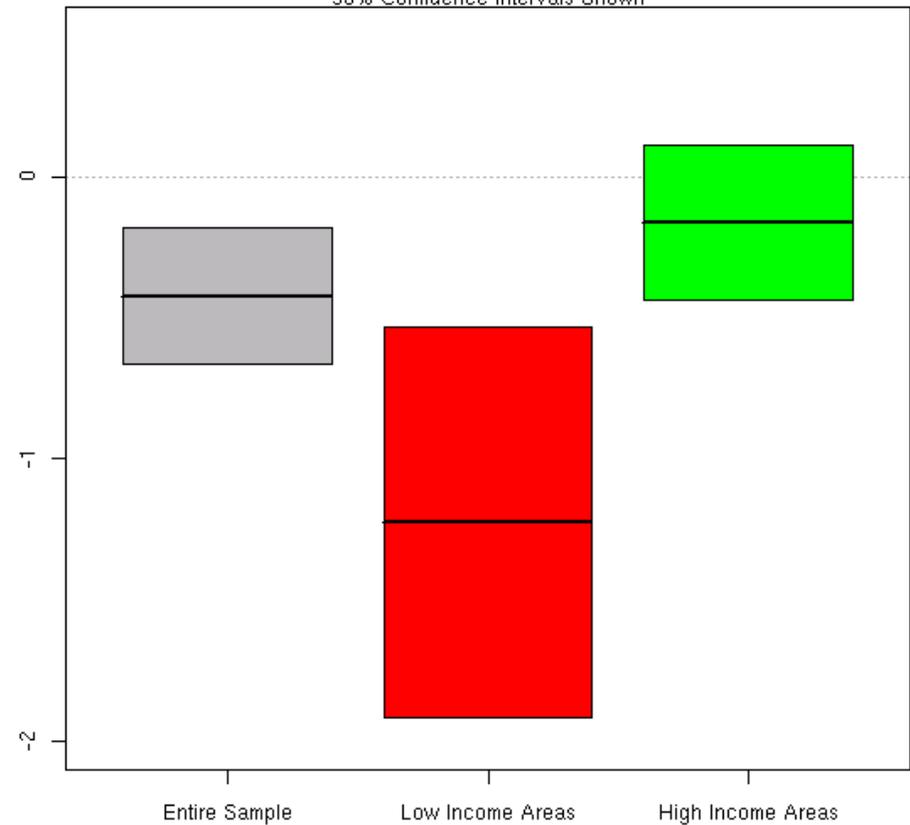
Regression Estimates for Effect of Nearby Transit Stops on RSI

95% Confidence Intervals Shown



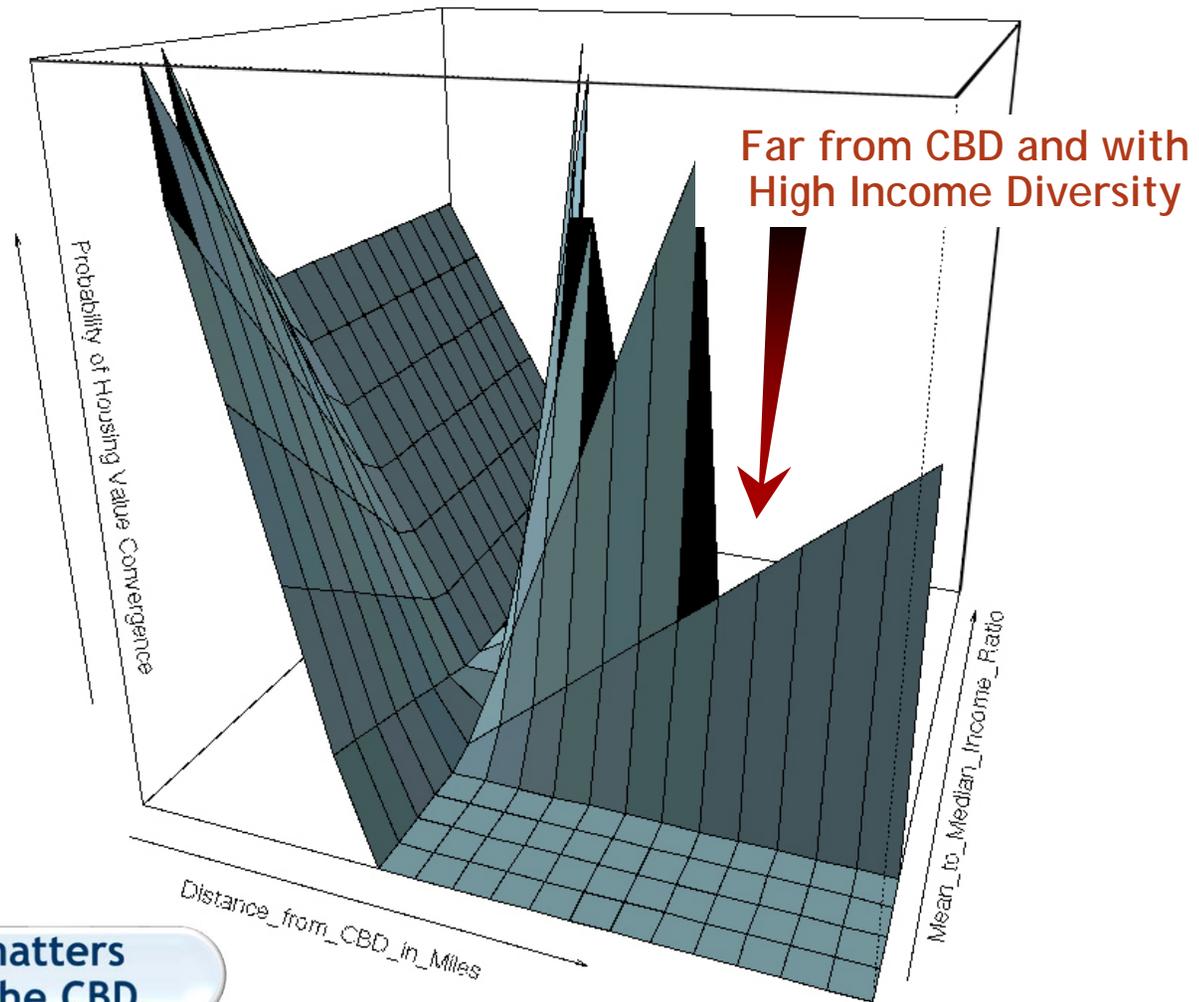
Regression Estimates for Effect of Unemployment Rate on RSI

95% Confidence Intervals Shown



What matters varies a great deal by type of neighborhood.

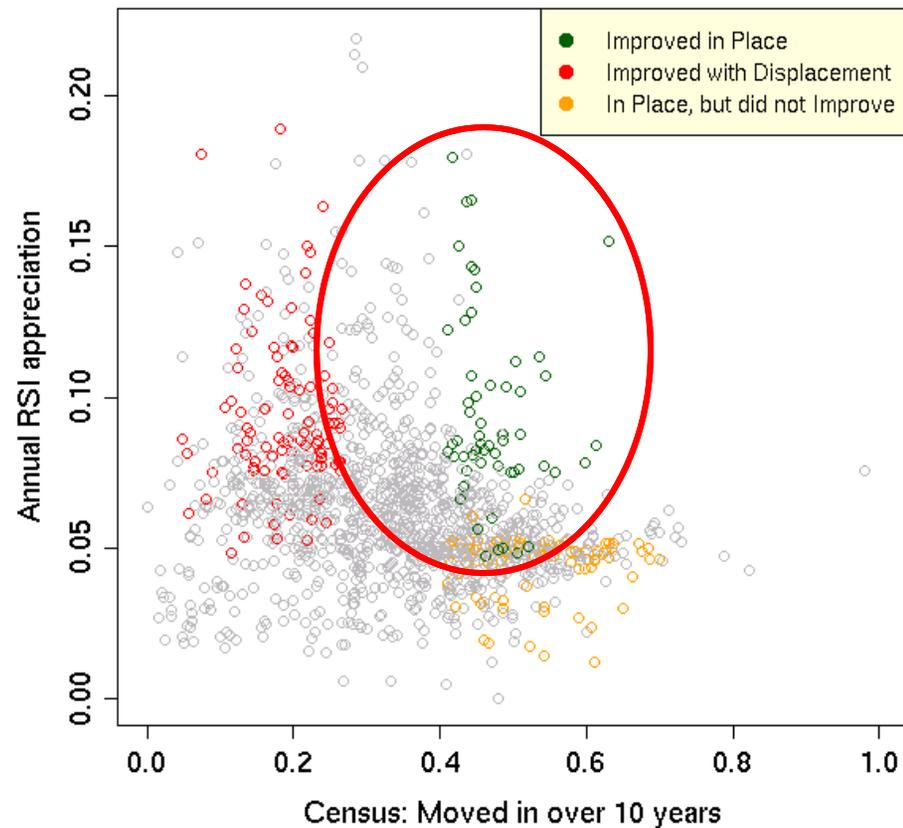
# How Drivers Interact Varies by Place



Income diversity matters more further from the CBD.

# Improvement With High and Low Turnover

Relationship of Appreciation and Change in Population



What characterizes the neighborhoods that improved with less displacement?

# Drivers of “Improvement in Place”

Improvement with Low Turnover Is Associated With:

- High Home Ownership Rates
- Low Vacancy Rates
- Access to Transit
- Reduction in Unemployment
- Presence of Employment Services
- High Social Capital
- High Percentage of Young Adults

*"Homeownership, Social Capital and Reduction of Unemployment are Key to Improving Neighborhoods with Less Displacement"*



# YOUR TURN!

- Think about the type of neighborhood to which you realistically want to transition
- Discuss what types of residents and businesses you need to retain/produce/attract to make that transition
- Identify your broader neighborhood development goals in context of transition goal

## DISCUSSION: Identifying Transition Goals

- Given your type and realistic trajectories, what type of community do you want to become?
  - Do you want to remain a bedroom/stage of life community or move from one to the other?
- Who does that mean you want to retain/attract?
  - What types of people and businesses will help you move from your current type to your goal?
- What do you need to do to retain/attract them?
  - What key attributes? (e.g. different housing stock, better job access, new business activity, retail and services, finance, networks, etc.)

# Applying the Taxonomy: Neighborhood Transition

**Transition Matrix**

Truly Disadvantaged	35.8	40.8	19.2	0.8		0.8		1.7	0.8
Trans. Underdeveloped		45.5	16.7	16.7	11.1	4	0.5	5.1	0.5
Stable Low Income	1.2	2	89.8	0.4	2.5		4.1		
Port of Entry	0.9	3.7		74.1	17.6			3.7	
Urban Tapestry		1.7	7.2	21.1	58.9		2.8	7.8	0.6
Coming Attractions		1.2		9.5	13.1	61.9	3.6	9.5	1.2
No Place Like Home			3.6	2.2	6.6	0.3	86.3	0.5	0.5
Close, Cool, Commercial					4.9	3.9	1	85.3	4.9
Fortune 500		1.8				5.3	14	1.8	77.2

Truly Disadvantaged  
 Trans. Underdeveloped  
 Stable Low Income  
 Port of Entry  
 Urban Tapestry  
 Coming Attractions  
 No Place Like Home  
 Close, Cool, Commercial  
 Fortune 500



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# Module III: Developing and Deploying Neighborhood Assets in the Context of the Regional Economy

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# Session 5: Human Capital

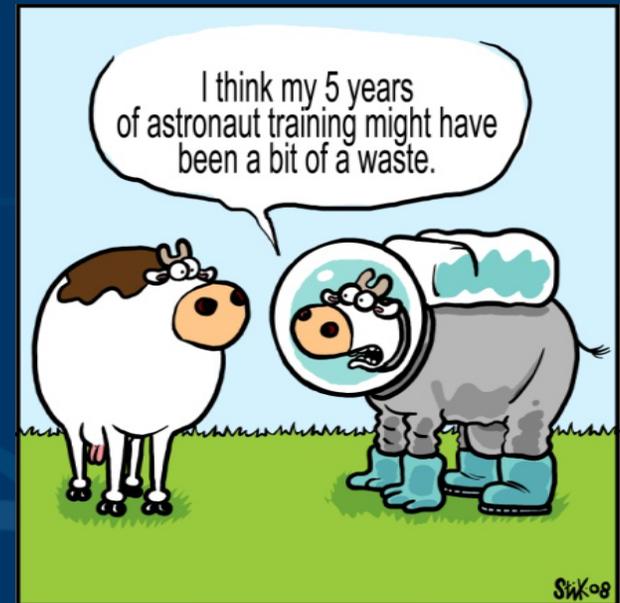
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## What we will learn in this session ....

- What is Human Capital and why does it Matter to Neighborhoods?
  - Next Economy Dynamics
  - Analytics for Understanding Your Neighborhood's Human Capital Deployment
  - Strategies and Initiatives
- 

# What is Human Capital Deployment and Why Does it Matter to Neighborhoods?

- Stock of knowledge, skills, and expertise
- Economic impact only through DEPLOYMENT
- Neighborhoods play foundational role in developing/ deploying HC (e.g. K-12, enable access to jobs in region)
- Deployed human capital brings assets (e.g. income) into the neighborhood and creates demand to support local amenities
- Strong HC and job connections make the neighborhood more attractive



# Changing Economy, Changing Human Capital

- “Next economy” more dynamic → more frequent change in jobs
- Disruption of labor markets
  - misalignment of production/supply, demand
  - higher transaction costs
- Trend toward targeted (re)training; certifications; stacked credentials



Creates new challenges/opportunities for different worker segments

## Illustrative Missions & Goals

(Generic) Mission: Increase employment levels and job quality targeted to neighborhood residents.

### Illustrative Goals:

- Redeploy residents for regional growth occupations
- Improve access (e.g. improved transit to get production workers to job centers)
- Attract relevant jobs (e.g. industrial land development in connection with cluster strategy)

# Market Analysis

Objective: Understand the job opportunities for neighborhood residents, and how residents can access them (in terms of transportation, preparedness and networks)

## Things to Consider:

1. Labor Supply: skills of neighborhood residents
2. Labor Demand: skills required in regional growth industries
3. Connecting labor supply and demand: physical and virtual access

# Market Analysis: Labor Supply in Neighborhood

What skillsets do the residents of your neighborhood offer to employers?

To find out, look at residents':

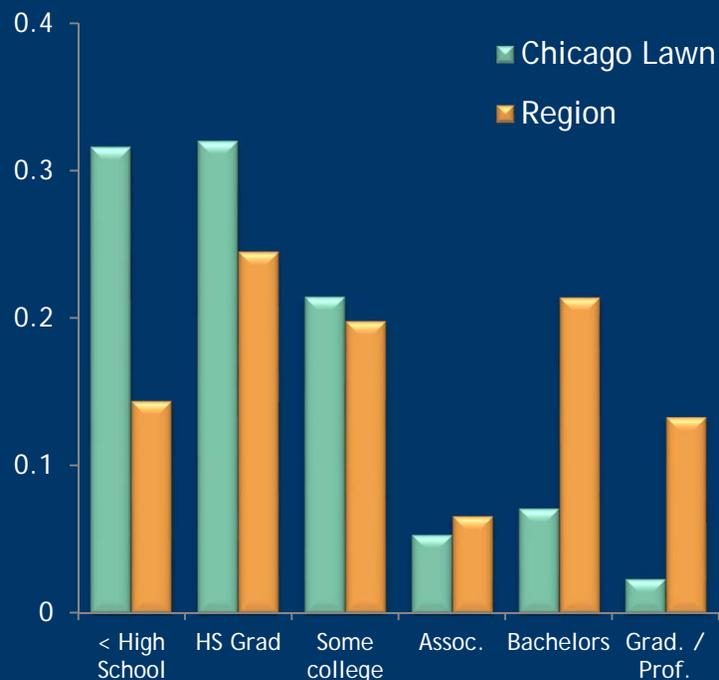
- Educational attainment
- Current and previous occupations

What skills are associated with these occupations?

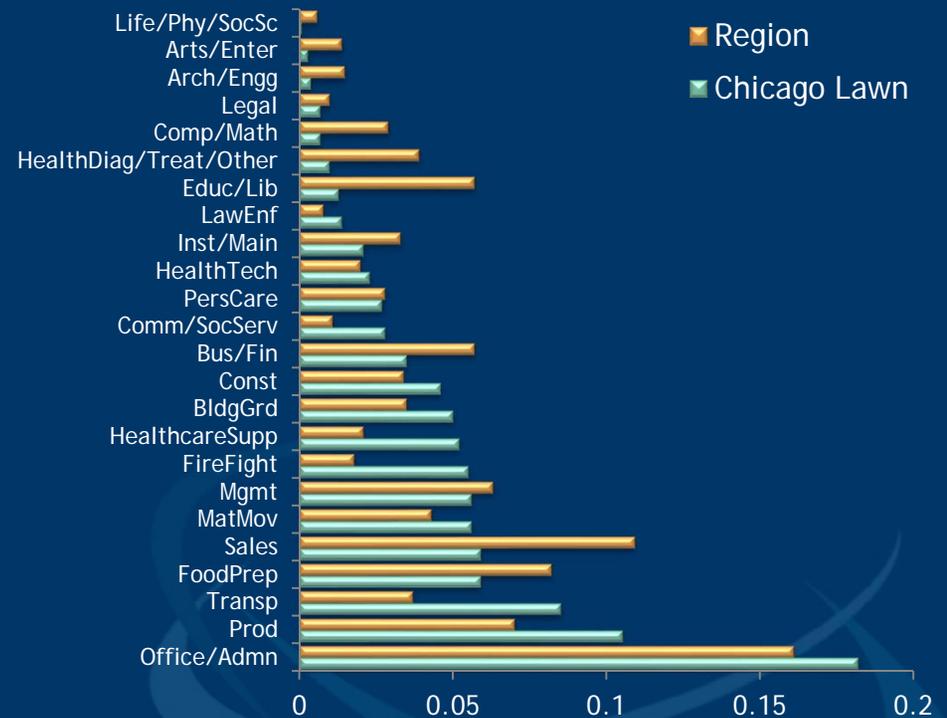
# Market Analysis: Labor Supply in Neighborhood

## *Interpreting the Data*

### Educational Attainment



### Occupational Distribution



What are the most common occupations in your neighborhood?

# Market Analysis: Labor Supply in Neighborhood

## *From Education/Occupation to Skills*

Occupation Group	Job zone
Office & Administrative Support	2
Production	2
Transportation & Material Moving	2
Food Prep. & Related	1
Sales & Related	2.5
Management	4
Protective Service	3
Healthcare Support	2.5
Building & Grounds Cleaning & Maintenance	2
Construction & Extraction	2
Business & Financial Operations	4
Community & Social Service	4
Personal Care & Service	2
Healthcare Practitioners & Technical	5
Installation, Maintenance, & Repair	3

Qualitative data on specific occupations, e.g., Sheet Metal Worker:

- *Education:* usually requires a high school diploma
- *Knowledge:* Mechanical, Building and Construction, Design, Mathematics, Administration and Management, Engineering and Technology, Production and Processing, English Language, Customer and Personal Service.
- *Skills:* Critical Thinking, Judgment and Decision Making, Time Management, Mathematics, Active Listening, Coordination, Monitoring, Reading Comprehension, Speaking
- *Abilities:* Near Vision, Information Ordering, Visualization, Multilimb Coordination, Selective Attention, Arm-Hand Steadiness, Control Precision, Deductive Reasoning, Depth Perception, Flexibility of Closure

What skills do common occupations use?

# Market Analysis: Labor Supply in Neighborhood

## *From Skills to Occupations*

<http://www.onetonline.org/>

Search by skills, knowledge, interests, abilities, etc., e.g.,  
Production and Processing knowledge:

Industrial Production Managers, Manufacturing Engineers, Food Scientists and Technologists, Aviation Inspectors, Tank Car, Truck, and Ship Loaders, Chemical Plant and System Operators, Manufacturing Engineering Technologists, Medical Appliance Technicians, First-Line Supervisors of Production and Operating Workers, Industrial Engineers, Production, Planning, and Expediting Clerks, Industrial Engineering Technicians, Mechanical Engineering Technologists, Glass Blowers, Molders, Benders, and Finishers, Food Science Technicians, Supply Chain Managers, Etchers and Engravers, Nursery and Greenhouse Managers, Meat, Poultry, and Fish Cutters and Trimmers, Tire Builders, Commercial and Industrial Designers, Biomass Power Plant Managers, Mechatronics Engineers, Mixing and Blending Machine Setters, Operators, and Tenders, Validation Engineers, Paper Goods Machine Setters, Operators, and Tenders, Furnace, Kiln, Oven, Drier, and Kettle Operators and Tenders, Potters, Manufacturing, Industrial Engineering Technologists, Geothermal Production Managers

**What other jobs employ common skills?**

## Market Analysis: Labor Demand in Region

What labor is in demand in the regional economy?

To find out, look at:

- Occupations growing in region
- Industries growing in the region, and associated occupations (*see Clusters session*)
- Skills, education, knowledge, etc. associated with growing occupations

# Market Analysis: Labor Demand in Region

## *Interpreting the Data*

### Top 15 Regional Growth Occupations

Occupation	Occupational Group	Change in Empl.	% Change	Job Zone
Retail Salespersons	Sales	66260	183.70%	2
Registered Nurses	Healthcare Pract.	52560	N/A	3
Customer Service Representatives	Office/Admin	39320	236.01%	2
Waiters and Waitresses	Food Prep	37740	249.27%	1
Combined Food Preparation and Serving Workers,	Food Prep	35910	275.38%	1
Secretaries and Administrative Assistants	Office/Admin	33760	248.05%	3
Cashiers	Sales	32900	145.25%	1
Stock Clerks and Order Fillers	Office/Admin	23980	155.01%	1
Nursing Assistants	Healthcare Support	22180	N/A	2
Maintenance and Repair Workers, General	Install, Mntnce, Repair	21180	N/A	3
Security Guards	Protective Service	20510	125.91%	2
Cooks, Restaurant	Food Prep	19750	414.92%	2
Sales Representatives, Wholesale and Manufacturing	Sales	19660	120.91%	4
Business Operations Specialists, All Other	Business and Financial	18980	N/A	3
Accountants and Auditors	Business and Financial	18040	230.69%	4

## Market Analysis: Connecting Supply and Demand

- Which growth occupations or industries (*see Clusters session*) are neighborhood residents prepared to enter, or could they be with moderate training?
- Where are growth occupations/industries (*see Clusters session*) concentrated within the region? How easily can neighborhood residents travel to these areas? (*see Urban Growth Form session*)
- Are neighborhood residents tapped into networks that will inform them about job opportunities in growth industries? (*see Institutional Infrastructure/Governance session*)

# Market Analysis: Connecting Supply and Demand

## *Interpreting the Data*

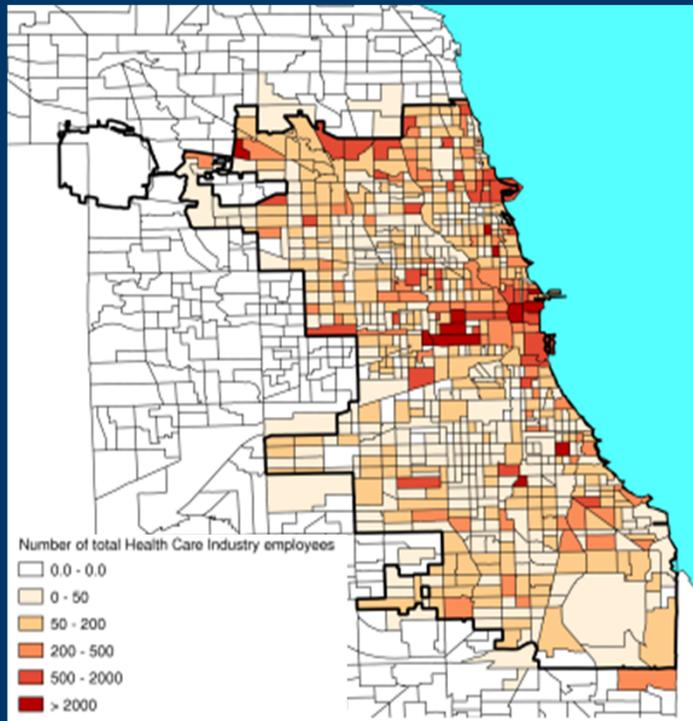
### Top 15 Growth Occupations w/ Top Neighborhood Occ. Categories

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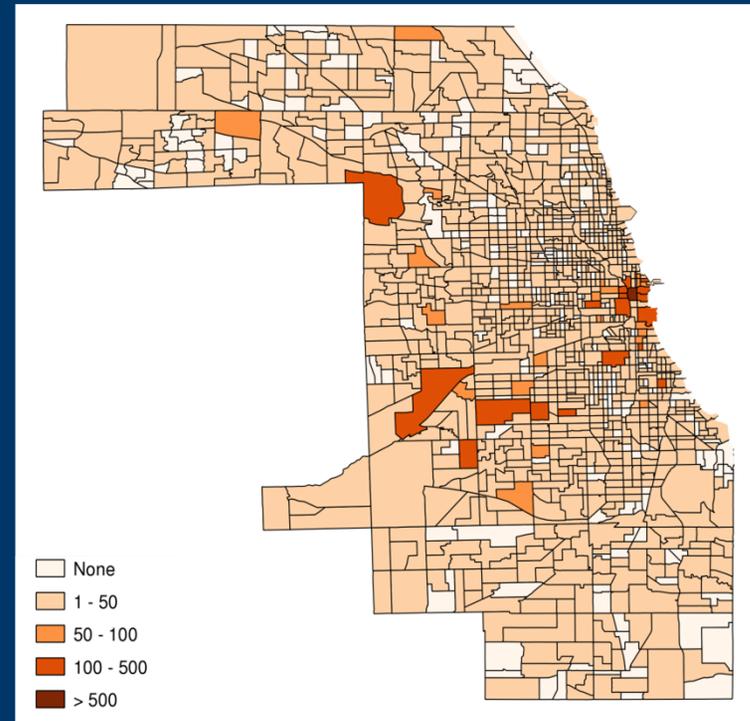
# Market Analysis: Connecting Supply and Demand

## *Access: Physical and Virtual Linkages*

### Industry Employment



### Neighborhood Commute Patterns



Stay Tuned for Urban Growth Form

# Strategy Development

- External

- What training programs or placement agencies already exist nearby related to the identified occupations?
- What opportunities are there to increase physical access from the neighborhood to jobs (e.g. advocacy for new bus stop; collaboration with employer on private bus)?

- Internal

- How can neighborhood organizations and residents help each other access jobs? Facilitate carpooling? Create networks for residents in similar occupations and industries?
- How can you create/retain/attract jobs to the neighborhood?

- *See also Clusters and Urban Growth Form sections.*

# Illustrative Strategies

## ■ External

- Develop program to screen residents for required skills and then connect them to workforce training & development programs focused on target occupations.
- Establish partnerships with businesses around hiring neighborhood workers and/or commuting assistance

## ■ Internal

- Encourage innovative transportation options to get residents to job centers (e.g. carpooling network, car-sharing, supplemental bus, etc. *(see Urban Growth Form)*)
- Create regular networking sessions for residents with particular occupational interests
- Demand side strategies - attract jobs to or near neighborhood *(see Clusters and Urban Growth Form)*

# Illustrative Products & Services: Addressing Labor Market Transaction Costs

## *Year Up Nationwide*

- Opportunity:
  - Corporations struggle to fill entry level positions that require some degree of technical and professional skills
  - High school grads lack networks and skills necessary to obtain these entry level positions
- Solution:
  - Year One screens and trains capable and motivated young adults in the key areas needed to be successful in a higher paid, corporate job at the entry level, then places them in an internship with a company
- Impacts:
  - Creates a direct connection between an undervalued workforce asset and a gap in the labor force at large
  - Places 100% of graduates in internship with a 70% retention rate

# Illustrative Operations & Financials: Addressing Labor Market Transaction Costs

## *Year Up Nationwide*

- Operations

- 501c3 organization
- 289 U.S. staff in 11 cities, founded and headquarter in Boston
- Strong relationships with corporate client partners, fostering a workforce solutions relationship

- Financials

- Operating budget: \$40.1 million in 2012, \$24k per student
- Funding: 35% from corporate clients, 65% from private donations and grants



# Illustrative Products & Services: Developing Employment Pipelines

## *Making Connections White Center, Seattle*

- Opportunity:
  - Employment hubs in Sea-Tac Airport and Regional Healthcare
  - Many unemployed residents, including large immigrant and refugee population
- Solution:
  - Casey Foundation project to provide job skills training and workforce support such as childcare and interview skills
  - Identifies job opportunities (i.e. ports-based occupations) and links potential workers to them
- Impacts:
  - Placed over 3,000 neighborhood residents into jobs from 2005-2010

# Illustrative Operations & Financials: Prepare Residents for Growth Clusters

## *Making Connections White Center, Seattle*

- Operations
  - 10-year Partnership between Making Connections National program and White Center Community Development Association (WCCDA)
  - Collaboration with local government and employers (e.g. Boeing, Sea-Tax Airport)
  - Primarily staffed by WCCDA (9 staff, working on other programs as well), with support from Casey Making Connections program staff
- Financials
  - Leveraged over \$8 million from Food Stamp Employment and Training (FSET) to finance job training and placement efforts
  - Additional funding from non-profits and businesses to reach over \$30 million in funding from 2006-2010

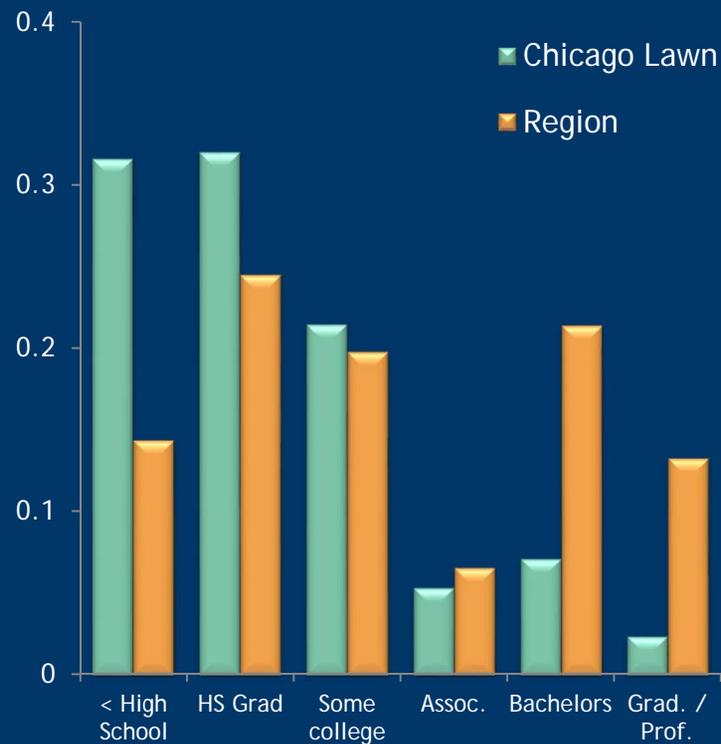


# YOUR TURN!

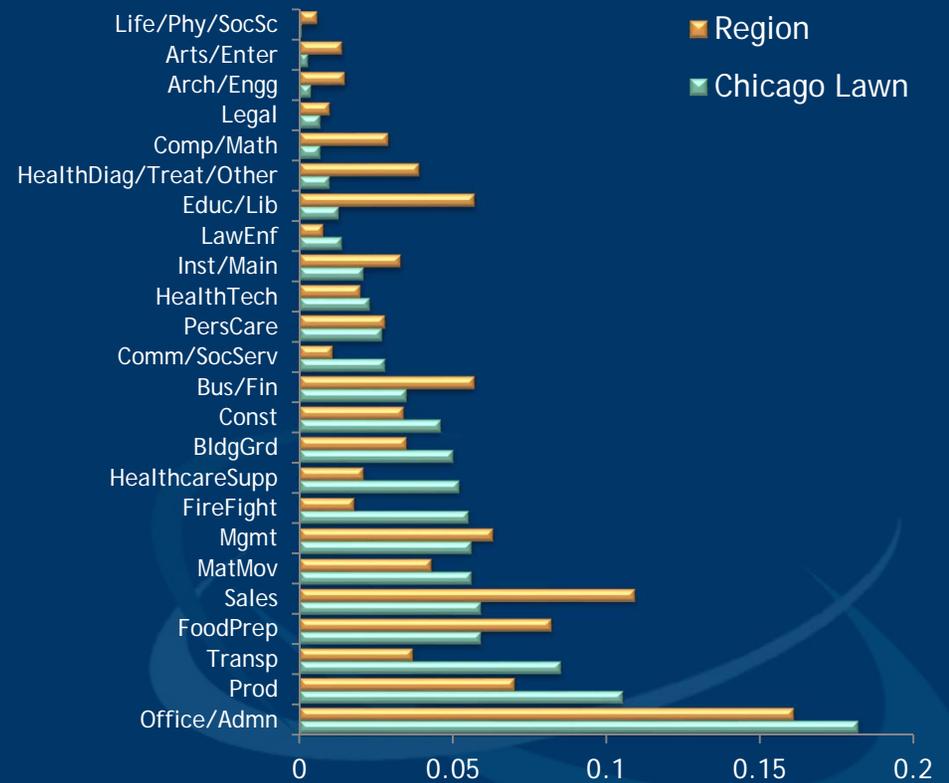
- Review provided data:
  - Neighborhood educational attainment
  - Neighborhood occupational distribution
  - Regional employment growth by occupation (historical)
- Based on the data and your own knowledge, try to answer the following questions:
  - What are the characteristics of your neighborhood's labor supply?
  - What labor is in demand in the region?
  - How does your labor supply align with regional labor demand?
  - Where are the opportunities for enhanced alignment?
- And come up with strategies for connecting your human capital to the regional labor market.

# Understanding the Data

## Neighborhood Educational Attainment



## Neighborhood Occupational Distribution



# Understanding the Data

## *Regional Employment Growth by Occupation*

Occupation	Occupational Group	Change in Empl.	% Change	Job Zone
Retail Salespersons	Sales	66260	183.70%	2
Registered Nurses	Healthcare Pract.	52560	N/A	3
Customer Service Representatives	Office/Admin	39320	236.01%	2
Waiters and Waitresses	Food Prep	37740	249.27%	1
Combined Food Preparation and Serving Workers,	Food Prep	35910	275.38%	1
Secretaries and Administrative Assistants	Office/Admin	33760	248.05%	3
Cashiers	Sales	32900	145.25%	1
Stock Clerks and Order Fillers	Office/Admin	23980	155.01%	1
Nursing Assistants	Healthcare Support	22180	N/A	2
Maintenance and Repair Workers, General	Install, Mntnce, Repair	21180	N/A	3
Security Guards	Protective Service	20510	125.91%	2
Cooks, Restaurant	Food Prep	19750	414.92%	2
Sales Representatives, Wholesale and Manufacturing	Sales	19660	120.91%	4
Business Operations Specialists, All Other	Business and Financial	18980	N/A	3
Accountants and Auditors	Business and Financial	18040	230.69%	4

# DISCUSSION

- Targeted opportunities and barriers for current residents?
  - Strategies and initiatives to address barriers?
  - Adjusting/adding for targeted new residents?
  - Links to other strategies?
- 

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# Session 6: Clusters

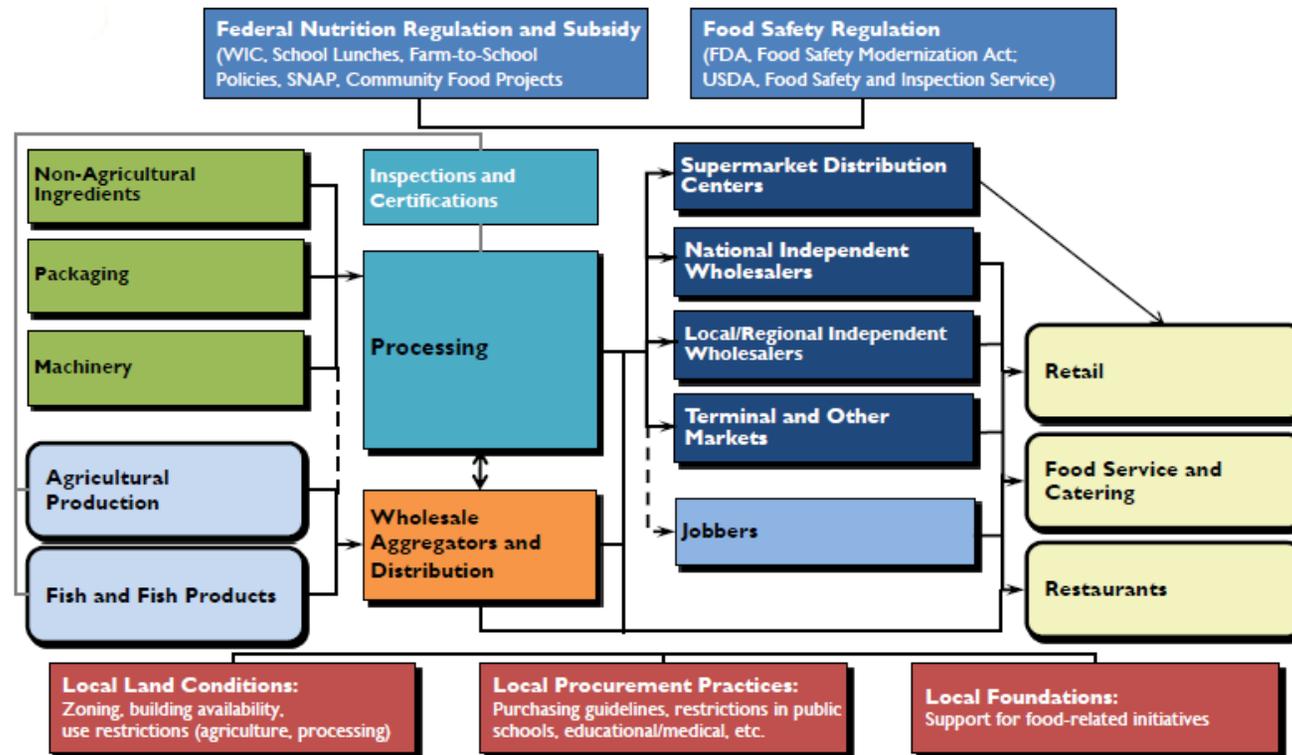
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## What we will cover in this session ....

- Clusters: What Matters to Neighborhoods
  - Analytics for Understanding Regional Growth Clusters and Relevant Neighborhood Assets
  - Strategies and Initiatives for Connecting Neighborhood Assets to Regional Growth Clusters
- 

# What Are Clusters?

## Example - Food Cluster



# What Are Clusters?

- Framework for understanding the production side of the economy
- Clusters:
  - Enhance the productivity of firms
  - Foster the creation of new firms
  - Attract companies from outside the region
- Rise of “functional” clusters



# Traded and Local Clusters

- Traded Clusters

- Sell to other regions and countries
- More concentrated in some places than others

- Local Clusters

- Sell primarily within the region
- Evenly distributed, proportion matching population
- Local clusters like B2B support traded clusters

## Why Do Clusters Matter to Neighborhoods?

- Geography of clusters varies from a neighborhood (e.g. garment district in NYC) to a multi-state region
- Clusters = opportunity for neighborhoods to connect to regional growth, attracting income, jobs, investment
- Neighborhoods house assets that can support cluster growth: people, land, supply chains, markets, etc.
- Industries (or lack thereof) located in a neighborhood help define the neighborhood's role in the region, attract particular residents

## Illustrative Mission and Goals

(Generic) Mission: Identify and connect your specific neighborhood assets to targeted regional growth clusters.

### Illustrative Goals:

- Neighborhoods with commercial/industrial vacancies: Attract cluster-based development to vacant land
- Young professionals: Increase cluster-based entrepreneurship among residents
- Bedroom communities: Increase employment of neighborhood residents in key regional clusters

# Market Analysis

Objective: Understand cluster opportunities in the region, and how neighborhood assets can connect to them.

## Things to Consider:

1. Promising Clusters: regional growth + neighborhood impact
2. Neighborhood Assets that tie to clusters
3. Cluster opportunities and barriers for deploying neighborhood assets

# Market Analysis: Promising Clusters

## Regional Opportunity: Cluster Strength and Growth Potential

- Builds from strong, underlying regional assets:
- Exhibits a large employment and firm base
  - Exhibits above-average concentration of employment or gross product
  - Leverages institutional and other assets

- Exhibits potential for economic growth:
- Market expectations to grow nationally or globally
  - Export potential
  - High employment multiplier

## Neighborhood Impact: Alignment of Cluster's Needs with Neighborhood Assets

- Presents opportunities for neighborhood assets:
- Human capital needs lend to neighborhood residents
  - Real estate needs align with neighborhood land availability
  - Supply chain gaps that neighborhood firms/entrepreneurs could fill

- Current presence in neighborhood:
- Firms and jobs have an existing presence in the neighborhood
  - Firms are owned or managed by neighborhood residents

- Offers employment opportunities that:
- Are accessible to neighborhood residents
  - Provide living wages, the opportunity for promotion and other benefits

# Market Analysis: Promising Clusters

## *Regional Opportunity*

- What industry clusters are most prevalent in your region? Which of these are growing fastest? Are they growing in terms of jobs, output or both?
- Are there emerging industries that lack a large existing presence but are growing quickly?

Cluster	Total empl.	Empl. share	Change share	Empl. Change
Aerospace Engines	385	0.5	0.1	35
Aerospace Vehicles and Defense	550	0.2	0.09	190
Agricultural Products	1543	0.6	-0.4	-1144
Analytical Instruments	6684	1.4	0.2	-2070
Apparel	418	0.3	-0.2	-3037
Automotive	797	0.1	-0.09	-1954
Biopharmaceuticals	1637	0.7	-0.3	-830
Building Fixtures, Equipment and Services	1810	0.4	-0.3	-2663
Business Services	54730	1.007	-0.2	6767
Chemical Products	1170	0.4	0.1	140
<b>Total</b>	<b>217633</b>	<b>0.58</b>	<b>-0.052</b>	<b>-18778</b>

# Market Analysis: Promising Clusters

## *Neighborhood Impact*

- What types of workers does the cluster need?
  - Occupation by industry
- What types of facilities and land characteristics does the cluster need?
  - Recent real estate investments by firms in cluster: parcel and building size and characteristics
- What types of suppliers and business services does the cluster need?

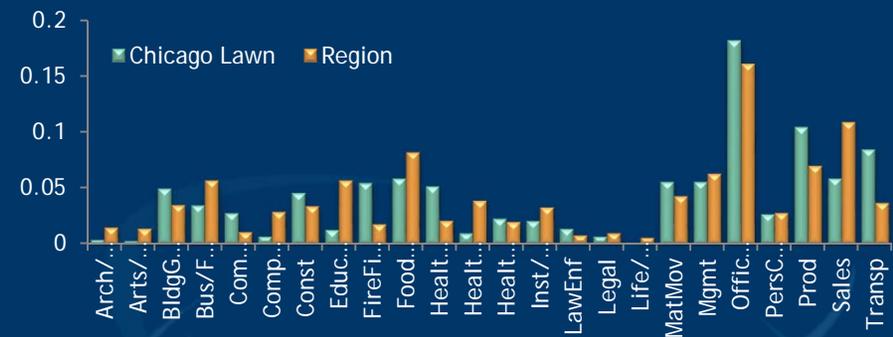
# Market Analysis: Neighborhood Assets

*Vacant land or buildings*



Sources: Local data - Assessor's Office, City Planning Department, field surveys, etc.

*Residents with relevant skills*



Sources: US Census Bureau's American Community Survey, including the Public Use Microdata Sample

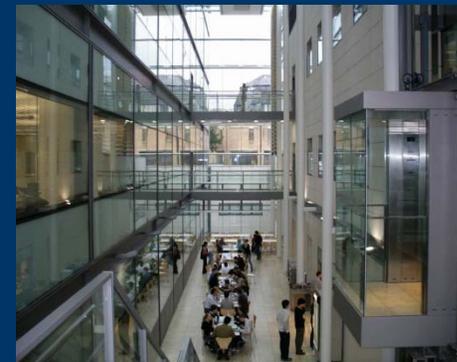
# Market Analysis: Neighborhood Assets

## *Firms*

Traded Clusters	Estabs.	Empl.	Sales
Business Services	60	228	\$13,731,200
Hospitality and Tourism	11	43	\$3,042,629
Education & Knowledge Creation	11	242	\$34,447,167
Financial Services	9	16	\$1,638,019
Food Processing and Mfg.	7	93	\$41,944,492
Performing Arts	6	302	\$17,884,000
Printing Services	5	7	\$2,499,411
Distribution & Electronic Comm.	4	9	\$1,380,000
Construction Products and Serv.	2	42	\$4,815,000
Downstream Chemical Products	2	13	\$1,450,000
Recrtnl. & Small Electric Goods	2	20	\$1,860,000
Upstream Chemical Products	1	0	\$814,176

Sources: ZIP Code Business Patterns/Business Database (e.g. NETS)

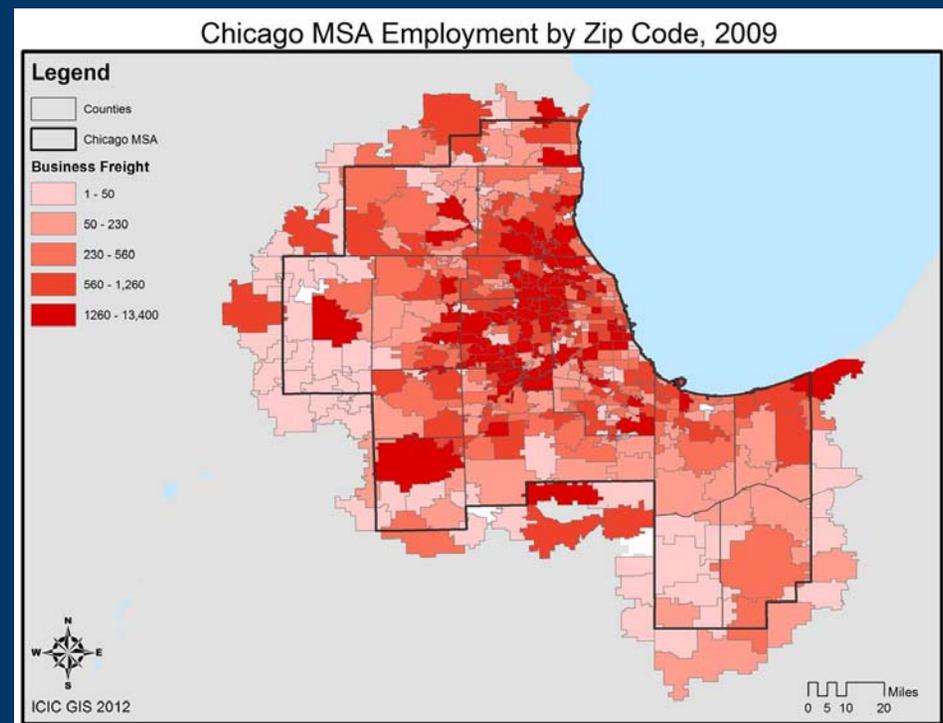
## *Institutions*



Sources: Local knowledge

# Market Analysis: Cluster Opportunities and Barriers for Deploying Neighborhood Assets

- Are there changes within regional growth clusters that particularly offer new opportunities for your neighborhood?
- Where are growth clusters concentrated within the region? How easily can neighborhood residents travel to these areas?



# Strategy Development

## ■ External

- Does a regional cluster organization (or related trade association, etc.) exist, with which you could collaborate?
- What entrepreneurship/small business resources exist that can help neighborhood firms and entrepreneurs become suppliers to priority clusters?

## ■ Internal

- What needs to be done to land/buildings in the neighborhood to make them attractive to businesses in priority clusters?
- Is there a critical mass of priority cluster firms in your neighborhood that can come together to address common needs?
- Is there an opportunity to create specialized financing resources?

- *See also Human Capital and Urban Growth Form sections.*

# Illustrative Strategies

## ■ External

- Engage with targeted cluster firms/organizations to understand their needs and become partner in addressing them.
- Connect targeted neighborhood small businesses and entrepreneurs to technical assistance and financial resources to enable participation in cluster growth
- Identify and inform appropriate residents of cluster-related job training opportunities.

## ■ Internal

- Redevelop land to attract/support cluster firms (including innovation districts, supplier parks, etc.)
  - Convene neighborhood firms in the cluster to discuss their opportunities and challenges.
- *See also Human Capital and Urban Growth Form sections.*

# Illustrative Products & Services: Preparing Residents for Growth Clusters

*Logistics Art  
Columbus, OH*

- **Opportunity:**
  - Logistics -- rapid growth, 75,000 employees in Columbus area
  - Skills gap among incumbent and prospective workers inhibits expansion
  - Long-term unemployed have difficulty demonstrating value to skills-driven employers
- **Solution:**
  - Columbus State Community College (CSCC) trains entry-level workers in warehouse skills and commercial driving; incumbent workers in 21<sup>st</sup> century skills
  - Assists with resume writing, interviewing, employer placement
- **Impacts:**
  - 79% of 1500 warehouse trainees and 97% of 250 commercial driving trainees found jobs

# Illustrative Operations & Financials: Preparing Residents for Growth Clusters

*Logistics Art  
Columbus, OH*

## ■ Operations

- Facilities: CSCC Classrooms + existing warehouses
- Staffing: CSCC faculty and firm-based on-site instructors
  - Input on training curriculum from local logistics firms

## ■ Financials

- \$4.6 million to train 1,500+ workers over 3-years
- Funded by Department of Labor grant from March 2010-February 2013
- Free to trainees

# Products and Services: Supporting Neighborhood Cluster Firms

*Northwest Side Community Development Corporation  
Milwaukee, WI*

- **Opportunity:**
  - Power, Energy, Controls cluster -- 900 companies, 100,000 employees and \$38 billion in sales in Wisconsin
  - Abandoned, blighted buildings ripe for redevelopment
- **Solution:**
  - Lends to local cluster firms, with attached requirements for hiring and training in Milwaukee's underserved 30<sup>th</sup> Street neighborhood
  - With Midwest Energy Research Consortium, creating Energy Innovation Center: cluster incubator providing lab space, business and legal resources
- **Impacts:**
  - Retained DRS Power and Control - largest neighborhood employer
  - Hired 51 new assembly workers (2/3 unemployed, 1/3 from 30<sup>th</sup> st.)

# Illustrative Operations & Financials: Supporting Neighborhood Cluster Firms

*Northwest Side Community Development Corporation  
Milwaukee, WI*

## ■ Operations

- 5 person full time staff

## ■ Financials

- 2011 Revenue: \$1,859,108. 2011 Expenses: \$1,784,946.
- Funded by grant from Office of Community Services of the U.S. Department of Health and Human Services (OCS)
- Average loan size: \$600-700k, layered into financial package w/ other lenders



# YOUR TURN!

- Review provided data:
  - Regional clusters data
  - Neighborhood business data
  - Neighborhood occupational distribution (*see Human Capital data*)
- Based on the data and your own knowledge, try to answer the following questions:
  - What clusters are strong in the region?
  - Of those, which offer neighborhood connection opportunities?
  - What assets does your neighborhood have to offer the cluster(s)?
- And come up with strategies for connecting your assets to regional clusters.

# Understanding the Data

## *Regional Cluster Data*

Cluster	Total empl.	Empl. share	Change share	Empl. Change
Aerospace Engines	385	0.5	0.1	35
Aerospace Vehicles and Defense	550	0.2	0.09	190
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## *Neighborhood Business Data*

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Construction Products and Serv.	2	42	\$4,815,000
Downstream Chemical Products	2	13	\$1,450,000

# DISCUSSION

- Targeted opportunities and barriers for local firms, residents to participate in growth clusters?
- Opportunities and barriers for developing industrial land for cluster uses?
- Strategies and initiatives to address barriers?
- Adjusting/adding for targeted new residents and firms?
- Links to other strategies?



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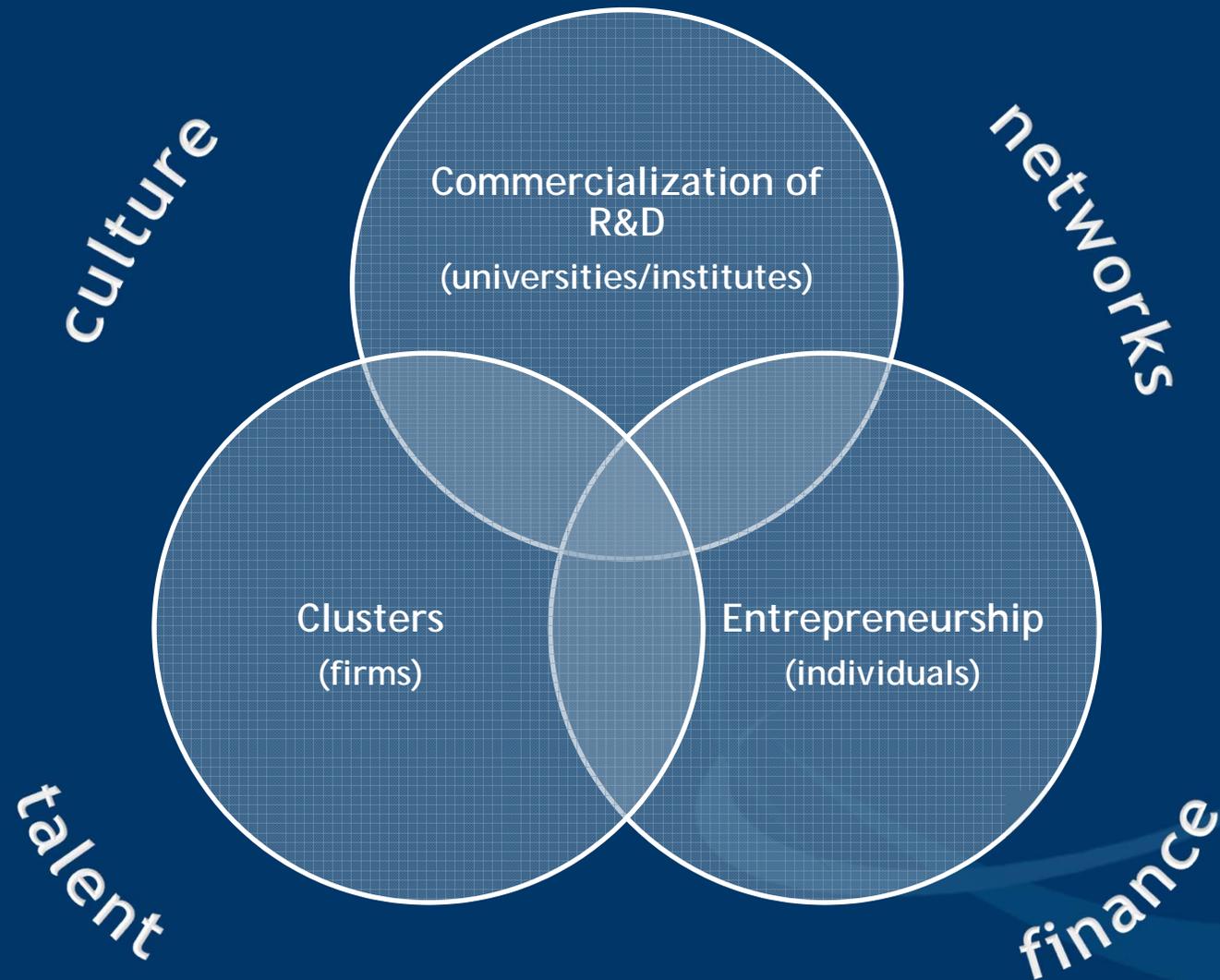
# Session 7: Innovation and Entrepreneurship

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## What we will cover in this session ....

- What are Innovation and Entrepreneurship and why do they matter to neighborhoods?
  - How to understand your neighborhood's entrepreneurial assets and environment
  - Strategies for identifying and supporting entrepreneurs
- 

# What Are Innovation and Entrepreneurship?



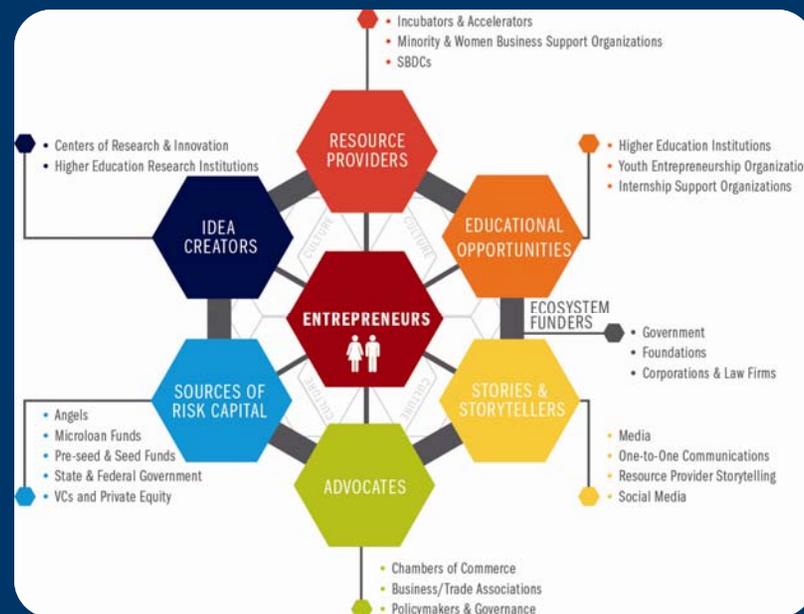
# Neighborhood Components of Entrepreneurship

Things to Consider:

1. Neighborhood Entrepreneurial Environment
2. Identifying and Supporting Entrepreneurs
3. Small Business Development

# Why Do Innovation and Entrepreneurship Matter to Neighborhoods?

- Increased income (and so retail and housing demand) through business and job creation
- Increased attractiveness (housing demand) as result of neighborhood innovation environment
- Increased attractiveness due to new business products and services



It takes a village to raise an entrepreneur

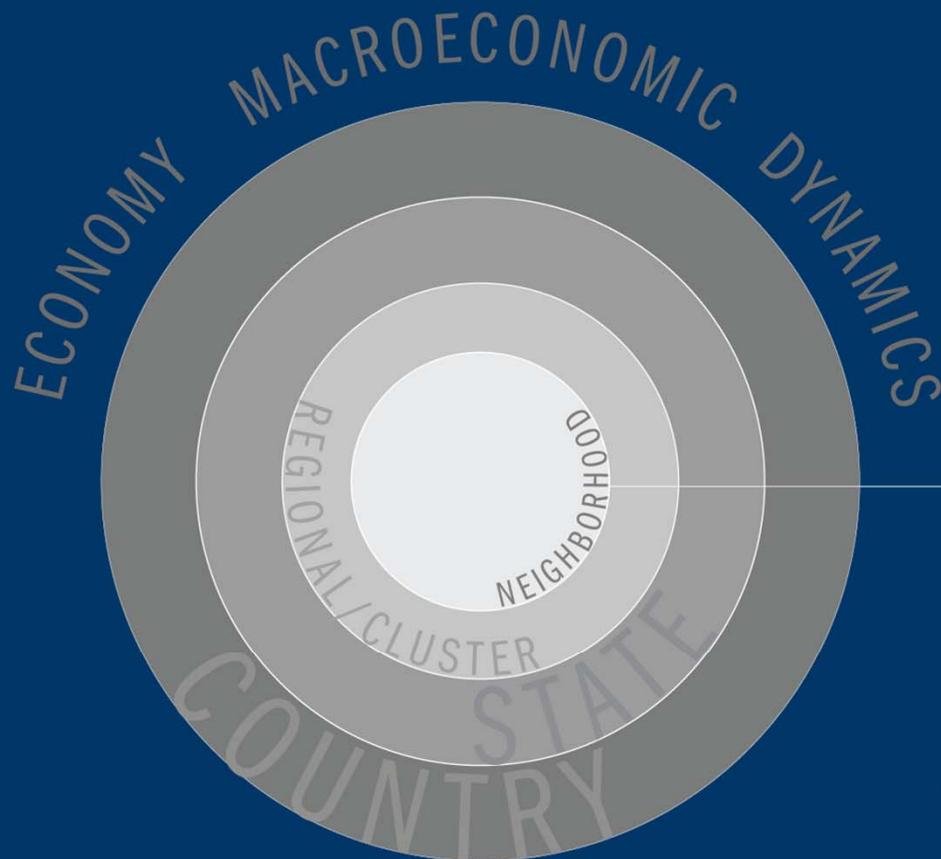
## Illustrative Mission and Goals

(Generic) Mission: Increase the entrepreneurial environment and level of entrepreneurship in your neighborhood

Illustrative Goals:

- Increase the number of entrepreneurs
- Become a place where entrepreneurs will want to live
- Reduce barriers to entrepreneurship

# Market Analysis: Entrepreneurial Environment



## Neighborhood Assets



- Educational Centers:  
Schools  
Libraries  
etc.



- Infrastructure:  
Green Spaces  
Roads
- Businesses:  
Retail Stores  
Restaurants



- People  
Leaders  
Entrepreneurs  
Students
- Agencies  
Government Organizations  
Nonprofits  
Merchant Associations



# Market Analysis: Entrepreneurial Environment

## *Neighborhood Entrepreneurial Assessment*

- What are the neighborhood's signature entrepreneurial assets?
- What are some of the neighborhood's success stories and who are the local heroes?
- Is the startup dream accessible to the neighborhood?
- How does a neighborhood best tap into its creativity and ability to innovate?



# Market Analysis: Entrepreneurial Environment

## *Connecting Neighborhoods and Regions*



# Market Analysis: Identifying and Supporting Entrepreneurs/Small Business Support

## *Identify Entrepreneurs + Small Businesses*

- State new business registration database
  - Identify new businesses that have been registered in the neighborhood
- Local courts
  - Identify businesses that have recently filed for bankruptcy (and might be up for a new venture)
- Realty listings
  - Identify commercial spaces that have recently come up for sale
- General local business data
  - GIS and ZIP code databases

# Strategies for Bringing Potential Entrepreneurs Out of the Woodwork

- Business Plan/'Idea' competition to generate neighborhood excitement and enthusiasm
  - Idea based on a simple local problem
  - Through community competition style activity, leaders identify promising entrepreneurial talent.
- Micro-fund (loan or a grant) as bait to attract and identify entrepreneurs
- Conduct seminars and workshops that cater to local entrepreneurial issues and opportunities

# Illustrative Strategies

- External

- Connect neighborhood small businesses and entrepreneurs to technical assistance and financial resources
- Work with government to reduce barriers to entrepreneurship and facilitate process of starting a business

- Internal

- Create a mentor network, connecting established neighborhood business owners and aspiring entrepreneurs with each other
- Spark interest in entrepreneurship through informational events and neighborhood competitions.

- *See also Human Capital and Clusters sections.*

# Illustrative Products & Services:

## *Ohio City, Cleveland*

- **Opportunity:**
  - Location near downtown, good transit access
  - Diverse neighborhood, adjacent to public housing
  - Strong neighborhood associations, outspoken City Council member
  - Nationally recognized brewery, historical food market
- **Solution:**
  - Fresh Food Collaborative - supply local organic foods to end consumers and area restaurants
  - Goal to establish Ohio City as local food brand - attract retailers to area and develop local talent to support
- **Impacts:**
  - Many new businesses - storefront vacancy from 34% to 2% in 3 years



Source: <http://ohiocity.org/ohio-city-incorporated>

# Illustrative Operations & Financials:

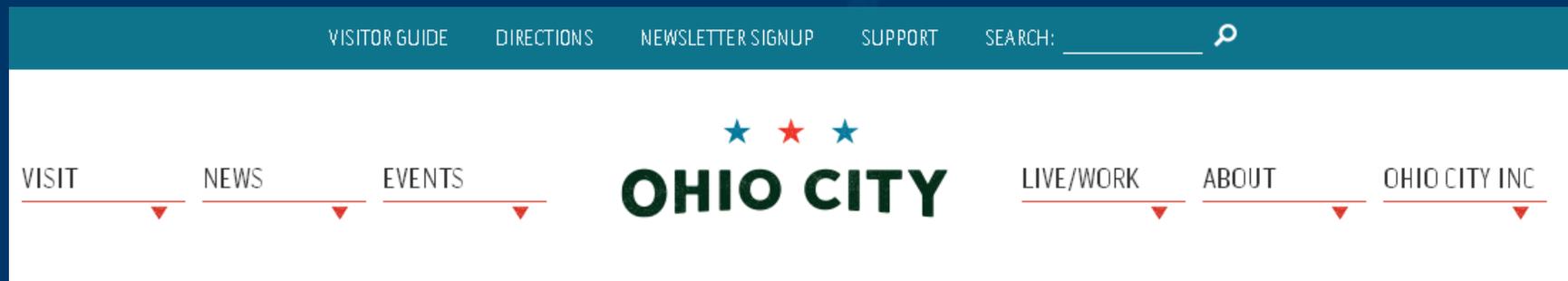
## *Ohio City, Cleveland*

### ■ Operations

- Ohio City Inc. is a neighborhood association with 11 staff
- Board made up of 15 members + 3 ex officio spots for housing authority, local high school and local hospital

### ■ Financials

- Sponsored by several local businesses and organizations



# Illustrative Products & Services - Increasing Impact of Entrepreneurship on Economy

## *JumpStart Inc.*

### ■ Regional Challenge

- **General Economic Decline:** Low employment rates, population drain (loss of industry with nothing to replace it)
- **Barren Entrepreneurial Infrastructure:** Disparate entrepreneurial institutions, lack of support structures: funding, programmatic support, etc.

### ■ Opportunity

- **Create New Jobs, New Industry:** All net new jobs in past 30 years have come from fast-growing companies 5 years or younger

### ■ Multi-pronged Solution

- Enhanced direct assistance for entrepreneurs (through education, investment fund, talent attraction/recruitment, mentoring, business assistance)
- Support continued growth of entrepreneurial ecosystem (sources of capital, commercialization efforts, accelerators, educational programs)
- Establish regional network for efficient/cohesive resource delivery & tracking



Source: JumpStart Inc. March 2014

# Illustrative Operations & Financials - JumpStart Inc.

## ■ Operations

- JumpStart has 39 FTEs and 43 volunteer mentors
- Board is made up of 25 entrepreneurs, investors and community leaders, 7 observers and JumpStart CEO
- Operates across 21 counties of NE Ohio



## ■ Funding

- Public, private and philanthropic partnership (State of Ohio, foundations, corporations, Federal Government, individuals, investments)

## ■ Partners

- JumpStart has 15 official collaborators through Ohio Third Frontier's Entrepreneurial Signature Program (ESP) and another 20+ partners in higher education and additional relationships with seed funds, accelerators and entrepreneur-led initiatives across NE Ohio

# DISCUSSION

- Does entrepreneurship make sense as a strategy for your neighborhood?
- Barriers to entrepreneurship in your neighborhood?
- Strategies and initiatives to address barriers?
- Adjusting/adding for targeted new residents and firms?
- Links to other strategies?

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# Session 8: Urban Growth Form

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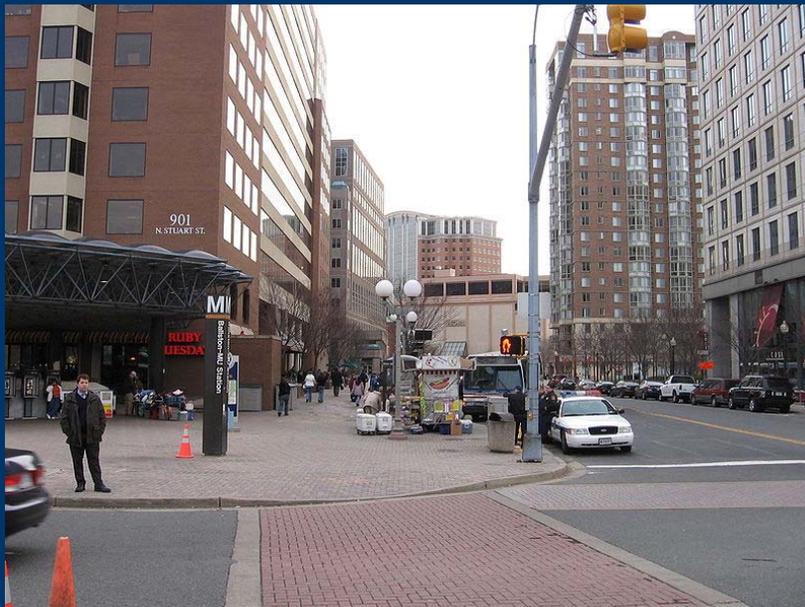
## What we will cover in this session ....

- What it is and Why it Matters to Neighborhoods
- Next Economy Implications
- Analytics for Understanding Your Neighborhood's Urban Growth Form Opportunities
- Strategies and Initiatives for "Economic Place-making" and Connecting Your Neighborhood to the Region

# What is Urban Growth Form and Why Does it Matter to Neighborhoods?

*“Cities exist to eliminate transport costs for people, goods and ideas” - Ed Glaeser*

- Primary components: Proximity and Connectedness

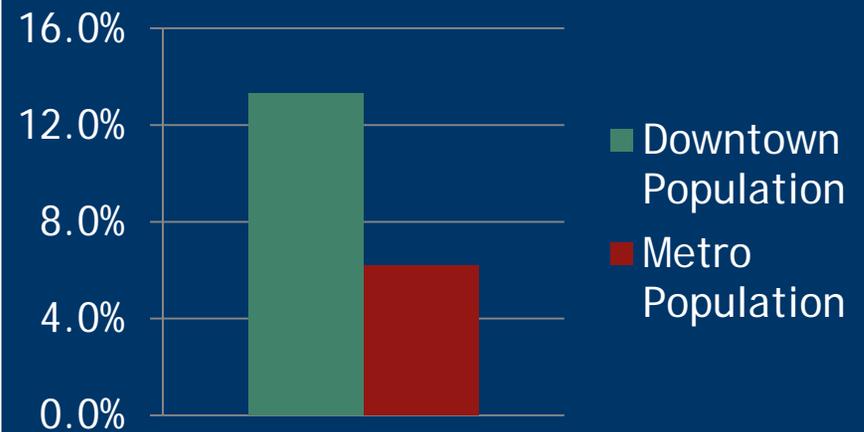


*“Perfect” urban growth form does not exist*

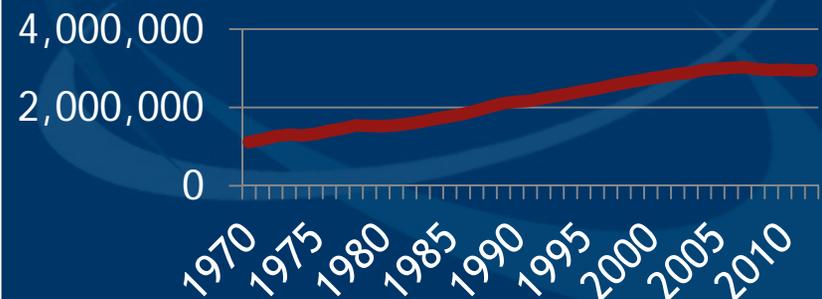
# Changes in the Knowledge Economy: Urban Growth Form

Industrial Economy	Knowledge Economy
Large factories	Smaller space, less physical capital
Sectoral specializations	Functional specializations
Sprawl	Densification
Continuous rise in VMT	Decrease and stabilization of VMT
Highest property values = single family houses	Highest property values = condos, apartments
Majority of households married with children	Majority of households single, no children

## Population Growth in Large Metros, 2000-2010

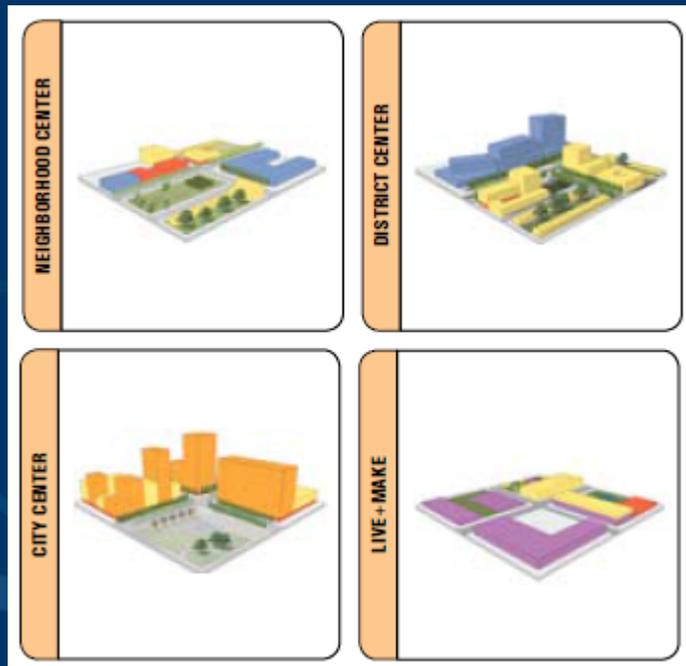
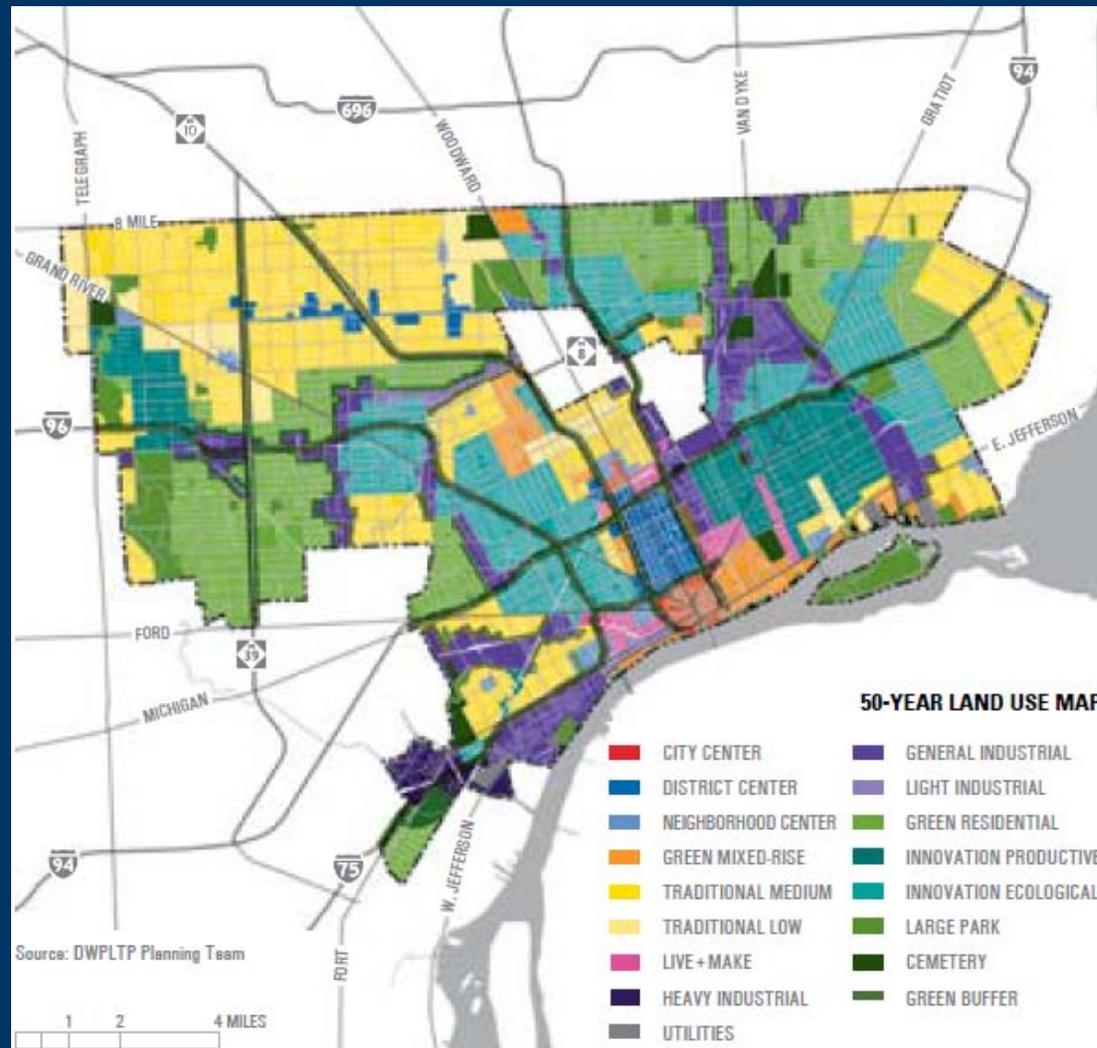


## Annual Vehicle Miles Traveled



# Different Types of Economic Activity Benefit from Different Environments

## *Detroit Future City*



Source: Detroit Future City Strategic Framework, Land Use Section,  
[http://detroitfuturecity.com/wp-content/uploads/2014/02/DFC\\_LandUse\\_2ndEd.pdf](http://detroitfuturecity.com/wp-content/uploads/2014/02/DFC_LandUse_2ndEd.pdf)

## Illustrative Mission and Goals

(Generic) Mission: Increase connectedness of your neighborhood to the region and facilitate “economic placemaking” in your neighborhood.

### Illustrative Goals

- The Truly Disadvantaged: Reduce vacancies, especially of industrial and commercial land
- Stable Low Income: Improve connections to regional job centers
- Port of Entry: Attract mix of uses and jobs appropriate to desired residents
- Urban Tapestry: Increase broadband access

# Market Analysis

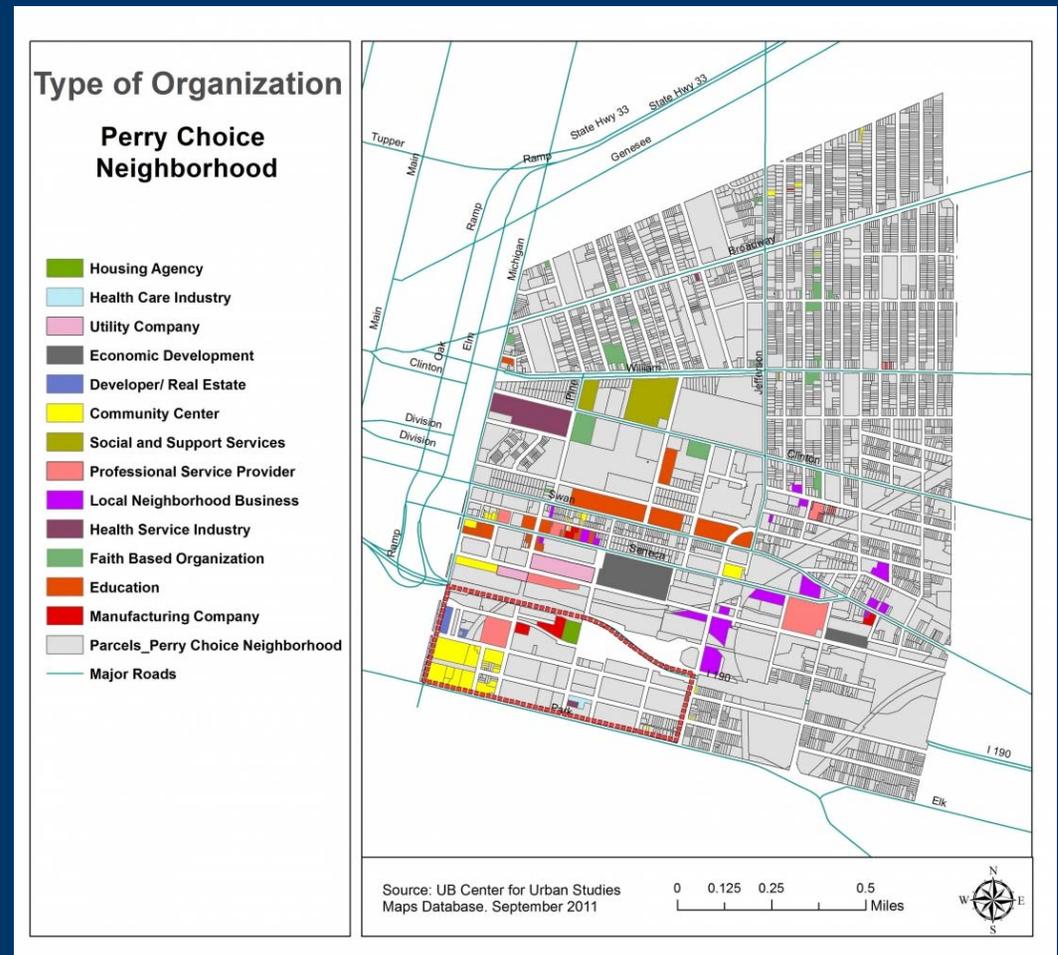
Objective: Understand how people and firms in your neighborhood move throughout the region , and what opportunities exist for “economic place-making.”

## Things to Consider:

1. Proximity: “Economic place-making”
2. Connectedness
  - Movement of people
  - Movement of goods
  - Movement of ideas

# Market Analysis: "Economic Placemaking"

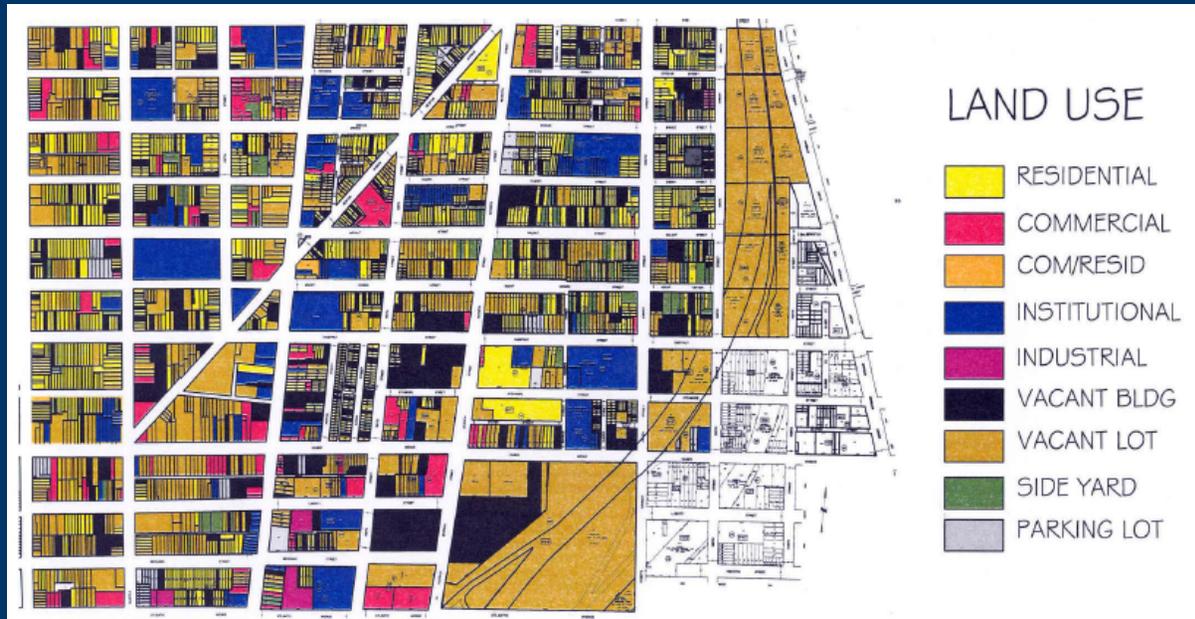
What mix of uses do you already have?  
What types of businesses are located in your neighborhood?



Resources: Business database; local data (City Planning Dept., Assessor's Office, etc.)

Source: Buffalo Municipal Housing Authority, Perry Choice Neighborhood Transformation Plan

# Market Analysis: "Economic Placemaking"



What land development opportunities do you have (e.g. vacant land or buildings)? How is that land zoned?

**Table No. 2 - Distribution of Land Uses and Vacancy**

	Commercial	Commercial Residential	Institutional	Industrial	Vacant Lot	Parking Lot	Park	Residential	Side Yards	Total
<b>Occupied</b>	108	12	139	6	0	52	0	1038	169	1375
<b>Vacant</b>	119	0	8	0	929	6	1	350	0	1582
<b>TOTALS</b>	227	12	147	6	929	58	1	1408	169	2957

Resources: Local data (City Planning Dept., Assessor's Office, etc.)

# Market Analysis: "Economic Placemaking"

What focused opportunities exist for building on current uses and attracting new ones?

What are the land needs for different uses?



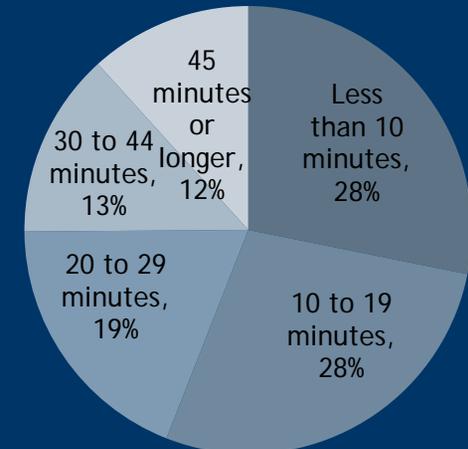
Resources: Industry Research, Developers/Brokers, Local knowledge

# Market Analysis: Connectedness -- Movement of People

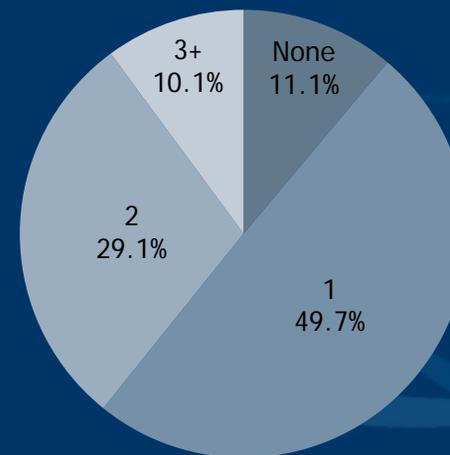
How well can residents get around the region, especially to jobs?

- Commute times and modes
- Vehicles available
- Transit access

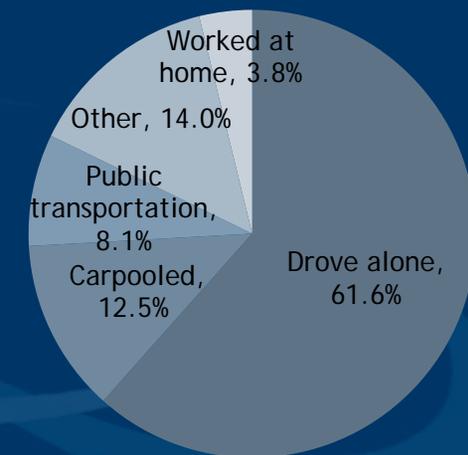
Commute Times



Vehicles Available



Commute Mode

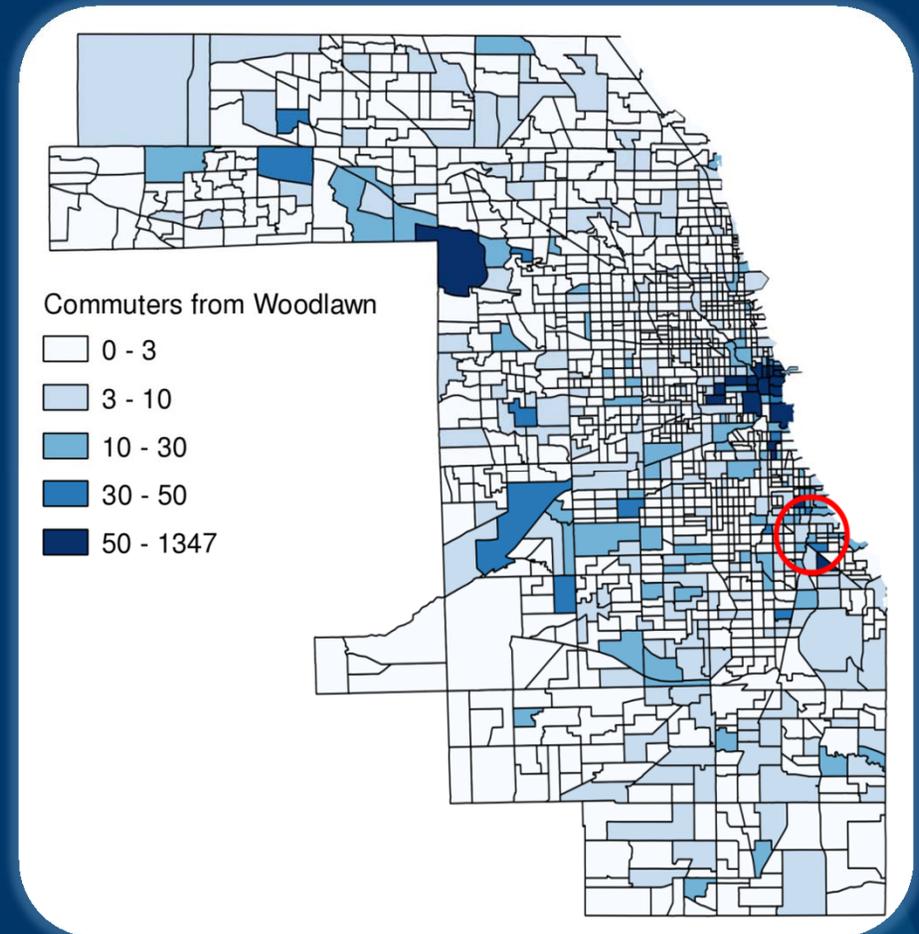


Resources: American Community Survey, <http://factfinder2.census.gov>

# Market Analysis: Connectedness -- Movement of People

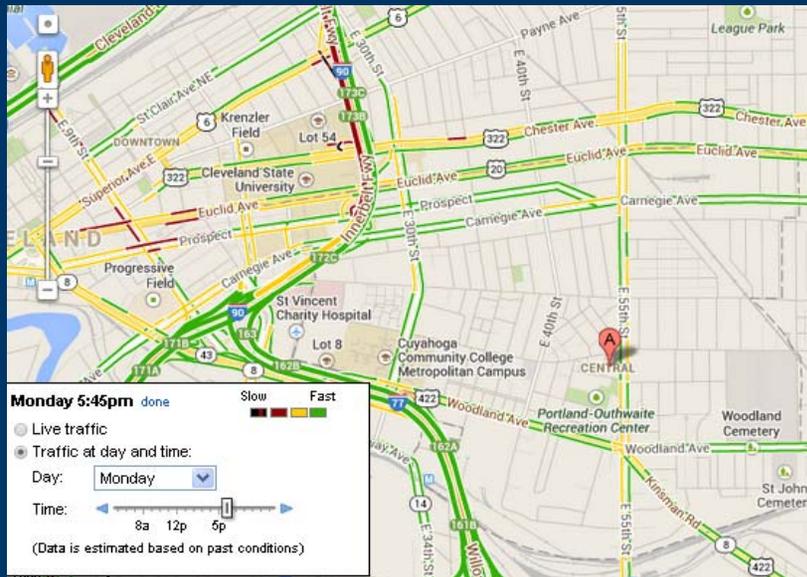
Where do your residents work? Where are jobs suited to neighborhood residents located?

- Jobs-Housing mismatch



Resources: US Census Bureau's LEHD, <http://lehd.ces.census.gov/>

# Market Analysis: Connectedness -- Movement of Goods



How well can goods get to & from your neighborhood (e.g. by truck)?

- Congestion
- Infrastructure
- Highway Access

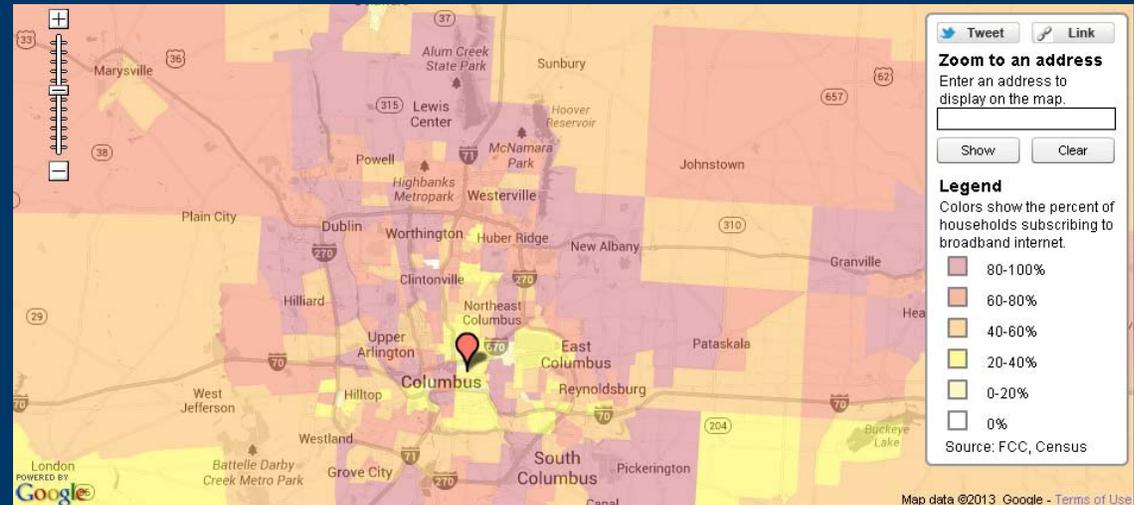


Resources: Google Maps, Local DOT or Local GIS provider

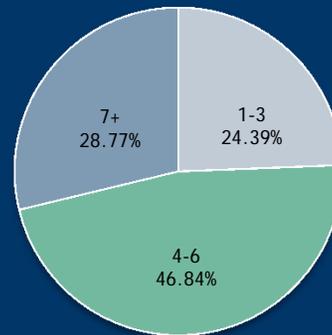
# Market Analysis: Connectedness -- Movement of Ideas

Does the neighborhood have the virtual infrastructure to support the spread of ideas?

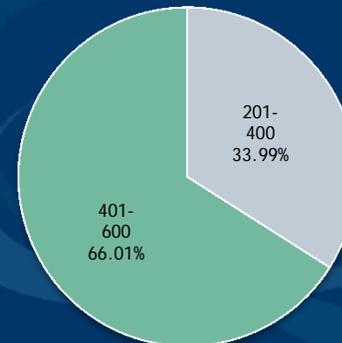
- Broadband coverage
- Broadband usage
- Informal interactions



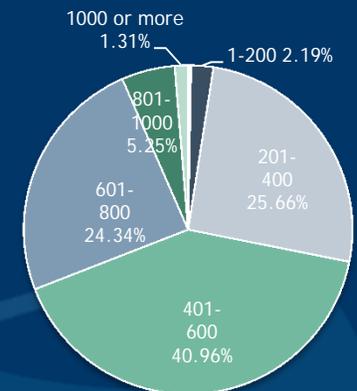
High-speed Internet (HSI) Providers



HSI Connections per 1,000 households



Comparison - State HSI Connections per 1,000 households



Resources: FCC Local Telephone Competition and Broadband Deployment 12/13 Report

# Strategy Development

## ■ External

- Given move towards density and mixed uses, what are the opportunities and barriers to attracting particular types of firms and people to neighborhood? Implications for land use and development, amenities? Cluster and other initiatives to engage with?
- Opportunities and barriers to expanding connectedness - transit, broadband, etc.? Initiatives to engage with?
- External barriers to industrial and mixed use development opportunities - e.g. zoning - and regional partners?

## ■ Internal

- Industrial and mixed use development opportunities (e.g. innovation district)?
- Digital access, job commute, networking, other access programs?

■ *See also Human Capital and Clusters sections.*

# Illustrative Strategies

## ■ External

- Partner with firms, developers on mixed use development
- Work with internet providers, government and civic organizations to improve broadband connections in the neighborhood.
- Advocate for improved transit access in neighborhood and for zoning changes that enable mix of uses

## ■ Internal

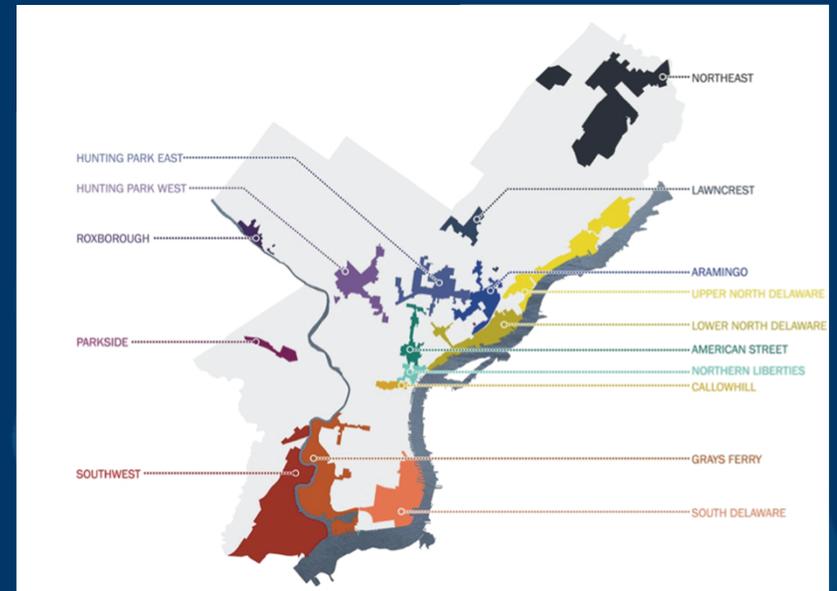
- With partners, create industrial, supplier, business or research parks, innovation districts, etc.
- Develop and implement digital literacy program.
- Support alternative forms of transportation to work (e.g. neighborhood carpooling system, shuttle buses, etc.)

■ *See also Human Capital and Clusters sections.*

# Illustrative Products & Services: Land Inventory and Targeted Clusters

## *Industrial Land and Market Strategy Philadelphia, PA*

- Inventory industrial land to develop a competitive assessment and growth strategy.
- Identifies 2,445 acres of land suitable for future development
- Analyzes growth opportunities in 15 industrial districts.
- Focuses strategy on Super Clusters
  1. Traditional Manufacturing
  2. Advanced Manufacturing
  3. Transportation

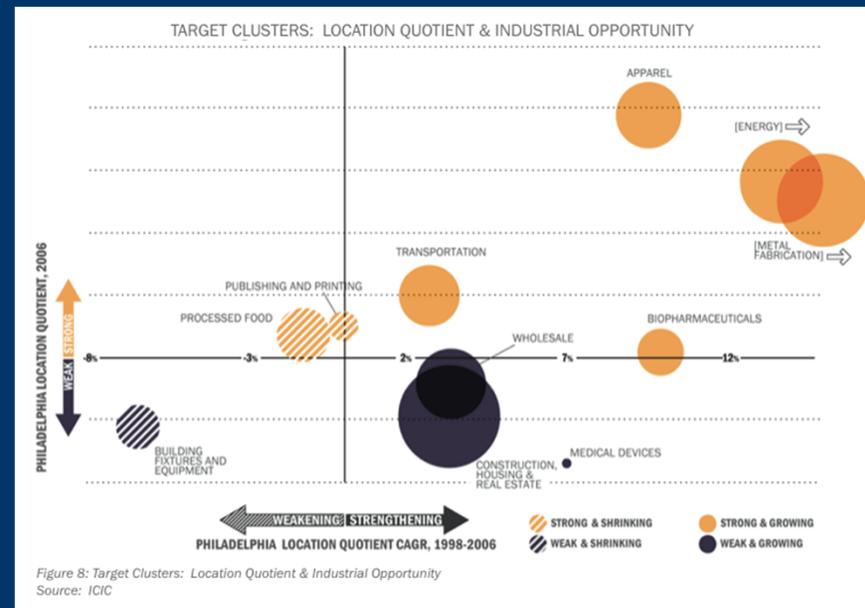


Source: Philadelphia Industrial Development Corporation

# Illustrative Operations & Financials: Land Inventory and Targeted Clusters

## *Industrial Land and Market Strategy Philadelphia, PA*

- Philadelphia Industrial Development Corporation a joint venture between the City and Chamber of Commerce
  - Commissions *An Industrial Land and Market Strategy for the City of Philadelphia*
- Provides policy direction for an industrial sector limited by obsolete zoning codes and re-zoning pressures.
- Goal of 22,000 new industrial jobs in 20 years
- City re-writing zoning code



Source: Philadelphia Industrial Development Corporation

# Illustrative Products & Services: Improving Broadband Infrastructure

## *Smart Chicago Collaborative Chicago, IL*

- Opportunity:
  - Lack of computer/internet access in low income neighborhoods
  - Result = low income residents excluded from economic and educational opportunities, e-commerce, computer literacy
- Solution:
  - Collaboration among multiple foundations & institutions to support technology access
  - Targets underserved neighborhoods with infrastructure investments in broadband and computers
  - Provides neighborhood computer access and literacy centers. Supports emerging projects (e.g. neighborhood portal) which leverage skills, applications and data for neighborhood development



# Illustrative Operations & Financials: Improving Broadband Infrastructure

## *Smart Chicago Collaborative Chicago, IL*

### ■ Operations

- Civic organization
- Founded by City of Chicago, MacArthur Foundation and Chicago Community Trust
- Lean central staffing; distributed work model (LISC, CDCs, etc.)



### ■ Financials

- Sources: Funding provided by U.S. Department of Commerce, National Institute of Standards and Technology, Chicago Community Trust and the John D. And Catherine T. MacArthur Foundation

# Illustrative Products & Services: Creating an Innovation District

## *Taxi Project Denver, CO*

- Opportunity:
  - Need for creative spaces and collaborative community
  - Vacant taxi dispatch center and other industrial buildings in neglected neighborhood
  - Near major thoroughfares, relatively close to downtown
- Solution:
  - Mixed use district, seven buildings and growing
  - 80 business, amenities, 40 affordable apartments
  - Open work plans, flexible space



Source: Taxi by Zeppelin

# Illustrative Operations & Financials: Creating an Innovation District

## *Taxi Project Denver, CO*

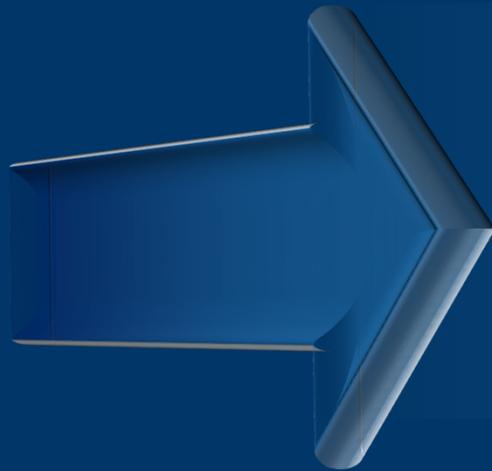
### ■ Operations

- Zeppelin Development conceived and developed sit
- 20 acre site
- Amenities such as early childhood education center, regular events, community garden, café and pool designed to create connected community

### ■ Financials

- Largest building cost \$17 million; another building cost \$10 million
- Funded in part by \$2 million BEDI grant and \$6 million Section 108 loan





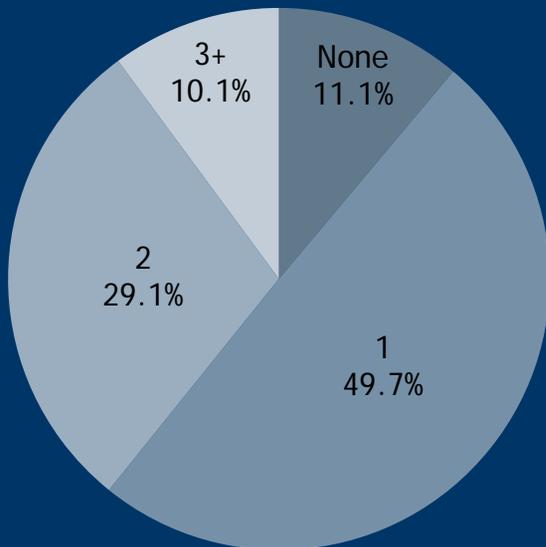
# YOUR TURN!

- Review provided data, and any you brought:
  - Commuting data
  - Where Residents Work data
  - Broadband data
  - *Land use, zoning, vacancies, transportation networks, industrial corridors, special districts*
- Based on the data, and your own knowledge, try to answer the following questions:
  - Does your neighborhood have land that could be used for a place-based development?
  - What are your neighborhood's opportunities and barriers related to connectedness?
  - What are your neighborhood's opportunities and barriers with respect to attracting residents and firms moving toward density?
- And come up with strategies for place-based development and enhancing physical and virtual connections to your region.

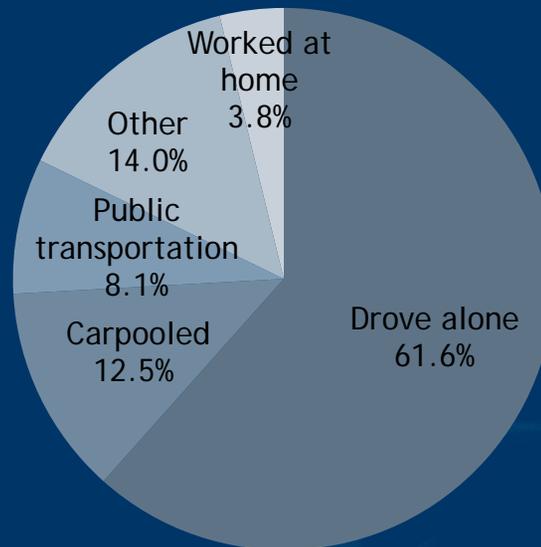
# Understanding the Data

## *Commuting Data*

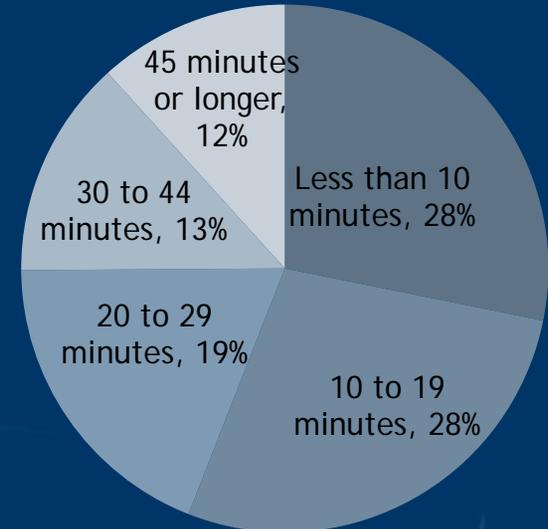
Vehicles Available



Commute Mode

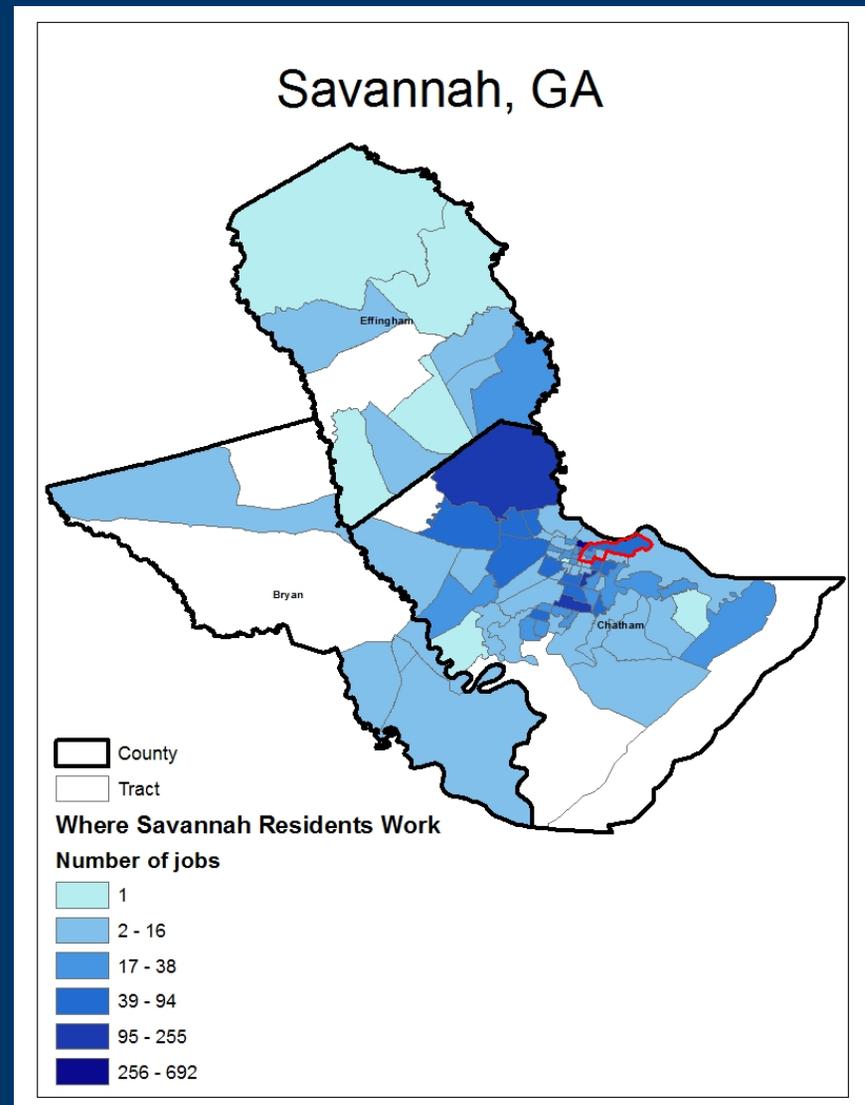


Commute Times



# Understanding the Data

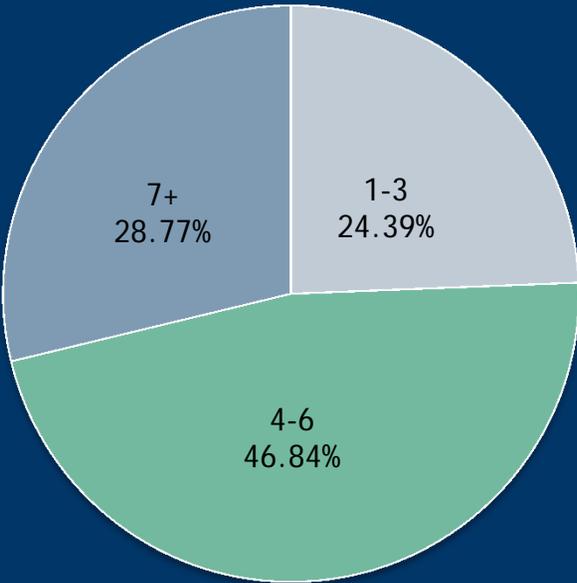
## *Where Your Residents Work*



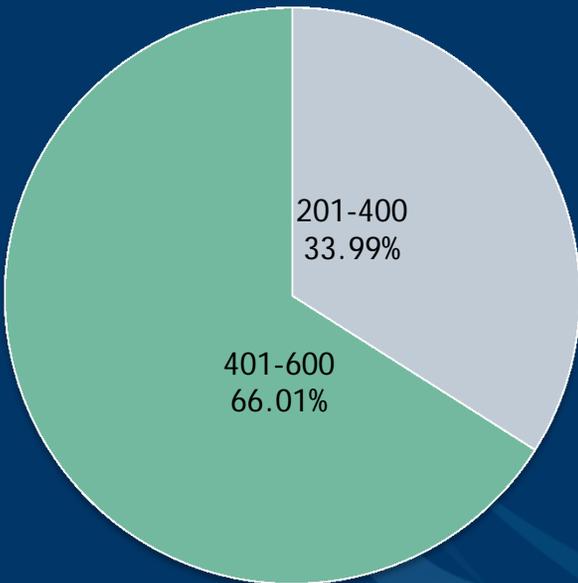
# Understanding the Data

## *Broadband in Your Neighborhood and State*

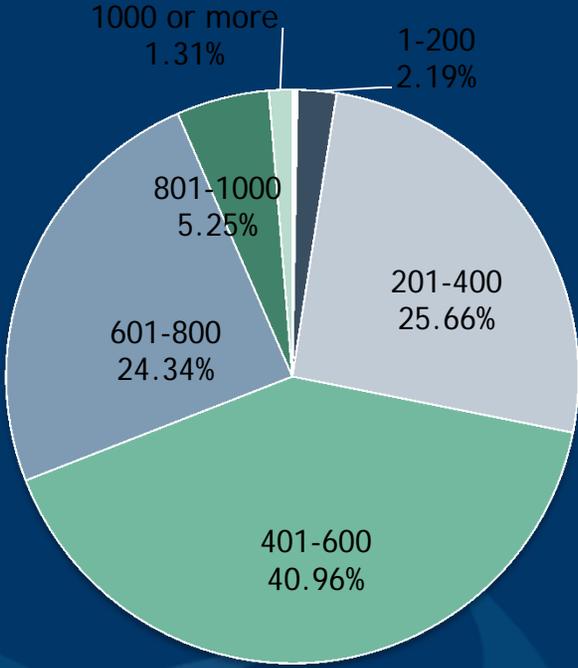
Neighborhood High-speed Internet (HSI) Providers



Neighborhood HSI Connections per 1,000 households



Comparison - State HSI Connections/1,000 households



# DISCUSSION

- Targeted opportunities and barriers for attracting new firms and residents moving back to mixed uses and density?
- Opportunities and barriers for developing vacant land for innovation districts, etc.?
- Opportunities and barriers for increasing virtual and physical connections?
- Strategies and initiatives to address barriers?
- Links to other strategies?



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# Session 9: Governance and the Institutional Environment

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# What is the Institutional Environment and Why Does it Matter to Neighborhoods?

- Made up of governments, private and civic institutions
- Enables and influences the efficiency of economic activity
- *Governance* - formal and informal networks/ecosystem
- Regulatory, legal, funding, infrastructure functions

## Illustrative Mission and Goals

(Generic) Mission: Increase civic engagement and institutional capacity of your neighborhood

### Illustrative Goals

- Increase cross-sector partnerships/engagement
- Generate/support particular economic networks (e.g. industry or occupation based) within neighborhood and between neighborhood and region
- Create neighborhood level capacity for on-going planning/execution/monitoring
- Alignment of particular public policies (e.g. zoning) with NBP

# Market Analysis

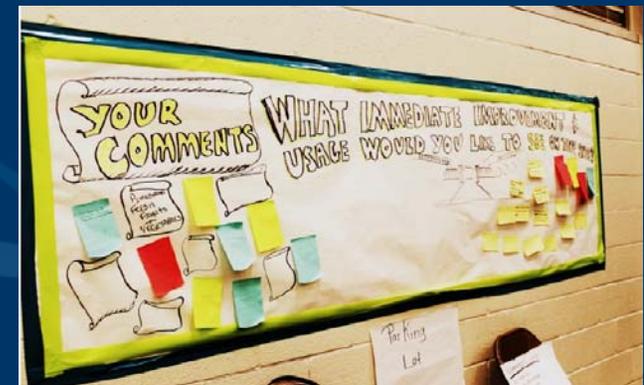
Objective: Understand the institutional environment in your neighborhood and how it can help support economic growth.

## Things to Consider:

1. Neighborhood Leadership
2. Community Engagement
3. Formal and Informal Civic Networks
4. Role and Activities of Relevant Governments

# Market Analysis

- Neighborhood Leadership + Community Engagement
  - Capacities of neighborhood organization(s)?
  - Community actively engaged?
  - Leadership responsive to community?
  - Relationship to government, business and civic leaders?
- Formal and Informal Civic Networks
  - Presence of business associations, chambers of commerce, professional groups, etc.?
  - Residents' involvement in boards, civic engagements?
- Role of Government
  - Zoning issues?
  - Power of city council representative?
  - Incentives?
  - Regulatory constraints?



# Strategy Development

## ■ External

- Are there governing/economic institutions and networks relevant to your other strategies whose presence in your neighborhood could be increased? Can you create a neighborhood branch of an existing organization?
- What public policy changes would support your neighborhood plan? How can you best advocate for those changes?
- What public officials or civic leaders can you engage across different portions of your plan? How can you cultivate deeper relationships with key partners?

## ■ Internal

- What capacities do you want to build within your neighborhood organization? Additional institutions needed?

# Illustrative Strategies

## ■ External

- Deepen relationships with government, civic and business leaders by working with them on concrete issues that matter to your neighborhood
- Advocate for policy changes that will support your neighborhood's economic growth

## ■ Internal

- Create formal or informal neighborhood business associations; host networking events for targeted entrepreneurs, businesses, occupations
- Link businesses and residents to regional networks
- Build your neighborhood's capacity to, e.g., work with local businesses and entrepreneurs; identify potential partners and programs with which to connect; think strategically about your neighborhood's opportunities and challenges

# Illustrative Products & Services: Engage Residents with Neighborhood Councils

## *Neighborhood Councils Los Angeles, CA*

- Opportunity:
  - Insufficient responsiveness of government
  - Complex local needs among diverse neighborhoods
- Solution:
  - Citywide system of advisory councils for local neighborhoods approved in 1999 -- city-certified local groups comprised of residents, business owners, and property owners
- Impact:
  - Increased discussion of priorities with the Mayor and City Council
  - Connection of NC members to City Hall through Congress of Neighborhoods
  - Stronger neighborhood voice and advocacy on budgetary issues

# Illustrative Operations & Financials: Engage Residents with Neighborhood Councils

## *Neighborhood Councils Los Angeles, CA*

### ■ Operations

- Board size determined by neighborhood (7-30 members)
- Each NC represents at least 20,000 residents and maintains by-laws and a financial accounting system.
- 95 Neighborhood Councils with monthly board meetings
- Logistical support and resources sharing facilitated the by City Department of Neighborhood Empowerment as part of "Plan for a Citywide System of Neighborhood Councils."

### ■ Financials

- Allocated \$45,000 in public funds each year for events, advocacy, and local development





# YOUR TURN!

- Based on knowledge of your neighborhood, try to answer the following questions:
  - What are the capacities of your neighborhood organizations?
  - How engaged are neighborhood residents?
  - What presence do formal and informal networks have in your neighborhood?
  - What particular roles does government need to play to support implementation of your strategies?
- And come up with strategies for enhancing your neighborhood's institutional infrastructure.

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# Module IV: Neighborhoods as Places to Live

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# Session 10: Connecting the Frames and Important Neighborhood Amenities

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# Neighborhoods as Places to Live

Inclusive  
Regional Growth

Frame 2

ECONOMIC  
GROWTH  
Productivity,  
Outputs

COMMUNITY  
DEVELOPMENT  
Healthy  
Communities

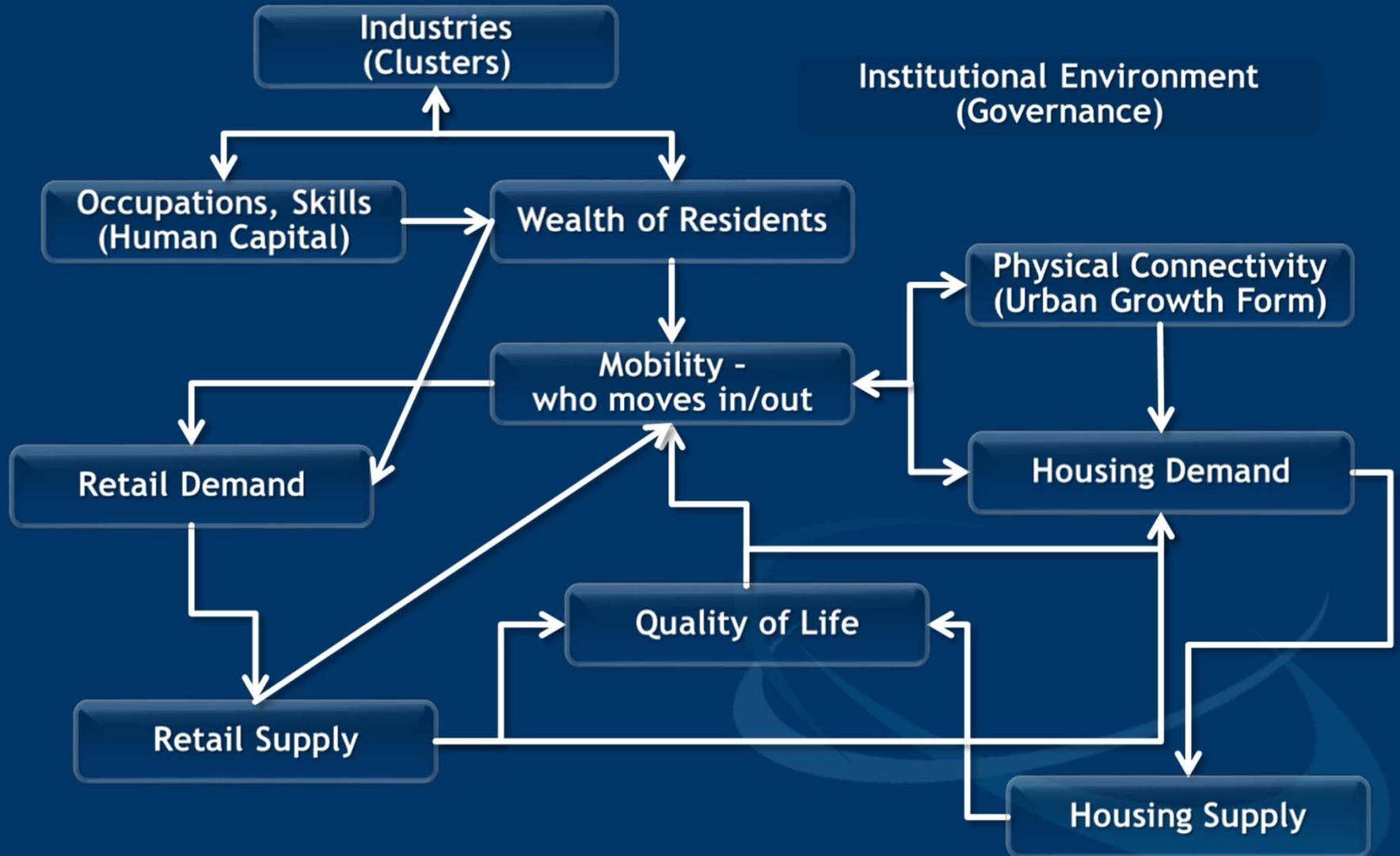
ECONOMIC  
DEVELOPMENT  
Wealth  
Creation

Wealth creation  
for residents

Neighborhoods  
as healthy, vital  
places to live



# Neighborhood Dynamics



# The Role of Neighborhoods

- Neighborhoods do not have economies.
- Neighborhood provide varied packages of amenities to serve segmented populations and businesses
- In aggregate, neighborhoods constitute and house the assets of the region (affecting regional competitiveness)
- Local characteristics (housing, retail, other amenities) themselves may have economic impact (jobs, wealth creation)
- Neighborhoods as a whole are a key place where non-economic and economic characteristics iterate

# Three Key Neighborhood Amenities

1. Housing
2. Retail
3. Quality of Life





# HOUSING



# Why Housing Matters to Neighborhood Economic Growth

- Affects and reflects demand for neighborhood, who's moving in and out
- Defines type and character of neighborhood and positions it within the region
- (Economic asset - wealth creation)
- (Shelter for residents)



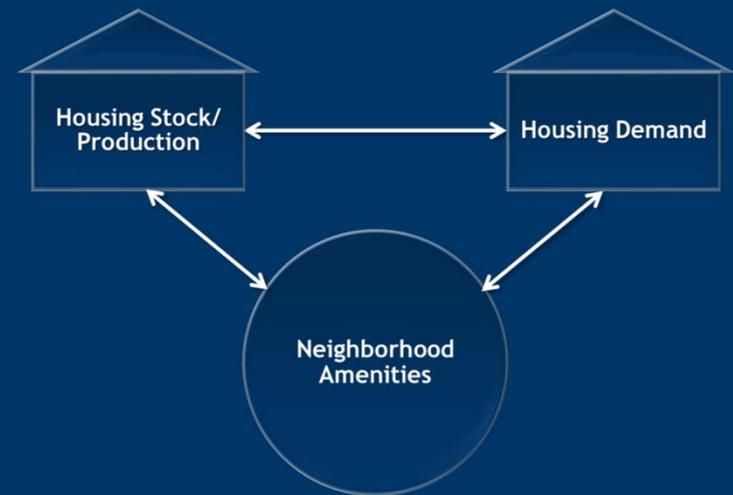
# Housing and Economic Growth

Housing demand, determined by:

- i. Location and Access (to jobs, amenities, ...)
- i. Local quality of life/amenities
- ii. Built environment
- iii. Demographics
- iv. Institutions (and governance)
- v. Connectedness to Regional Economy

Housing supply, determined by:

- i. Housing demand
- ii. Expected future return on housing investment by households and developers



## Mission and Goals

Generic Mission: Provide housing, in combination with retail and other amenities, that meets the needs of the residents you intend to retain and attract.

### Illustrative Goals:

- To retain/attract families, focus on single family homes or larger multi-family units, day care centers, parks, toy store, etc.
- To retain/attract seniors, focus on single-story homes or multi-family buildings with elevators, health care providers, etc.
- To retain/attract young professionals, focus on multi-family rentals, bars + restaurants, etc.

# Market Analysis

Objective: Understand your housing assets and challenges and how housing can help drive neighborhood change.

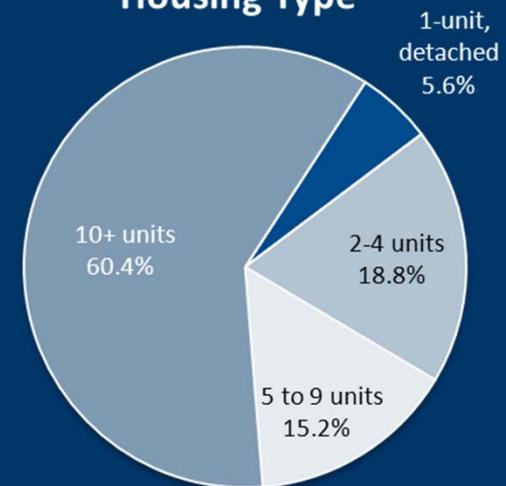
## Things to Consider:

1. Supply
  - Quality and type
2. Demand
  - Vacancies
  - Change by type
  - Investment
3. Competing neighborhoods

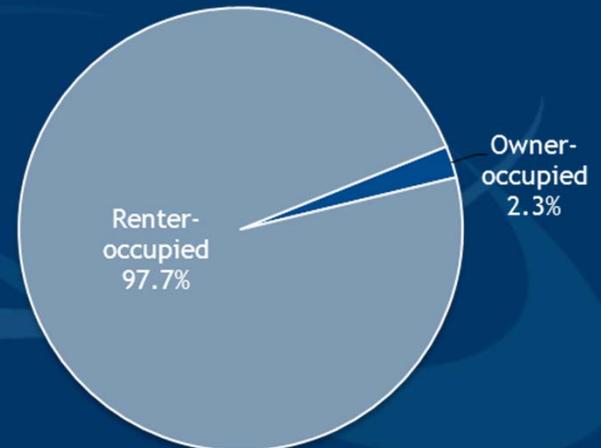
# Market Analysis: Housing Supply

- Who is the current housing stock designed to serve?
  - Housing type
  - Owners vs. renters
- How old are the homes? How well maintained are they?
  - Age of housing
  - Maintenance = qualitative, neighborhood knowledge
- Development costs
  - Availability of land, housing for rehab, etc.
  - Costs and finance for process and development

Housing Type



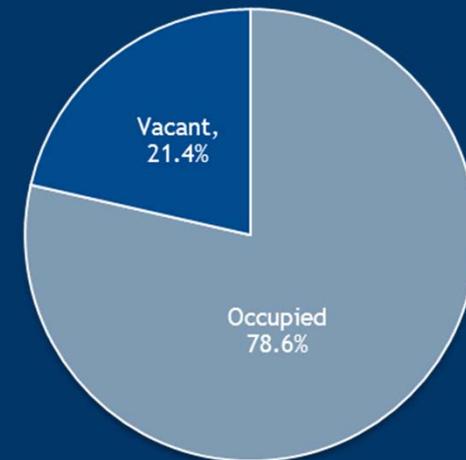
Own vs. Rent



# Market Analysis: Housing Demand

- What is the current demand for housing in your neighborhood?
  - Vacancy rates (incl. by housing type, other characteristics)
- How has demand changed in recent years?
  - Change in vacancy
  - Change in price
- What kind of housing do the people you aspire to attract and retain want?
  - Characteristics of housing by characteristics of buyer/renter
- What new developments are currently planned/in progress?

Housing Occupancy

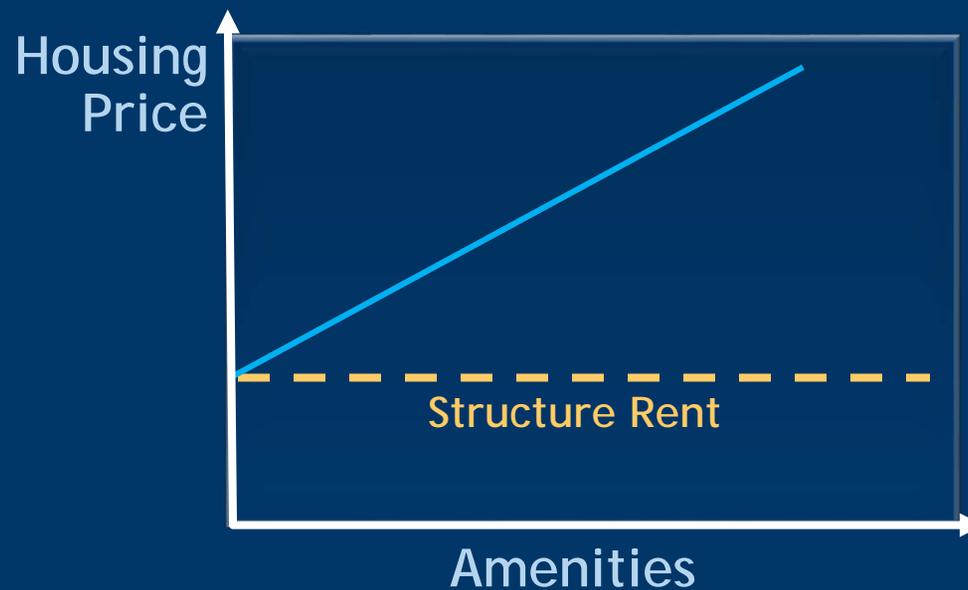


Gross Rent of Renter-Occupied Units	Number of Units '12	% of Total '12
Less than \$500	340	20.5%
\$500 to \$749	992	59.8%
\$750 to \$1,499	327	19.7%
\$1,500 or more	0	0.0%

# Market Analysis: Competing Neighborhoods

- Where are newcomers to the neighborhood moving from? Where are those leaving the neighborhood moving to? What other neighborhoods do people contemplating a move within/to your neighborhood consider?
- How do your housing and related amenities compare to that of nearby neighborhoods?
  - Housing types of competing neighborhoods
  - Housing prices of competing neighborhoods
  - Amenities of competing neighborhoods
- Why would or wouldn't someone choose your neighborhood over another nearby?

# Analytics: Repeat Sales Index (RSI)



- Use Demand for Housing as Proxy for Neighborhood Health
- Look at Quality Adjusted Housing Values to Capture Neighborhood Amenities
- Look at Change in Quantity of Housing to Account for Supply Effects

# RETAIL



# Why Retail Matters to Neighborhood Economic Growth

- Local neighborhood amenity
- Provides local jobs
- Local entrepreneurship and business opportunities
- Note - trade area for retail is broader than a single neighborhood



## Mission and Goals

Generic Mission: Provide retail, in combination with housing and other amenities, that meets the needs of the residents you intend to retain and attract.

### Illustrative Goals:

- To retain/attract families, focus on toy store, day care centers, parks, single family homes or larger multi-family units, etc.
- To retain/attract seniors, focus on drug stores/pharmacies, health care providers, single-story homes or multi-family buildings with elevators, etc.
- To retain/attract young professionals, focus on bars + restaurants, entertainment, multi-family rentals, etc.

# Market Analysis

Objective: Understand your retail assets, challenges and opportunities, and how retail can help drive desired neighborhood change.

## Things to Consider:

1. Supply

2. Demand, by retail category

- Market areas
- Anticipated demand with neighborhood change (through complementary strategies)

3. Development and retailer obstacles

# Market Analysis: Supply

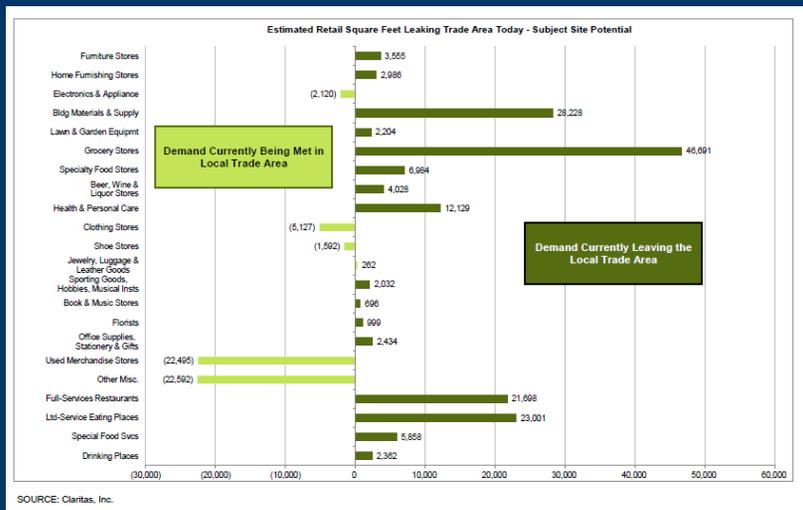
- What retail currently exists in your neighborhood?
- What retail exists in nearby neighborhoods?
- Where are residents currently going to do most of their shopping? How does this vary by type of retail?



Retail Type	Establishments
Supermarkets and Other Grocery (except Convenience) Stores	9
Electronics Stores	6
Convenience Stores	6
Beer, Wine, and Liquor Stores	6
Women's Clothing Stores	6
Gift, Novelty, and Souvenir Stores	5
All Other Miscellaneous Store Retailers (except Tobacco Stores)	5
Automotive Parts and Accessories Stores	3
Tire Dealers	3
All Other Nondepository Credit Intermediation	3
New Car Dealers	2
Furniture Stores	2
Confectionery and Nut Stores	2
Pharmacies and Drug Stores	2
Other Gasoline Stations	2
Men's Clothing Stores	2
All Other General Merchandise Stores	2
Used Merchandise Stores	2
Other Direct Selling Establishments	2

# Market Analysis: Demand

- Trade area: who currently shops your neighborhood, and who might reasonably do so? How does this vary by type of retail?
  - Neighborhood and nearby residents - how many, and characteristics
  - Workers in neighborhood - how many, and characteristics
  - Passers through - Average Annual Daily Traffic (AADT) count on major roads, where retail might locate
- What types of retail can your local trade area support?
  - Leakage analysis



Store Type (Excl. General Merch. & Gas)	Demand Potential <sup>1</sup>	Per Capita	% in Non-Regional Ctrs <sup>2</sup>	Sales in Non-Reg Ctrs	% Local Sales <sup>2</sup>	Local Sales in Non-Reg Ctrs	Est. Subject SF	Subject Site Capture Rate <sup>3</sup>	Potential Subject Site Demand	Mix By Store Categories
2019 Population 32,945 \$15,936 Per Capita Inc., Median HH Income \$22,108										
<b>Furniture and Home Furnishings</b>	\$9,548,688	\$284	35%	\$2,966,202	78%	\$2,304,971			6,015	4%
Furniture Stores	\$4,532,722	\$140	30%	\$1,359,817	75%	\$1,019,862	1556	50%	3,269	
Home Furnishing Stores	\$4,015,966	\$124	40%	\$1,606,385	80%	\$1,285,108	\$234	50%	2,748	
Electronics & Appliance Stores	\$5,483,799	\$200	20%	\$1,292,760	20%	\$258,552	\$370	50%	349	0%
<b>Big Mats, Garden Equip. &amp; Supply</b>	\$34,031,788	\$1,052	30%	\$10,209,539	82%	\$8,367,340			26,773	19%
Bldg Materials & Supply Stores	\$30,869,991	\$954	30%	\$9,290,997	80%	\$7,408,798	\$156	50%	23,746	
Lawn & Garden Equipment	\$3,161,807	\$98	30%	\$948,542	100%	\$948,542	\$234	50%	2,027	
<b>Food &amp; Beverage Stores</b>	\$55,797,877	\$1,726	94%	\$52,197,308	81%	\$42,073,007			50,327	30%
Grocery Stores	\$48,421,428	\$1,467	95%	\$46,000,355	80%	\$36,800,284	\$455	50%	40,440	
Specialty Food Stores	\$4,052,437	\$125	75%	\$3,039,328	80%	\$2,431,442	\$193	50%	6,299	
Beer, Wine & Liquor Stores	\$3,323,814	\$103	95%	\$3,157,623	90%	\$2,841,861	\$396	50%	3,588	
<b>Health &amp; Personal Care</b>	\$27,077,573	\$837	60%	\$24,386,816	80%	\$19,495,653	\$458	50%	21,284	13%
Clothing & Clothing Accessories	\$19,499,582	\$603	20%	\$3,899,916	60%	\$2,339,650			4,177	2%
Clothing Stores	\$14,836,168	\$459	20%	\$2,967,234	60%	\$1,780,340	\$287	50%	3,102	
Shoe Stores	\$2,851,301	\$88	20%	\$570,280	60%	\$342,159	\$205	50%	835	
Jewelry, Luggage & Leather Goods	\$1,812,113	\$56	20%	\$362,423	60%	\$217,454	\$451	50%	241	
<b>Sporting Gds, Hobby, Book &amp; Music</b>	\$7,492,872	\$232	22%	\$1,840,675	60%	\$984,405			2,508	1%
Sporting Goods, Hobby, Musical Inst	\$6,071,283	\$188	20%	\$1,214,283	60%	\$728,552	\$195	50%	1,898	
Book & Music Stores	\$1,421,409	\$44	30%	\$426,423	60%	\$255,854	\$200	50%	640	
<b>Miscellaneous Store Retailers</b>	\$9,885,993	\$305	51%	\$5,028,633	85%	\$4,252,700			12,172	7%
Florists	\$410,280	\$13	100%	\$410,280	100%	\$410,280	\$226	50%	908	
Office Supplies, Stationery & Gifts	\$3,046,550	\$94	30%	\$913,965	95%	\$868,267	\$202	50%	2,149	
Used Merchandise Stores	\$979,613	\$30	100%	\$979,613	95%	\$930,632	\$202	50%	2,304	
<b>Other Miscellaneous Store Retailers</b>	\$5,449,550	\$168	50%	\$2,724,775	75%	\$2,043,581	\$150	50%	6,812	
<b>Food Service &amp; Drinking Places</b>	\$38,996,403	\$1,203	91%	\$35,615,594	83%	\$22,339,467			45,808	27%
Full-Service Restaurants	\$17,956,552	\$555	90%	\$16,180,624	60%	\$9,898,554	\$308	50%	15,741	
Limited-Service Eating Places	\$16,851,505	\$490	90%	\$14,266,955	65%	\$9,273,130	\$199	50%	23,299	
Special Food Services	\$3,077,627	\$95	100%	\$3,077,627	70%	\$2,154,549	\$200	50%	5,389	
Drinking Places	\$2,010,389	\$62	100%	\$2,010,389	60%	\$1,208,233	\$400	50%	1,508	
<b>TOTAL</b>	<b>\$207,634,183</b>	<b>\$6,421</b>	<b>65%</b>	<b>\$137,120,442</b>	<b>75%</b>	<b>\$102,397,965</b>			<b>168,540</b>	

# Market Analysis: Development Obstacles

- What prevents retailers and developers from investing in the neighborhood?
  - E.g., development costs, lack of suitable space, insufficient demand, unaware of demand, availability of suitable workforce, crime, etc.
- What might attract them?
  - E.g., subsidies (pre-development costs, lease guarantees, etc.), better market information, favorable trends (complementary development, expectation of new residents, etc.), community partners (helping address, e.g., employee needs, security presence)
- What land/corridors are available for retail development?



# OTHER AMENITIES



## Other Amenities to Consider

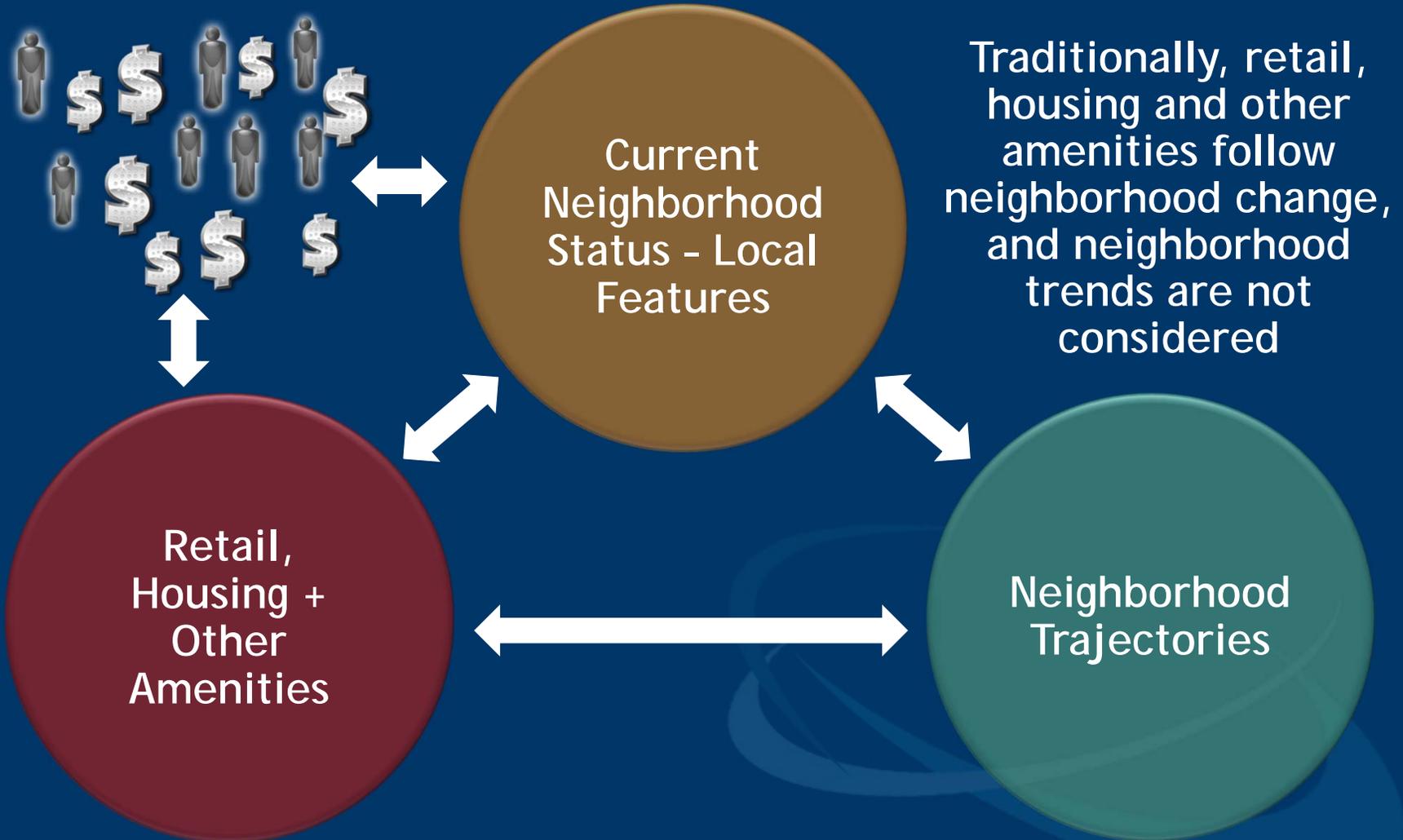
- Physical (land uses and availability, open spaces)
- Transportation (transit, commute times)
- Consumption (museums, entertainment, retail)
- Public Services (libraries, school, police stations)
- Social Interaction (crime, social capital)



# STRATEGIES

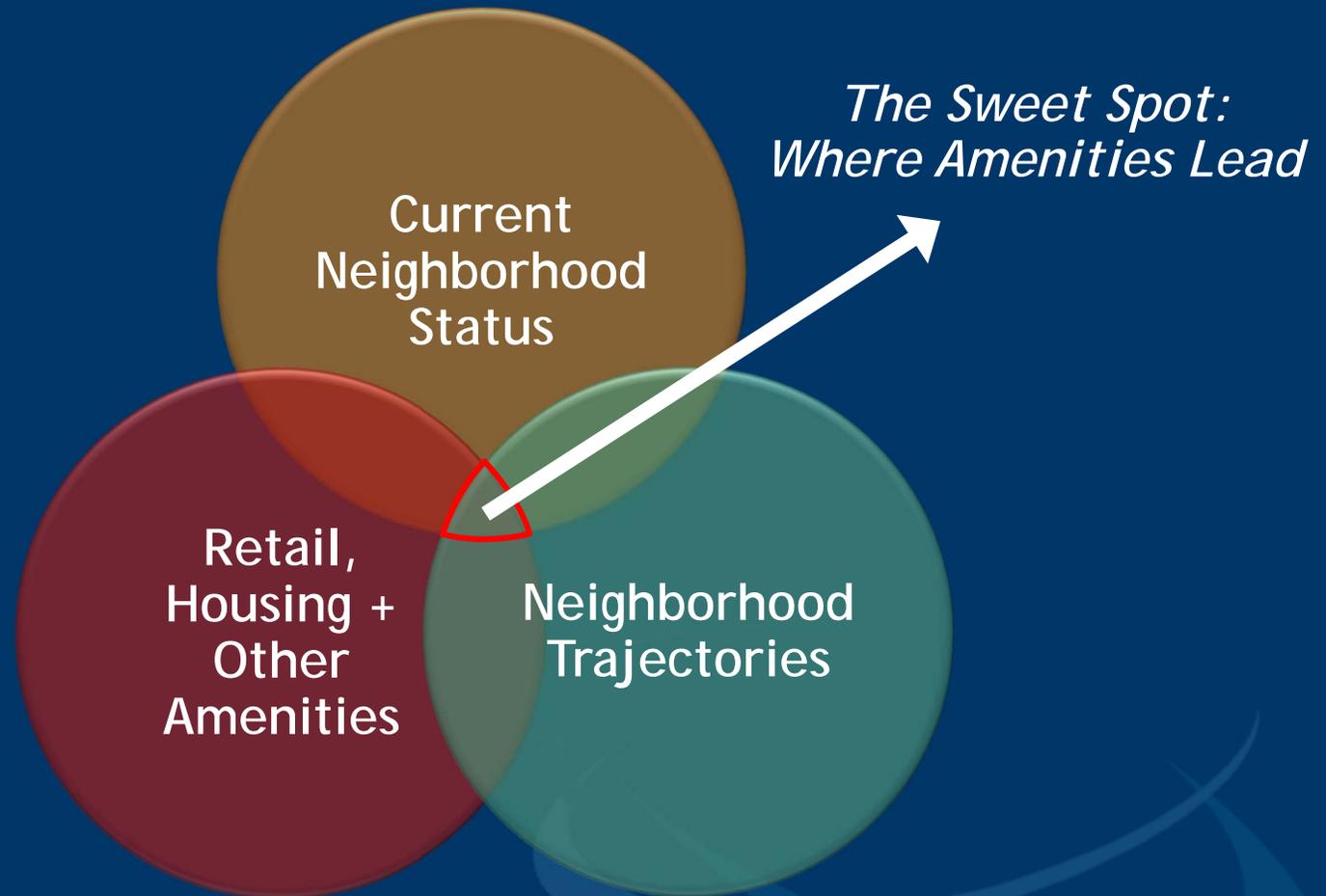


# Strategy Development: Retail, Housing + Other Amenities



*In reality, amenities affect neighborhood trajectories, and vice versa*

# Aligning Opportunities



# Strategy Development: An Example

Mission: What type of neighborhood do you want to be?

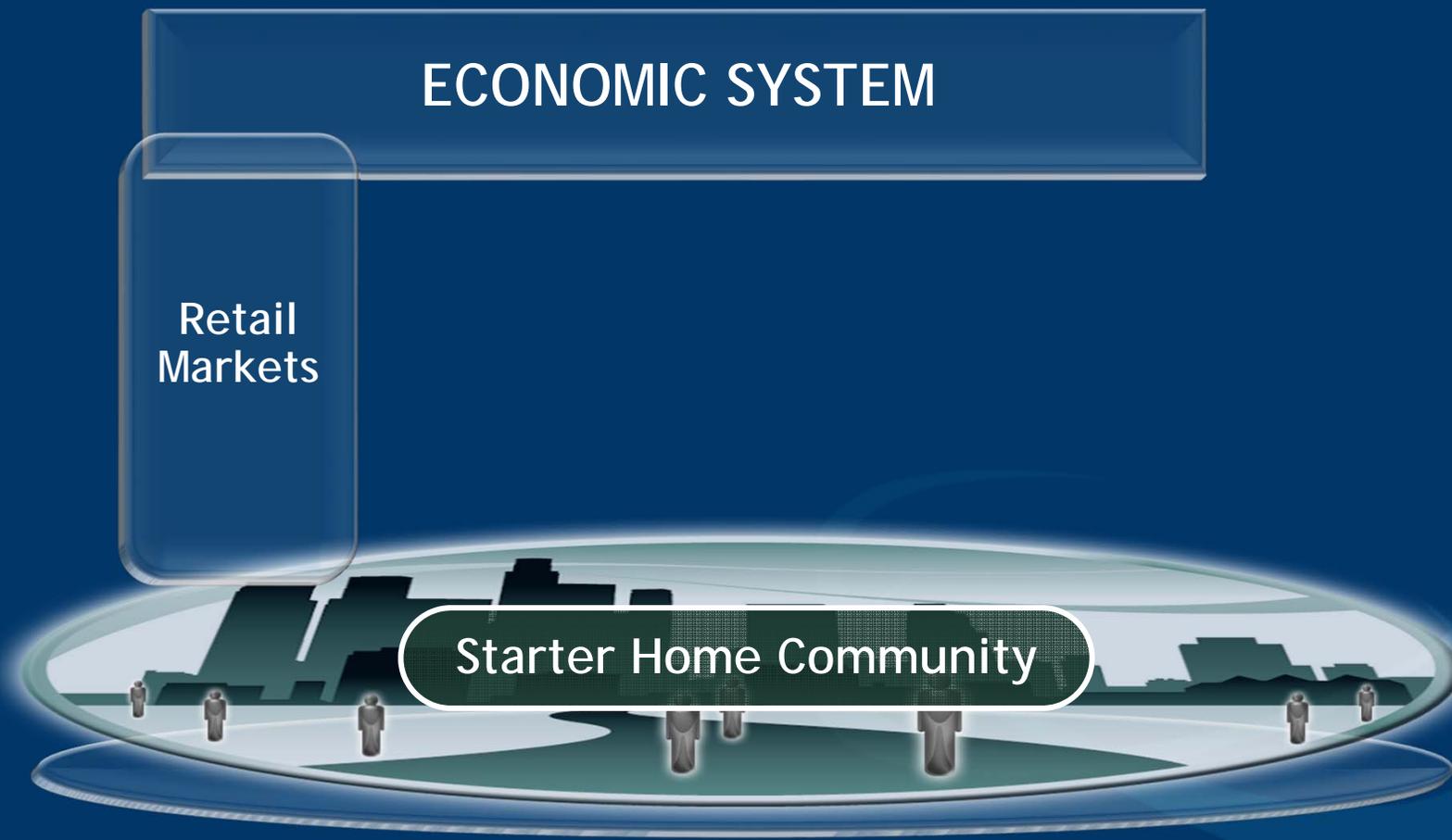
Strategies: What drivers will get you there?

- Specific Retail Amenities
- Child Care
- Schools
- Safety
- Affordable, Single-family Homes



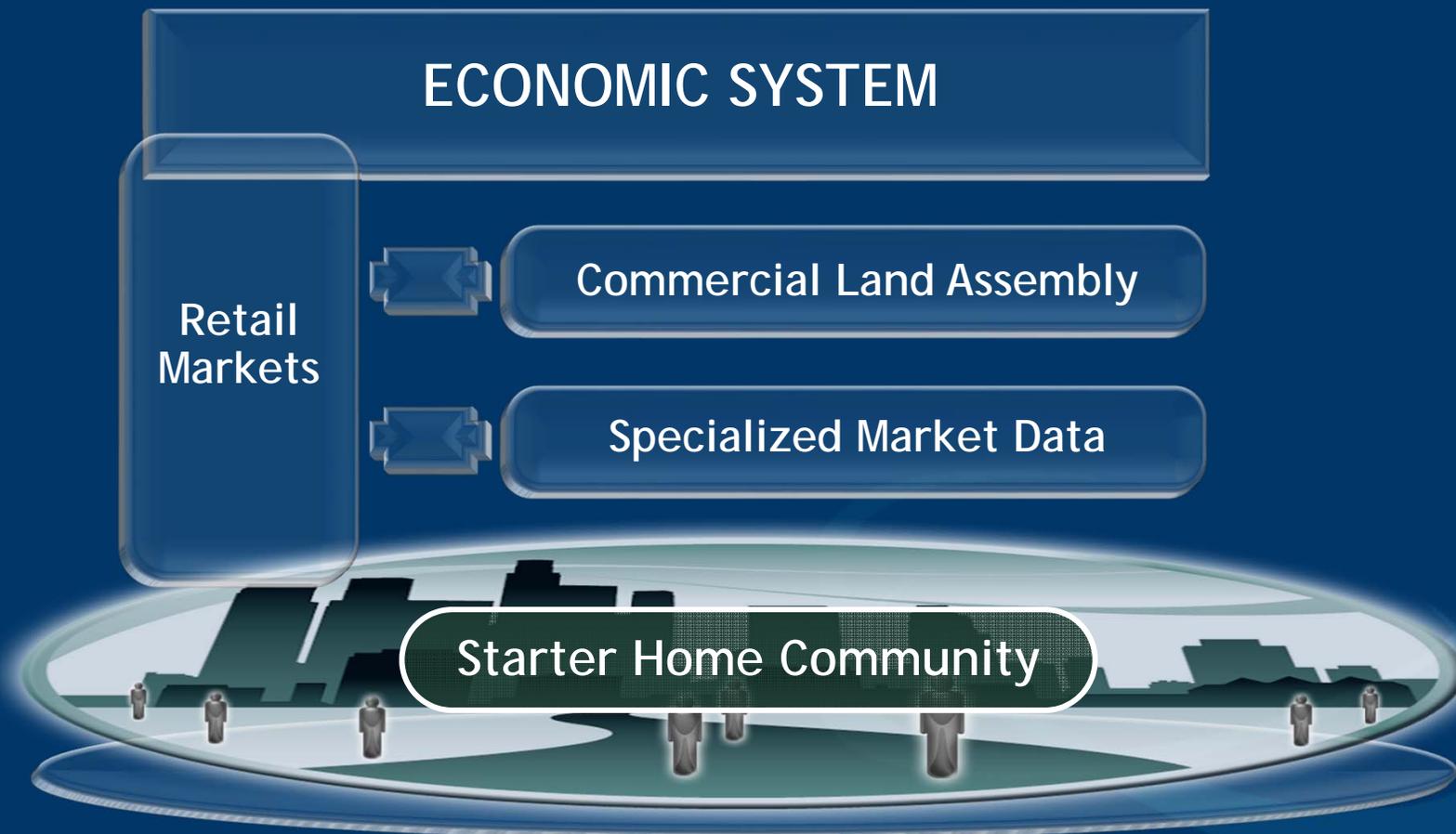
# Relevant System

## STEP 2: Identify Relevant System



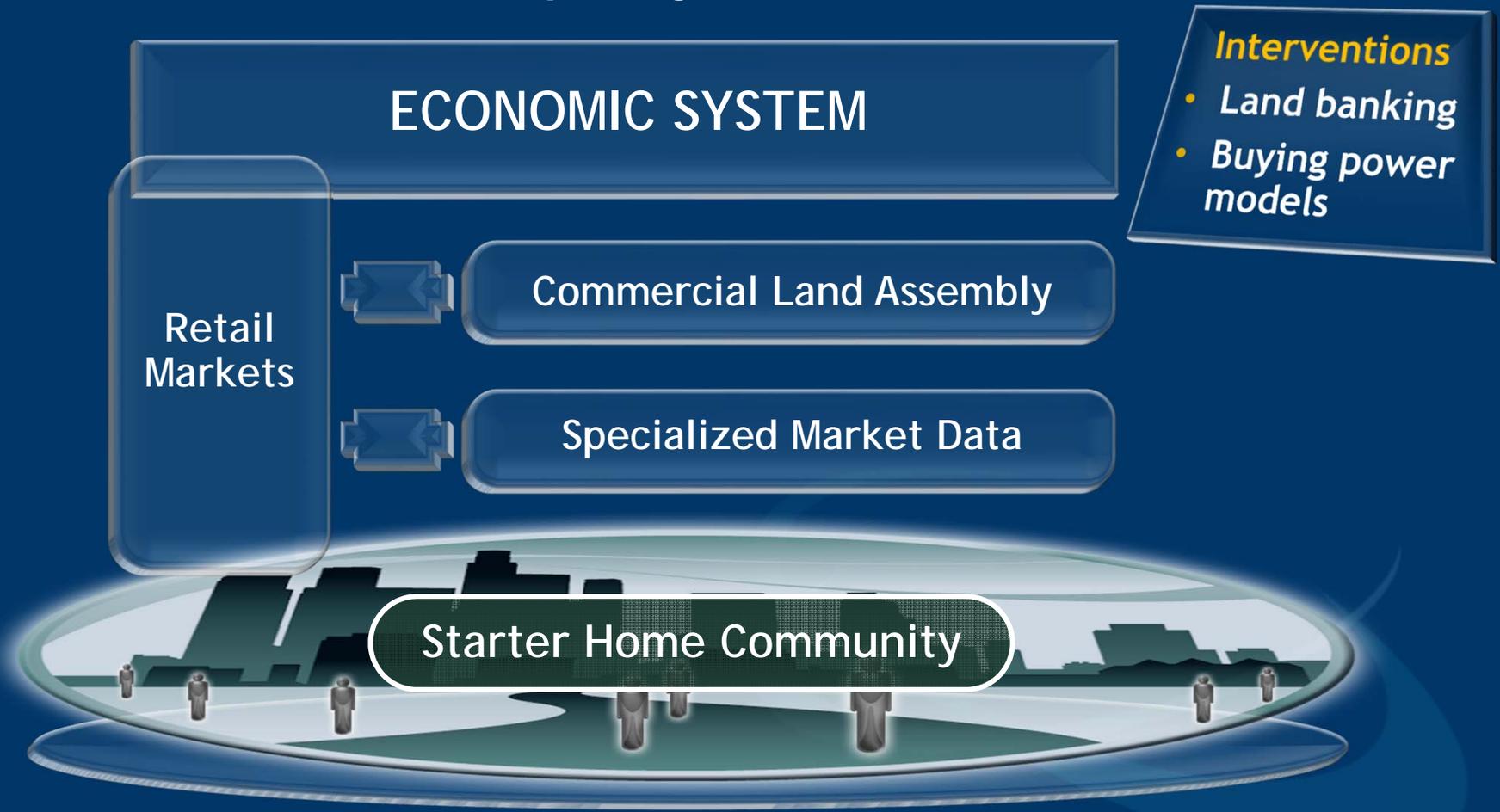
# Market Barriers

## STEP 3: Identify Market Barriers



# Interventions

## STEP 4: Specify Interventions



# Neighborhoods as Places to Live: Strategy Development

1. Identify your current neighborhood amenities package, who it is for
2. Decide what type of neighborhood (package of amenities) you want to become (or stay); who you want to attract/retain (people, businesses; of what types)
3. Identify key components like housing, retail, other amenities that are viable on the margins, and can help attract people/businesses you want to attract

Example: If you want to move from being a bohemian to a starter home community, then you need:

- a) Appropriate retail for home starters
- b) Affordable, good quality family housing
- c) Good quality schools, libraries, transit access, parks, and other institutional amenities



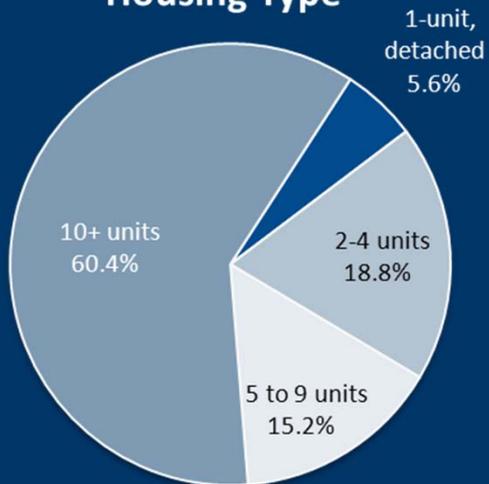
# YOUR TURN!

- Review provided data:
  - Housing
    - Type
    - Vacancy
    - Cost
  - Retail
    - Neighborhood establishments by type
- Based on provided data and your own knowledge, consider potential strategies for driving change in your neighborhood

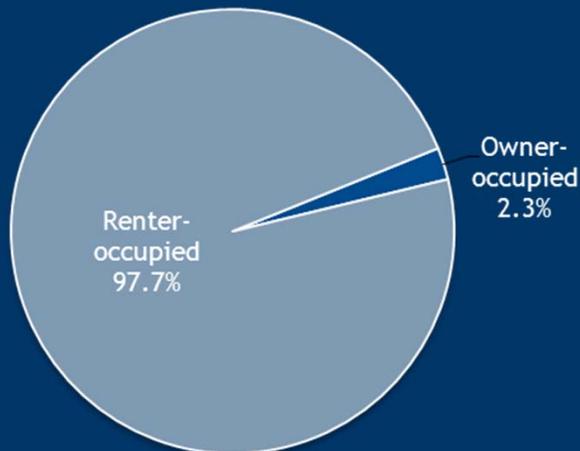
# Understanding the Data

## Housing Supply

### Housing Type

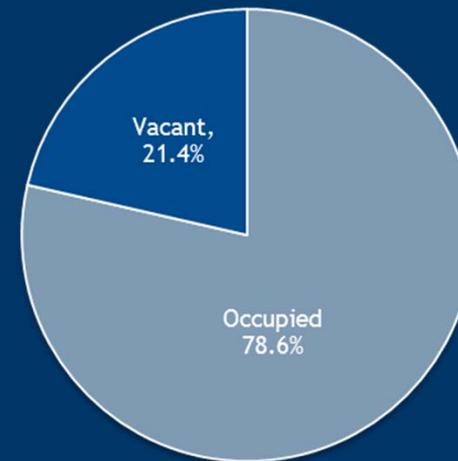


### Own vs. Rent



## Housing Demand

### Housing Occupancy



Gross Rent of Renter-Occupied Units	Number of Units '12	% of Total '12
Less than \$500	340	20.5%
\$500 to \$749	992	59.8%
\$750 to \$1,499	327	19.7%
\$1,500 or more	0	0.0%

# Understanding the Data

## *Retail Supply*

<b>Retail Type</b>	<b>Establishments</b>
Supermarkets and Other Grocery (except Convenience) Stores	9
Electronics Stores	6
Convenience Stores	6
Beer, Wine, and Liquor Stores	6
Women's Clothing Stores	6
Gift, Novelty, and Souvenir Stores	5
All Other Miscellaneous Store Retailers (except Tobacco Stores)	5
Automotive Parts and Accessories Stores	3
Tire Dealers	3
All Other Nondepository Credit Intermediation	3
New Car Dealers	2
Furniture Stores	2
Confectionery and Nut Stores	2
Pharmacies and Drug Stores	2
Other Gasoline Stations	2
Men's Clothing Stores	2
All Other General Merchandise Stores	2
Used Merchandise Stores	2
Other Direct Selling Establishments	2



# DISCUSSION



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# Module V: Bringing it All Together

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# Session 11: Sample Neighborhood Business Plan

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# Neighborhood Business Planning

I

Mission and Goals

II

Market Analysis

III

Strategies

IV

Products and Services

V

Operational and Financial Planning

VI

Performance Monitoring

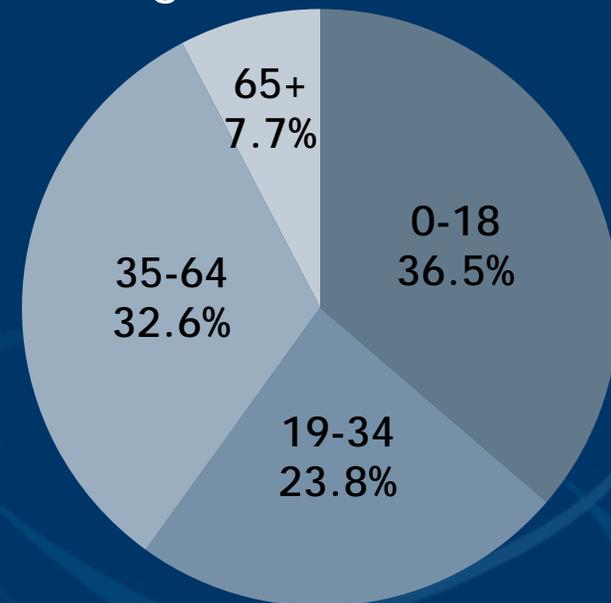
# Mission and Goals / High-Level Market Analysis

## Neighborhood Z: Type 3A - Low Income Families

### - Typology Profile -- People and Businesses:

- Median Income: \$22,777
- 26% single parents
- 68% HS-grad or less
- 19% unemployment
- 14% immigrants
- Low-mid services concentration
- Low retail concentration and diversity

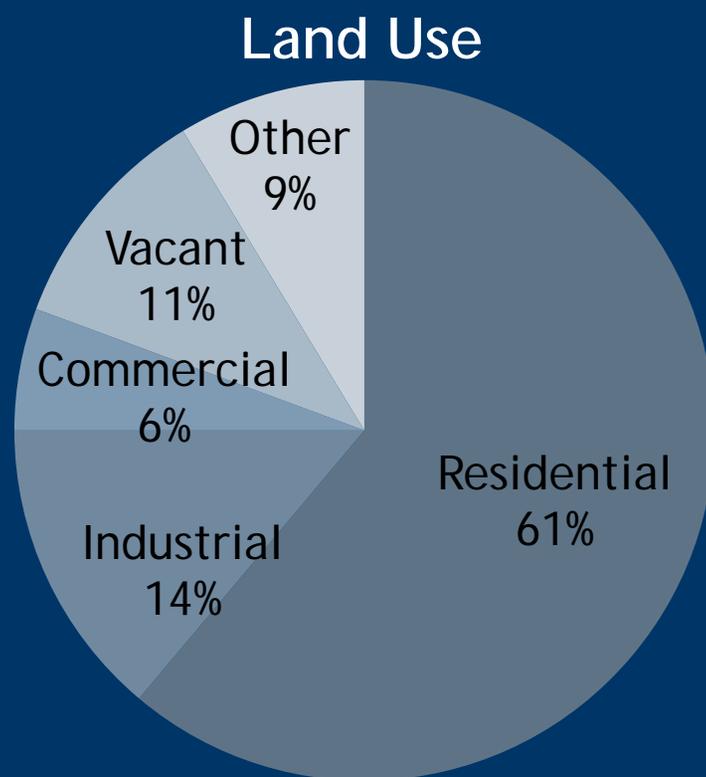
Age Distribution



# Mission and Goals / High-Level Market Analysis

## Neighborhood Z: Type 3A - Low Income Families

- Typology profile -- Housing and Land Use:



### Housing

- 21% Single Family
- 16% Vacant Units
- 33% owner occupied
- 50% moved in last 5 years; 29% lived in neighborhood for 10+ years

# Mission and Goals

- Neighborhood Z: Type 3A - Low Income Families
  - Goal:

“No Place Like Home”

OR

“Urban Tapestry”



To focus on housing,  
stability + families, or  
mixed uses + young  
professionals?



# Mission and Goals

- Goal: Urban Tapestry
    - Attract/produce more college educated residents
    - Expand variety of housing stock and increase homeownership
    - Attract and foster targeted regional and local businesses
    - Increase employment
- 

# Neighborhood Business Planning

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# Urban Growth Form

## *Current Mix of Uses and Businesses*

- Strip of industrial along border with adjacent neighborhood
- Main commercial street in neighborhood center; handful of small strip malls

## *Development Opportunities*

- 11% vacant land, only half usable
- One relatively large (25 acre) parcel - brownfield, some cleanup required

# Urban Growth Form

## *Movement of People*

- Bus lines along major streets, trains along or near edges (but distant from much of neighborhood)
- 45 min+ commutes to work the norm

## *Movement of Goods*

- Light congestion
- Highway access
- Major thoroughfares accessible to trucks but need upgrade

## *Movement of Ideas*

- High speed broadband available; 80% households subscribe

# Human Capital

## *Neighborhood Labor Supply*

- Primarily high school or less; less than 10% college grads
- Dominant occupations: production, personal care services, office + admin, computer + math

## *Regional Labor Demand*

- Growing jobs in dominant occupations requiring HSD or less:
  - Billing and payroll clerks
  - Receptionists
  - Personal care aides
  - Food cooking machine operations and tenders
  - Computer-controlled machine tool operators

# Clusters

## *Regional Opportunities:*

Business Services



Biopharmaceuticals



Distribution Services



Processed Food



# Clusters

## *Neighborhood Impacts*

	<b>Business Services</b>	Biopharm	Distribution	<b>Processed Food</b>
Land	Commercial office space; urban and suburban	Primarily located in suburbs	Large warehouses; near customers	Mid-sized factories; urban setting common
Labor	Entry-level to advanced, white collar	Advanced, scientific & technical	Entry-level to advanced; white and blue collar	Entry-level to advanced; white and blue collar
Firms	high opportunity	low opportunity	med opportunity	high opportunity

# Clusters

## *Neighborhood Assets*

Land	11% Vacant Land 14% Industrial Land 6% Commercial Land	2 miles from highway 1.5 miles from train multiple bus lines
Labor	16% Office + Admin 13% Computer + Math 12% Production	2/3 high school or less 8% college grads
Firms	Large Mfg, incl. Food; Med. Transp. + Warehousing;	Med. Prof. services; Med. Wholesale trade; Med. Admin + Support

# Clusters

## *Digging Deeper Into Processed Foods*

### ■ Trends:

- Fresh, local, quality foods
- Prepared, easy to consume foods
- “Functional” health-promoting foods
- Sustainable and innovative packaging

### ■ Challenges:

- Finding labor with appropriate skills, from entry-level to advanced
- Coordination among cluster firms

# Governance

## *Institutional Infrastructure and Economic Interaction*

- Chamber of Commerce supporting main commercial street
- Website portal connecting residents on range of topics
- Monthly professional development and networking events hosted by CDC
- Small university, Community College nearby

## *Government Functions in Neighborhood*

- Strong aldermanic role
- Business permitting
- Two TIF districts - total ~500 acres

# Amenities

## *Housing*

- Mostly multifamily, rental

## *Retail*

- Minimal retail and services

## *Other*

- Low social capital
- Relatively high crime rate
- 1 park in neighborhood
- 1 public library branch

# Neighborhood Business Planning

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# Mission and Goals

- Goal: Urban Tapestry
    - Attract/produce more college educated residents
    - Expand variety of housing stock and increase homeownership
    - Attract and foster targeted regional and local businesses
    - Increase employment
- 

# Strategies

- Create mixed-use development including multi-family housing, pharmacy, drycleaners, restaurants/bars and other amenities to attract young singles
- Build a food incubator/light industrial park to support and attract entrepreneurs.
- Prepare residents to work in processed food and business services clusters, and facilitate connections to employers
- Create mentoring program for budding processed food and business services entrepreneurs
- Provide community leadership and support to shape emerging housing and retail activity
- Support homeownership through rent to own program
- Establish business-resident councils

# Neighborhood Business Planning

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# Sample Initiative -- Products and Services

## *Food Process Pack and Prep Park (F4P)*

- Opportunity:
  - Regional specialization and employment in Processed Foods
  - Food firms struggle to find employees with needed skills (including for entry-level positions)
  - 25-acre site
- Solution:
  - Mixed use district that includes:
    - Space for light processing + packaging of food
    - Shared kitchen/incubator for startups
    - Rooftop gardens, with ingredients used by F4P companies
    - Space for community events: farmers market, food festivals, food trucks, etc.

# Sample Initiative -- Products and Services

## *B2B Competitiveness + Entrepreneurship*

- Opportunity:
  - Large institutions and headquarters in region
  - Neighborhood businesses with potential to serve anchor institutions and headquarters
- Solution:
  - Technical assistance to neighborhood businesses to help them be more competitive as suppliers to larger businesses and headquarters in the region
  - Mentoring program connecting established large business leaders with emerging entrepreneurs and small business owners
  - Anchor and headquarter agreements to consider procurement practices, to identify and correct barriers to access for local businesses

# Sample Initiative -- Products and Services

## *Human Capital Connections*

- Opportunity:
  - Local community college with programs training food machine operators, administrative services managers, etc.
  - Growing employer demand for workers in food processing and business services
- Solution:
  - Identify neighborhood residents most qualified for training programs and develop fund to help subsidize tuition costs
  - Solicit agreements with companies in F4P and local B2B companies to consider neighborhood applicants with appropriate degrees/certificates
  - Provide support to program graduates on resume writing, interview skills and employer placement

# Neighborhood Business Planning

- I | Mission and Goals
- II | Market Analysis
- III | Strategies
- IV | Products and Services
- V | Operational and Financial Planning
- VI | Performance Monitoring

## MISSION/VISION

- Tailored to specific assets, opportunities, type
- What kind of neighborhood do you aspire to be?
- What residents, businesses, outcomes?

## PERFORMANCE MONITORING

- Measurable goals, metrics
- Continually track progress
- Adjust based on results

## MARKET ANALYSIS

- Rigorous, fact-based
- Status, Dynamics
- Comprehensive assessment of assets, market barriers, opportunities, existing initiatives

## OPERATIONAL AND FINANCIAL IMPLICATIONS

- Staffing, Facilities, necessary to deliver products
- Operational and organizational implications
- Financial requirements, sources, pro formas

## STRATEGIES

- Tailored to assets, opportunities, targeted trajectories
- Mutually reinforcing

## INITIATIVES, PRODUCTS

- Review and adapt best practices
- Design, engage stakeholders, market test
- Evaluate feasibility, effectiveness



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# Session 12: Creating Your Neighborhood Business Plan

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# YOUR TURN!

- With your neighborhood teams, consider market analysis from all previous sessions, and create sample strategies for your neighborhood
- Each team will then very quickly present one or two key strategies or insights, as well as identify something you struggled with

# DISCUSSION

- How do the strategies you developed relate to your existing strategies?
  - Challenges with applying NBP framework, developing strategies?
  - Other issues and comments?
- 

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# Wrap-Up and Next Steps

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# Economic Place-Making: How to Develop a “Neighborhood Business Plan”

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*Choice Neighborhoods Southeast Convening*

*HUD Atlanta Field Office*  
March 20-21, 2014

Sophie Cohen  
Teresa Lynch, Mass Economics  
Robert Weissbourd