



APPENDIX C: TARGETED NEIGHBORHOOD ANALYSIS

CITY OF GREENVILLE
CITY-WIDE HOUSING STRATEGY
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I.0 TARGETED NEIGHBORHOOD ANALYSIS

I.1 OVERVIEW

This appendix consists of a quantitative analysis related to the *Targeted Neighborhood Investment* strategy recommended in the 2012 City-Wide Housing Strategy for the City of Greenville. This strategy calls for, among other things, a targeted approach to neighborhood revitalization through the marshaling of funding sources, resources and coordination of services for a small number of select areas in the community.

The City of Greenville already has 13 “Special Emphasis” neighborhoods where the Community Development Department targets investment, resources and development partnerships. These are identified in Exhibit 1. However, the Targeted Investment approach recommended by the Housing Strategy would aim to narrow this list down to 2 to 3 areas for focused investment. This approach is designed to expedite results in terms of stabilization and private investment within a quicker timeframe than would be possible by spreading resources throughout all 13 areas. By design, the shortened time period necessary to generate sustainable revitalization in first phase neighborhoods should allow the City to shift its investment focus to other areas of need, and by sticking to a systematic, market-based phasing approach, generate revitalization in each area of need faster than it would by spreading resources throughout all areas of need.

This focused investment strategy has been implemented in numerous forms around the country. The common hurdle during the planning phase is how to select the initial areas for public sector investment. Typically communities considering this strategy have numerous areas in need of revitalization and stabilization. It can be politically difficult to select only a few because it can be perceived that target areas are being chosen at the expense of others areas. To attempt to address this issue, many cities have use a quantitative analysis to help identify first phase opportunities for investment. This report consists of such an analysis as performed by Development Concepts, Inc., as part of the overall City-Wide Housing Strategy planning process. The methodology and results of this analysis are provided to the City for consideration in implementing this strategy.

I.2 METHODOLOGY

NEIGHBORHOOD AREAS

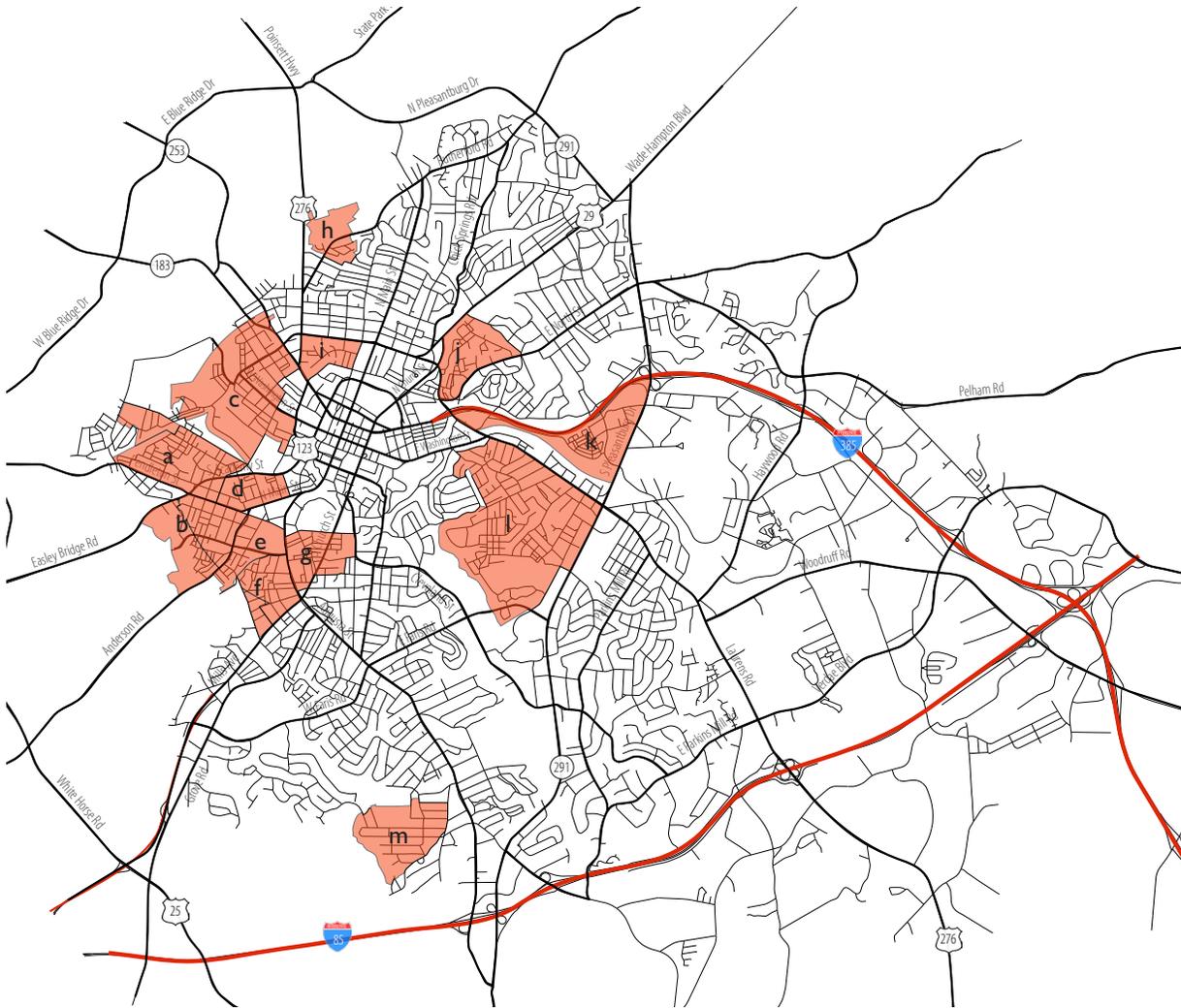
Development Concepts split the City of Greenville into 43 distinct neighborhood geographies, which are illustrated in Exhibits 2 - 3. DCI used its knowledge of Greenville to identify distinct geographies that formed logical geographies and boundaries based on physical and political boundaries (arterials, interstates, city boundaries, etc.), total population and population density, and correlation with recognized neighborhoods or special emphasis areas.

DATA AND ANALYSIS CATEGORIES

A variety of data sources were used for this analysis. The primary data sources included the US Decennial Census, the American Community Survey (ACS), ESRI Business Analyst, the Greenville Multiple List Serve (MLS), and the City of Greenville. Twenty-six (26) indicators were assembled into two major categories: (1) *Neighborhood Distress and Stabilization*, with two sub-categories; (a) Housing Distress and (b) Socio-Economic Factors; and (2) *Market Strength and Potential*, which includes two sub-categories; (c) Market Strength and (d) Market Potential. The indicators allocated to each group are listed on pages 6 and 8.

The *Neighborhood Distress and Stabilization* category is intended to analyze various demographic and housing indicators to determine the level of revitalization needed within each neighborhood geography. These are the most traditional indicators of urban distress and most typically associated with determining qualification

Exhibit I Special Emphasis Neighborhoods



SPECIAL EMPHASIS NEIGHBORHOODS (2012)

Source: City of Greenville

- a) West Greenville
- b) Sterling
- c) Southernside
- d) West End (Payne-Logan)
- e) Green Avenue
- f) Greater Sullivan
- g) Haynie-Sirrine
- h) Brutontown
- i) Viola Street
- j) Greenline-Spartanburg
- k) Arcadia Hills
- l) Nicholtown
- m) Pleasant Valley

for special financing from local, state and federal government units. However, it was determined that this analysis not rely solely on poor neighborhoods. DCI felt that it was necessary to understand both which neighborhoods were in most need, and which had the most potential to capture private development and investment within a reasonable time period - a key criteria to the overall Targeted Investment Strategy. This led to the creation of the *Market Strength and Potential* category, which analyzes development and sales trends over the past decade.

Every indicator except for one is quantitative in nature, with data taken from the sources noted previously. Only one is what can be considered “qualitative” in nature, and that is the Market Potential Score, which was determined by Development Concepts. The scoring for this indicator was determined by DCI staff and reflects our professional assessment of market opportunity within each neighborhood area based on our understanding of market trends and development opportunities from the City-Wide Housing Strategy process. This indicator is intended to, in small part, balance the data based indicators, many of which do not necessarily reflect opportunity found through national and regional economic trends.

SCORING AND FINAL ANALYSIS

A score is provided for each geography within seven total categories. Scoring is based on a comparison analysis of data. These comparisons are made three ways - comparisons between neighborhood units within Greenville, comparisons against the City of Greenville on the whole, and comparisons against regional and national trends. Geographic comparisons vary on the indicator used. A six point scale was used, from -3 to 3, with positive numbers (1, 2 or 3) used for positive comparisons, and negative numbers used for negative comparisons. For example, a neighborhood unit with an income of \$45,000 would receive a score of “1” for being marginally higher than the City of Greenville’s median income, and a geography with an income of \$80,000 would get a “3” for being significantly higher than the City. A geography with an income of \$15,000 would receive a “-3” for being significantly lower.

Final scores for each category are based on a weighted system determined by DCI. For example, in the Housing Distress sub-category (subcategory (a), under Neighborhood Distress and Stabilization), Housing Vacancy is determined to have a weight of 0.40 out of 1 (or 40% of all factors). Housing Unit Growth, by comparison, has a weight of 0.15. Each score (-3 to 3) is multiplied by the weighted score to result in a combined score. Scores are weighted separately within each category, so an indicator within the Housing Distress sub-category would have a different weight applied when considering the total Neighborhood Distress Score, as those indicators are combined with the 10 indicators for Socio-Economic Factors.

Through the application of the six point scale, final scores fall almost entirely within a scale of -1.5 to 1.5, with a few neighborhoods scoring slightly higher or below these ends. As such the scoring scale was adjusted to six categories within this final scale: -1.5 to -1.0, -1.0 to -0.5, -0.5 to 0, 0 to 0.5, 0.5 to 1.0, and 1.0 to 1.5+.

I.3 FINDINGS

SHORT-LIST OF POTENTIAL NEIGHBORHOODS

Thirteen (13) of the 43 areas had a negative distress and stabilization score, indicating a high level of distress and need for revitalization. Overall, these areas correlate with the Special Emphasis Neighborhoods designated by the City of Greenville. The 13 geographies, illustrated on page 10, were subsequently selected for consideration for targeted investment based on their level of distress.

Pages 8 and 9 illustrate the Market Strength and Potential scoring. In large part, these scores mirror those of the Distress scoring, with stable neighborhoods offering a better opportunity for housing development. However, there were a number of neighborhood areas that demonstrated relative stability, but did not score as highly in terms of market potential.

NEIGHBORHOOD DISTRESS & STABILIZATION ANALYSIS

	Housing Distress Score	Socio-Economic Score	Total Distress Score
1	0.60	1.35	0.84
2	(0.35)	0.40	0.63
3	0.50	0.20	0.54
4	(1.20)	(1.80)	(1.48)
5	(0.60)	(1.80)	(1.03)
6	(2.80)	(1.05)	(1.65)
7	(2.70)	(0.75)	(1.50)
8	(1.85)	(1.55)	(1.60)
9	(2.15)	(1.10)	(1.41)
10	(1.95)	(0.90)	(1.21)
11	0.55	0.65	0.67
12	1.70	(0.45)	0.26
13	(0.10)	0.50	0.22
14	0.20	0.55	0.31
15	0.95	0.80	0.93
16	0.55	1.15	0.80
17	1.60	1.10	1.31
18	0.55	0.45	0.58
19	0.80	0.95	0.98
20	0.25	(0.20)	(0.03)
21	(0.30)	0.60	0.34
22	0.45	0.40	0.34
23	(2.15)	(1.10)	(1.37)
24	0.20	0.45	0.38
25	1.25	1.70	1.34
26	0.40	0.95	0.71
27	1.40	1.55	1.34
28	0.50	0.80	0.58
29	(1.10)	(0.25)	(0.59)
30	2.05	0.60	1.39
31	1.70	0.60	1.09
32	1.00	0.15	0.55
33	2.25	1.55	1.77
34	0.50	1.30	1.33
35	0.25	1.05	0.86
36	0.00	0.00	0.00
37	(0.50)	1.70	1.18
38	(0.70)	0.45	0.27
39	1.00	0.65	0.74
40	1.50	0.55	0.84
41	(2.15)	(0.45)	(1.02)
42	(0.45)	(0.30)	(0.42)
43	0.50	(0.20)	0.11

Exhibit 2 Distress Score by Neighborhood Area

The Distress Analysis combines the weighted scores from two categories.

SOCIO-ECONOMIC FACTORS

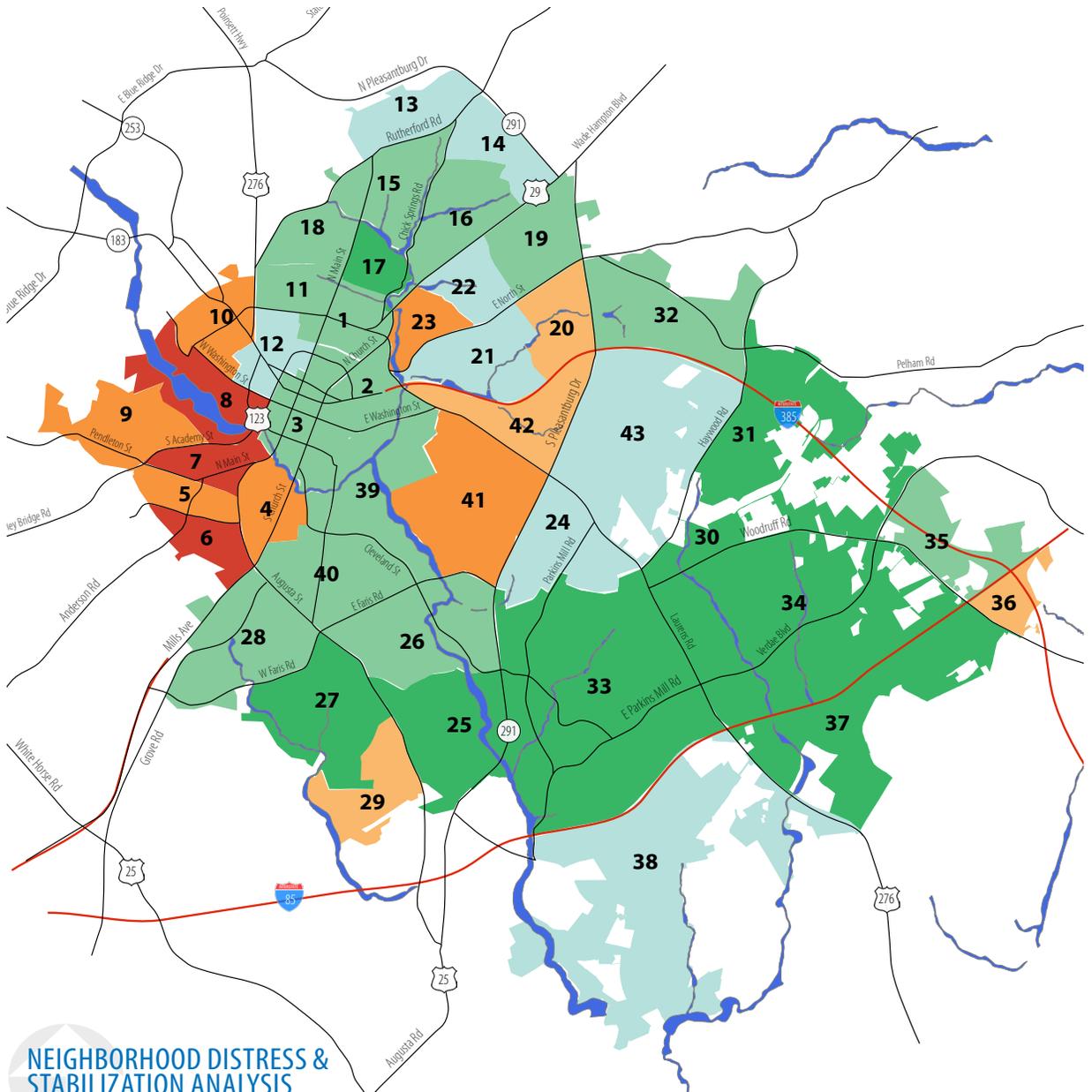
- Population Growth (Census 2010)
- Percentage of Senior Citizens (Census 2010)
- Family Households (Census 2010)
- Minority Ownership (Census 2010)
- Percentage of Households with No Vehicles Available (Census 2010)
- Median Household Income (ACS)
- Per Capita Income (ACS)
- High School Degree Attainment (Census 2010)
- College Degree Attainment (Census 2010)
- Unemployment (ESRI Business Analyst)

HOUSING DISTRESS

- Housing Vacancy (ACS)
- Housing Unit Growth (Census 2010)
- Median Home Value (ACS)
- Median Home Sales Price (MLS)
- Median Contract Rent (Census 2010)
- Median Year Built (Census 2010)

- TOP 5 (MOST STABLE)
- BOTTOM 5 (LEAST STABLE)

Exhibit 2 Neighborhood Distress & Stabilization Analysis



Source: MLS, US Census, American Community Survey, ESRI Business Analyst, DCI Analysis

MARKET POTENTIAL ANALYSIS

	Market Strength	Market Potential	Total Score
1	1.30	0.65	0.70
2	(1.70)	0.10	(0.61)
3	0.20	1.65	0.97
4	(1.50)	1.20	0.04
5	(1.40)	2.10	0.90
6	(2.60)	1.20	(0.24)
7	(2.85)	(0.70)	(1.62)
8	(2.35)	(0.90)	(1.58)
9	(2.40)	0.35	(0.57)
10	(1.95)	0.85	(0.20)
11	0.75	0.70	0.67
12	0.90	0.90	0.98
13	(0.30)	- *	0.07
14	(0.40)	0.25	0.12
15	0.80	1.80	1.62
16	0.65	(0.05)	0.39
17	1.10	0.60	0.87
18	0.90	1.35	1.16
19	0.25	(0.15)	(0.05)
20	(0.25)	(0.65)	(0.49)
21	(0.15)	0.55	0.33
22	(0.25)	0.10	0.07
23	(1.45)	0.10	(0.41)
24	(0.05)	- *	0.24
25	2.20	1.05	1.37
26	1.05	(0.15)	0.21
27	1.95	0.50	1.01
28	0.90	0.35	0.66
29	(1.55)	(0.50)	(0.75)
30	1.10	1.85	1.45
31	0.65	(0.50)	(0.20)
32	0.05	0.85	0.70
33	2.20	0.10	0.94
34	1.20	1.65	1.28
35**	-	-	-
36**	-	-	-
37	(0.30)	0.85	0.50
38	(0.50)	0.85	0.45
39	1.55	0.25	0.59
40	2.05	0.35	0.89
41	(2.20)	(0.55)	(0.96)
42	(0.80)	1.30	0.52
43	(0.30)	(0.10)	0.03

Exhibit 3 Distress Score by Neighborhood Area

The Market Strength Analysis combines the weighted scores from two categories:

MARKET STRENGTH

- Total Home Sales (MLS)
- Median Sales Price 2002-2011 (MLS)
- Median Sales Price 2010-2011 (MLS)
- Median Contract Rent (Census 2010)
- Housing Vacancy (Census 2010)

MARKET POTENTIAL

- Percentage of New Home Construction (MLS)
- Percent Sales Price Change 2002-2011 (MLS)
- New Housing Units (Census 2010)
- Number of Sales Transactions as Percentage of Total Owner Occupied Units (MLS, Census 2010)
- High and Severely Distressed Census Tracts (Census 2010)
- Market Potential Score (Development Concepts, Inc.)

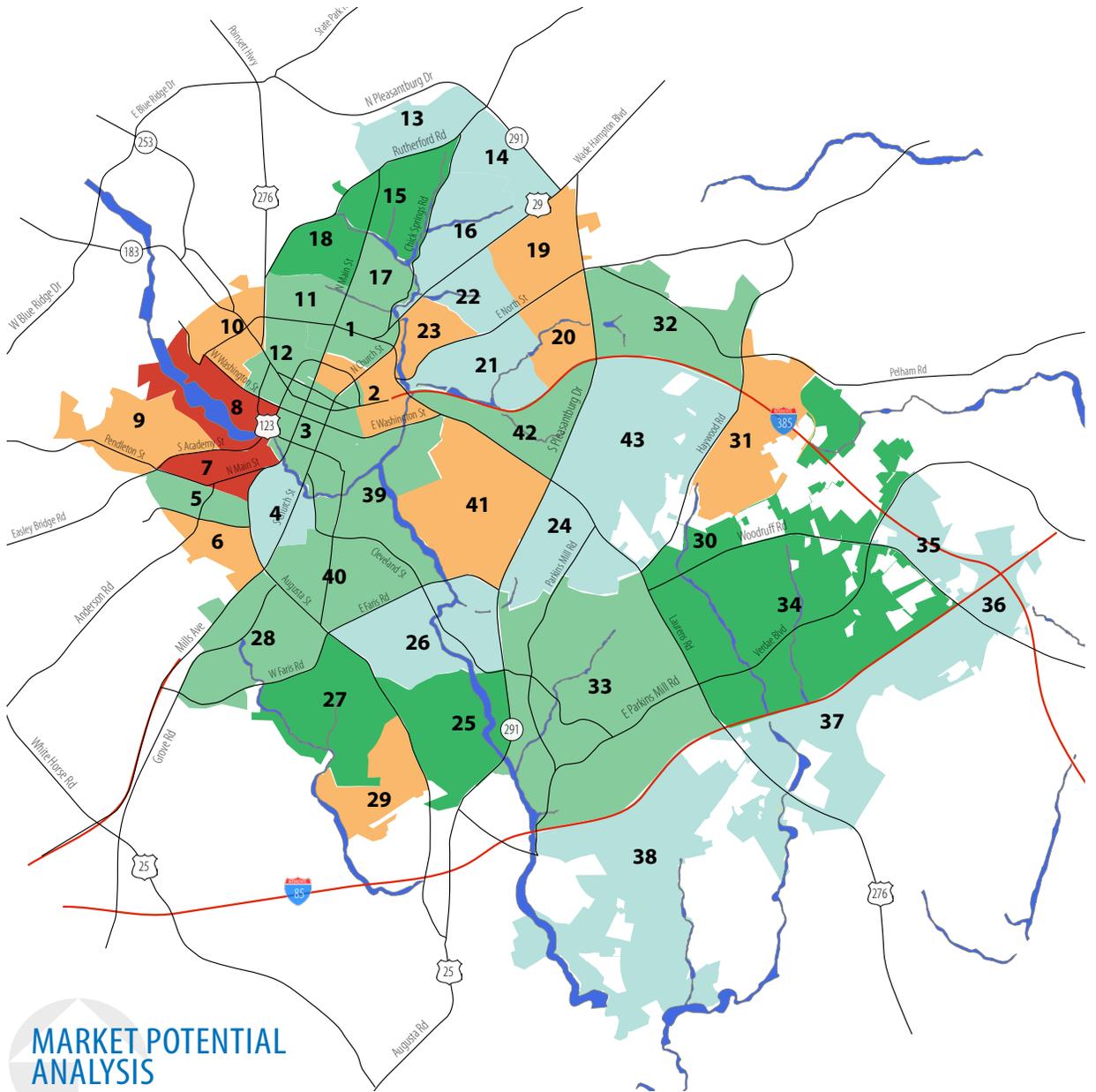
TOP 5 (MOST POTENTIAL)

BOTTOM 5 (LEAST POTENTIAL)

* - score of zero

** not enough data to property score neighborhood area

Exhibit 3 Market Strength Analysis



MARKET POTENTIAL ANALYSIS



Source: MLS, US Census, ESRI Business Analyst, DCI Analysis

ASSESSMENT OF POTENTIAL INVESTMENT AREAS

The assessment of potential investment areas consisted of three steps: (1) selection of potential investment areas based on total Distress/Stabilization scores; (2) combining the Housing Distress subcategory with the Market Potential sub-category; and (3) ranking neighborhoods based on the combined score of these sub-categories. This method combined the areas most in need with the indicators that suggest potential for short-term investment.

Many of the 13 potential investment areas have identified neighborhood names attached to them. Below is a list of these areas, which may be more recognizable by their traditional neighborhood names. The scores of each category are listed beside their name.

4 - Haynie-Sirrine	0.26
5 - Pendleton	0.86
6 - Sterling / Greater Sullivan	(0.17)
7 - West End (Payne-Logan)	(1.36)
8 - *no official name*	(1.18)
9 - West Greenville	(0.55)
10 - Southernside / Hampton-Pinckney	(0.33)
20 - *no official name*	(0.28)
23 - Greenline-Spartanburg	(0.23)
29 - Pleasant Valley	(0.80)
36 - *no official name*	(0.30)
41 - Nicholtown	(1.02)
42 - Arcadia Hills	(0.50)

CAVEATS TO NEIGHBORHOOD SELECTION

Prior to the selection of recommended target investment zones, it is important to point out several caveats to the results of this analysis that must be taken into account when considering the 13 chosen geographies for targeted investment.

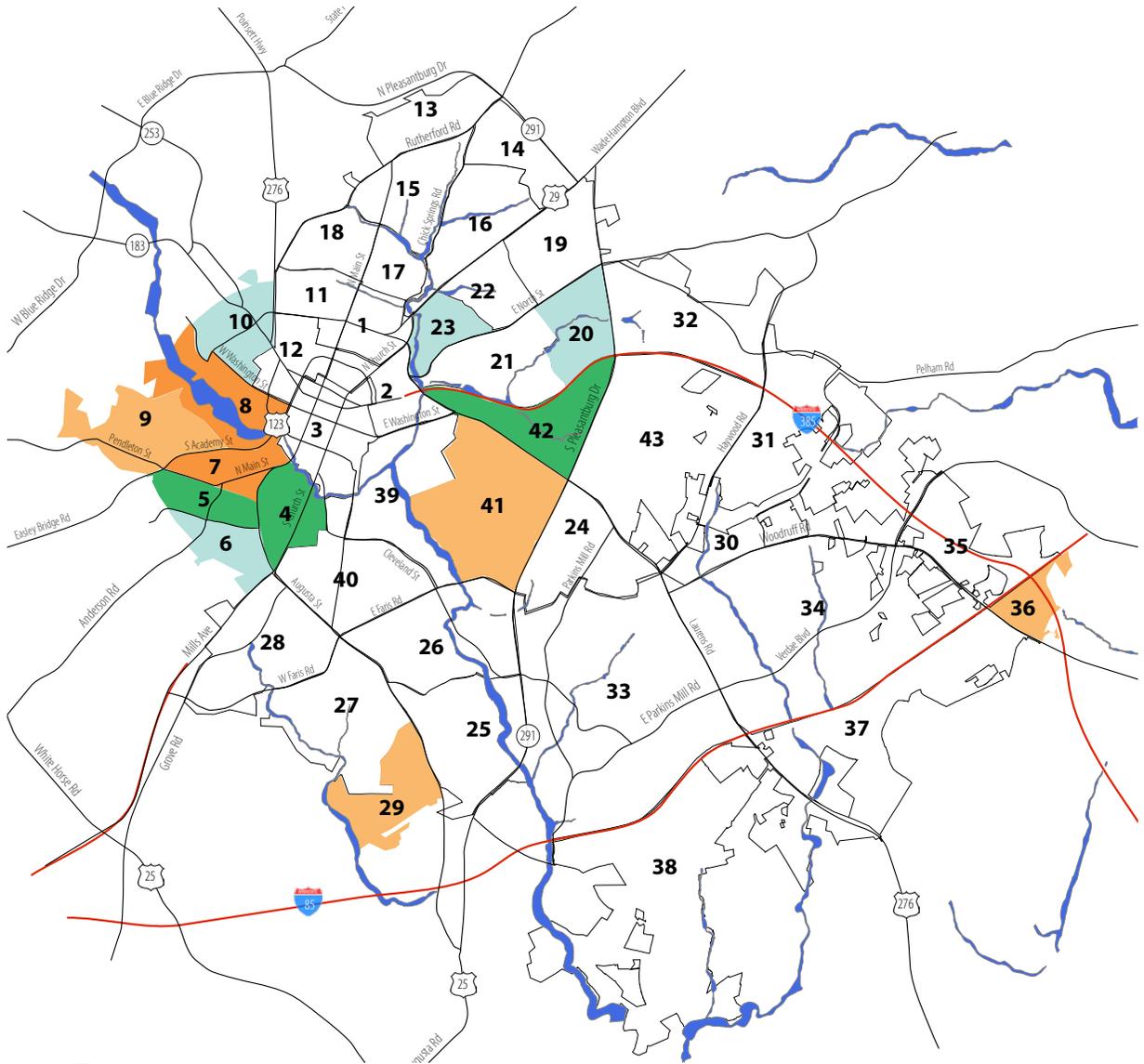
- Geography #8 represents land that is located within the floodplain of the Reedy River. Due to restrictions attached to development and building improvements, there has been no new development in this area and vacancy and value of the remaining housing in the area is high as the City prepares to redevelop the zone as a major new park. As such, the area scores extremely high in distress factors, but in reality is not a legitimate consideration for public/private housing investment.
- Geography #36 is predominantly a commercial area on the outskirts of the City that scored low on the distress analysis primarily due to a lack of housing growth (there is very little to no existing housing and limited land available for new development).

RECOMMENDATIONS FOR TARGET INVESTMENT ZONES

Only two geographies - Haynie-Sirrine (4) and Pendleton (5) - resulted in positive scores as a result of the combination of Housing Distress and Market Potential indicators. These correspond with areas that DCI would qualitatively select as opportunity areas for targeted investment. We believe that there are multiple advantages to these areas as first phase investment areas:

- They are both areas in need, but they are strategically located to take advantage of “spin-off” impact from Downtown Greenville;
- The areas take advantage of both past and planned housing redevelopment projects that have begun to

Exhibit 4 Potential Target Investment Zones



POTENTIAL TARGET INVESTMENT ZONES



Source: DCI Analysis

change the character of the neighborhoods;

- These areas should be highly desirable for a wide range of housing serving various income levels and households types, once real estate / redevelopment hurdles to cost-effective development are removed.
- The areas are located adjacent to other areas of need, and thus improvements within the target areas can be used to leverage investment in nearby areas, such as Sterling and West Greenville.

If these areas are selected as target investment zones, they are small enough that it may make sense to include area #7 - West End (Payne-Logan). The West End refers primarily to the extension of Main Street to the Minor League Ballpark, Flour Field. It is also a burgeoning retail and dining destination that will help drive corresponding housing development throughout the areas discussed. The West End geography includes the Payne-Logan neighborhood, where pockets of single family homes are situated between Academy Street and Pendleton Street. It seems appropriate to combine these single family areas in with the Pendleton/Haynie-Sirrine target areas, both due to their proximity to each other and adjacency to Downtown. Targeted investment could occur along Main Street in the West End, though there should be expectations by the City that the private sector will take on most of this development responsibility due to the appeal of downtown housing.

While these two geographies rise to the top of this analysis, DCI recognizes that there are various reasons why other areas may be chosen for first phase investment. Below are the pros and cons associated with the remaining geographies from the “short-list” of potential investment areas.

- **6 - Sterling / Greater Sullivan** - With previous investment, such as Green Avenue, proximity to downtown and other growing areas, and a recently completed master plan, Sterling should be well positioned for revitalization. Like West Greenville (below), it may be one area too far from downtown and other areas of opportunity to focus on initially, but that may change depending on how the market (i.e. private investment) begins to return to Greenville and continues its role in revitalizing areas within walking distance of Downtown.
- **8 - *no official name*** - Since this zone does not represent a neighborhood or developable area, this area should be dropped from consideration.
- **9 - West Greenville** - West Greenville’s issues and opportunities are very similar to those of Green Avenue, Haynie-Sirrine and Southernside/ Hampton-Pinckney. However, being farther from downtown than those areas, it is likely that the latter neighborhoods will require targeted investment before the market will respond sufficiently within West Greenville. That being said, West Greenville has significant opportunities that could allow the neighborhood to take off once improvements in adjacent neighborhoods are made, including the availability of large Housing Authority properties for redevelopment, and the emerging West Greenville Arts District.
- **10 - Southernside / Hampton-Pinckney** - This area is one of the most distressed in the City, and the area’s proximity to the undeveloped property surrounding the Reedy River (#8) and areas within the County that are also experiencing housing distress serve to hold back investment despite proximity to other, more stable areas and recent investment in Hampton-Pinckney. The key to this area, among other factors, will be the construction of the planned City Park along the river. This park, combined with the popularity of the Swamp Rabbit Trail, will likely spur investment within this area, as it is adjacent to the planned park to the north. Any concentrated, large scale investment in this area should likely follow the construction of this park.
- **20 - *no official name*** - This geography is broken up into two distinct areas - a single family neighborhood to the south of North Street, and an apartment complex off of Pleasantburg Drive, abutting I-365. The apartment complex appears to be in stable condition and the single family neighborhood appears to offer affordable housing for lower income households. Incremental

improvements should assist this area with its socio-economic profile, but it is unlikely that it requires a large scale intervention required of other areas in similar distress. Indeed, the area's Distress/Stabilization score was just slightly negative, with a positive Housing Distress score.

- **23 - Greenline-Spartanburg** - Although not currently one of the top 5 distressed areas, if areas #8 and #7 were dropped from the list for reasons discussed on page 10, then Greenline-Spartanburg would be on the top 5 distressed list. Greenline-Spartanburg faces major challenges in terms of topography and isolation, but is also located near more stable neighborhoods and can offer views and other features as amenities. The topographical difficulties in particular suggest a focused investment effort at some point in time, whether in initial or subsequent phases of this strategy.
- **29 - Pleasant Valley** - Pleasant Valley's issues revolve primarily around quality housing for the lower/middle income households the neighborhood serves. In terms of overall blight and vacancy, it does not compare to areas like West Greenville and Haynie-Sirrine. However, Pleasant Valley also scored very low in Market Strength and Potential, indicating that it could be trapped in a downward spiral of disinvestment. Overall improvements to the city's housing market should help Pleasant Valley, which could also be a good target for homeownership for lower income households.
- **36 - *no official name*** - Due to reasons discussed previously, this area does not represent an appropriate investment area for housing.
- **41 - Nicholtown** - Nicholtown represents a large area of the city that has seen some past investment, but it still struggles to offer neighborhood-wide stability. The neighborhoods surrounding Nicholtown are stable and may help push it towards further revitalization and stability through the incremental improvements made along neighborhood edges. The proposed redevelopment area along Pleasantburg and Laurens Road - recommended in the City-Wide Housing Strategy as part of the "Targeted Development Zones" strategy - could serve as a catalyst for housing investment in Nicholtown.
- **42 - Arcadia Hills** - This area combines a mix of uses by balancing commercial development along Laurens Road and Pleasantburg Drive with the recent Arcadia Hills housing development off of Keith Drive. Other than the Arcadia Hills development, this area doesn't necessarily come together as an independent neighborhood. Almost all of the development and improvement opportunities are located on underutilized land along each corridor. Efforts to redevelop this land, much of which is located along the proposed BRT line, can be done independently of the Targeted Investment Zone initiative.

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