

# REBUILDING COMMUNITIES FROM THE GROUND UP

Understanding Foreclosures And Stabilizing Neighborhoods

Rutgers, The State University of New Jersey  
Bloustein School of Planning and Public Policy  
Community Development Studio 2010

Tuesday, January 10, 2012

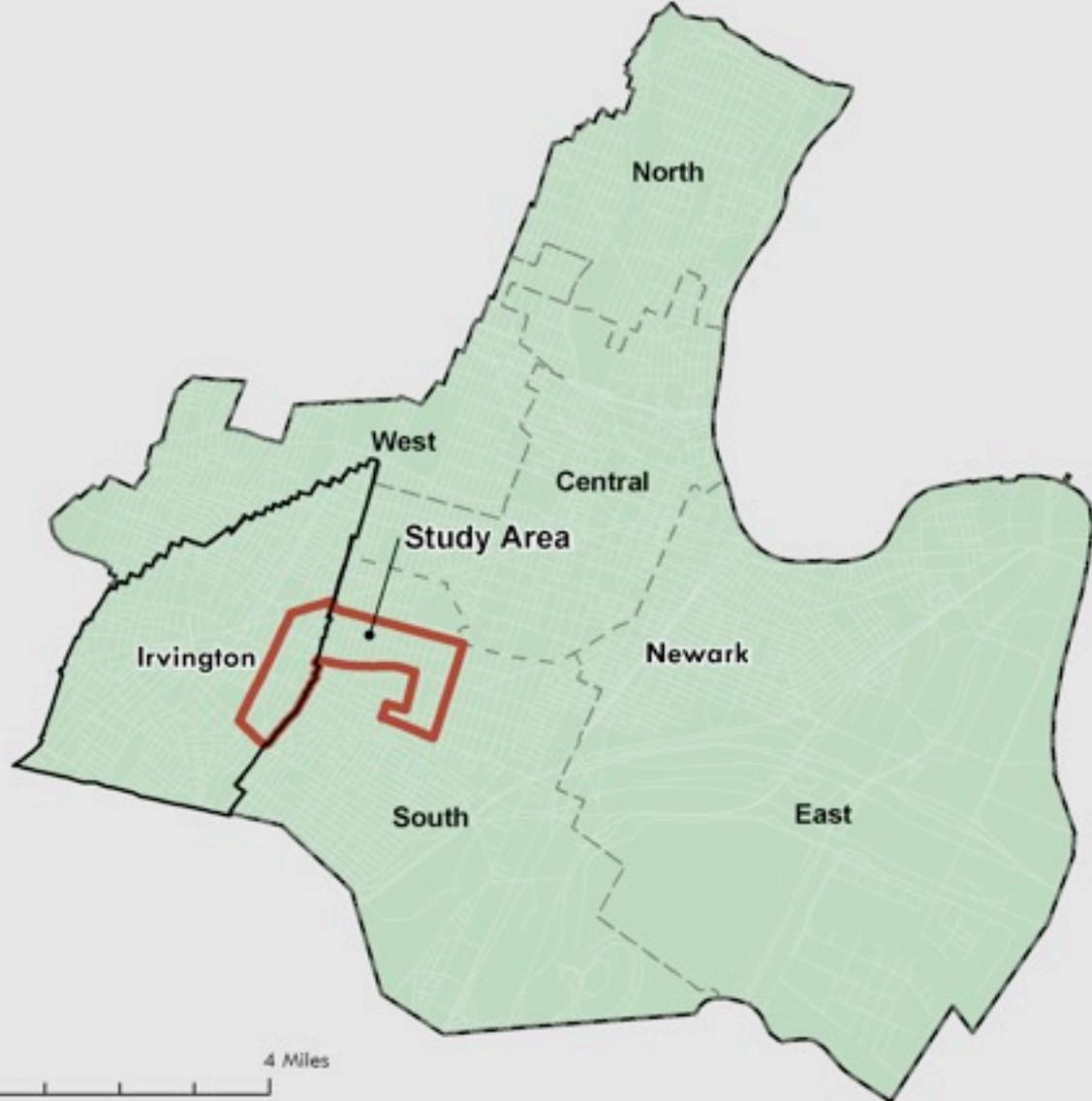
# Overview

- Episcopal Community Development (ECD)
- Redefining community development
- Upper Clinton Hill
- Foreclosures in neighborhood context
- Health and food security

# Studio Tasks

- The Studio team identified and mapped
  1. Foreclosure starts between 2004-2009
  2. Foreclosures still in process
  3. Real Estate Owned (REO) properties
  4. Mortgage servicers
  5. REO shadow stock
  6. Strategies using food as a tool for community development

# Upper Clinton Hill



**Upper Clinton Hill and Adjacent Irvington  
Study Area Location**

- Legend**
-  Municipal Boundaries
  -  Study Area
  -  Newark Wards
  -  Streets

Sources: Boundaries NJDEP 2007, Upper Clinton Hill Location Rutgers Spring 2010 Studio  
Streets: TIGER Street Files, 2008



## Community Resources In and Around Upper Clinton Hill

### Legend

- ★ Clinton Hill Community Resource Center
- 📖 Libraries
- 🏠 Public Housing
- 🏥 Hospitals
- ▭ Neighborhood Boundary
- ▭ Study Area
- ▭ Religious Institution
- ▭ Cemeteries
- ▭ Parks
- ▭ Schools

Sources: Social Services, Public Housing and Hospitals: Episcopal Community Development, Soup Kitchens: CD Studio 2010, Libraries: RCDPC, Neighborhood Boundaries: City of Newark, Religious Institutions: NIACTB 2010, Cemeteries, Parks, and Schools: Rutgers University, Streets: TIGER Street File, 2008, Parcel Map: City of Newark Dept of Engineering

**RUTGERS**  
Edward J. Bloustein School  
of Planning and Public Policy  
Community Development Studio Spring 2010



## Land Classification by Tax Class

### Legend

#### Tax Class

- Public School Property (15A)
- Government Property (15C)
- Religious and Charitable (15D)
- Other Tax Exempt (15F)
- Vacant Land (1)
- Vacant and Tax Exempt (1 & 15F)
- Residential (2)
- Residential and Tax Exempt (2 & 15F)
- Commercial (4A)
- Apartments/Condos (4C)
- No Tax Data

Sources: Sheeh Parcel Layer: City of Newark, Department of Engineering, Street Layer: Tiger Files 2008, Tax Data: New Jersey Association of County Tax Boards (downloaded February 10, 2010)

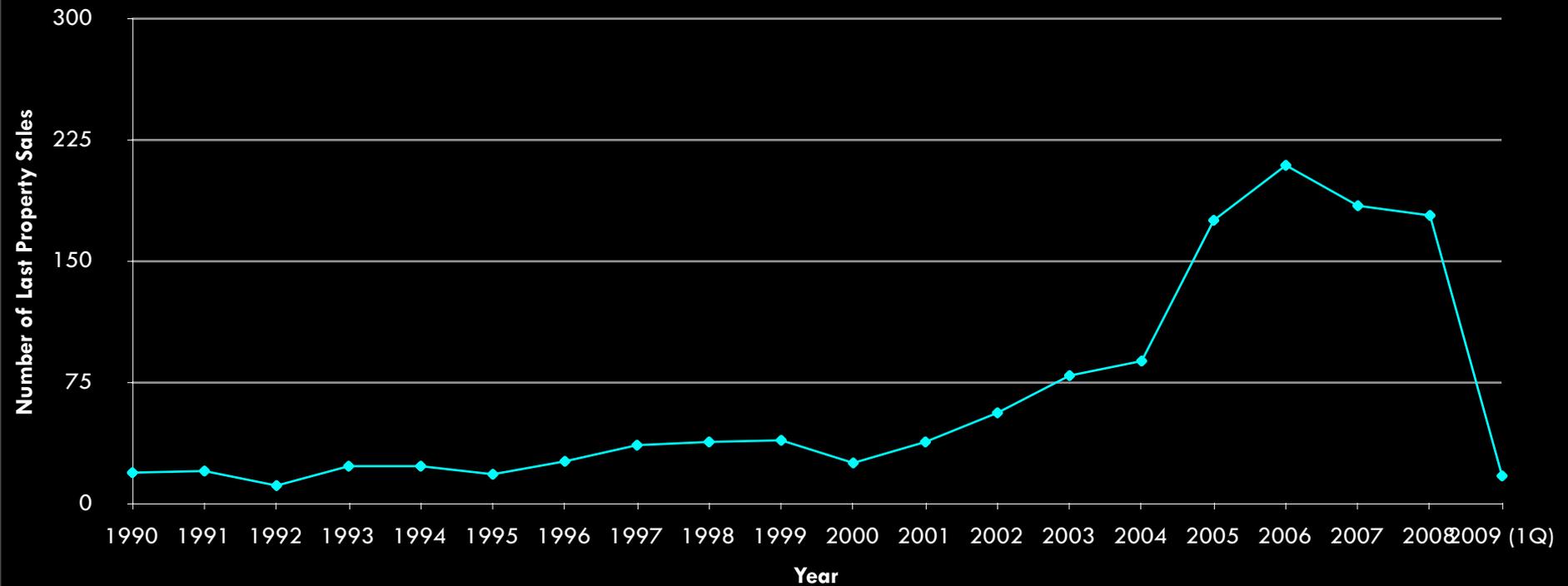




# Neighborhood Housing Market

# Property Sales in Upper Clinton Hill

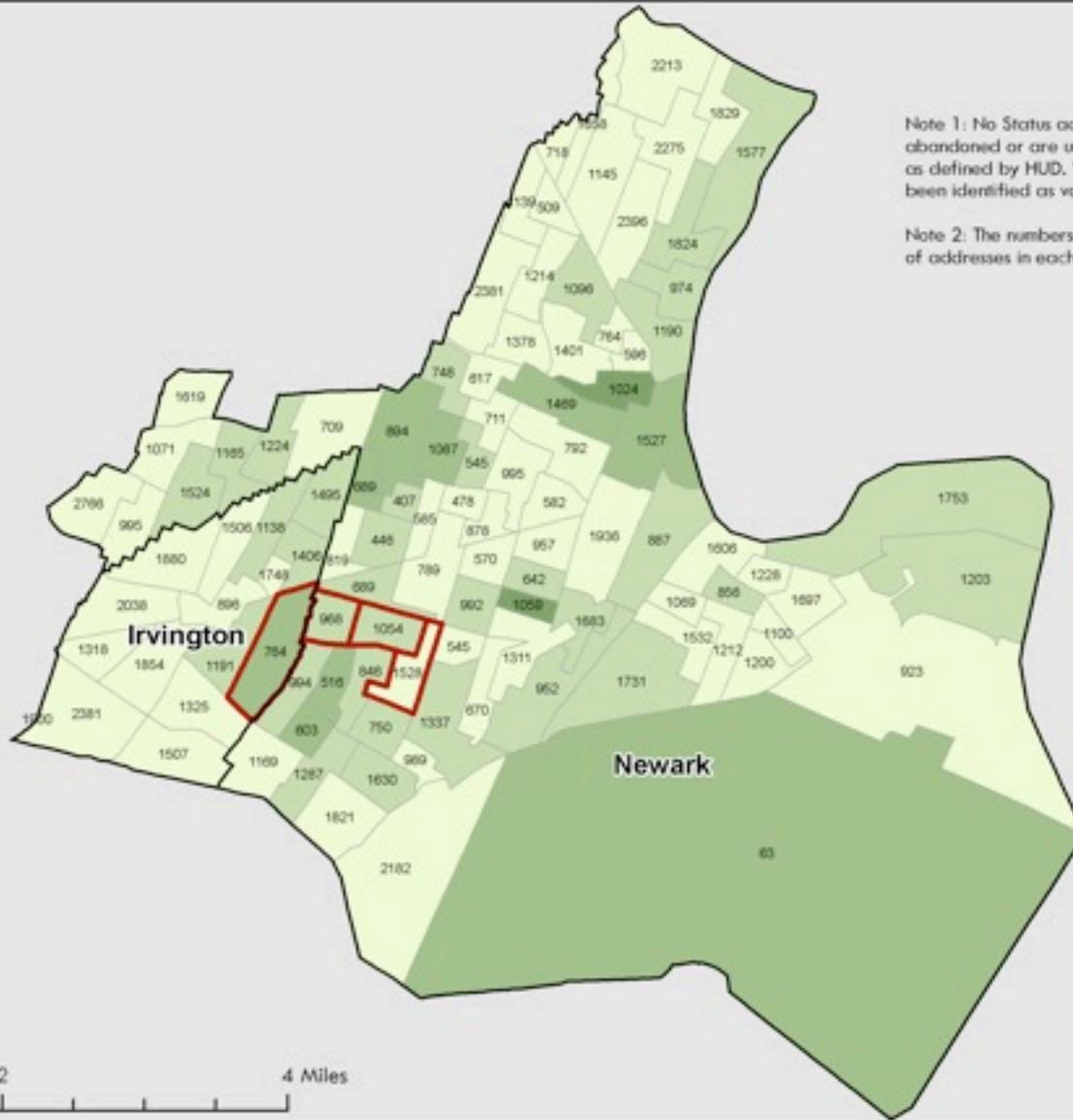
Number of Property Sales Between 1990 and 2009





# Property Sales in Upper Clinton Hill





Note 1: No Status addresses are addresses that have been abandoned or are under construction and not ready to be occupied as defined by HUD. Vacant properties are addresses that have been identified as vacant by USPS staff for more than 90 days.

Note 2: The numbers shown on the map represent the total number of addresses in each Census tract.



## Residential Properties Vacant and No Status As of September 30, 2009 by Census Tract with Total Number of Addresses

### Legend

City Boundaries

Study Area Census Tracts

### Percent Vacant and Abandoned

0 to 10%

10% to 20%

20% to 30%

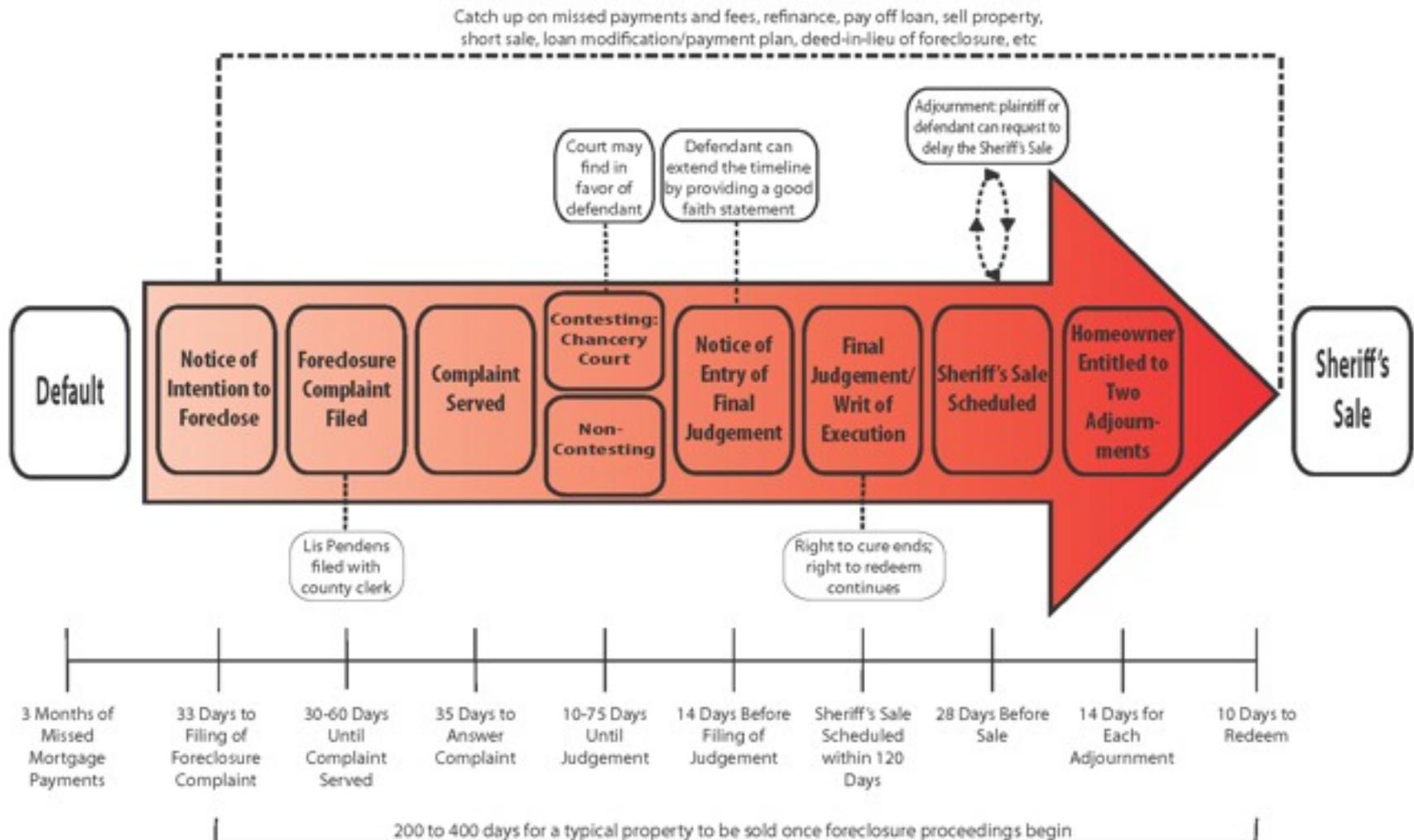
30% to 40%

Sources: HUD Aggregated USPS Administrative Data On Address Vacancies, September 30, 2009,  
U.S. Census Bureau for Census Tracts

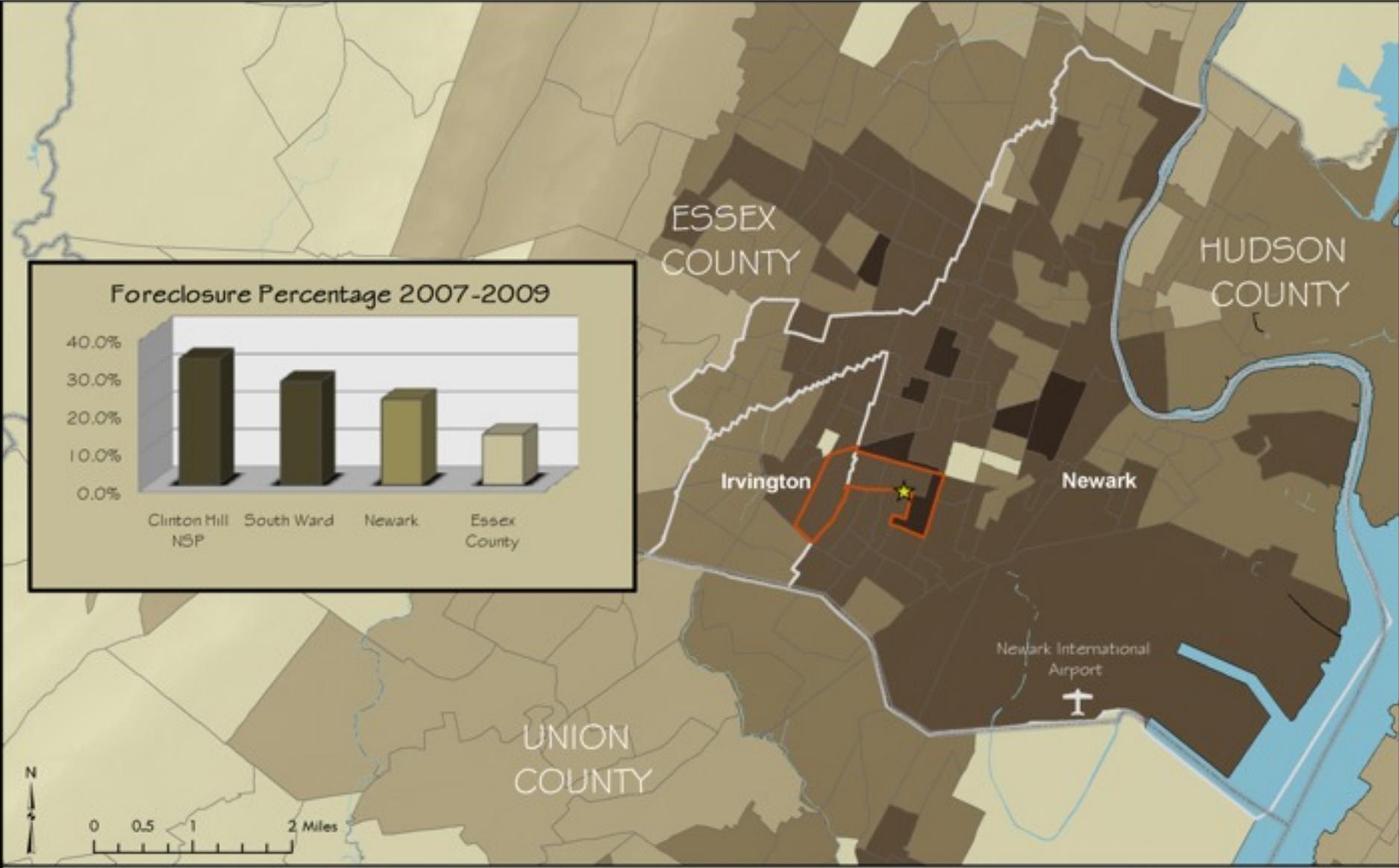
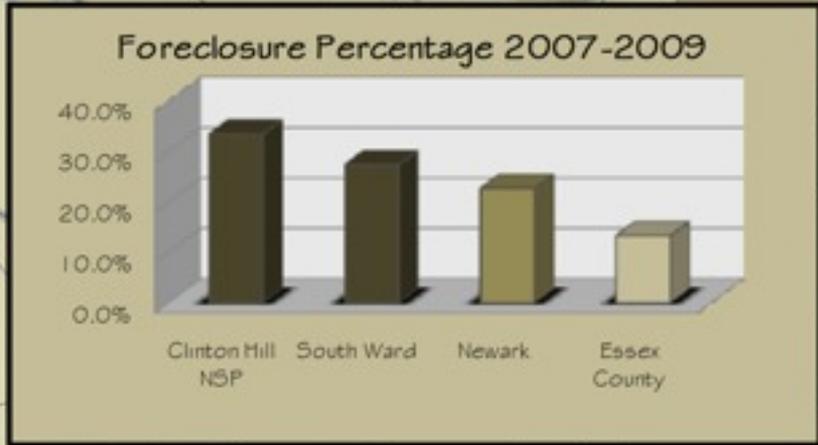
**RUTGERS**  
Edward J. Bloustein School  
of Planning and Public Policy  
Community Development Studies, Spring 2010

# Foreclosure in the Neighborhood

# Foreclosure Process in New Jersey



Spring 2010 Community Development Studio, prepared by Matt Keating  
 Source: <http://www.csrjlan.org/english/placelive/ownmyhome/foreclosure/index.cfm>



## Foreclosure Rates

2007 to 2009

Percentage of total mortgages with a foreclosure filing from 2007 to 2009

### Legend

- ★ Clinton Hill Community Resource Center
- ▭ Study Area
- ▭ County Boundary
- ▭ Water

### 2007-2009 Foreclosure Rates

- ▭ 0% to 5%
- ▭ 5% to 10%
- ▭ 10% to 20%
- ▭ 20% to 40%
- ▭ More than 40%

**RUTGERS**

Edward J. Bloustein School of Planning and Public Policy  
Community Development Studio, Spring 2010

Sources: City of Newark, HUD User NSP Data, NJ DOT, NJ OIT

# Foreclosure Filings 2004 - 2009

- 797 foreclosure filings on 622 properties
- 46% of all residential properties in the study area had at least one foreclosure filing between 2004 and 2009

\*

\* We are missing half of the filings for 2005.







# Understanding Foreclosure

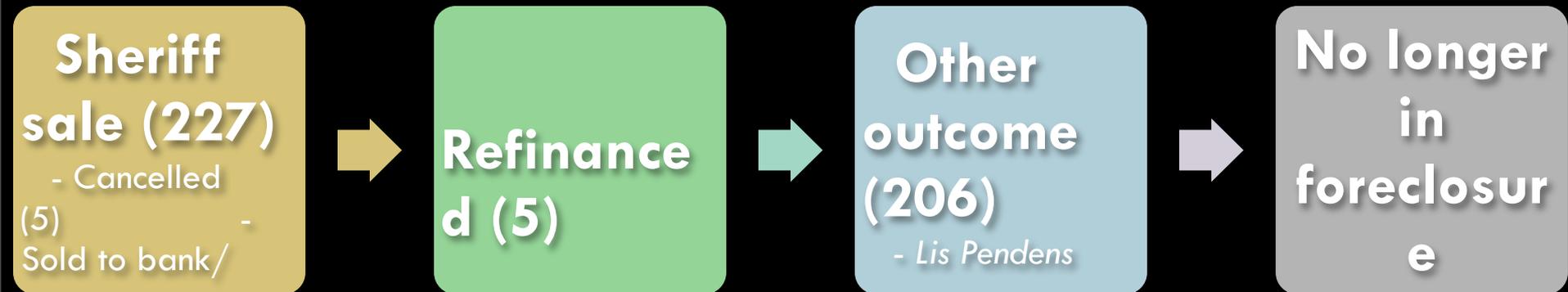
# Understanding Foreclosure

- Objective
  - ▣ Understand the extent of foreclosure
- Process
  - ▣ Tracked 2004-2009 foreclosure starts
  - ▣ Placed filings in one of two broad categories
    - No longer in foreclosure
      - Identified outcome
    - Foreclosure in progress

# Tracking Foreclosure Outcomes



# Tracking Foreclosure Outcomes



# Tracking Foreclosure Outcomes

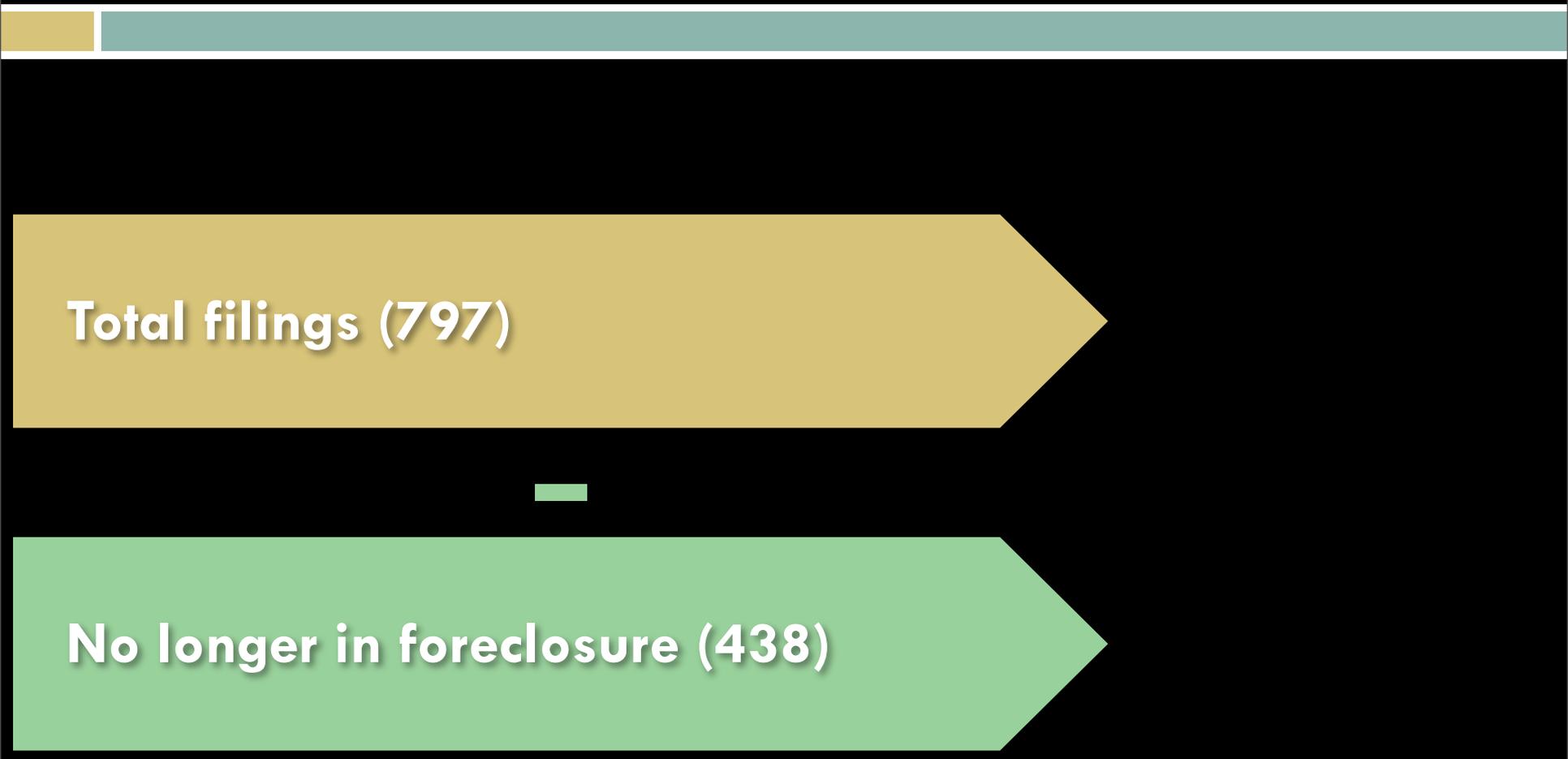


# Tracking Foreclosure Outcomes



**Total filings (797)**

# Tracking Foreclosure Outcomes



**Total filings (797)**

**No longer in foreclosure (438)**

# Tracking Foreclosure Outcomes



**Total filings (797)**

**No longer in foreclosure (438)**

**Foreclosure  
in process**

**359 filings, 38  
at sheriff sale**

**45% of total**

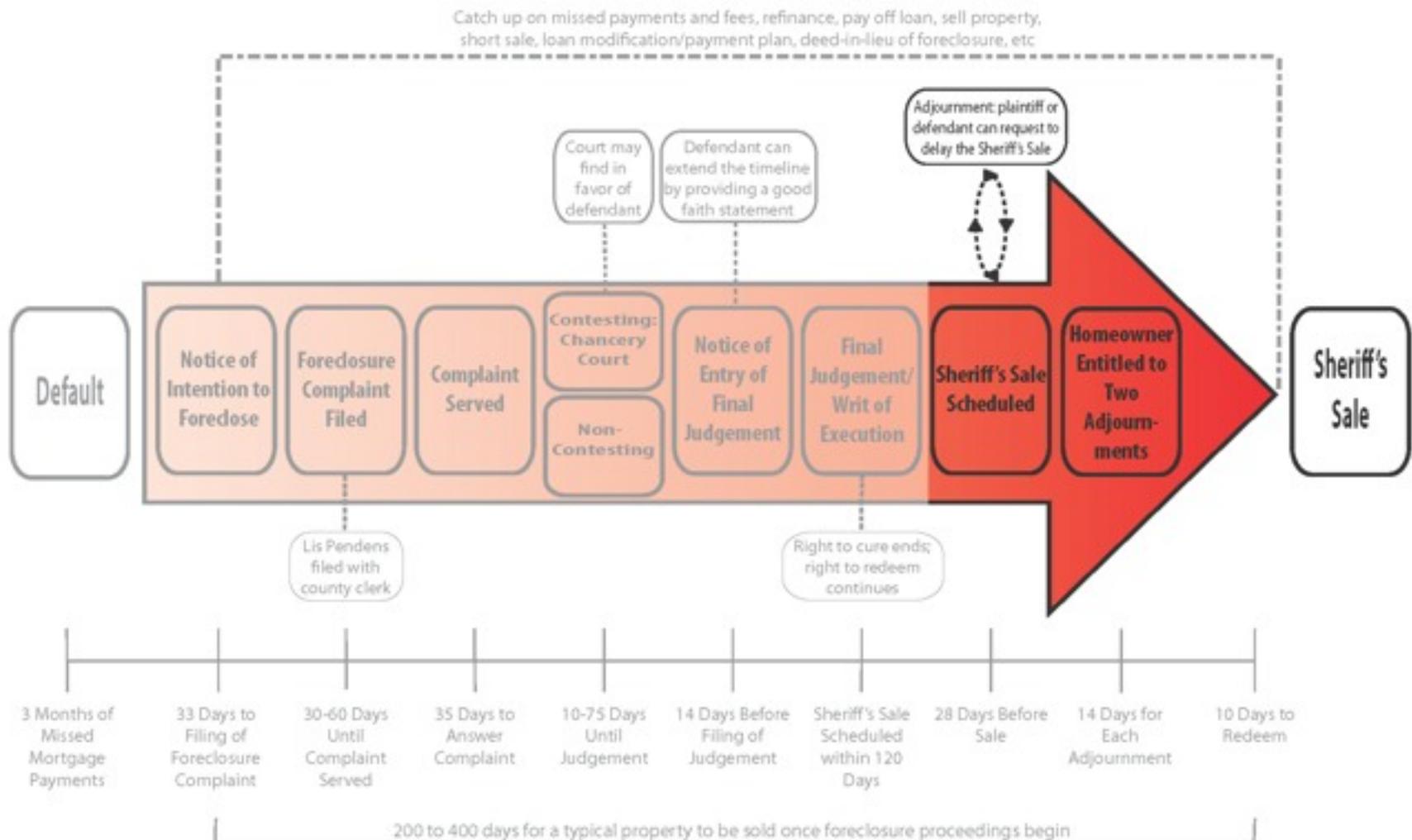


# Filing Property Sales 2008-2010

- 141 total properties sold
- 30 purchased by individuals
- 111 purchased by a company
  - 55 companies
- Top four companies:
  - US Bank
  - Deutsche Bank
  - Aurora Loan Services
  - LaSalle Bank

# Sheriff Sales

# Foreclosure Process in New Jersey



Spring 2010 Community Development Studio, prepared by Matt Keating  
 Source: <http://www.njlaw.org/english/placefive/townmyhome/foreclosure/index.cfm>

# Summary of Sheriff Sale Findings

- During studied periods: 1,106 properties
  - ▣ 870 in Newark
  - ▣ 236 in Irvington
- As of March 23, 2010: 621 properties scheduled for auction
  - 500 in Newark
  - 121 in Irvington

# Sheriff Sale Outcomes



*Source: Essex County Sheriff Auction website. We gathered information from two different lists. The first included all properties sold at auction between December 2009 and March 23, 2010. The second list included all properties scheduled for auction between February 8, 2010 and March 23, 2010.*

# Sheriff Sale Timeframe

- Average length of time in sheriff sale system
  - Newark
    - Average: 117 days
    - Maximum: 861 days
  - Irvington
    - Average: 97 days
    - Maximum: 616 days

# Sheriff Sale Reschedules





# Sheriff Sale Upset Prices

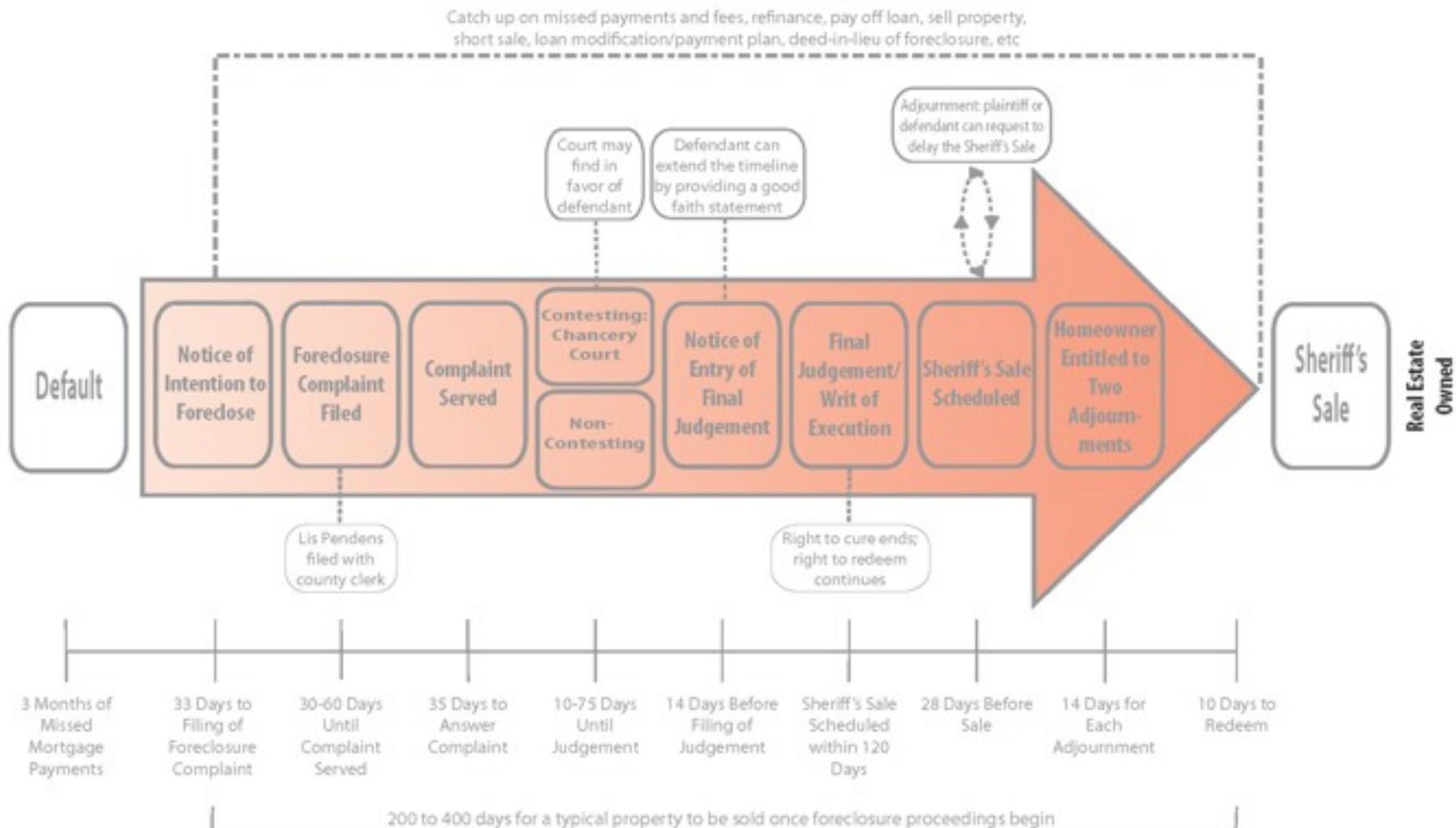
Newark	Properties Purchased by Non-Bank Buyers		
	Approx. Upset	Amount Paid	Difference
Number of Cases *	28	28	28
Minimum **	\$14,702	\$17,900	-\$46,747
Maximum	\$574,365	\$470,244	\$443,484
Sum	\$9,991,027	\$4,008,772	\$5,982,255
Mean	\$356,822	\$143,170	
Median	\$339,426	\$114,500	

\* These 28 cases consisted of 5 "buy backs", 7 settled case and 16 properties that sold.

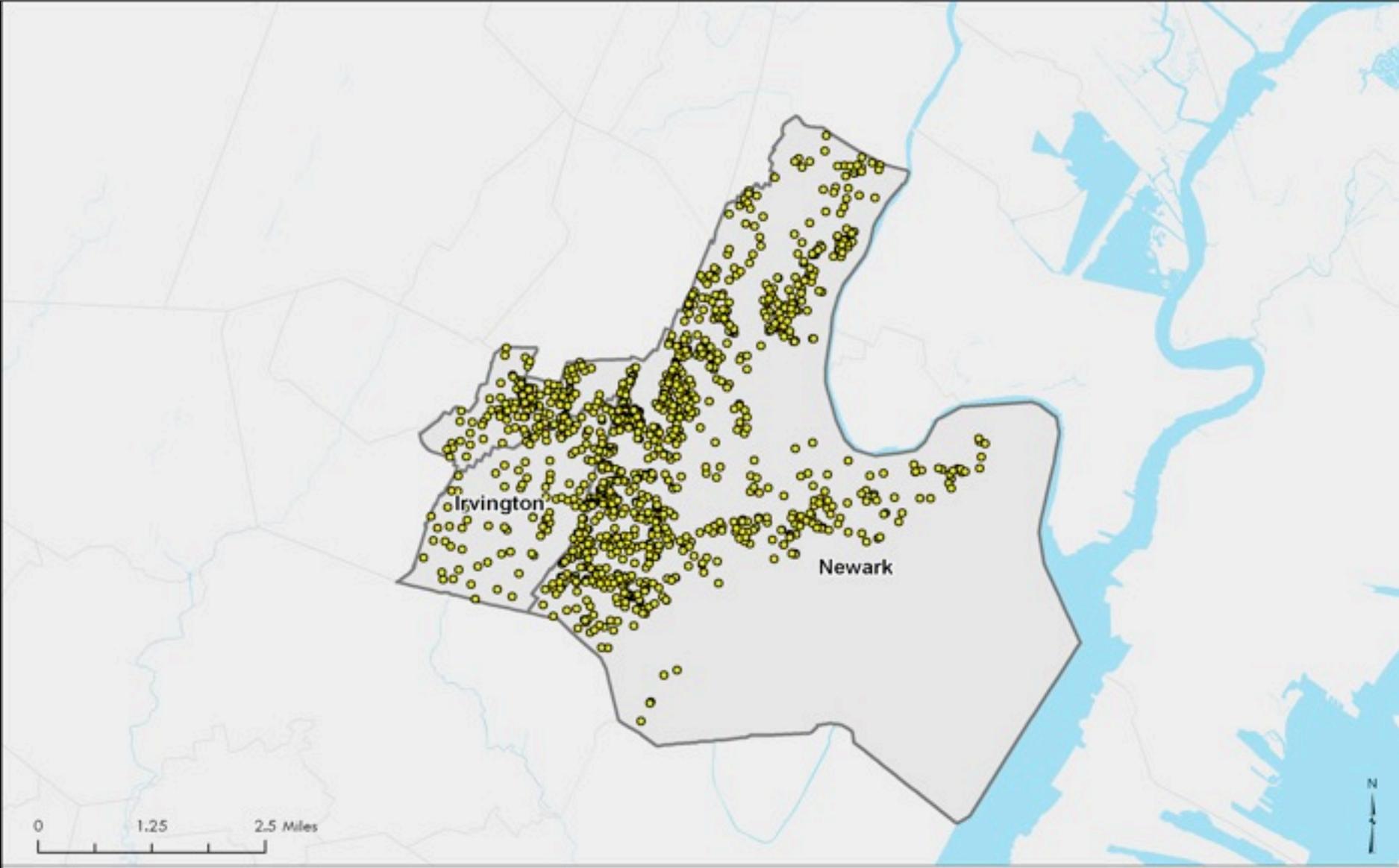
\*\* Negative difference between approximate upset and amount paid means that at auction the property sold for more than the bank was willing to accept for it. (two properties )

# Real Estate Owned (REO)

# Foreclosure Process in New Jersey



Spring 2010 Community Development Studio, prepared by Matt Keating  
 Source: <http://www.njlaw.org/english/placefive/township/home/foreclosure/index.cfm>



**REO Properties In Newark and Irvington**  
 Collected Between January and April 2010

**Legend**

- REO Property
- ▭ Municipal Boundary
- ▭ Surrounding Municipalities
- ▭ Water

Sources: Parcel Layer: City of Newark Department of Engineering and Rutgers University Spring 2010 Studio,  
 Street Layer: TIGER Files 2008, REO Data: Rutgers CD Studio 2010, Cemeteries, Parks, and Schools: Rutgers University





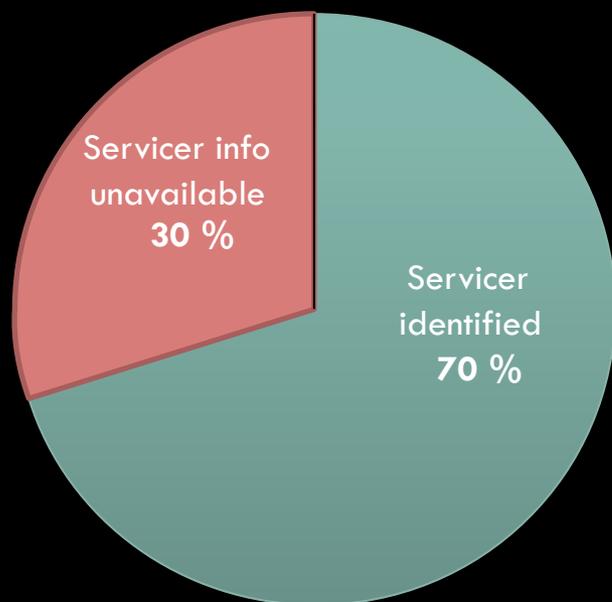
# Shadow Stock

- Properties that may end in REO upon completion of the foreclosure process
  - ▣ Properties that have been rescheduled three or more times (22 in study area)
  - ▣ Properties in the foreclosure process



# Who Services REO Properties?

Distribution of REO Properties in Upper Clinton Hill by Information Availability



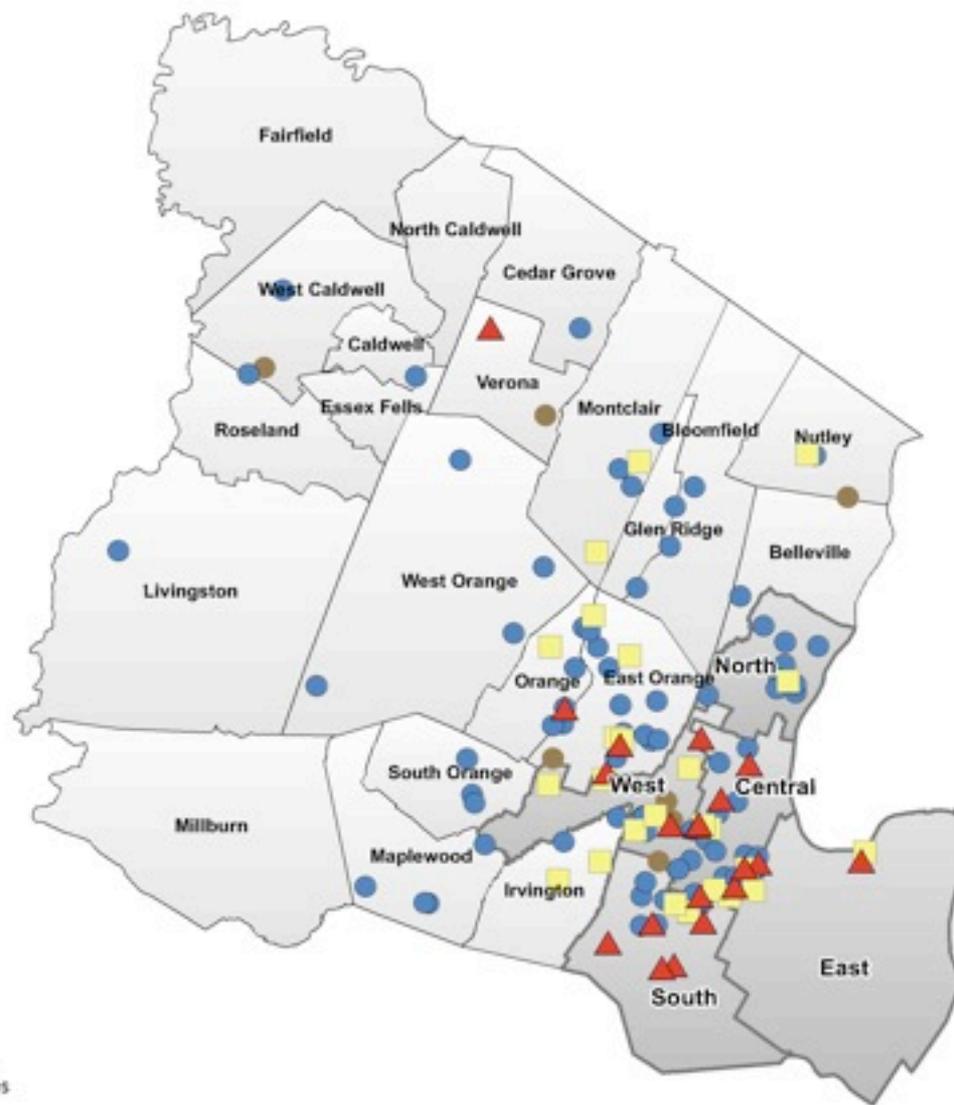
- REOs with identifiable information are owned by 28 different servicers
- A citywide analysis may reveal a less fragmented market

# Contact if the Property is Vacant

- 1,018 foreclosure notices sent to the City of Newark between June 2009 and February 2010
- Some of these institutions are servicers
- Some are law firms

# Responsible for Property Upkeep?

- 1,018 notices on properties in foreclosure
- 59% of notices list The Corporation Trust Company that should receive city summons or citations for upkeep



## REAC Physical Inspections - Most Recent Score For Multi Family Properties in Essex County

*This map shows the most recent property inspection score. Low scores likely indicate poor maintenance and/or structural deficiencies.*

Sources: REAC Scores: HUD Real Estate Assessment Center, Municipal Boundaries: NJDEP Bureau of Geographic Information Systems, Newark Wards: City of Newark, Department of Engineering

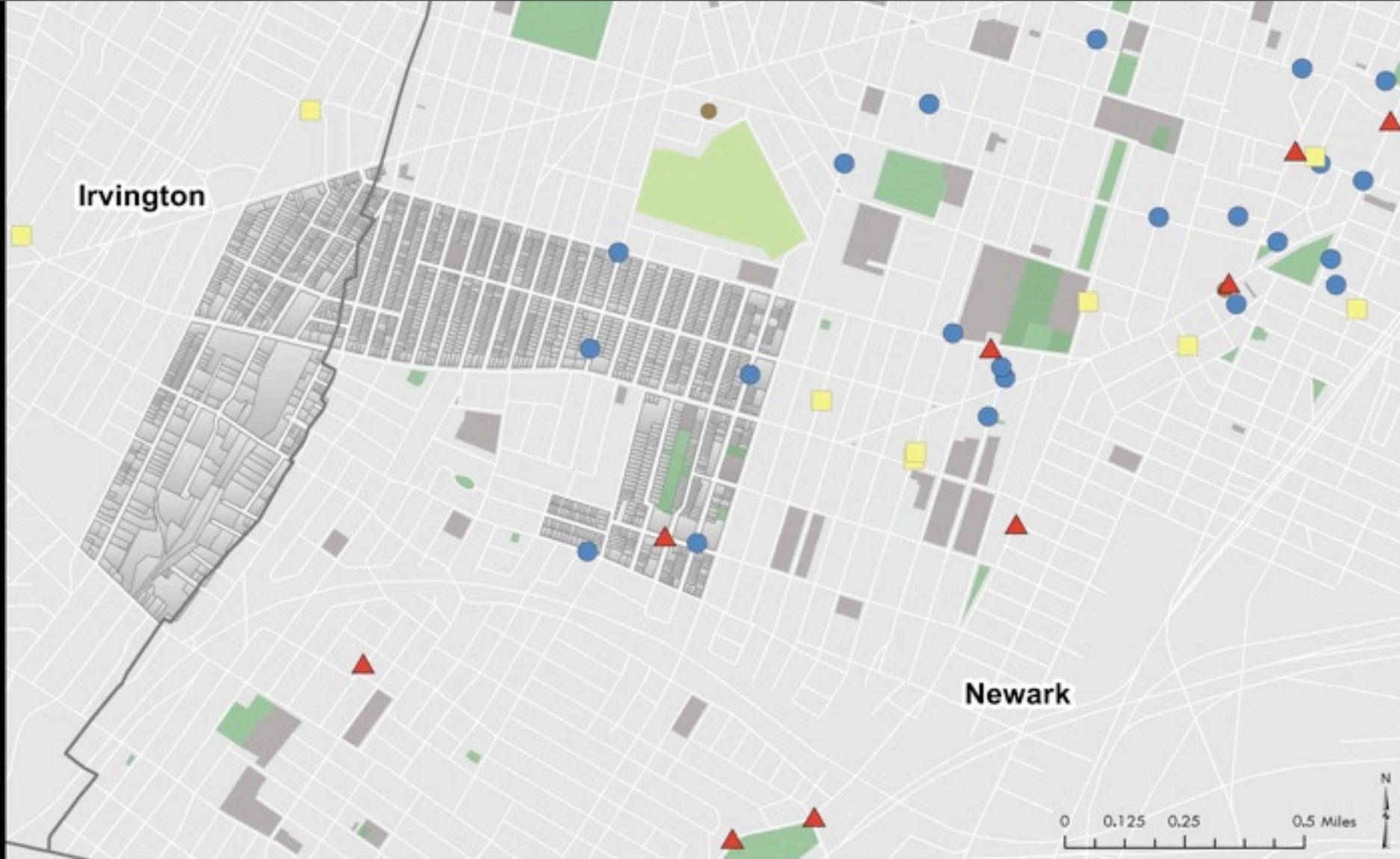
### Legend

#### REAC Inspection Score

- No Score
- ▲ Below 60
- Between 60 and 79
- 80 and Greater

Newark Wards

Essex County Municipalities



## REAC Physical Inspections - Most Recent Score For Multifamily Properties In and Around Upper Clinton Hill

*This map shows the most recent property inspection score. Low scores likely indicate poor maintenance and/or structural deficiencies.*

Sources: Parcel Layer: City of Newark Department of Engineering and Rutgers University Spring 2010 Studio, Street Layer: TIGER Files 2008, REAC Scores: HUD Real Estate Assessment Center, Cemeteries, Parks, and Schools: Rutgers University

### Legend

- |                              |                    |
|------------------------------|--------------------|
| <b>REAC Inspection Score</b> | Municipal Boundary |
| No Score                     | Study Area         |
| 80 and Greater               | Cemeteries         |
| Between 60 and 79            | Parks              |
| Below 60                     | Schools            |



# Home, Food, Health

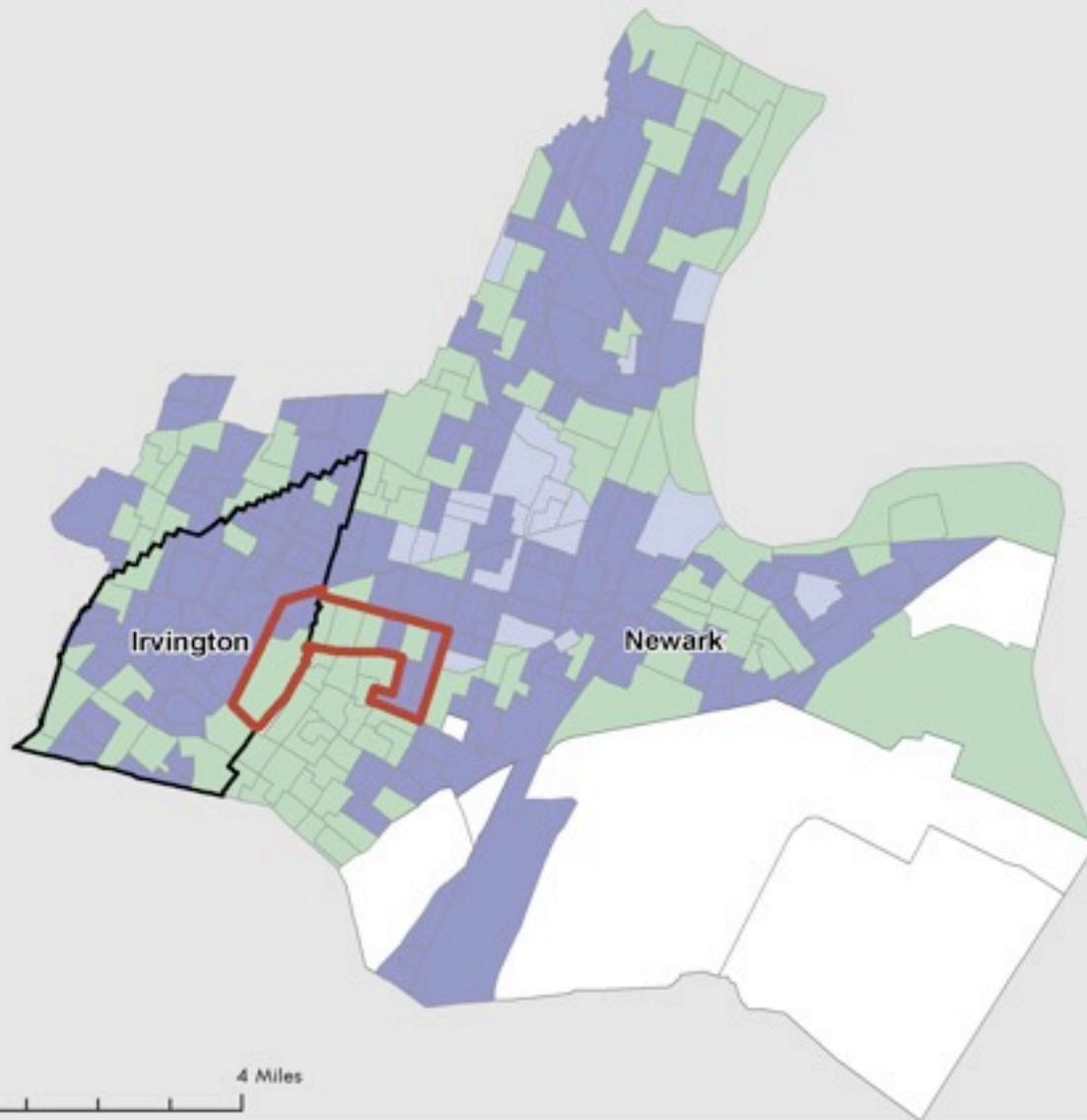
# Health

## Leading Causes of Death

- Heart disease
- Cancer
- HIV and AIDS

## Community Health Concerns

- Hypertension
- Sexually transmitted diseases
- Prenatal care
- Childhood obesity
- Lead poisoning

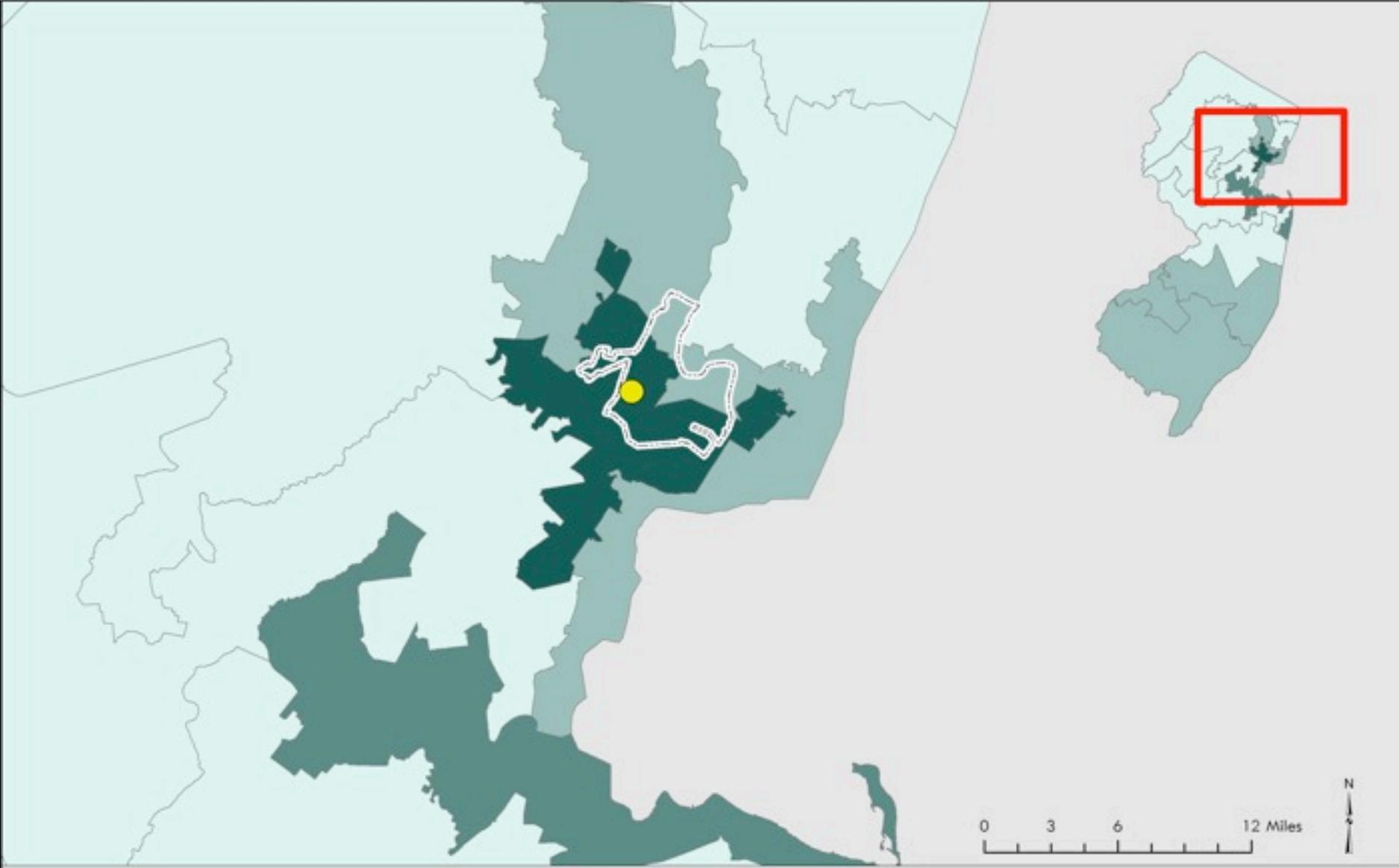


## Lead Hazard Risk by Median Housing Age For Newark and Irvington

### Legend

- |   |  |
|---|--|
| <span style="display: inline-block; width: 15px; height: 15px; border: 1px solid black; background-color: white;"></span> N/A | <span style="display: inline-block; width: 15px; height: 15px; border: 1px solid black; background-color: white;"></span> Municipal Boundary |
| <span style="display: inline-block; width: 15px; height: 15px; background-color: #90EE90;"></span> Pre-1950                   | <span style="display: inline-block; width: 15px; height: 15px; border: 2px solid red; background-color: white;"></span> Study Area           |
| <span style="display: inline-block; width: 15px; height: 15px; background-color: #4169E1;"></span> 1950 - 1977                |  |
| <span style="display: inline-block; width: 15px; height: 15px; background-color: #ADD8E6;"></span> 1978 or Later              |  |

Sources: Housing Age: US Census Bureau SF3 Census Tracts; U.S. Census Bureau; Municipal Boundary: NJDEP GIS



## Food Hardship Rate by Congressional District

### Legend

 Newark

 Upper Clinton Hill

### Percent of Households by Congressional District

 7.8% - 13.5%

 13.5% - 19.2%

 19.2% - 24.9%

 24.9% - 30.6%

Sources: Food Hardship Rates: Food Research and Action Center 2010, Congressional District and Municipal Boundaries NJDEP 2007, Upper Clinton Hill Location Rutgers Spring 2010 Studio

# Why Food?

- Community interest
- Emerging city agenda
- Food as community development



Mill Creek Farm, Philadelphia, PA

Credit: Vanessa Kennedy



Red Hook Farm, Brooklyn, NY

<http://www.flickr.com/photos/merescribber/3872166881/>

# Fresh Foods Initiative

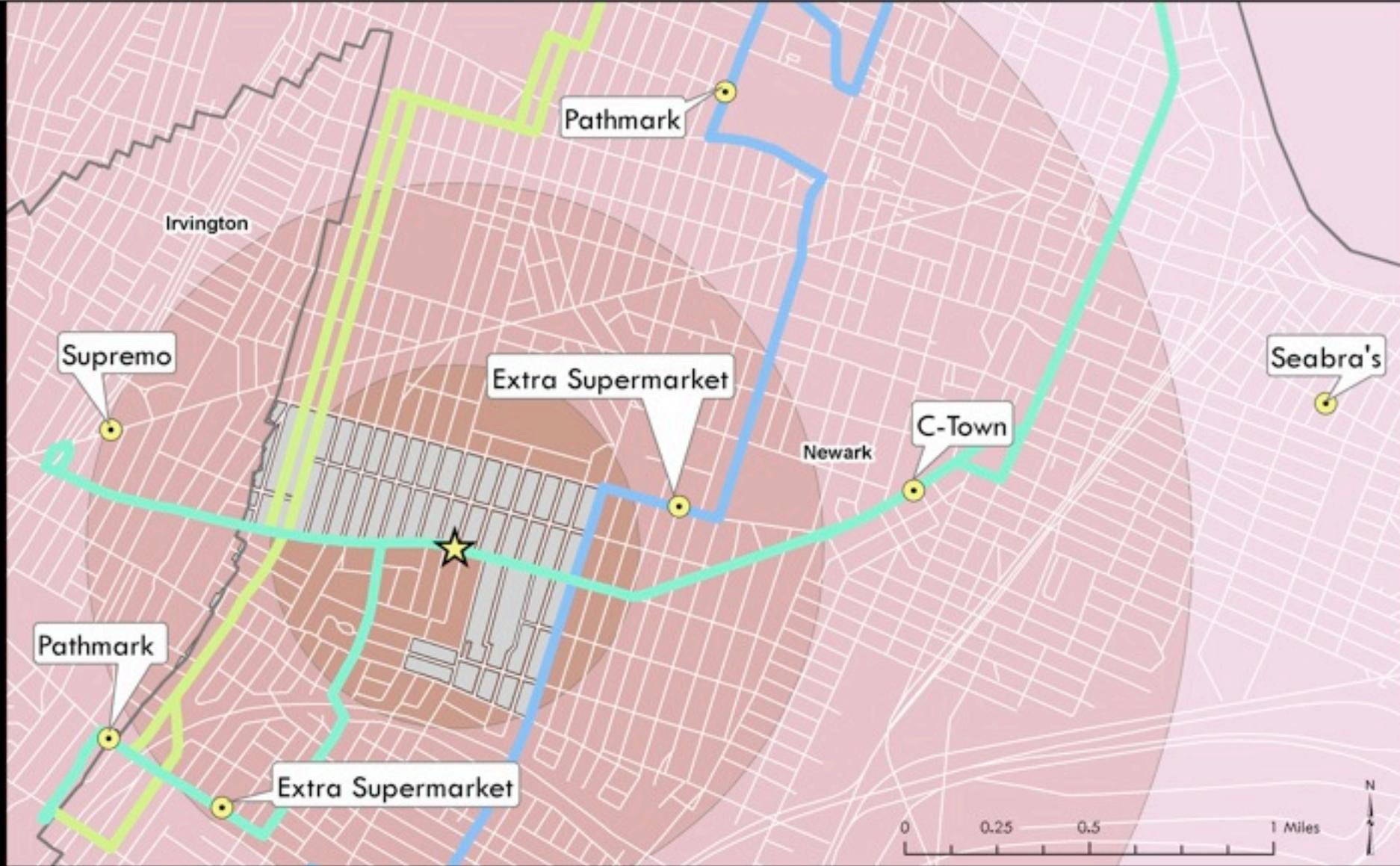
- Help local store owners sell more produce
- Attract new supermarkets
- Support farmers markets
- Support urban agriculture

City of  
Newark

Brick City



# Food Distribution



## Area Supermarkets and Transit Access

### Legend

-  Clinton Hill Community Resource Center
-  Supermarket
-  Bus Route 13
-  Bus Route 96
-  Bus Route 99
-  0.5 mile
-  1 mile
-  2 mile
-  3 mile
-  Municipal Boundary
-  Study Area

Sources: Retail: Reference USA, Bus Routes: Transit 2009, Streets: TIGER Files 2008



# BCDC Small Grocer Initiative

- Technical assistance
- Small grants between \$5,000 - \$20,000 for purchase of equipment, fresh food inventory, improvements
- Grow Newark Fund – below market loan

# Community Grocery Cooperative



Photo Credit: flickr, A. Lankin

Tuesday, January 10, 2012

# Alternative Models of Food Distribution

# Community Farmer's Markets

## Benefits

- Buy fresh, local produce directly from the producer
- Boosts local economy

## Challenges

- Well-organized individual or agency to manage
- EBT machines costly to implement



Photo Credit: [realpeopleatlocal.com](http://realpeopleatlocal.com)

# Community Supported Agriculture (CSA)

## Benefits

- Increases access to fresh-picked, nutrient-dense produce
- Partners urban residents with regional farmers
- Members may be introduced to unique varieties of produce

## Challenges

- Requires full-season payment upfront
- Need at least 40-50 members
- Members may not be familiar with all items



Photo Credit: <http://csa.amandadevries.com/wp-content/uploads/2008/09/week-16-share.JPG>

# Hollygrove Market and Farm



Food



Community Beds



Production Rows

Photo Credits: Tulane, Eats.com, Best of New Orleans, Caitlin Salemi

# Urban Agriculture

# Community Gardens

## Benefits

- ❑ Increase fruit and vegetable consumption
- ❑ Save food dollars
- ❑ Grow ethnically appropriate food
- ❑ Promote physical activity
- ❑ Place for socializing and relaxing
- ❑ Strengthen community
- ❑ Correlated with lower incidences of crime
- ❑ Boost property values

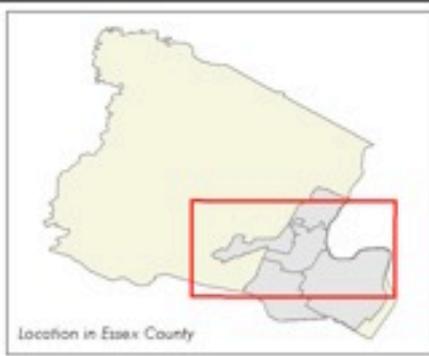
## Challenges

- ❑ Sustained community participation
- ❑ Contaminated soil
- ❑ Pollution from heavily traveled roads



Our School at Blair Grocery, New Orleans, LA

Photo Credit: Caitlin Salemi



"Confirmed" community gardens are vacant lots owned by the City of Newark that GNC has prioritized to start Adopt a Lot gardens.

"Potential" community gardens are vacant lots owned by the City of Newark that GNC has on a list of potential community gardens, but will not be constructed this year.

# Greater Newark Conservancy Community Garden Program

## Legend

- Active Community Garden
- Confirmed Community Garden
- Potential Community Garden
- Newark Wards
- Cemeteries
- Parks
- Airport

Sources: Greater Newark Conservancy, Spring 2010, Wards: NJDEP 2007, Airports: NJACTB 2010, Cemeteries, Parks, and Schools Rutgers University





Location in Newark

"Confirmed" community gardens are vacant lots owned by the City of Newark that GNC has prioritized to start Adopt a Lot gardens. "Potential" community gardens are vacant lots owned by the City of Newark that GNC has on a list of potential community gardens, but will not be constructed this year.



# Community Garden Program Greater Newark Conservancy Upper Clinton Hill

Sources: Gardens: Greater Newark Conservancy, Spring 2010, Wards: NJDEP 2007, Steensiger Street Files, 2008, Cemeteries, Parks, and Schools: Rutgers University

## Legend

- Active Community Garden
- Confirmed Community Garden
- Potential Community Garden
- Study Area Census Tracts
- Newark Wards
- Cemeteries
- Existing Park
- Schools



# Urban Farms

## Benefits

- ❑ Opportunities for job training, youth programming and entrepreneurial development
- ❑ Boosts local economy

## Challenges

- ❑ Access to land, water and viable markets
- ❑ Start-up costs may be prohibitive
- ❑ Legality



Photo Credit: <http://www.gardenrant.com/.a/6a00d83451bd5e69e201156f6c1de7970c-400wi>



## Vacant Lots In and Around Upper Clinton Hill

Sources: Parcel Layer: City of Newark Department of Engineering and Rutgers University Spring 2010 Studio, Street Layer: TIGER Files 2008, Gardens: Greater Newark Conservancy, Cemeteries, Parks, and Schools: Rutgers University Aerial Photo Data; State of New Jersey OIT, Taxed Vacant NJACTB Site Inspections; Rutgers Spring 2010 Studio

### Legend

- Identified During Site Inspection
- Identified with Aerial Photograph
- Conservancy Target Parcel
- Taxed Vacant
- Park
- Municipal Boundary
- Study Area
- Cemeteries
- Schools



# Food and Community

- Community-facilitated food assessment
- Support pre-existing businesses
- Virtual supermarket
- Establish partnerships
- Education
- Shared-use kitchen
- Include gardens in development projects



Community Garden, North Philadelphia

Credit: Vanessa Kennedy

# Moving Forward



# Many Thanks

- Chelsea Albucher, City of Newark
- Paul Baricos, Hollygrove Market and Farm
- Stuart Bressler
- Joel Cantor, Center for State Health Policy
- Christina Corea, Brick City Development Corporation
- James DeFilippis, Rutgers University
- Robin Dougherty, Greater Newark Conservancy
- Rich Felsing, Meadowlink
- Linda Fisher, Seton Hall Law School
- Stephanie Greenwood, City of Newark
- Done Hoffman, Clinton Hill Community Resource Center
- Todd Hoffman, Clinton Hill Community Resource Center
- Margaret Jurow, NJ Legal Services
- Dina Levy & Andy Reicher, UHAB
- Bridgette MacLean-Lai
- Cynthia Mellon, Ironbound Community Corporation
- Wayne Meyer and Peter Grof – New Jersey Community Capital
- Jennifer Papa, City Green
- Elizabeth Reynoso, New Jersey Institute for Social Justice
- Judy Shaw, National Center for Brownfield Redevelopment
- Harold Simon, National Housing Institute/ Shelterforce Magazine
- Tirzah Spencer, University of North Carolina-Chapel Hill
- Perris Straughter, City of Newark
- Lee Stronstorff, Greater Newark Conservancy
- Meredith Taylor, Isles, Inc
- Bob Volosin, Inner City Corporation

# Studio Members

- Patrick Brennan
- Julie Chan
- Kristin Crandall
- McCaela Daffern
- Erika Hill
- Philip Kao
- Matthew Keating
- Vanessa Kennedy
- Bushra Mahmood
- Katharine Otto
- Cara Purcell
- Caitlin Salemi
- Oscar Villarreal
- Martin Willard