Southern Virginia Regional Housing Summit

Revitalizing Middle Neighborhoods

Chris Garland

NCST (National Community Stabilization Trust)

Expand opportunities for all families to achieve affordable homeownership in safe, healthy, stable communities

While advancing the role of non-profit delivery systems in expanding affordable homeownership in ways that build local capacity for more equitable impacts

And while lifting up the voices, insights, and expertise of local practitioners in the development and advancement of federal homeownership policy

With the goal of stabilizing communities and closing the racial wealth gap

To catalyze a national expansion of affordable homeownership

Leading to our vision of:

Every family who wants to can achieve homeownership in vibrant, healthy, and stable communities

NCST

Organizational Pillars

Transactional Practice

Facilitate property transfers to increase affordable homeownership.

- REO Match
- REO Track
- Portfolio Management

Policy Practice

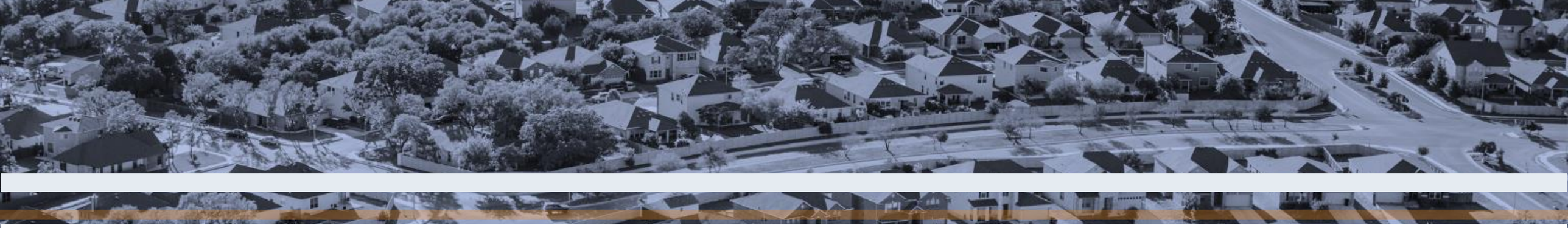
Advance practitioner-led advocacy and innovation to support federal policy change and innovation.

- Homeownership Alliance
- Federal Policy
- Development & Advocacy
- Thought Leadership

Community Development

Support local communities and initiatives through lending, technical assistance, and convening.

- Middle Neighborhoods Coalition
- Black & Latino Middle Neighborhoods
- D.A.S.H. Fund
- Acquisition Bridge Fund



Characteristics of Middle Neighborhoods

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



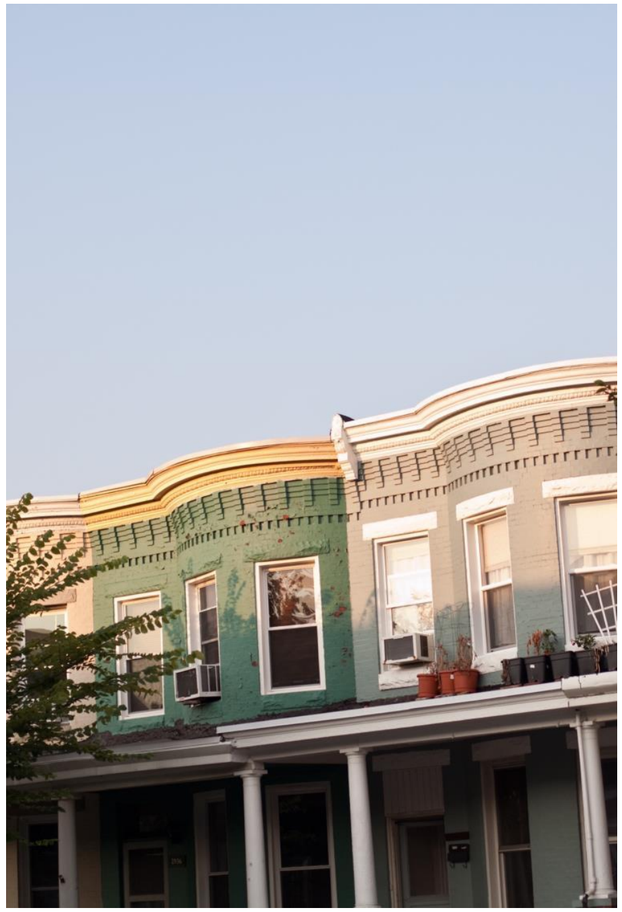
Middle Neighborhoods



Many Middle Neighborhoods Are Faltering In Their Sustainability

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

Middle Neighborhoods



Middle Neighborhoods

Some Middle Neighborhoods Are Facing Gentrification and Displacement

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









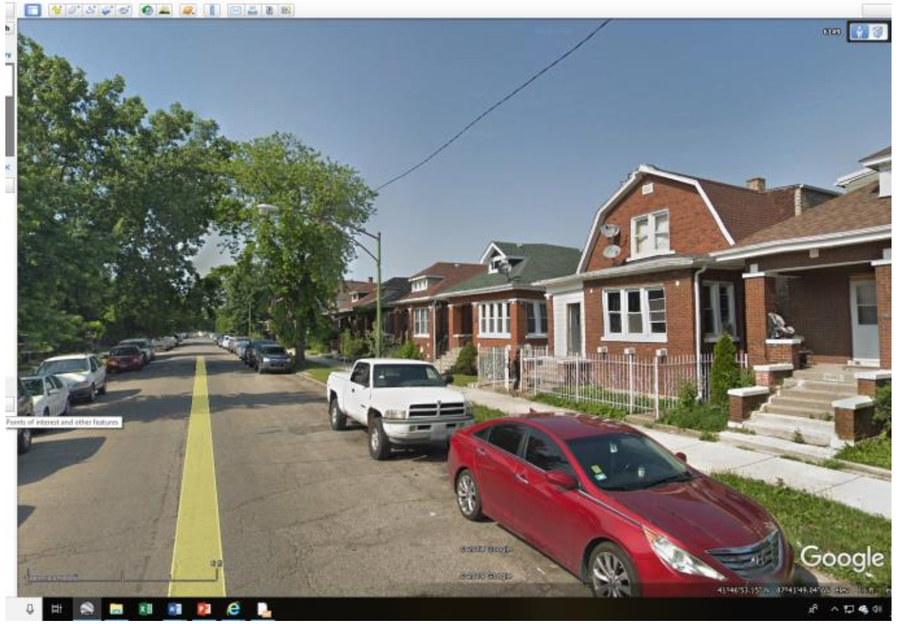


Des Moines

Franklin - $250,000, Drake - $225,000, Oak Park - $175,000, Columbus Park - $145,000







Chicago

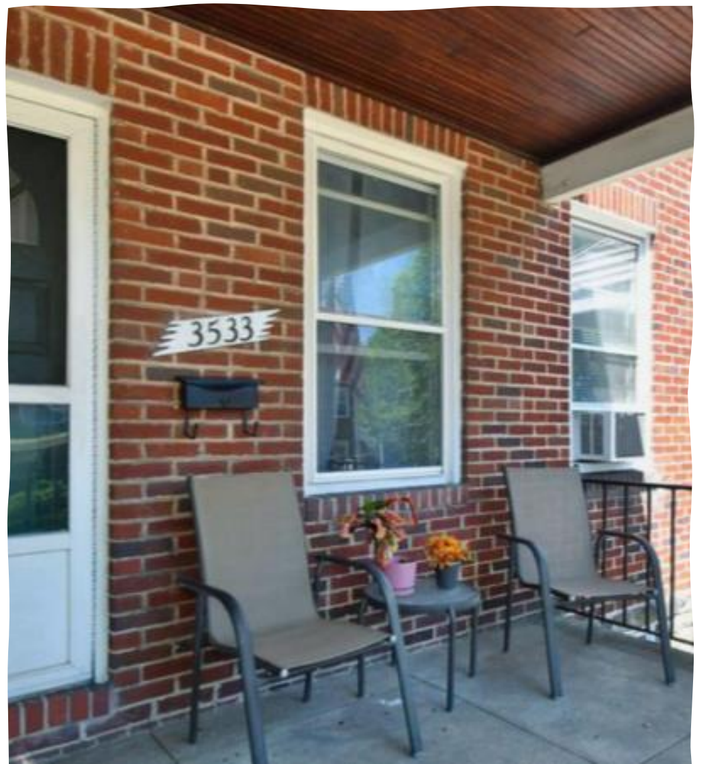
Greater Chatham neighborhoods

Baltimore

In Belair-Edison, median sales price in 2024 ranged from $150,000-$190,000.















Cleveland

Median sales price in December 2024 was about $170,000 in Old Brooklyn.

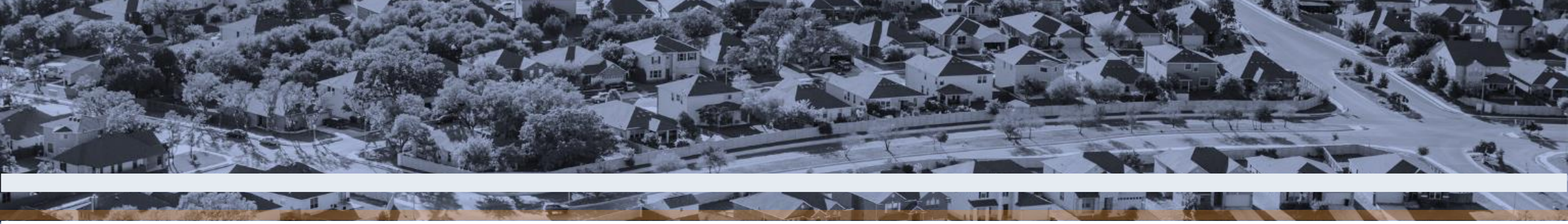






St. Louis

The median December 2024 sales price was $216,000 in the West End neighborhood was $200,800 in Dutchtown.



About the Middle Neighborhoods Initiative

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

- **Community of Practice: practitioners, policy, researchers**
- **Research: topics relevant to middle neighborhoods**
- **Policy Analysis and Advocacy: housing, lending, community dev**
- **Communications strategies: advancing awareness**

Coordinated by NCST and NeighborWorks America and advised by a Steering Committee of prominent researchers, practitioners and policymakers.

Middle Neighborhoods

Not secure | middleneighborhoods.reomatch.com

MIDDLE NEIGHBORHOODS

http://middleneighborhoods.reomatch.com/

Click here to learn more about defining Middle Neighborhoods

Refresh Your Map | Zoom | Questions or feedback? Type in location GO

Choose a 2014-2018 layer to display

- 2018 City Test 1: 60-100% CMI
- 2018 City Test 2: 80-120% CMI
- 2018 National Test 1: 60-100% NMI
- 2018 National Test 2: 80-120% NMI
- 2018 Regional Test 1: 60-100% AMI
- 2018 Regional Test 2: 80-120% AMI
- 2018 Regional Test 3: 100-160% AMI

Choose a 2006-2010 layer to display

- 2010 City Test 1: 60-100% CMI
- 2010 City Test 2: 80-120% CMI
- 2010 National Test 1: 60-100% NMI
- 2010 National Test 2: 80-120% NMI
- 2010 Regional Test 1: 60-100% AMI
- 2010 Regional Test 2: 80-120% AMI
- 2010 Regional Test 3: 100-160% AMI

MSAs

- Panama City, FL Metro Area
- Parkersburg-Vienna, WV Metro Area
- Pensacola-Ferry Pass-Brent, FL Metro Area
- Peoria, IL Metro Area
- Philadelphia-Camden-Wilmington, PA-NJ-DE-MD Metro Area
- Phoenix-Mesa-Scottsdale, AZ Metro Area
- Pine Bluff, AR Metro Area
- Pittsburgh, PA Metro Area
- Pittsfield, MA Metro Area

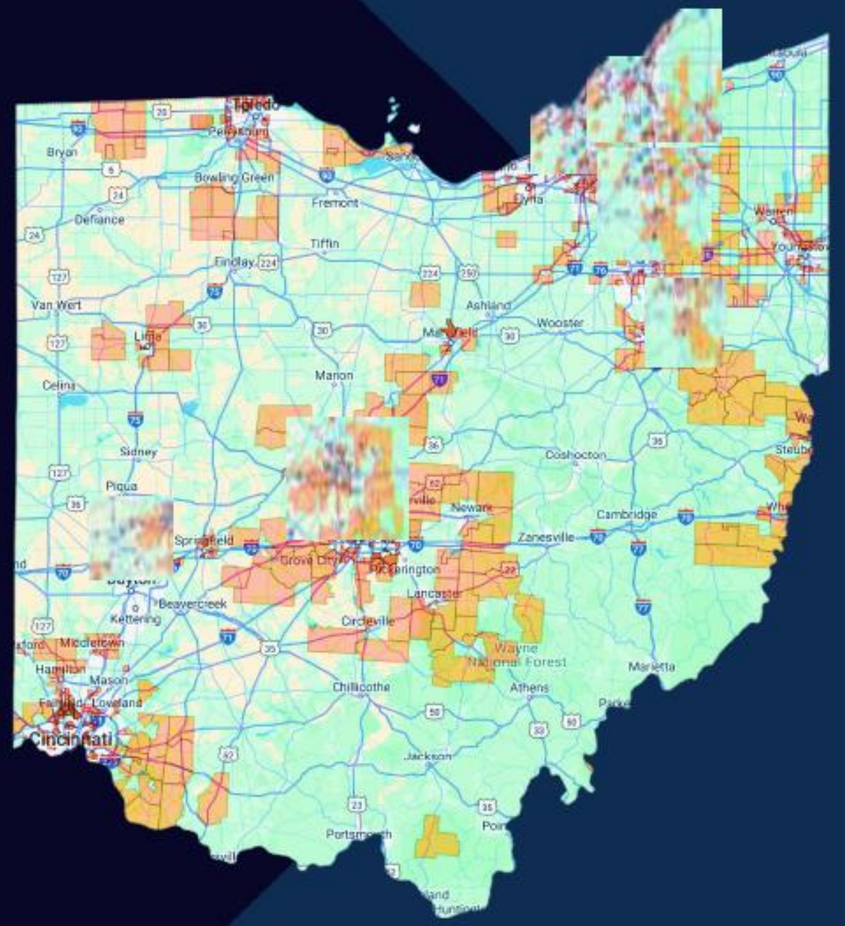
Your Map

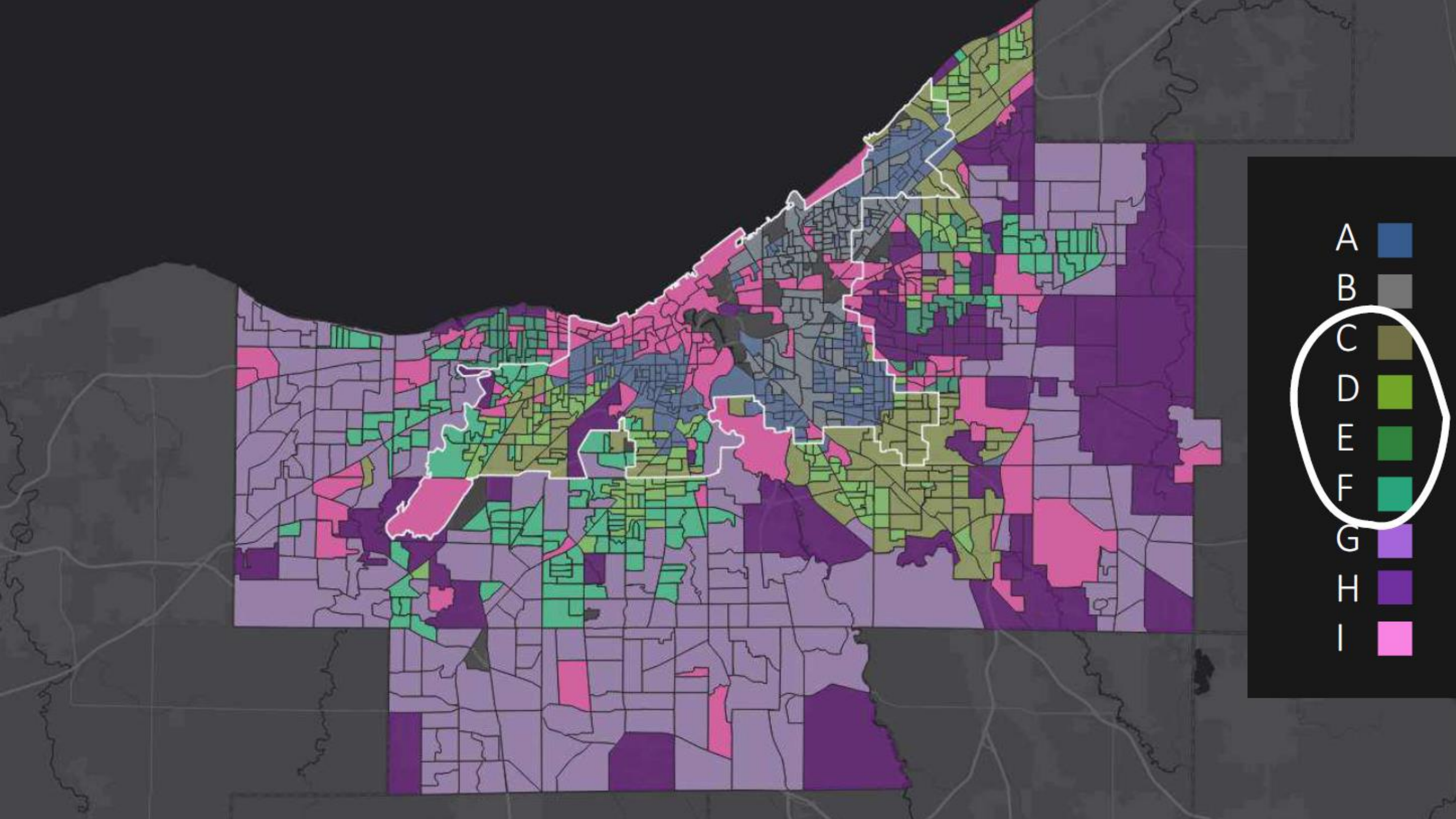


Displaying census tracts with median household incomes between 80 and 120 percent of regional/MSA median ($69,465), or $55,572 - $83,358

Check out the National Community Stabilization Trust's Middle Neighborhoods Maps, based on income alone

ncst.org/middle-neighborhoods/

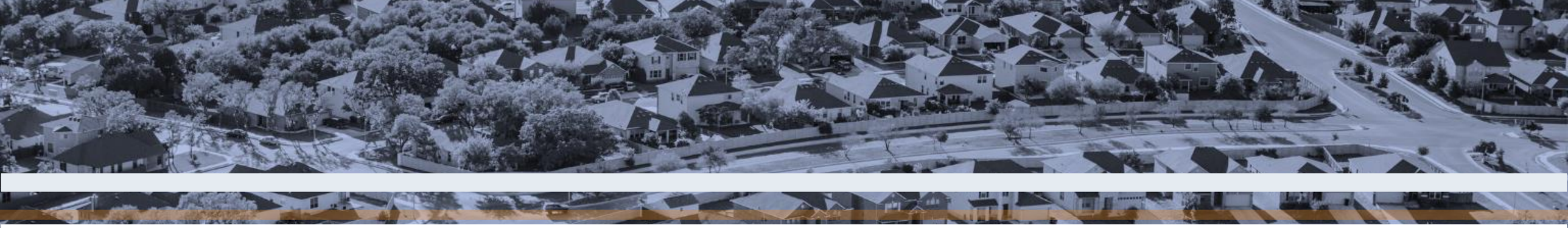



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Why Middle Neighborhoods Matter

Almost half of all urban residents in the US live in middle neighborhoods. (RF)
Investment in them can help:

- **Safeguard the home equity of middle households, many of whom are people of color.**
- **Preserve the diversity of cities, and keep them from becoming nothing but rich and poor.**
- **Protect the middle rung on the housing ladder and its opportunities for wealth building.**
- **Protect the city against the downward spiral of declining property values, leading to loss of its tax base as well as reduced services and quality of life for residents.**
- **Prevent the considerably higher cost of intervention in neighborhoods after they decline.**





Key Definitions

- **Middle Income: Tract Median HH Income 80% - 120% of Area Median HH Income**
- **Affordable: Tract Median Home Value <3X Tract Median HH Income ($50K Income = <$150K Home Value)**
- **Stable: Low resident turnover, low rent burden, high female labor force participation, high self-employment, high diversity (composite score)**

Middle Neighborhoods

Photo Credit: czbLLC, Neighborhood Development Considerations in Danville, VA (June 2020)

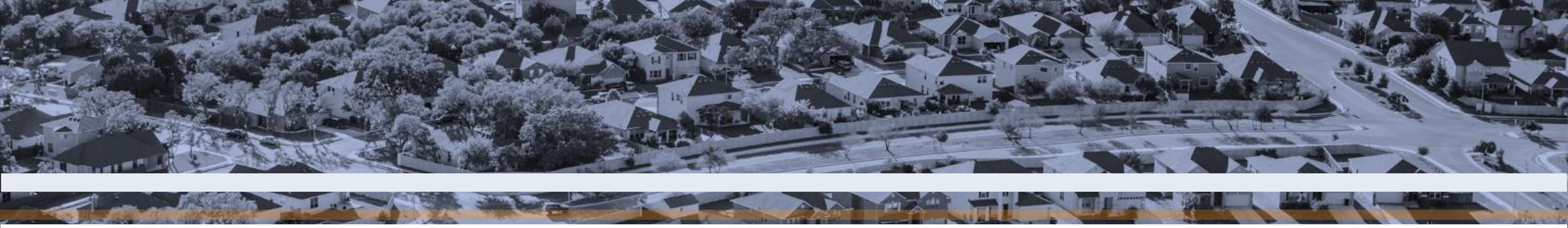


More Definitions…

- **“Core Middle” : Middle income, affordable, and stable**
- **“Vulnerable Middle” : Middle income, affordable, but unstable**
- **“Squeezed Middle” : Middle income but not affordable**
- **“Potential Middle” : Affordable and stable, but outside the middle (60-80 or 120-140)**

Middle Neighborhoods

Photo Credit: czbLLC, Neighborhood Development Considerations in Danville, VA (June 2020)



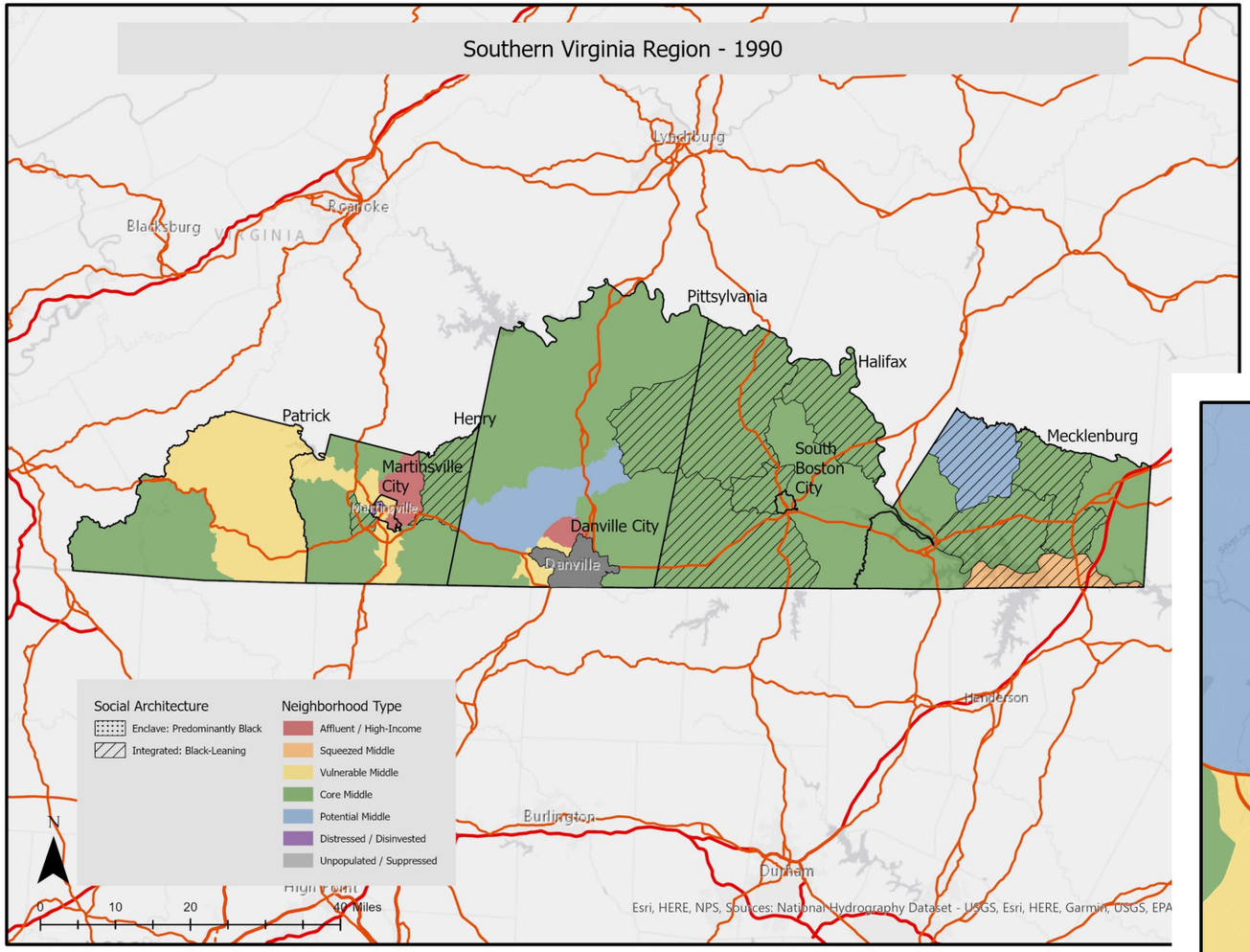


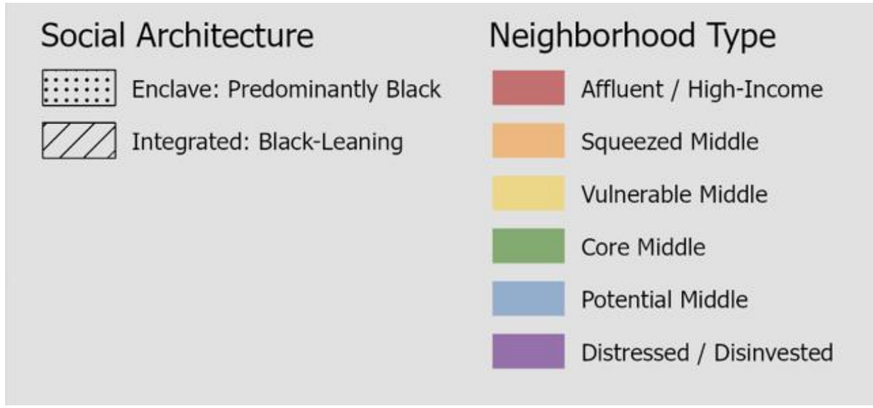
…A few more Definitions…

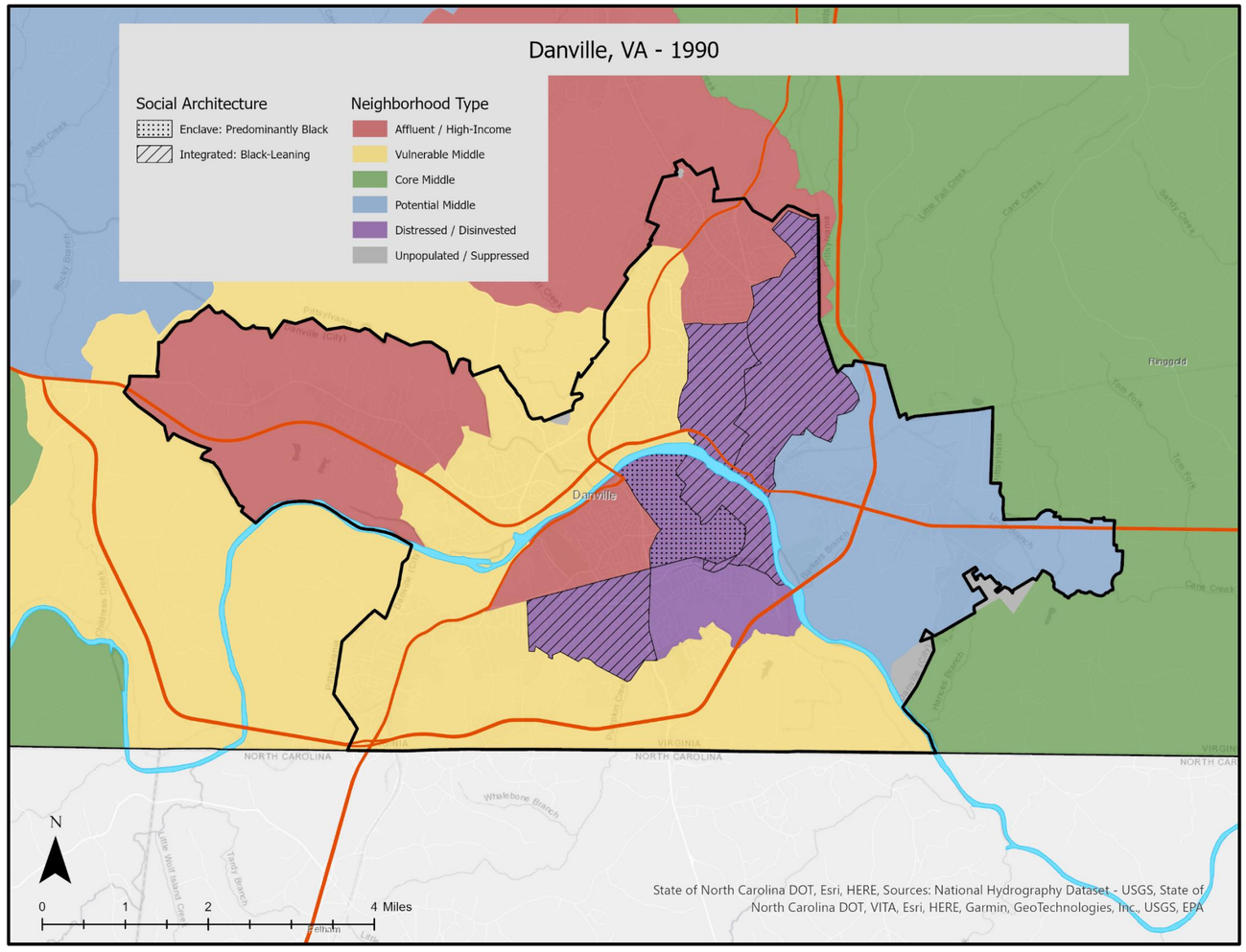
- **High Diversity / Integrated: High diversity index, may lean toward one or more minority groups**
- **Metro Baseline: Diversity index near the metro mean**
- **Low Diversity / Enclave: Low diversity index, enclaves classified by high location quotient**

Middle Neighborhoods

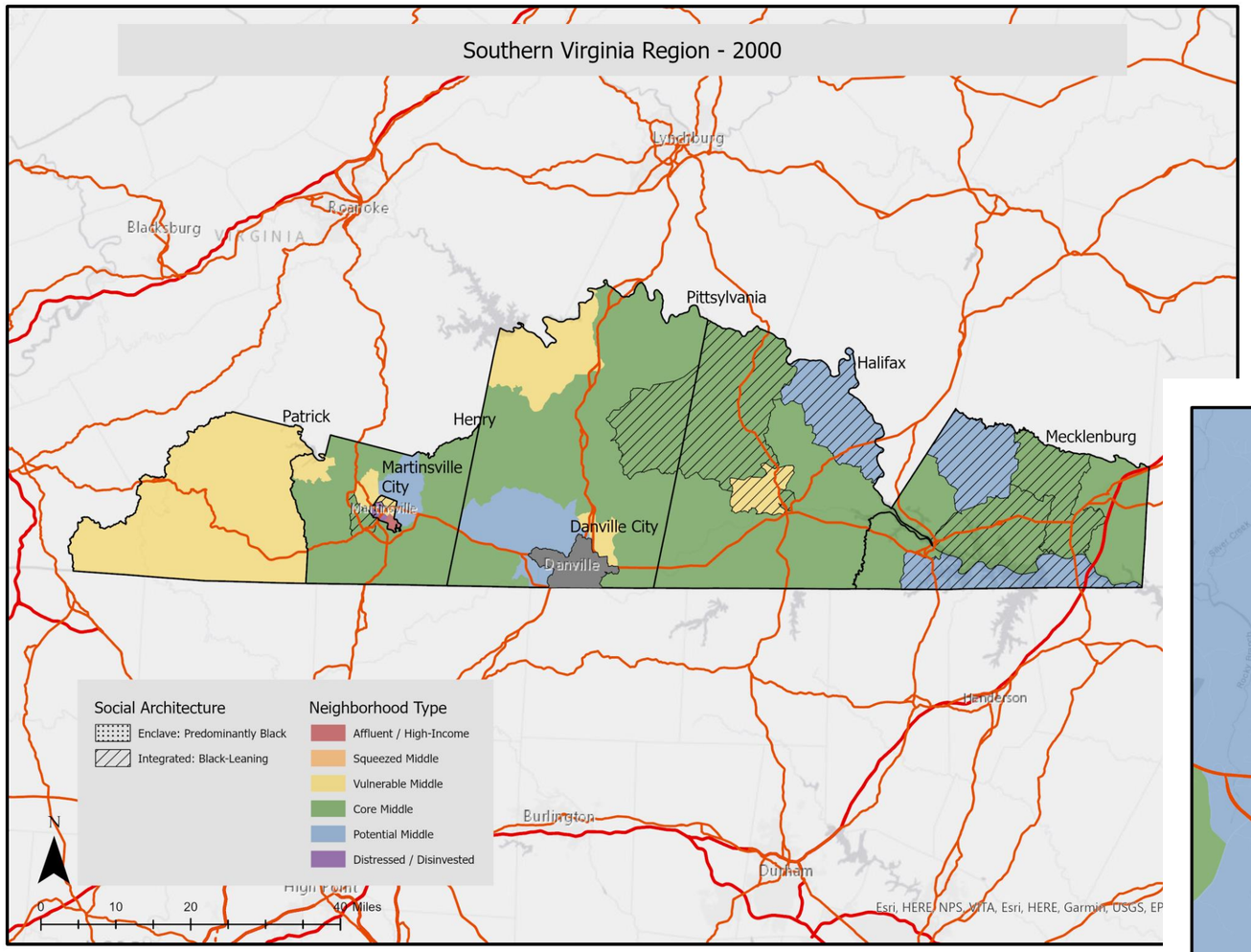
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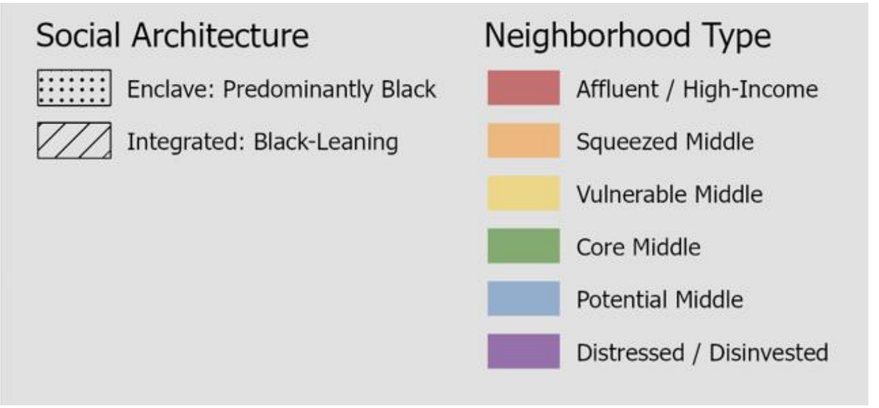


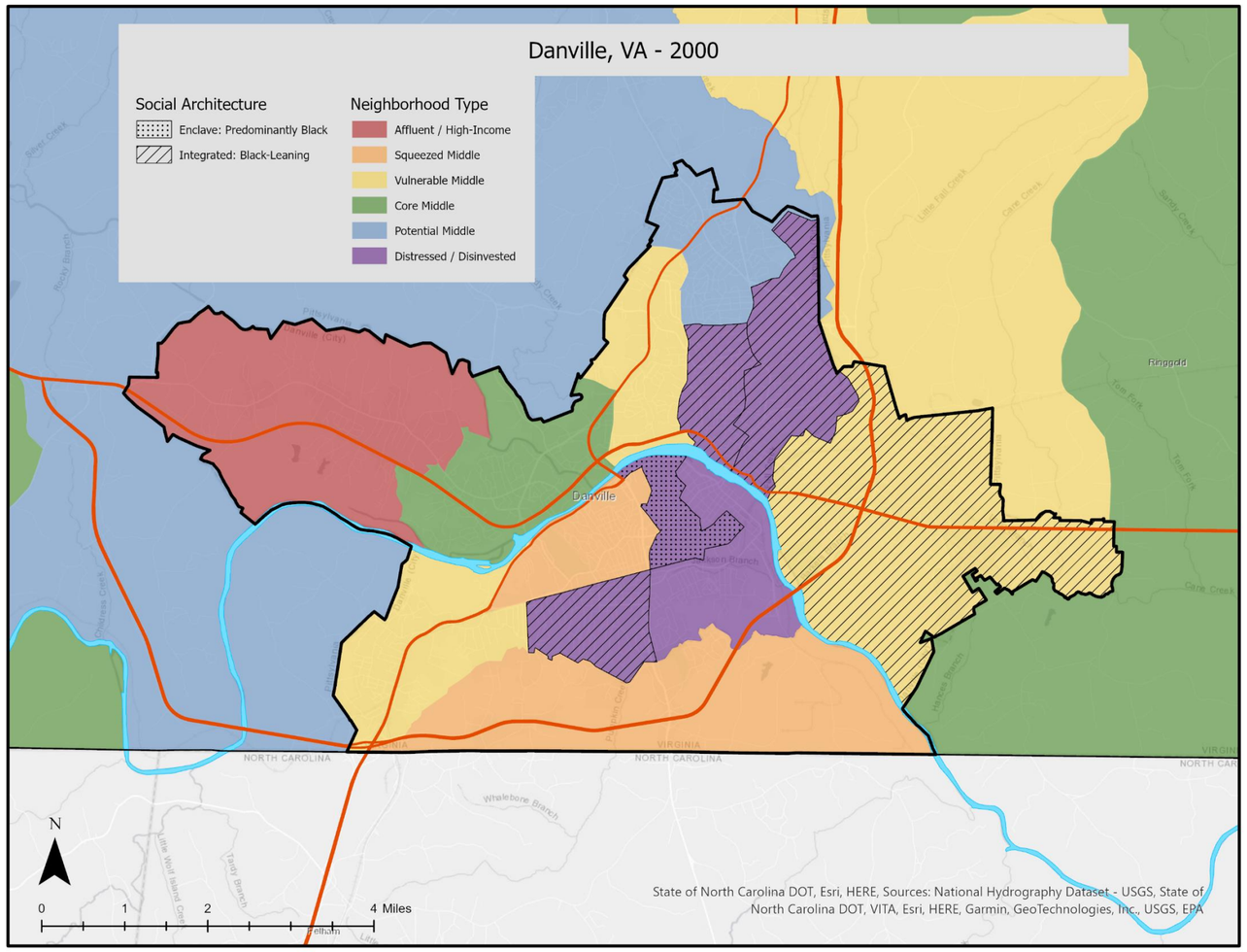




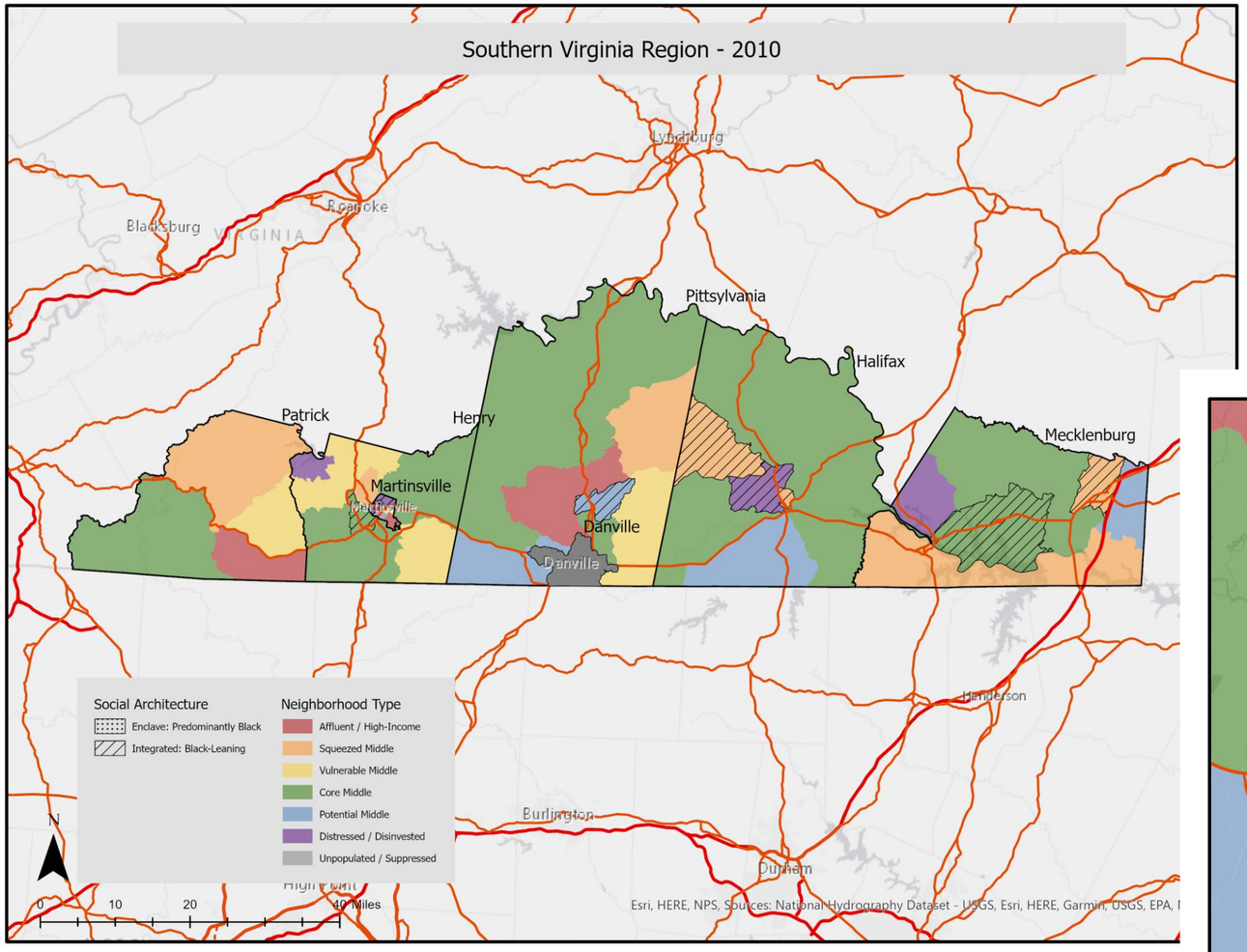
Middle Neighborhoods

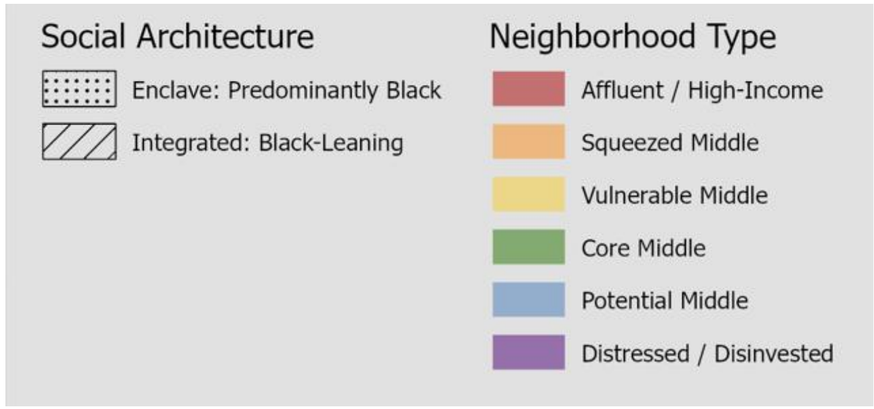


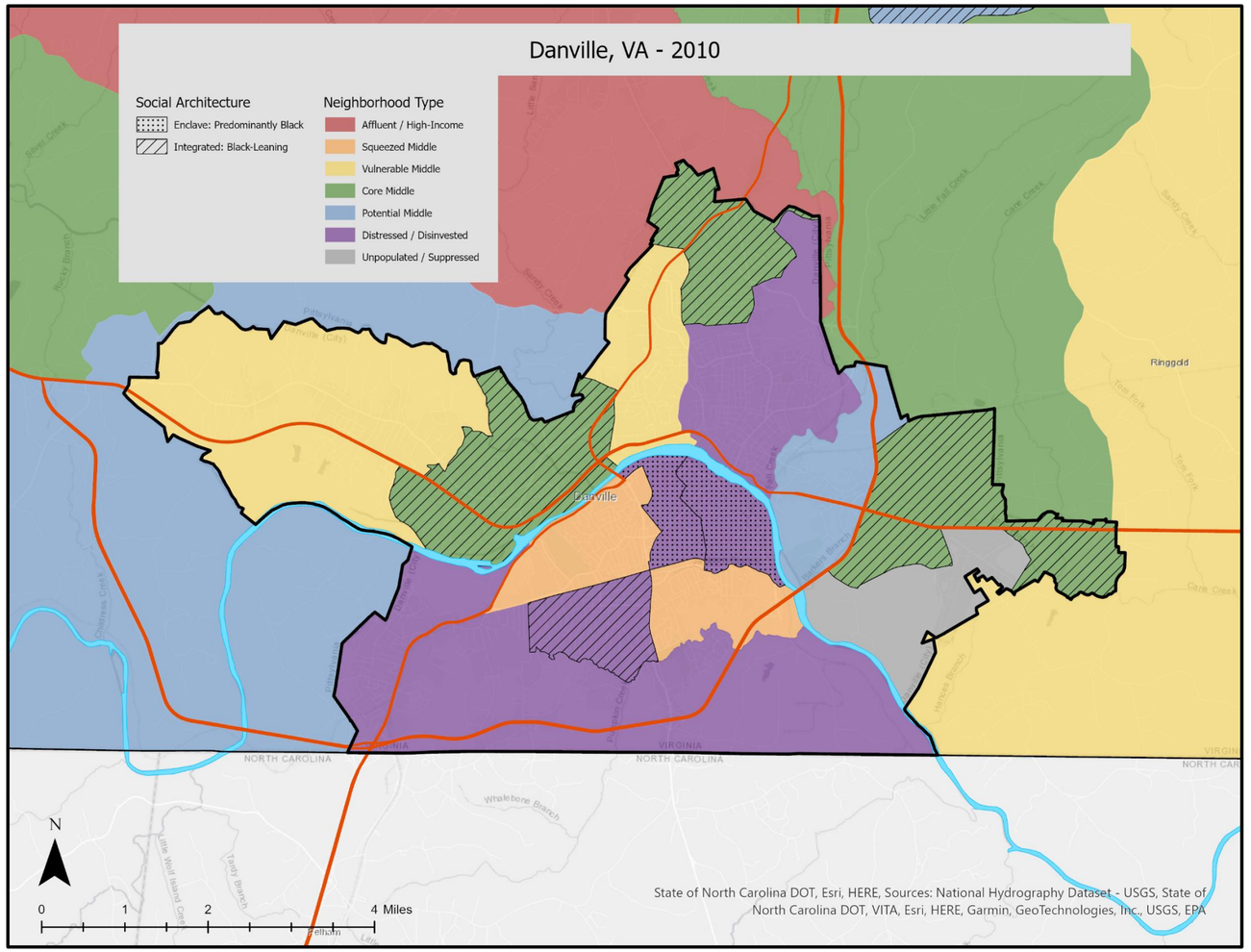




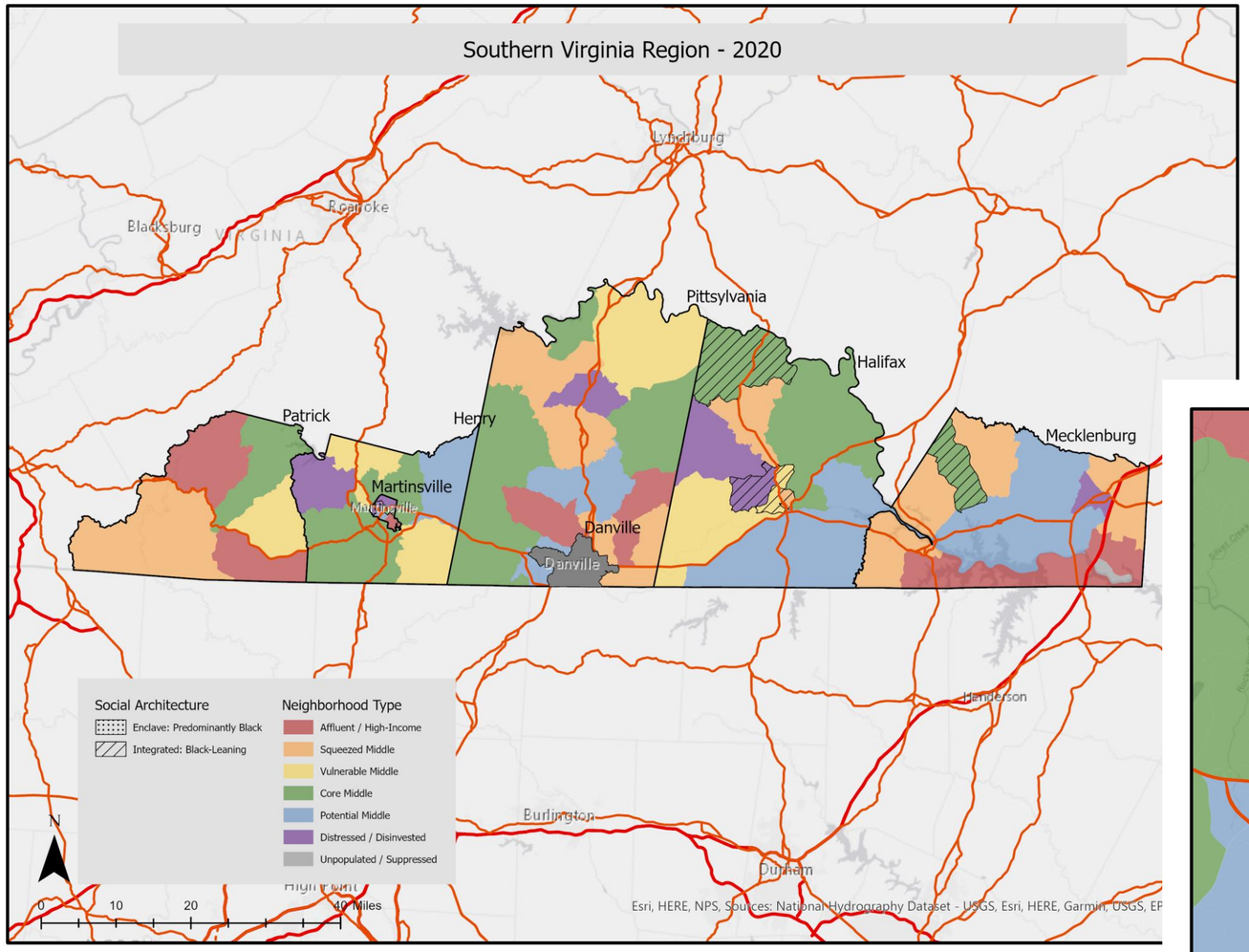
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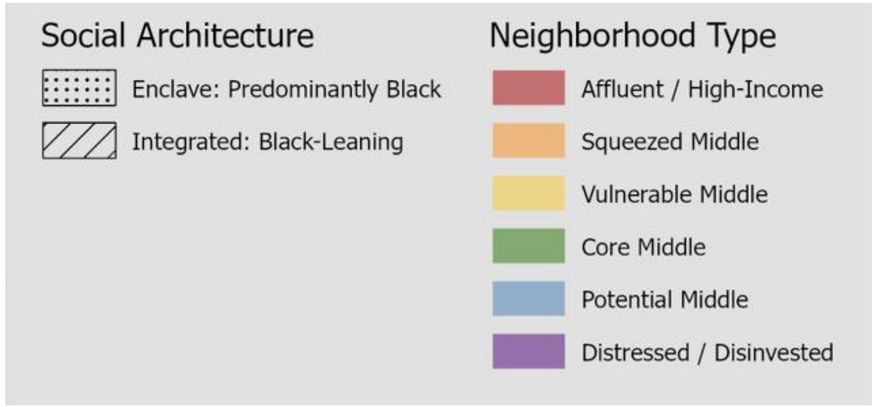


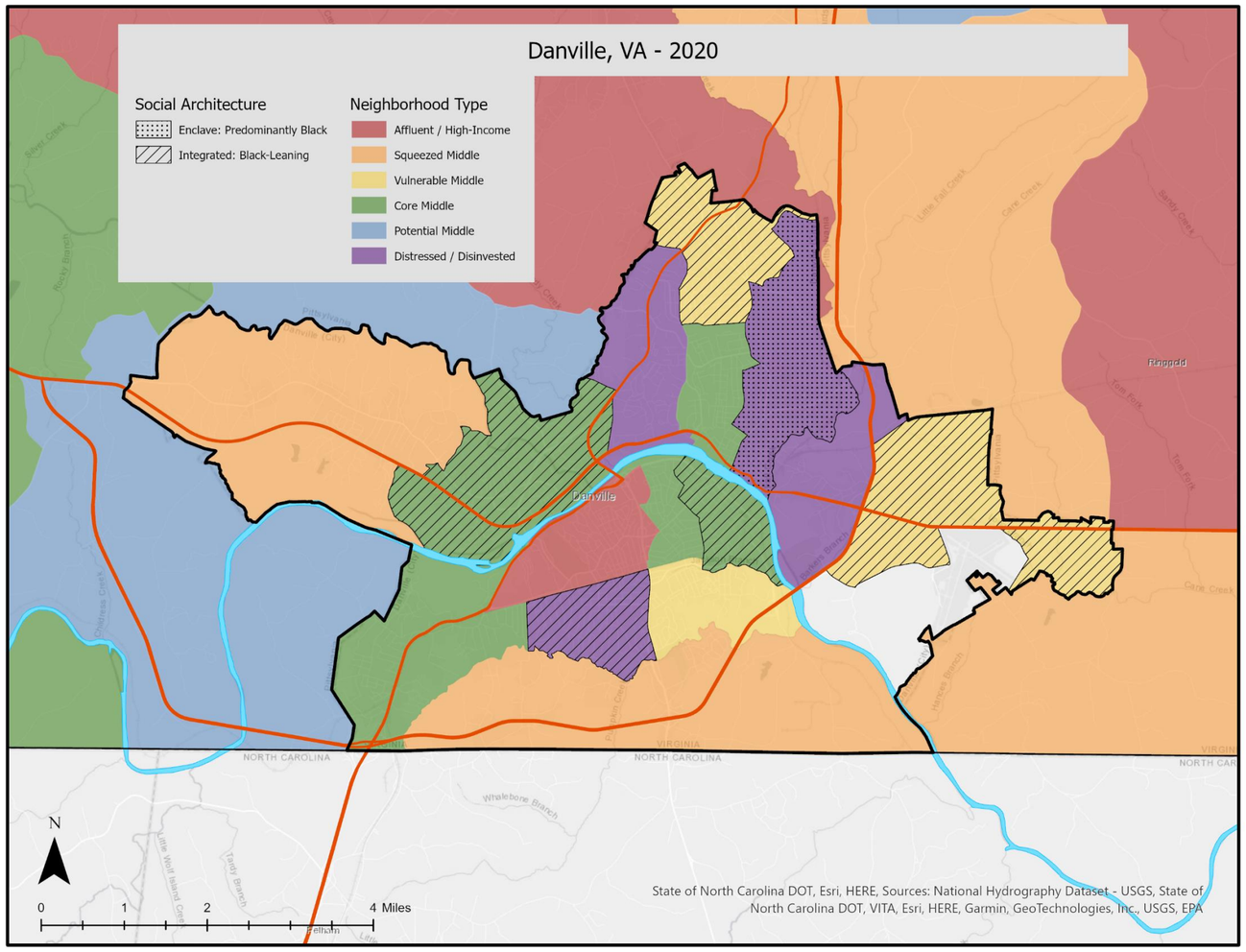




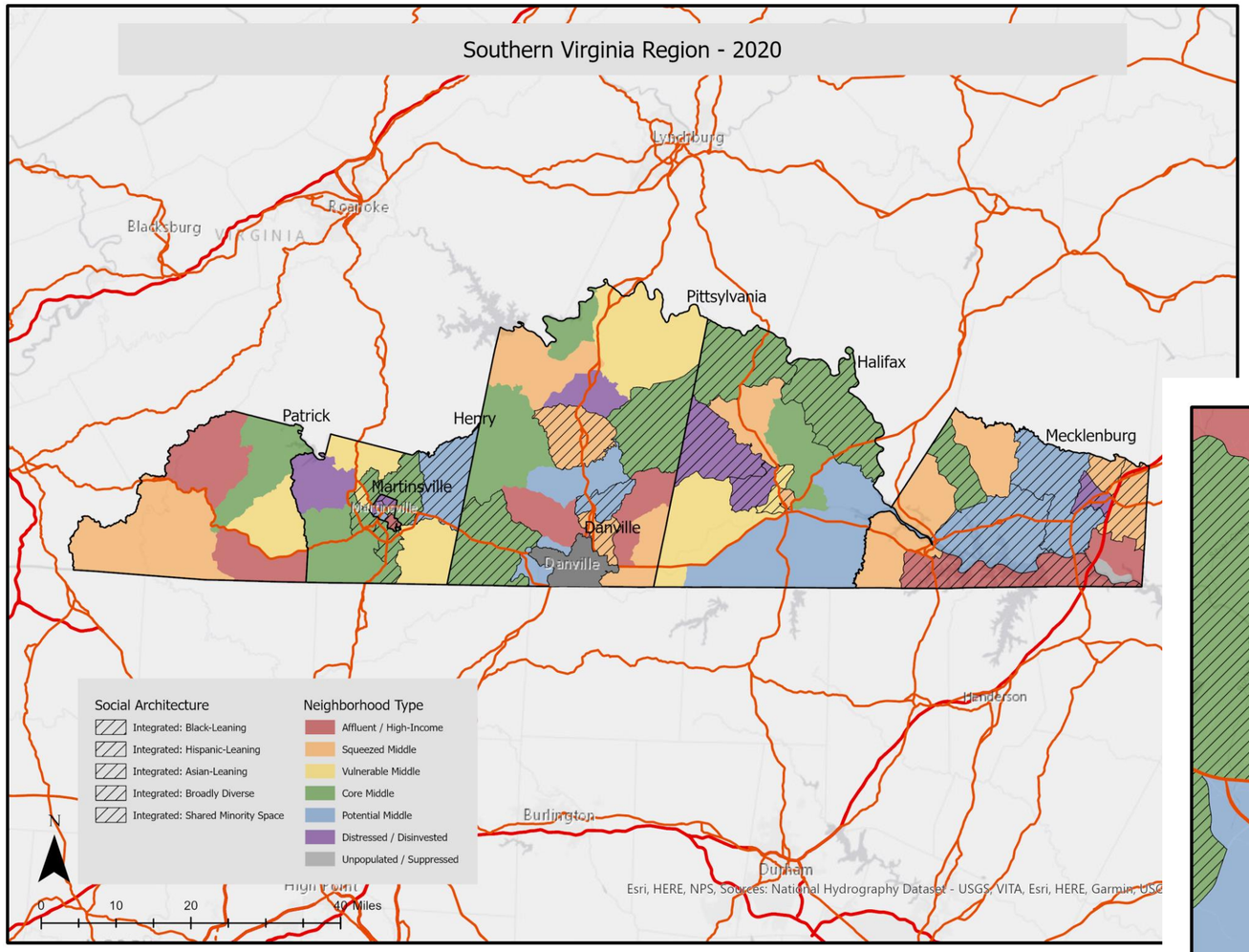
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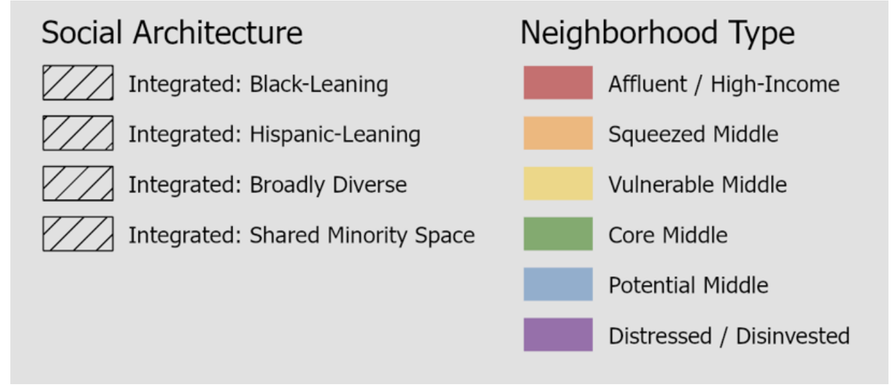


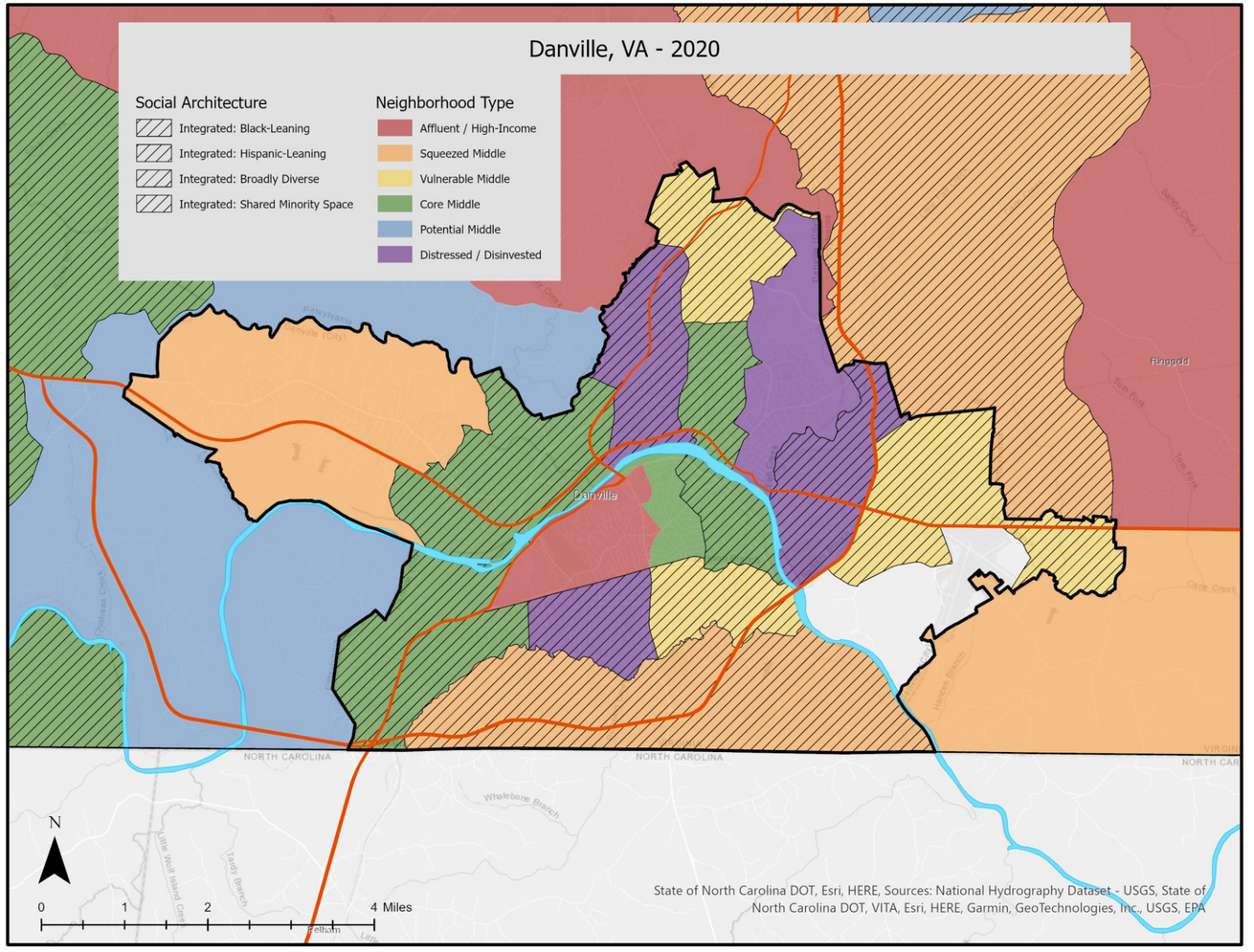




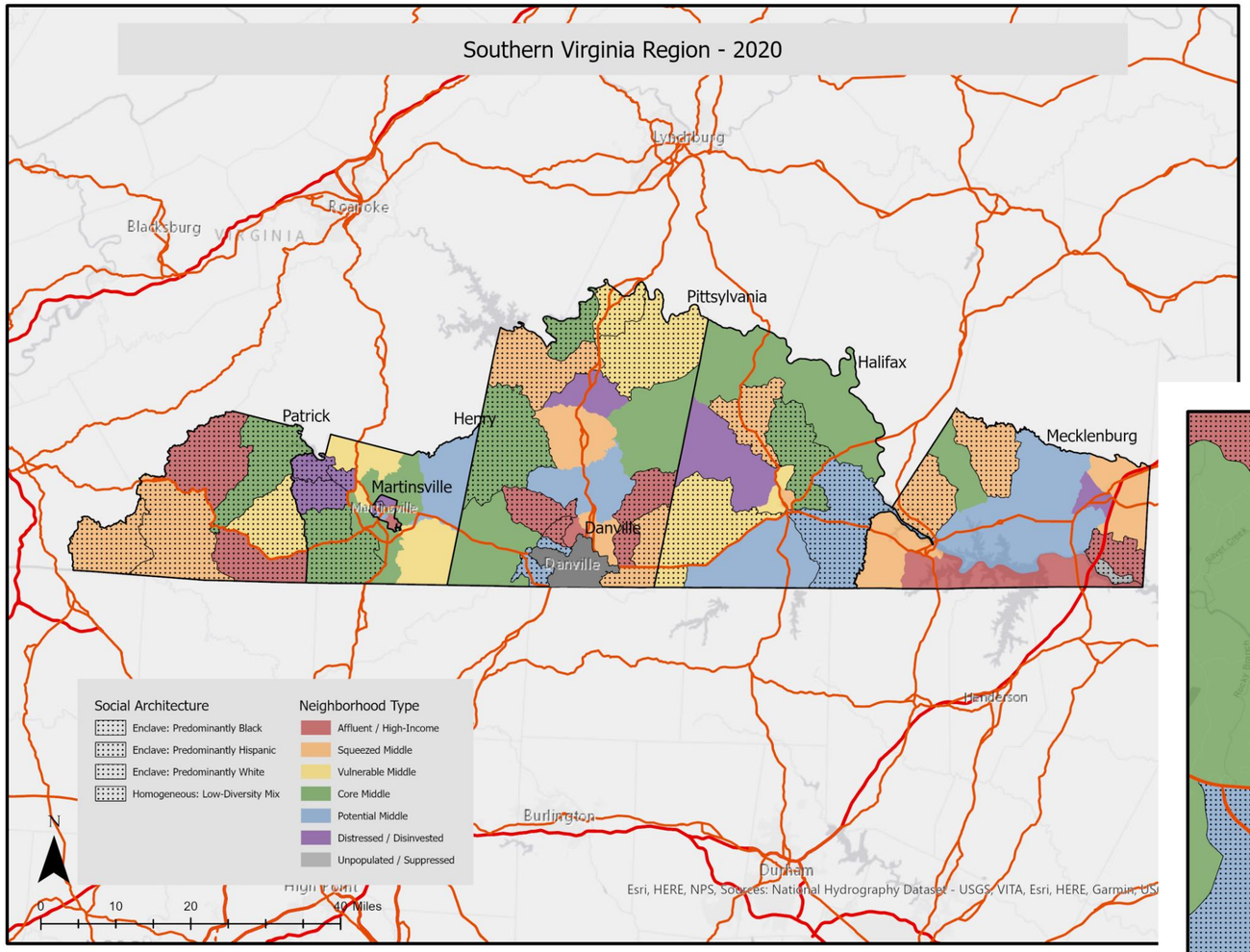
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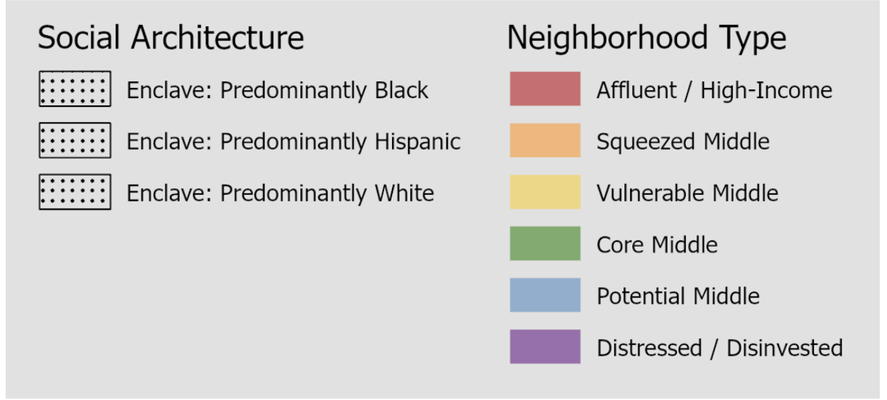


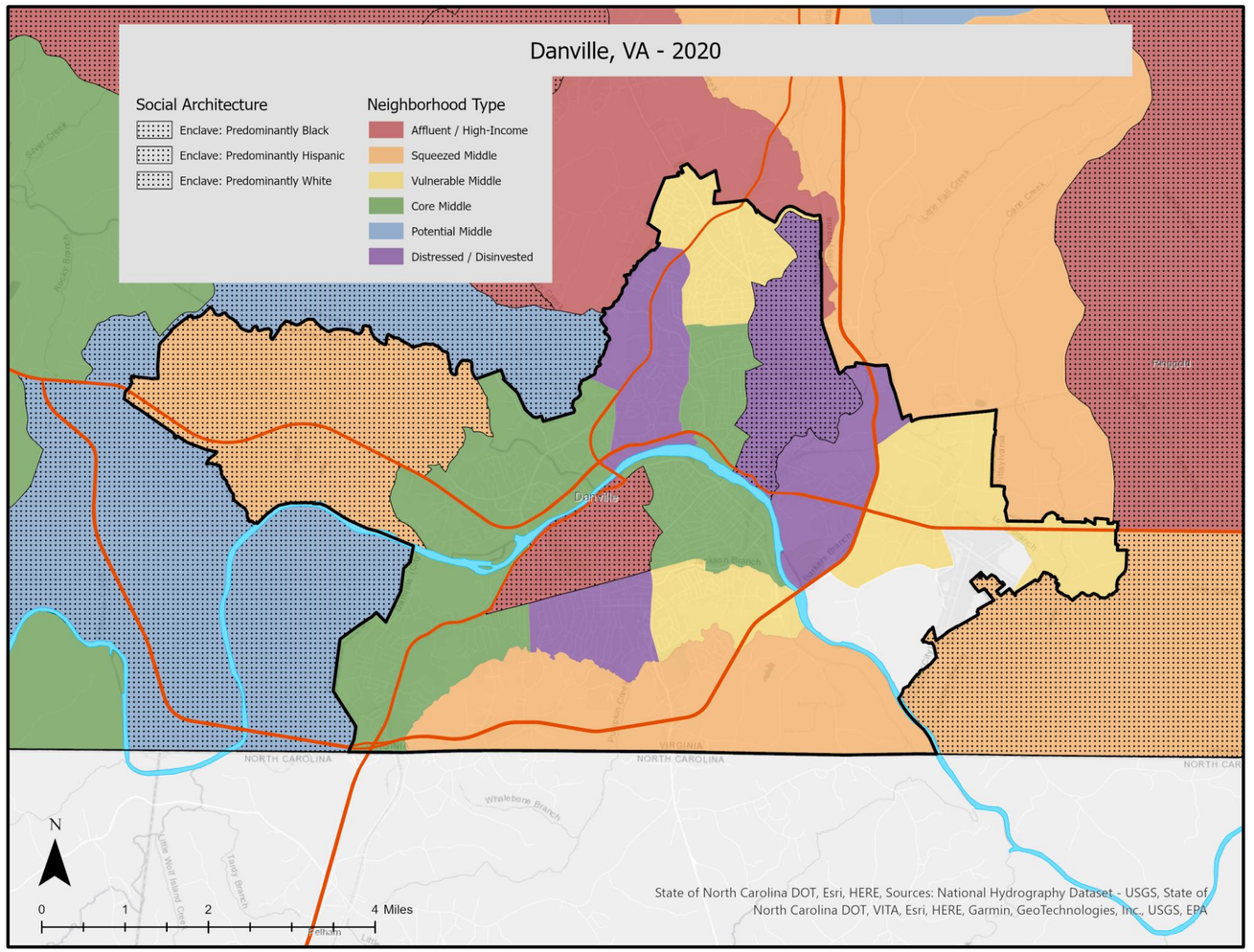




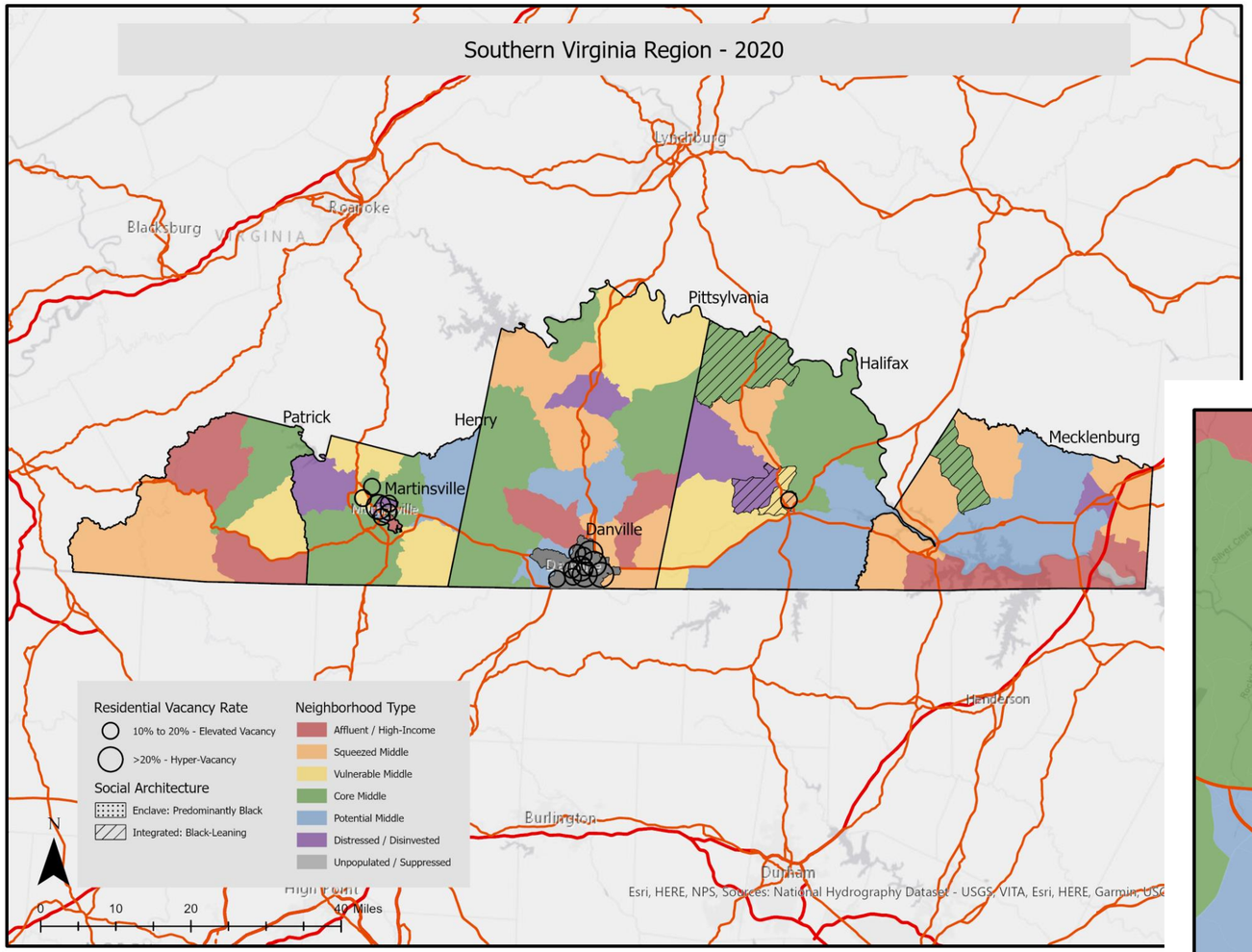
Middle Neighborhoods



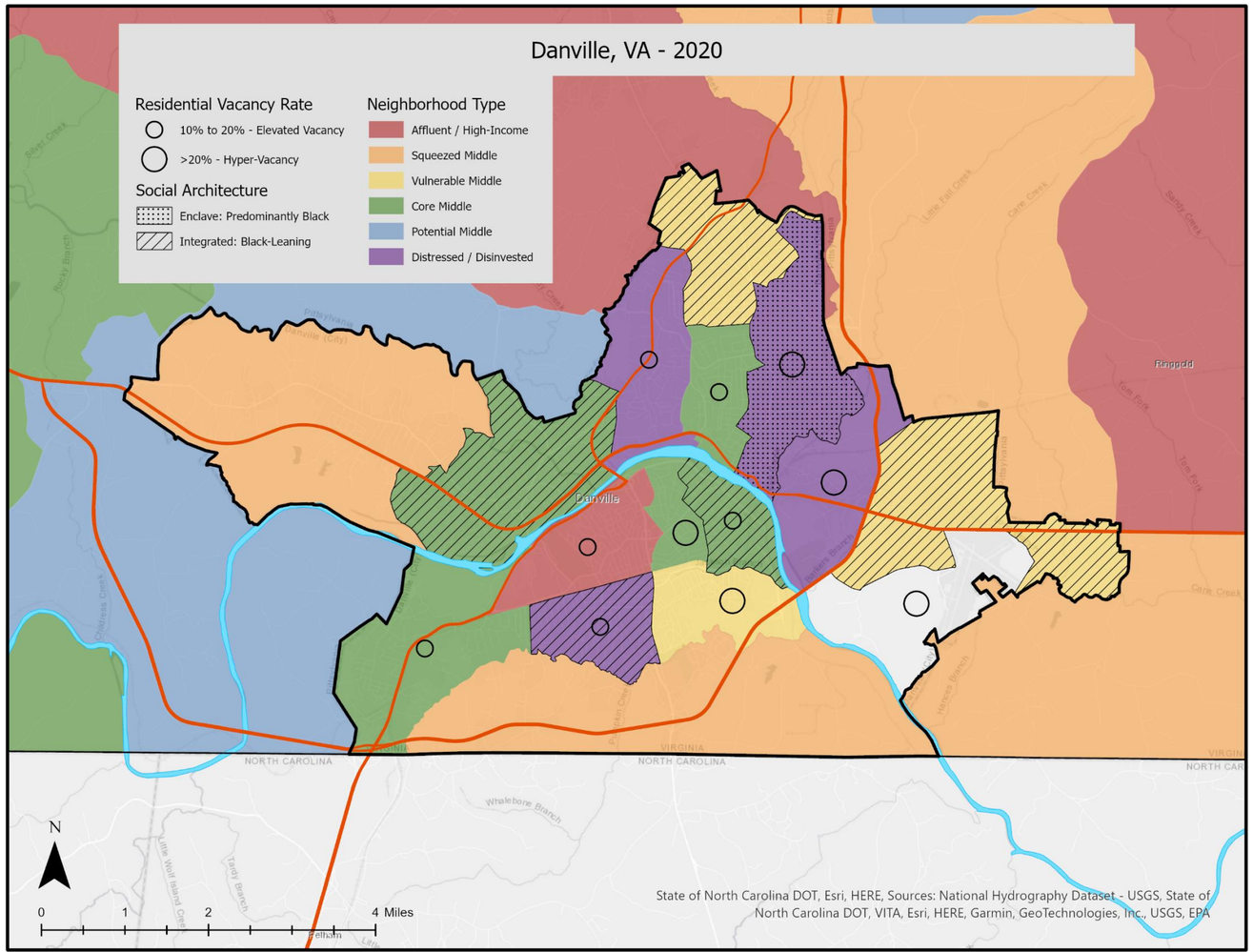




Middle Neighborhoods



Residential Vacancy Rate
10% to 20% - Elevated Vacancy
>20% - Hyper-Vacancy
Social Architecture
Enclave: Predominantly Black
Integrated: Black-Leaning
Neighborhood Type
Affluent / High-Income
Squeezed Middle
Vulnerable Middle
Core Middle
Potential Middle
Distressed / Disinvested



Middle Neighborhoods









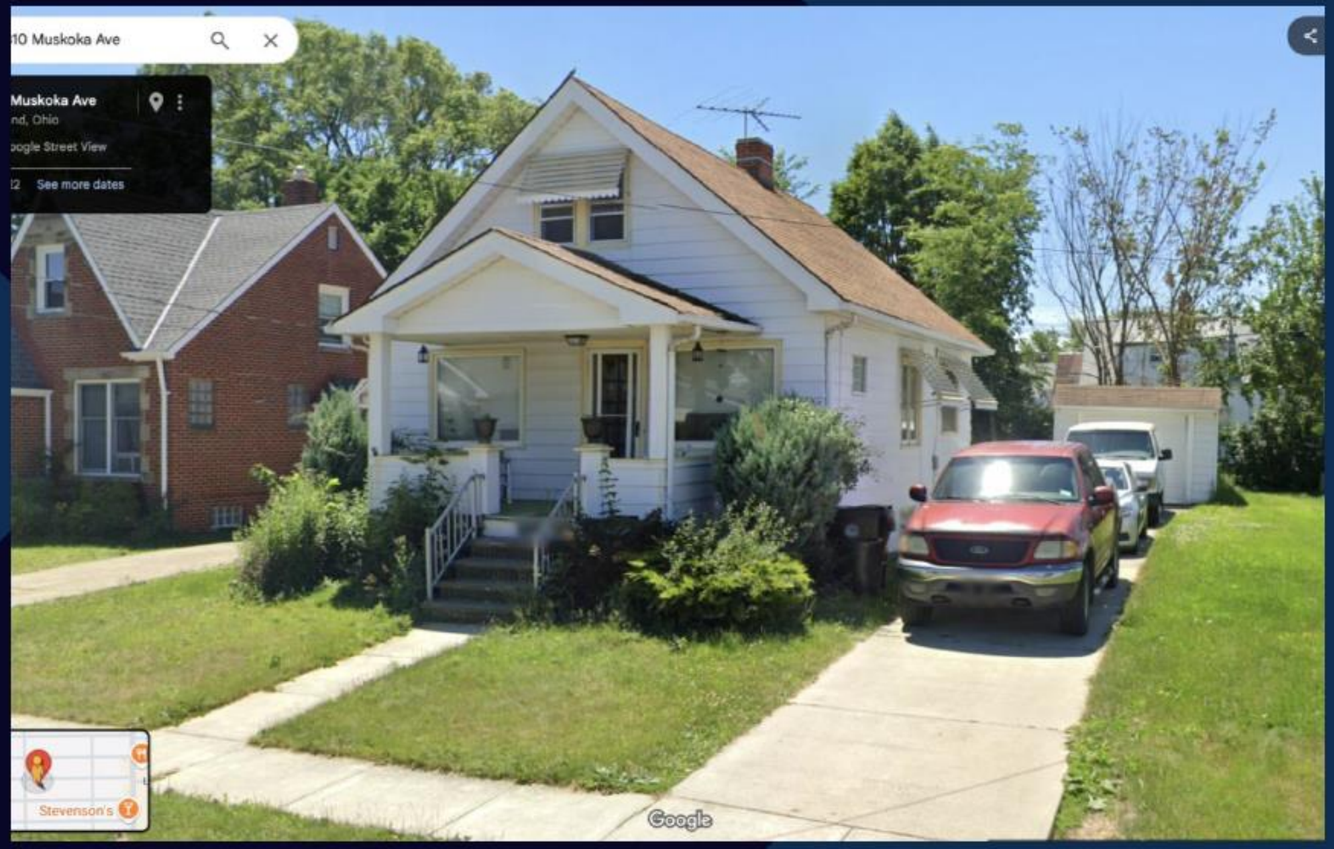
19310 Muskoka Ave.

North Collinwood

Built: 1928

BEFORE

- **2 Bedroom, 1 Bath**
- **1-Car Garage**
- **Knob-and-Tube wiring**



19310 Muskoka Ave.

North Collinwood
Built: 1928

BEFORE

- 2 Bedroom, 1 Bath
- 1-Car Garage
- Knob-and-Tube wiring

AFTER

- 4 Bedroom, 2 Bath
- New 2-Car Garage
- New wiring, furnace, AC, and kitchen



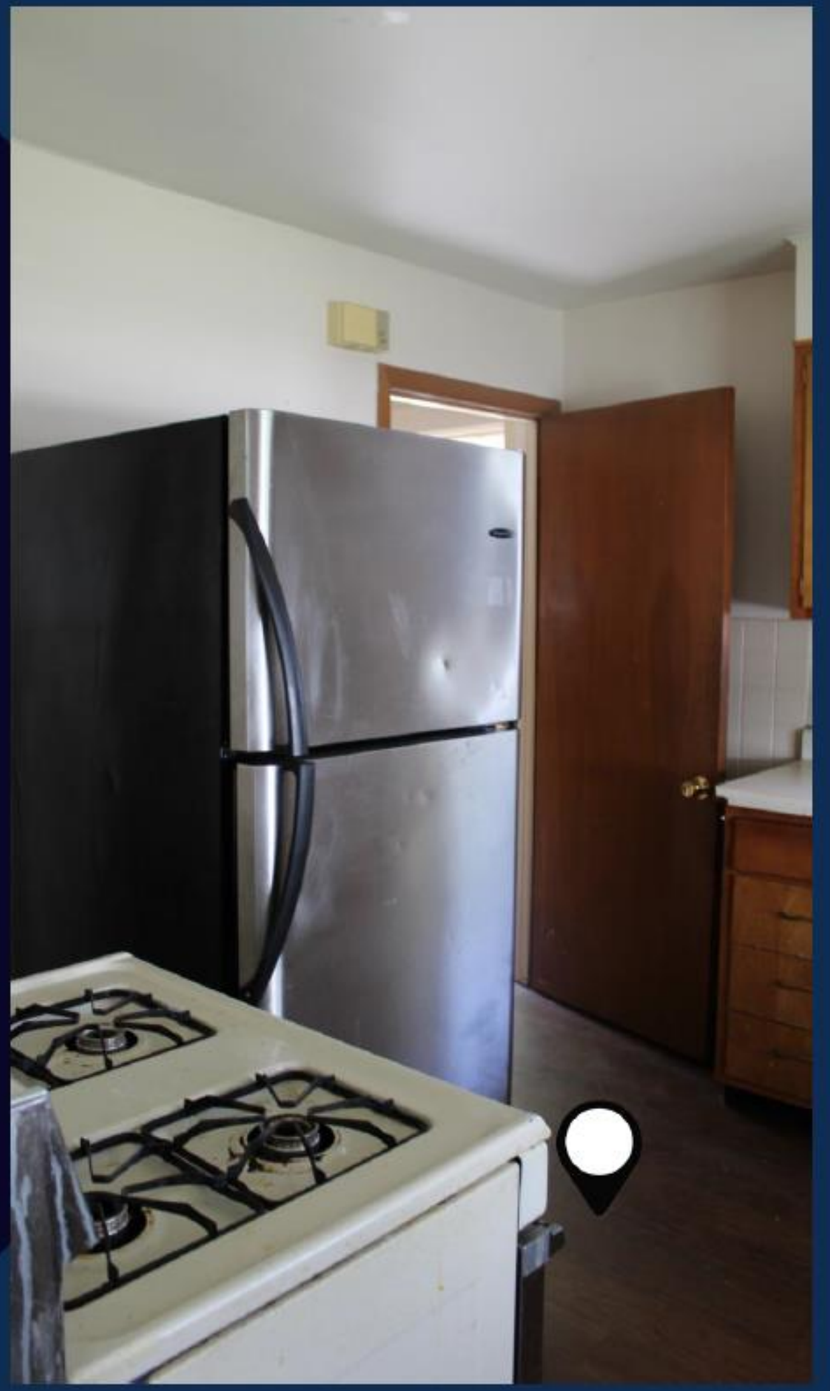

Before
19310

Before… and After




Before





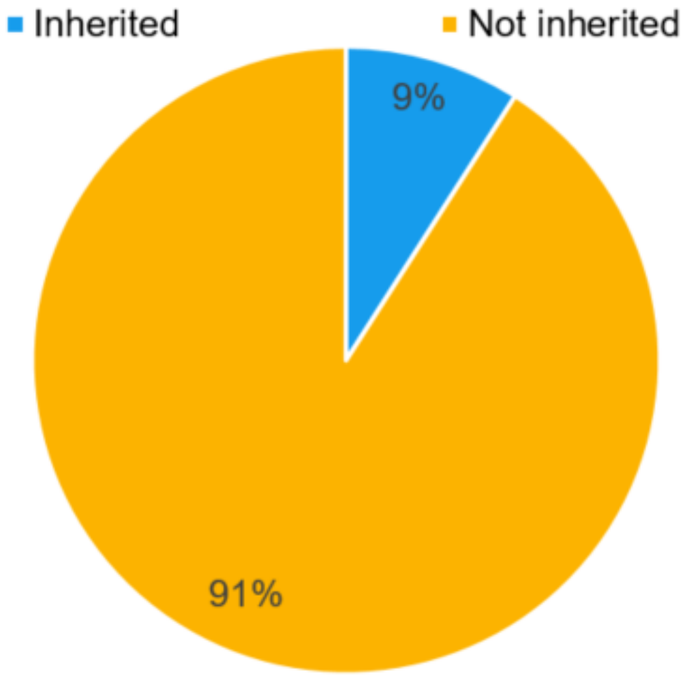
Before… and After




Before

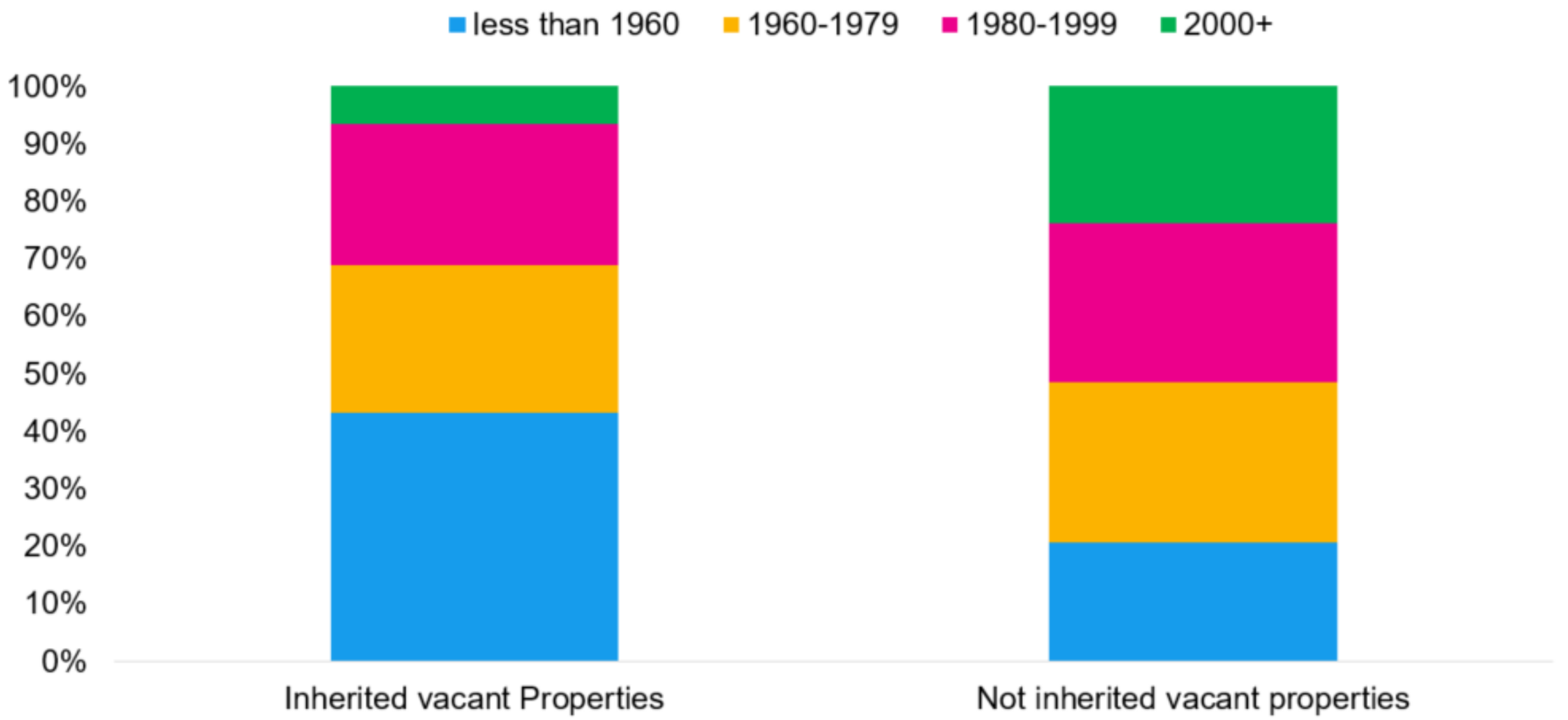

Before… and After

Approximately 1 out of 11 Vacant Properties are Inherited



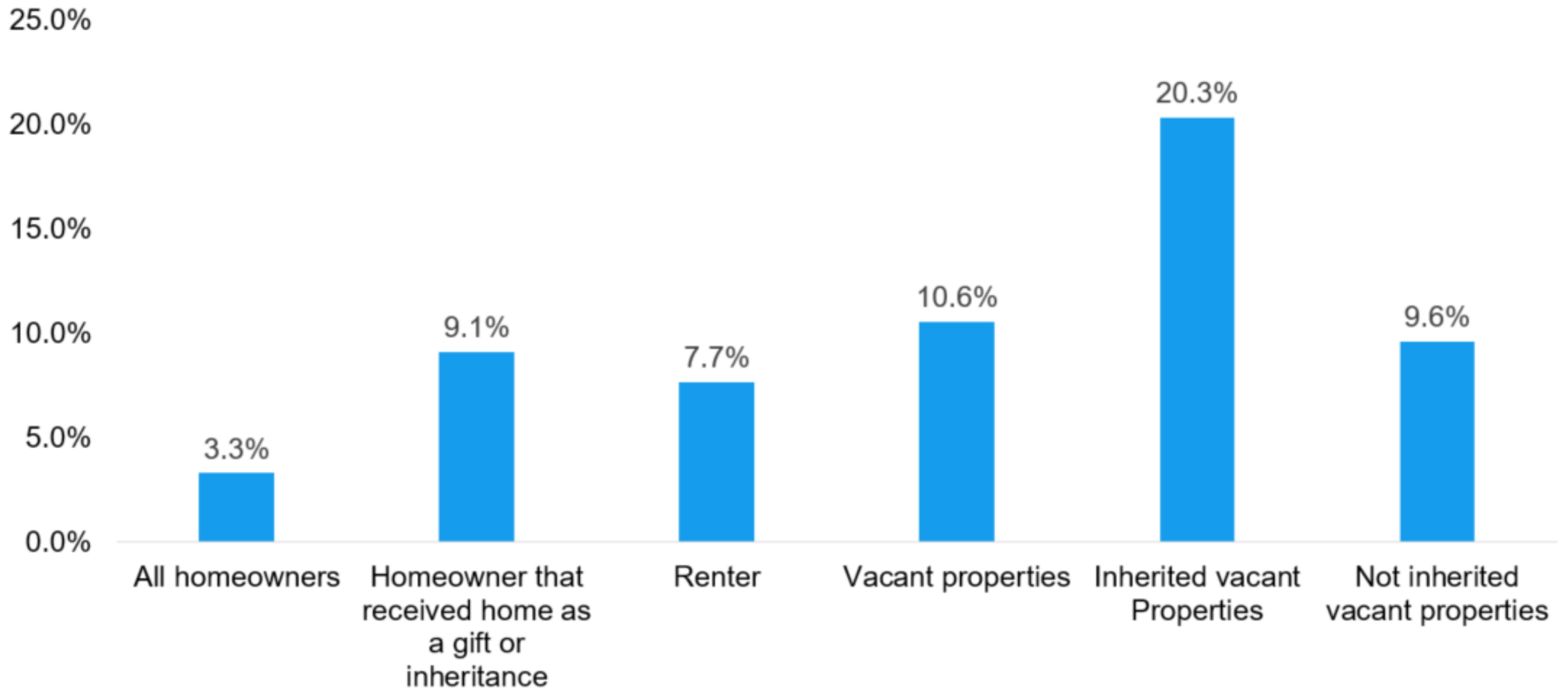
Source: 2023 American Housing Survey and Urban Institute calculations.

Inherited Vacant Properties Are Older



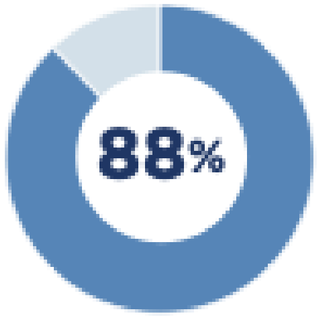
Source: 2023 American Housing Survey and Urban Institute calculations.

Inherited Vacant Properties Most Likely to be Physically Inadequate

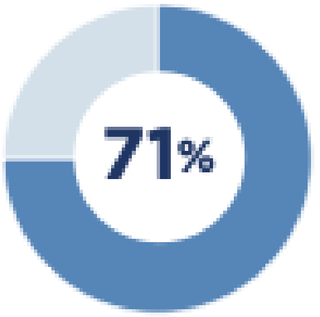


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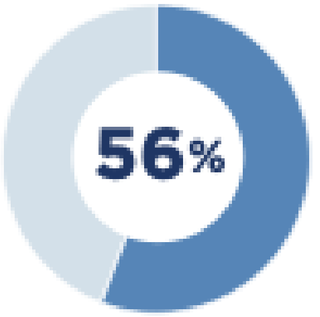
Federal Home Loan Bank of Atlanta Survey of American Homeowners*



Expect the equity in their home to benefit their heirs



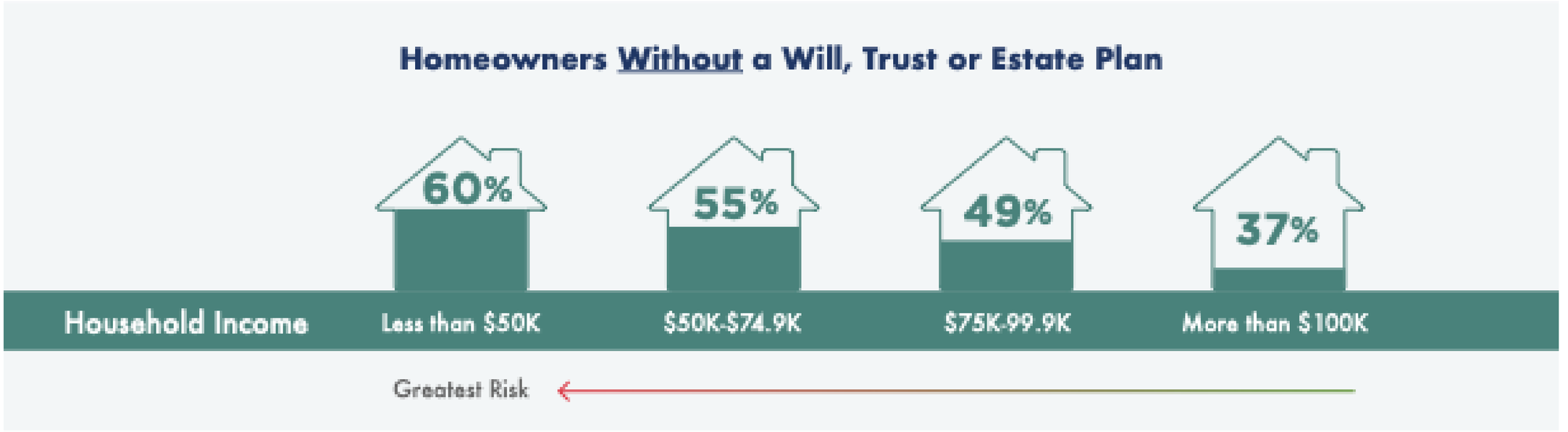
Have a recorded deed and clear title



Have a will/trust or estate plan



Homeowners Without a Will, Trust or Estate Plan



Source: Federal Home Loan Bank of Atlanta Community Investment Services

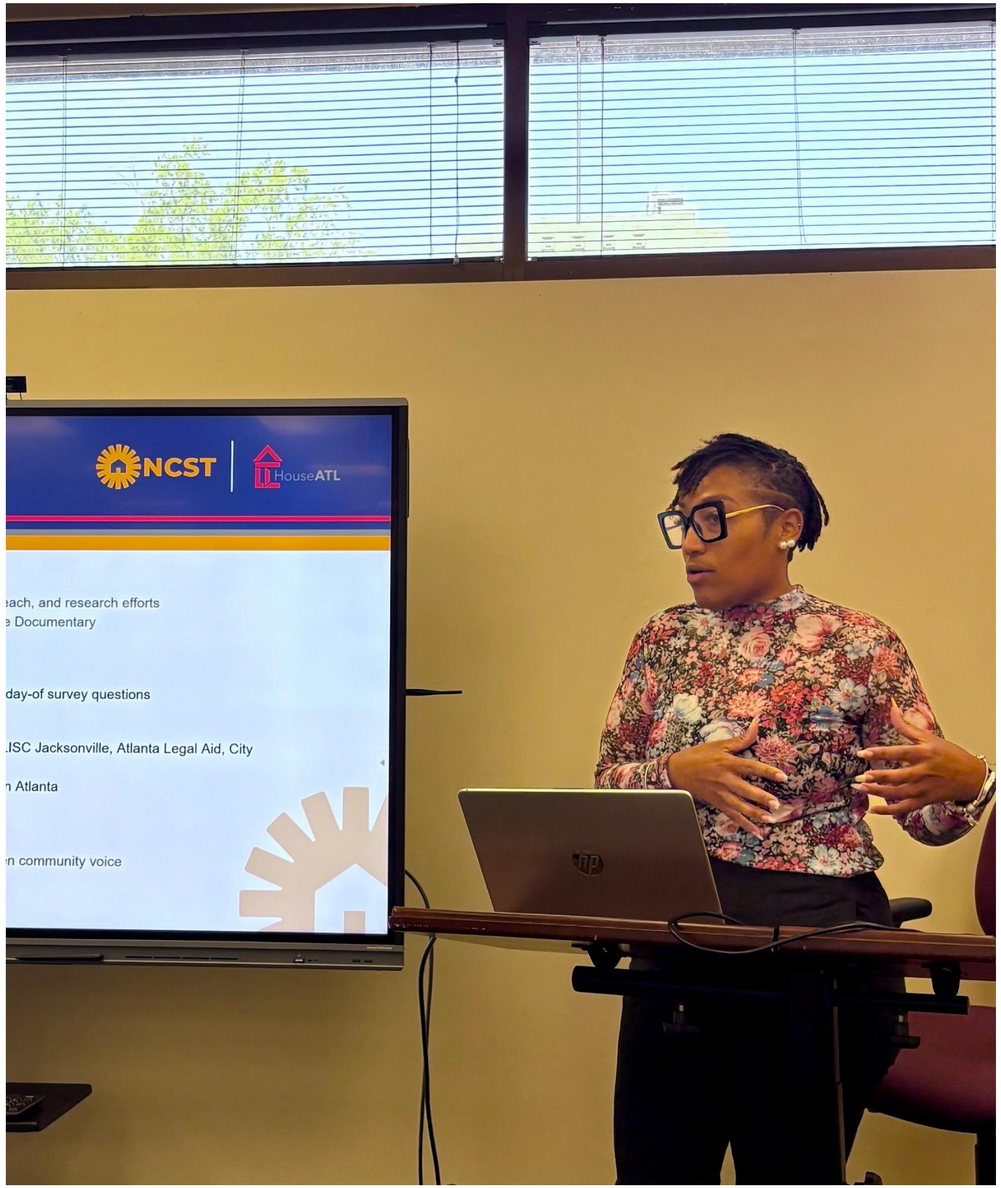
Heirs' Property Partnership

Equip Community Development practitioners with a deep understanding of heirs' property as a destabilizing force in their communities.



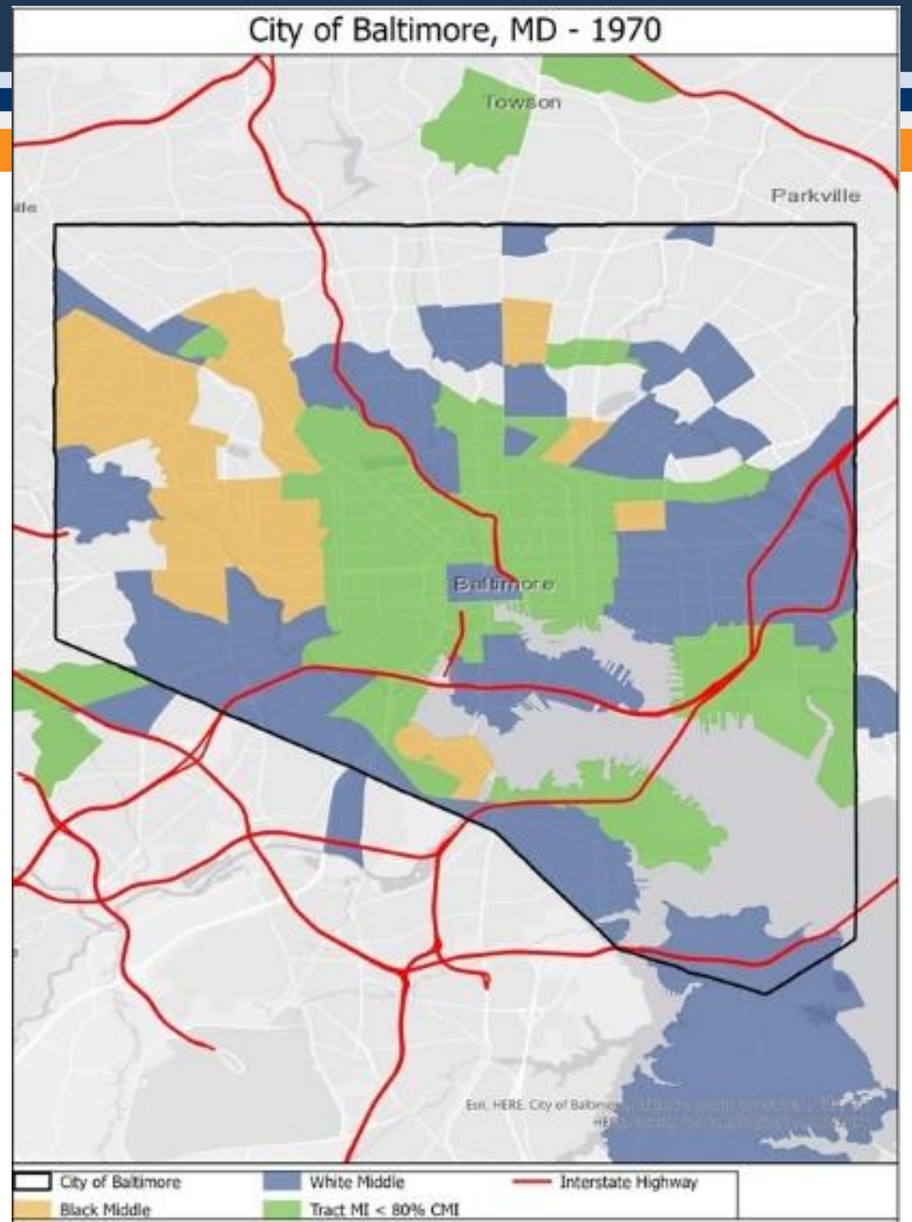
Heirs' Property Partnership

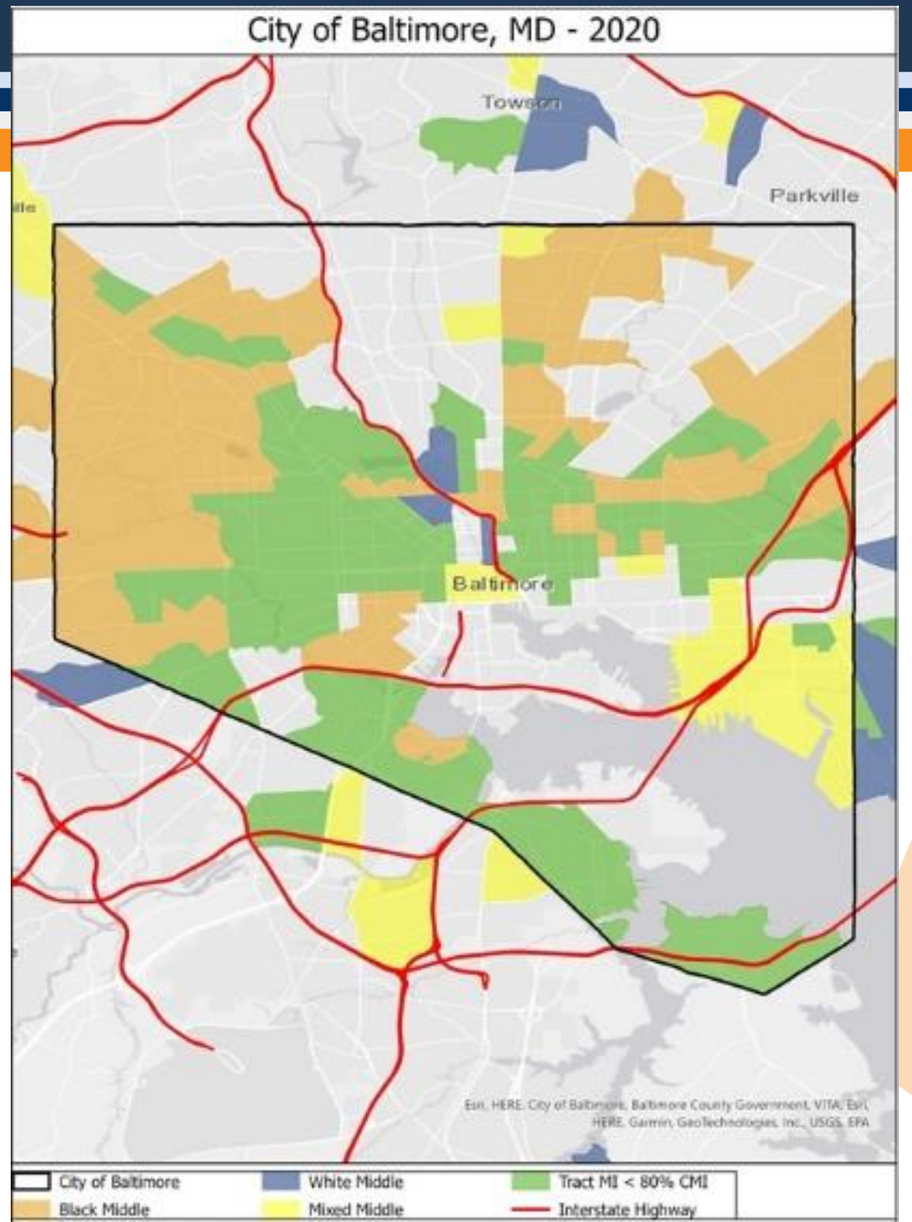
Through a year-long immersive curriculum, participants build their local network, support heirs' property owners, and strengthen neighborhood fabric.



Baltimore Middle Neighborhoods

City of Baltimore, MD	1970	2020
Median HH Income	$55,591	$62,719
Median Home Value	$78,879	$211,475
White Middles	**1970**	**2020**
Median HH Income	$60,343	$64,544
Median Home Value	$75,106	$289,367
Black Middles	**1970**	**2020**
Median HH Income	$59,204	$56,465
Median Home Value	$76,519	$183,033
Mixed Middles	**1970**	**2020**
Median HH Income		$62,245
Median Home Value		$253,129





Heirs' Property Partnership

The curriculum begins with foundational topics and progresses to more advanced issues, exploring how heirs' property intersects with tax policy, home repair programs, and the impacts of natural disasters among other topics.

URBAN INSTITUTE

Prospective Heirs' Property among Older Homeowners

Four Facts on Heirs' Property Conditions by Race and Ethnicity

John Walsh, Michael Neal, and Amalie Zinn

October 2024

ESTIMATING THE STATE OF PROSPECTIVE TANGLED TITLES

Heirs' property is real estate transferred by parents after death without clear ownership or to multiple descendants.

Approximately 79 percent of older households that own real estate have multiple children.

Approximately 76 percent of Hispanic households, 69 percent of Black households and 56 percent of Other households of color that own real estate do not have a will or trust.

An estimated 3.8 percent of all real estate owned by older households is prospective heirs' property, corresponding to $243 billion in real estate value.

Homeownership is the most significant source of wealth for many households, and home equity is key to preserving and transferring wealth across generations (Neal, Choi, and Walsh 2020). Most households, regardless of race or ethnicity, expect to leave a sizeable estate to their surviving heirs. But even if a household owned their home, it does not guarantee that they can pass on the value of that property. This is largely because a successful real estate transfer requires estate planning, including legal documents such as a will or trust, which can be expensive and should occur before the primary owner or spouse dies.

When the passing of ownership is not legally clear before the property owner's death, it can result in a situation known as "heirs' property" or "tangled title." Heirs' properties are at greater risk of losing value or even being lost by the family because of tax liens, foreclosures for unknown debt, or even predatory purchasing (JPMC 2023). And evidence shows that a disproportionate share of existing heirs' property is owned by families of color and located in communities of color (Moodie, Wiley, and George 2023).[1]

In this summary, we look at data from the Health and Retirement Study to evaluate the conditions tied to tangled titles among older homeowners (ages 50 and older) and how the conditions differ by race and ethnicity.[2] We estimate the number of older homeowners with key conditions that increase the likelihood that their property will become heirs' property after death.

FOUR FACTS ON PROSPECTIVE TANGLED TITLES

Using data from the 2020 Health and Retirement Study, we calculated four estimates of prospective tangled title properties (table 1). We use the term "homeowners", but a small portion of senior property owners own real estate that is not their primary residence. We identify prospective tangled title properties using three determinants: the absence of a will or trust, having two or more children (descendants), and being widowed or living without a partner. These determinants are not intended to be predictive of future tangled title volume, primarily because the owners are still alive and can take actions that reduce the likelihood of their property having title complications. But all else equal, prospective heirs' properties meet these conditions.

Expanding Access to Home Repair Programs for Homeowners with Heirs' Property



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The University of Texas at Austin
Housing Policy Clinic
School of Law

Heirs' Property Partnership

NCST

Introduce tools for both addressing existing heirs' property challenges and preventing future occurrences.



KEEPING IT IN THE FAMILY

LEGAL STRATEGIES TO ADDRESS THE CHALLENGE OF HEIRS PROPERTY AND PREVENT HOME LOSS

NCLC National Consumer Law Center
Fighting Together for Economic Justice

January 2024

Heirs' Property Partnership

This model enables the cohort to grow collectively in both knowledge and expertise, while also empowering each participant to identify and implement strategies tailored to their community's specific needs.





Heirs' Property Partnership

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Center for COMMUNITY PROGRESS
Vacant Spaces into Vibrant Places

DETROIT FUTURE CITY™

FHLBank INDIANAPOLIS

DATA DRIVEN DETROIT

FHLBank ATLANTA
A FEDERAL HOME LOAN BANK

Cleveland Neighborhood Progress

LISC JACKSONVILLE

URBAN INSTITUTE

FEDERAL RESERVE BANK *of* ATLANTA

Catapult®
Greater Pittsburgh

Louisiana APPLESEED

GREATER *Chatham* INITIATIVE

Legacy Home Repair Grants

Residents aged 55+, living in the community for 10+ years.

Resident-directed scope of work.

Grantees must work with a Maryland-licensed contractor.

An architect comes to the property to review the scope of work and verify the contractor's license.

NCST | Healthy Neighborhoods



Maryland
DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT

CITY of BALTIMORE · DEPARTMENT of PLANNING

SOUTH BALTIMORE GATEWAY PARTNERSHIP

Legacy Home Repair Program Impact

26	39
Average Years in Current Hone	*Average Years in Neighborhood*

"I love this place. The only way I am leaving this neighborhood is in a pine box."

-Grant Recipient
Cherry Hill Resident since 1949



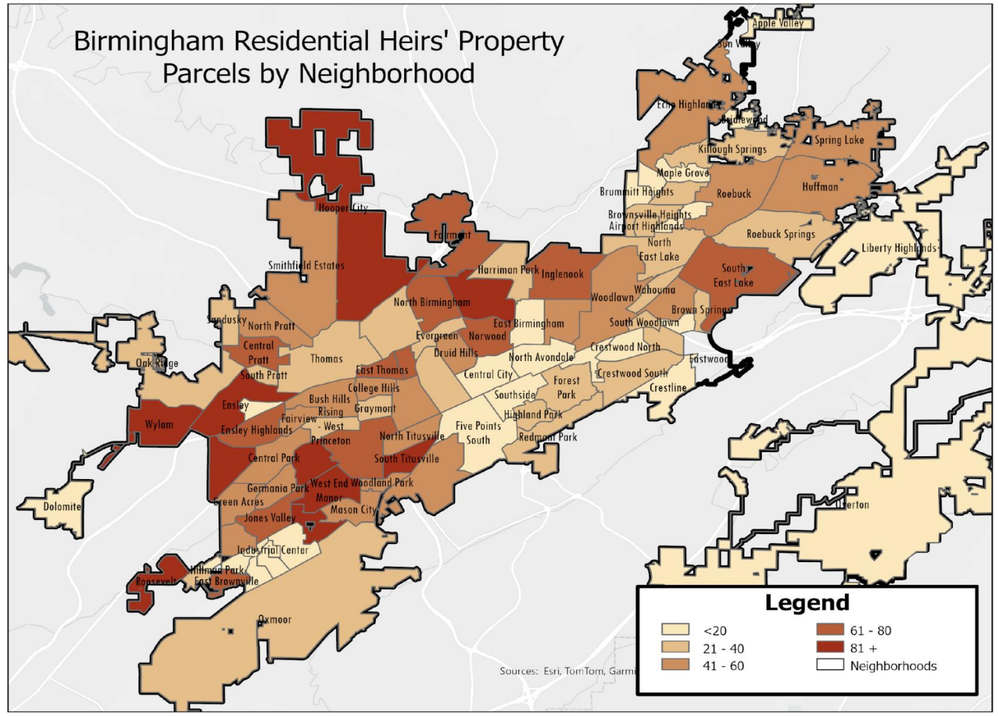




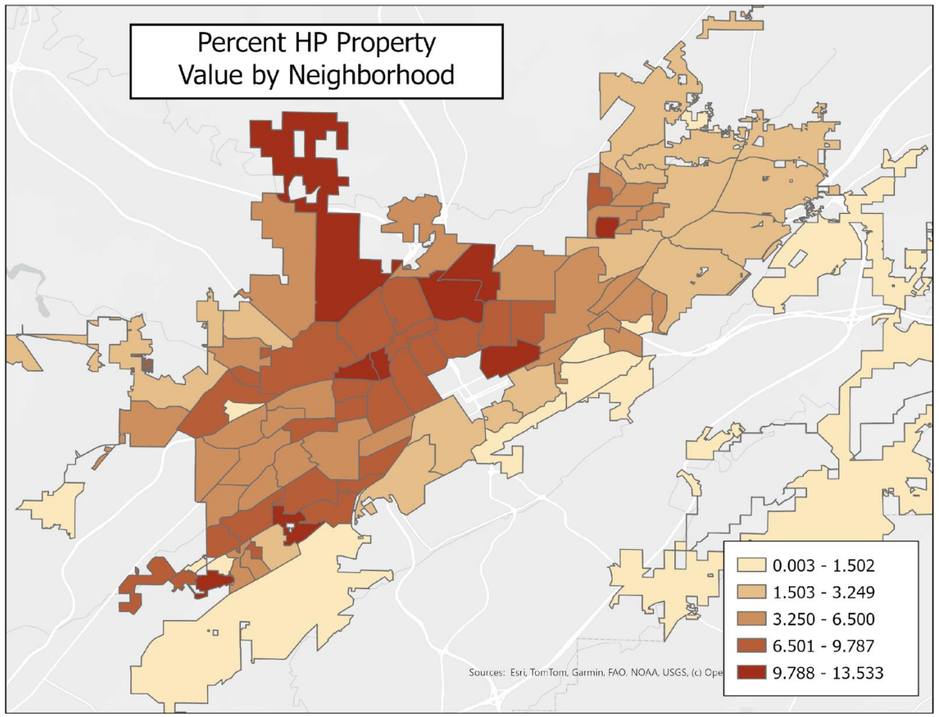




Special Project Phase 2

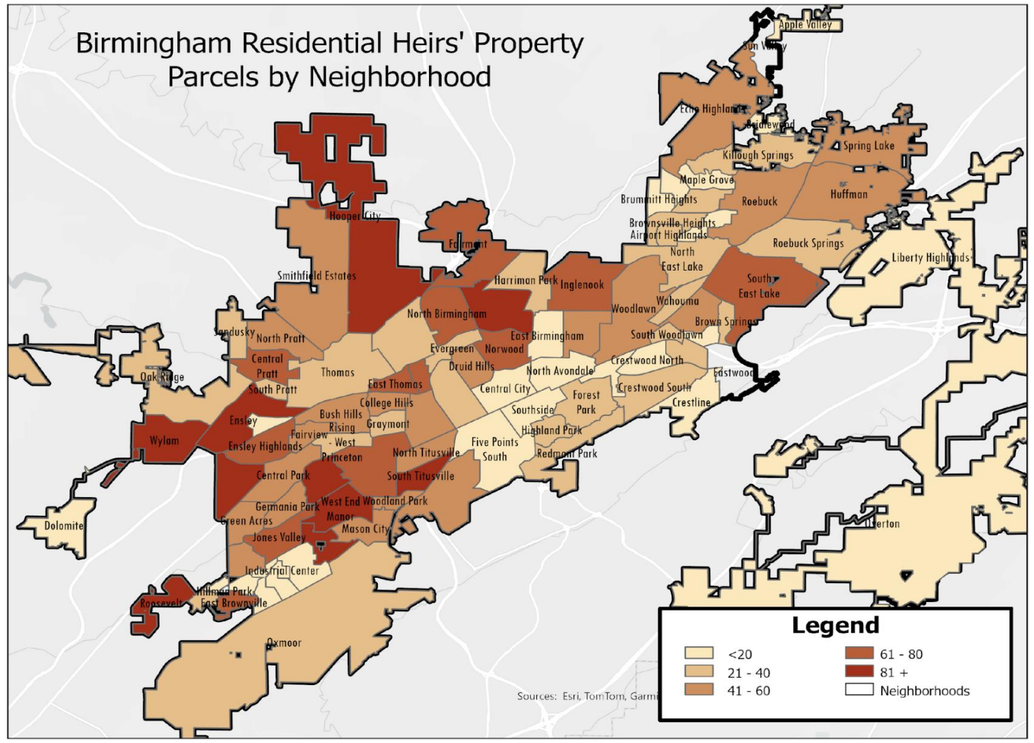


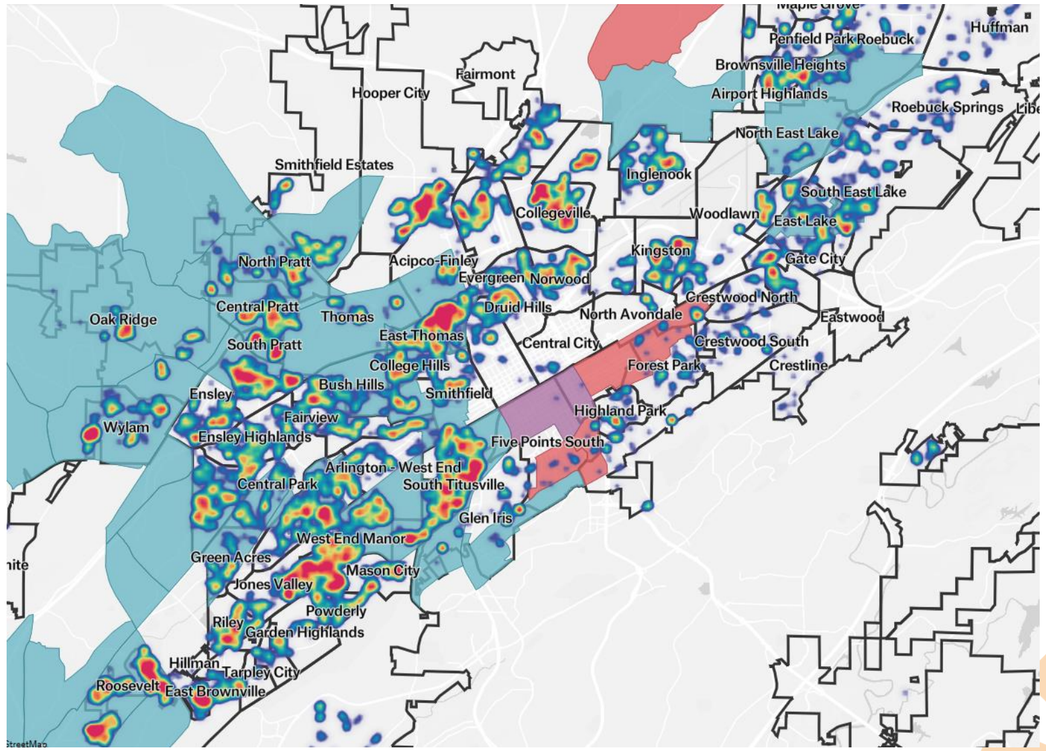
Our study identified 4,093 likely residential heirs' properties within the city limits of Birmingham, AL, totaling 1,244.62 acres assessed at $340 million. Values range from $100 to over $1.1 million in assessed value, with a median value of $68,200.



At the neighborhood level, these concentrations range from .1% to 12% of parcels the respective neighborhoods.

Special Project Phase 2 Continued





- Black Middle Neighborhoods
- White Middle Neighborhoods
- Mixed Middle Neighborhoods

Heirs' Property Partnership

Educate

Program Associates meet virtually, on a weekly basis to learn from subject matter experts, beginning with foundational topics and progresses to more advanced issues

Convene

The Learning Cohort meets throughout the year in-person to observe the challenges facing their peer communities and to share periodic progress report-outs

Initiate

Program Associates take part in real-world exercises (Interviews, Community Asset Mapping) and develop a Special Project designed to tactically address a local heirs' challenge

Strengthen

Program Associates strengthen the capacity of their host agencies, managing day-to-day assignments and large scale projects, over the year-long experience

Thank you!

Questions?

Middle Neighborhoods

ncst.org