

## Decision Support Tools to Guide Urban Land Markets

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In August 2004, the Urban Institute (UI) and five of its local National Neighborhood Indicators Partnership (NNIP) partners were selected to conduct one in a series of pilot projects on innovative uses of information sponsored by the Brookings Institution's Urban Markets Initiative. Each of the participating NNIP partners will be *developing and applying new decision support tools that will enhance local capacity to guide and manage urban land markets*. The underlying goal is to help local partners develop improved information capacity so they can, in turn, help local stakeholders (public and private) make more effective property investment decisions.

This project will analyze parcel-level community data, transform the data into clear and practical information, display it in maps and charts that will be easy for decisionmakers to understand, and apply it in summary models and algorithms to make decisionmakers more aware of the implications of alternative choices. The project will include analysis to better understand real estate market potentials for different types of neighborhoods in these cities and the mixes of public actions generally appropriate to each type. However, the partners will go further, and develop computer-based tools that take advantage of the data to better design and implement specific courses of action in that context.

The five pilot cities in the project—Baltimore, Providence, Indianapolis, Milwaukee, and Washington, D.C.—will each pioneer one aspect of the Initiative, described in more detail below. Results, methods, and lessons will be shared and publicized through the NNIP network and broader efforts will be made, working in collaboration with the Fannie Mae Foundation, to disseminate the results and spread the innovations to other cities.

The initial UI/NNIP project is slated to last one year. It will culminate in a series of six reports, one for each site as well as a cross-site report jointly authored by UI and the site teams. In addition, software developed to support application of the new tools will be made available so other cities can benefit.

While Brookings is providing the central grant to support this work, considerable additional funding has been leveraged. Other funders include the Annie E. Casey and Fannie Mae foundations, along with many local foundations and agencies in the individual sites. The initial cities are supported more broadly by the Annie E. Casey Foundation as Civic Sites or participants in the Foundation's Making Connections initiative.

For more information about this project, contact the principal investigators: Thomas Kingsley (tkingsle@ui.urban.org) and Kathy Pettit (kpettit@ui.urban.org) of the Urban Institute.

### **Baltimore: Positioning Vacant Properties for Effective Resale to Investors**

The City of Baltimore is currently involved in an ambitious plan to restore thousands of abandoned units to livable and marketable condition. The plan, spearheaded by Mayor Martin O'Malley, is known as "Project 5000" and has set the stage well for the UI/NNIP project for the Urban Markets Initiative. The City has already stepped up its process for acquiring vacant properties and has assembled detailed information about them. The UI/NNIP project will focus on helping officials conduct effective marketing and disposition. The project will research how different investors are likely to value various characteristics of properties in this inventory. Based on this knowledge, decision support tools will then be built to help sort and package the properties for resale to ensure good matches between supply and demand. The City's Housing and Planning agencies, along with the local NNIP partner (the Baltimore Neighborhood Indicators Alliance), will play the lead roles in this process, working in concert with the Live Baltimore Marketing Center, a nonprofit organization devoted to marketing Baltimore City neighborhoods.

### **Providence: Early Warnings and Actions to Prevent Housing Abandonment**

In spring 2003, the Rhode Island Governor's Growth Planning Council turned its attention to the serious issue of abandoned properties in Providence. Their report detailed the social and economic detriments of blighted property and called for a response from local government, community organizations, and the private sector.

The Providence Plan has taken lead responsibility in tackling this issue, with support from the state Health Department, the Rhode Island Foundation, and the local Fannie Mae Partnership Office, as well as the Brookings project. They have already assembled considerable information about all parcels from city records and plan to supplement the database with information on arrearage in utility payments, environmental liens, and fire and police calls. Through the UI/NNIP effort, the Providence Plan and the City will develop analytic tools enabling them to use neighborhood and parcel indicators to identify properties that are, to varying extents, "at risk of abandonment" (as indicated by analysis of neighborhood and parcel characteristics). Once identified, the characteristics will be used to sort and prioritize the at-risk properties in relation to the applicability of various prevention strategies.

### **Indianapolis: Actions to Manage the Inventory of Vacant and Abandoned Properties**

Indianapolis' Abandoned Houses Initiative, which seeks to take action on vacant or illegally occupied properties, has been underway since 1998. The City has recognized, however, that access to automated information and decision support tools could make the Initiative more effective. The Polis Center at IUPUI, the local NNIP partner, will work with the City on this project, to expand its system of parcel-level data to allow people to access a rich array of information on a single parcel, its neighborhood, or a group of parcels that share a particular characteristic. A planned technological advance is the ability to secure data automatically from a decentralized collection of data repositories using web services. Whereas the Providence effort is concerned with early warnings of abandonment, decision support tools built in Indianapolis will focus on using the data creatively to select the most appropriate city actions for properties where abandonment has already occurred (e.g., public or private rehabilitation versus boarding-up versus demolition), using various programmatic tools and disposition strategies. The tools will also incorporate priority settings that help officials work out the staging of responses for different properties and neighborhoods.

### **Milwaukee: Testing Tools in One Neighborhood**

The UI/NNIP project in Milwaukee will focus on applying a mix of tools in one neighborhood—Washington Park, a west-side neighborhood that is also the focus of an Annie E. Casey Foundation Making Connections initiative. The parcel-level data system in Milwaukee is already very strong, but better decision support tools are needed to enhance its usefulness. The City government, the Local Initiatives Support Corporation (LISC), and the local NNIP partner (the Nonprofit Center of Milwaukee) are all involved in making this a reality. Already, LISC has involved the residents and stakeholders in a "Quality of Life" plan to envision ways to improve the neighborhood in terms of housing, commercial, and service development. A housing committee has also worked to think through the challenges brought by an unstable housing market. An initial part of this project involves working with community-based housing groups to develop an Access database that will allow them to add their rich on-the-ground knowledge of individual parcels to information derived from the extensive city administrative records. Another planned tool will allow public, nonprofit, and for-profit developers to share current plans for individual parcels in the neighborhood, i.e., so all can better coordinate strategies and avoid conflicts. (After testing in Washington Park, this capacity may be extended to other neighborhoods and be incorporated into the City's "Map Milwaukee" system.) Other tools will be similar to those planned for other cities: using data to provide early warnings of risks, identify development opportunities, and help design the content and timing of strategies to address them.

### **Washington, D.C.: Strategic Actions to Preserve Affordable Housing**

The housing market in Washington, D.C., has been much stronger than those in the other four pilot cities, and preserving affordable housing is a high priority. A mix of both neighborhood and parcel-level indicators will be needed to assess pressures on the affordable stock (including gentrification). To this end, a "Neighborhood Assessment System" was proposed in 2003 to help city staff, advocates, and residents track and act on community changes. In Washington, this project is receiving its primary support from the Fannie Mae Foundation. In its first stage, address-level data files will be expanded and integrated. Recent trends in property sales, Section 8 expiring use and other indicators will then be assessed in terms of their threat to affordable housing. Neighborhoods that have recently gentrified will be studied to help predict which neighborhoods may be next in line for rapid price increases and possible turnover. The process will be modeled, at least roughly, in hopes of gaining better understanding of how different indicators interact over time to affect housing affordability. A decisionmaking tool will then be developed and used to apply this model to other areas of the city. The hope is this tool can better prepare officials and community leaders to avert losing and, where possible, expand the affordable housing stock. In Washington, the lead actors will be UI staff that now operate the "DC Data Warehouse," working closely with staff members of city government, community groups, and a unit of the Fannie Mae Foundation that focuses on Washington, D.C., affairs.

### **Other Publications by the Authors**

- [Audrey Drosch](#)
- [Kathryn L.S. Pettit](#)
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