

Targeting Investments for Neighborhood Revitalization

Professor George Galster

Wayne State University
656 West Kirby Street
Department of Geography and Urban Planning
Room 3198 FAB
Detroit, MI 48202
United States of America

Tel: +1 313 577 9084
Email: aa3571@wayne.edu

ABSTRACT

How should scarce public resources for revitalizing low-income urban neighborhoods be spatially allocated? Are there minimum threshold concentrations past which substantial private resources are leveraged? To address these vital issues we examine a coordinated, sustained, targeted revitalization strategy begun in 1998 in Richmond, VA. The strategy was developed through a data-driven, participatory planning process that garnered widespread support. Our econometric analyses reveal that the program produced impressive appreciation in the market values of single-family homes in the targeted areas relative to comparable homes in similarly distressed neighborhoods. Even greater impacts were evinced when site-specific investments over five years exceeded a threshold amount per block, estimated as \$21 thousand, on average. The strategy appears to be self-financing over a 20-year horizon, with City contributions offset by future increments in property tax revenues from target areas. The case provides several valuable lessons for planners and policymakers about how vital neighborhoods may be regenerated.

Key Words: targeting, neighborhood, revitalization