Growing Strong Neighborhoods:
Rebirth of the Aging Suburban Community

David M. Sander, Ph.D.
Vice Mayor
City of Rancho Cordova
Agenda for Today:

• Why are we here?
• What are First Tier Suburbs?
• What challenges do we face?
• What can be done to head off these challenges?

• Rancho Cordova examples –
  • Growing Strong Neighborhoods programs

• Questions
Why are we here?

• Rancho Cordova Incorporated as a City in July 2003.

• We knew we had major issues to correct from our mismanagement under Sacramento County
  – Bad Regional Image
    • Poor, dangerous, drug infested, “Rancho Cambodia”
  – Deteriorating Retail Environment
  – Old Infrastructure

• We soon learned it wouldn’t be that simple
  – Significant wealth gap, with continuing loss
  – Continuing Economic loss
  – Unattractive neighborhoods for home buyers

Fact: About 78% of Rancho Cordovans voted for Incorporation in November 2002 – none of whom were hoping for a continued decline in our community.
What is a First Tier Suburb?

- First Tier Suburbs are cities and towns outside of central cities and inside the ring of developing suburbs and rural area.

- Also Called:
  - Inner Ring Suburbs, Inner Suburbs, First Ring Suburbs
  - Old, Older or Mature Suburbs
  - Or “Neglected, Declining, Unfavored, Struggling,...”

- Typical Commonalities
  - Post WWII growth, 1945-1970 boomtowns
  - Began as attractive communities, middle income
  - Rapid suburban development, cookie cutter houses, with limited local access to jobs or services

Fact: About 20% of Americans live in a First Tier Suburb
First Tier Suburbs Advantages

• Established Communities
  – Neighborhood Features are in Place, Schools Parks, Churches, Shopping

• Safer than more Urban Settings

• Large Lots & Mature Trees
  – More Space than Urban or Edge Communities

• Better Housing Values per Square Foot

• Location, Location, Location
  – Access to Central City
  – Access to Jobs

Fact: In a competitive real estate environment, older suburban communities have real advantages.
There are about 1700 first tier suburbs in the United States, of which about half are classified as vulnerable or distressed. HUD defines ‘distressed’ suburbs as those with population declines of 5+%, and poverty of 20+%. About 20% of Americans live in First Tier Suburbs.
Risk Factors for Suburbs:

• Rapid Growth 1945-1980
  – The faster, the greater risk
  – Generational waves & service demands

• Large swaths of similar homes
  – Not much variation in housing values
  – Housing that ages out at the same time

• Moderate value homes
  – Limited income diversity - locked in to certain level

• Lacking a Sense of Place or Major Attractor
  – Historical Asset, Major employer, etc.

• Availability of Newer Suburban Areas
  – FTS squeezed between suburbanization and urbanization
How Many apply to us?

✓ Rapid Growth 1945-1980
  – The faster, the greater risk
  – Generational waves & service demands

✓ Large swaths of similar homes
  – Not much variation in housing values
  – Housing that ages out at the same time

✓ Moderate value homes
  – Limited income diversity - locked in to certain level

✓ Lacking a Sense of Place or Major Attractor
  – Historical Asset, Major employer, etc.

✓ Availability of Newer Suburban Areas
  – FTS squeezed between suburbanization and urbanization
Even local landlords can be a challenge...
Key Problem?

Declining Median Income

- Median income typically falls in older suburbs as the wealthier residents move to newer suburbs, and are replaced by residents with lower average incomes.
- Newer residents therefore have fewer resources to spend on property maintenance or improvement, or to add to the local economy.
- Our suburban communities were designed for middle to upper incomes – not lower incomes.

Fact: Researchers generally agree on the key problem facing mature suburbs...
## Sacramento Poverty Data

<table>
<thead>
<tr>
<th>Urban Core</th>
<th>Suburbs</th>
</tr>
</thead>
<tbody>
<tr>
<td>82k</td>
<td>139k</td>
</tr>
<tr>
<td>+21%</td>
<td>+48%</td>
</tr>
<tr>
<td>66.8%</td>
<td>44.8%</td>
</tr>
<tr>
<td>-5.2%</td>
<td>+7.9%</td>
</tr>
</tbody>
</table>

**Fact:** Suburban Poor outnumber the Urban Poor

*Source: Brookings Institute, Metropolitan Policy Program*
Sacramento Poverty Map
Worst Case Scenario?

Declining Median Income can lead to **Concentrated Poverty in an ill-prepared suburban community.**

- First Tier suburbs do not have the services or infrastructure that has been built in urban centers to serve the needs of this community.

- Concentrated Poverty in any location is counterproductive for the impoverished.
  - Higher crime, low performing schools, poor housing and healthcare, limited access to services and jobs
  - Beyond the impoverished and the local community, regions suffer from inefficiencies when poverty becomes concentrated in certain areas.

**Fact:**

Regions with areas of Concentrated Poverty suffer regional inefficiencies and provide worse outcomes for seeking to escape poverty…
Declining Median Income Cycle

Fundamental Problem: Declining Income of Residents
- as properties turnover, successive owners are comparatively of lower economic status

Fact: Suburbs are considered the archetype of prosperity.

Economic Impacts
- Lower property values & homeownership
- Declining Commercial and Retail Business
- Declining Rents
- Declining Revenue for local government

Service Demand Increases

Quality of Life Impacts
- Higher Crime Rates
- Infrastructure Failure
- Lower School Test Scores
- Other Social Dysfunction

Population may drop
Resulting Fiscal Stress

• Property, Sales and Income taxes make up 86% of local revenues for suburbs
  – As median income, housing values and local sales tax revenues fall, local government revenues also fall

• Much Suburban Infrastructure is need of repair
  – Transportation, community facilities and utilities need constant maintenance and eventually replacement
  – Poor infrastructure condition limits economic development

• Inter-governmental aid is directed elsewhere
  – Limited resources disproportionately consumed by edge communities and central cities - falling political capital

• Suburban cities may not have the tax or economic capacity to heal themselves

Fact:
Older suburban cites have a third less tax capacity than urban centers
Bottom Line?

• Many First Tier Suburbs are facing serious physical and economic problems derived from the falling median income of their residents.

• The quality of their housing stock, infrastructure, schools and local economies make them non-competitive with newer suburbs or central cities.

• The rise of suburban poverty in the suburbs and the needs of a more impoverished population for government services deepens the challenge for local government at the same time that revenues are declining with property values, median income, and local economic activity.
First Tier Suburbs at a Decision Point

Decreasing Revenues & Economic Capacity

Decline
- Declining Revenues
- Failing Infrastructure
- Increasing Crime & Civic Dysfunction
- Little Economic Opportunity

Benign, Passive Inaction

First Tier Suburbs

Positive, Targeted Action

Renewal
- Stable Revenue
- Solid Infrastructure
- Healthy Civic Involvement
- Good Economic Opportunity

Increasing Infrastructure and Service Demand
How do we Measure Decline?

If we are going to undertake proactive measures to avoid concentrated poverty, we need real measurements:

1. Median Income
2. Housing Quality
3. Property Values
4. Crime Rate
5. Educational Success
6. Population Changes
7. Other Quality of Life Measures

Best option – **Property Values**
- available data, rapid turnover, market sensitive
- parallels other available measures

Fact: Suburban ownership turnover averages 50% in a decade
Property Value Impacts

### Improving Property Values
- Good Income Mix
- Sustained Business Activity, Growth
- Lower Crime
- Good Schools
- Rents Improve
- Good City Revenues
- Low Overhead
- Investment Likely
- Stable Neighborhoods
- Higher Quality of Life

### Declining Property Values
- Economic Status Declines
- Fewer Businesses, Increasing Vacancies
- Higher Crime
- Declining Schools
- Lower Rents
- Declining City Revenue
- Higher Service Costs
- Investment Unlikely
- “Road to Slumhood”
- Lower Quality of Life
Roots of Suburban Decline

Homeowners have real Options:

1. Reinvest in their home
   • if neighbors do the same, may recover the investment
   • if neighbors don’t, lose investment

2. Stay but don’t reinvest
   • hope the neighborhood improves as your property declines

3. Leave the community - move to newer suburb
   • sell to lower income buyer
   • rent to lower income resident (worst impact)

Fact: Suburban ownership turnover averages 50% in a decade
Property Values Cycle in Aging Neighborhoods

New Buyer

Increasing Outside Investment in Neighborhood

Property Improves

More attractive to New Buyer

Property Values Improve

Yes

Expanded or Remodeled

Reinvest?

No

Rented or not improved

Property Declines

Less attractive to New Buyer

Decreasing Outside Investment in Neighborhood?
Two Key Decision Points

New Buyer

Increasing Outside Investment in Neighborhood

Stable or Higher Economic Status New Buyer

More attractive to New Buyer

Expanded or Remodeled

Yes

Rented or not improved

No

Reinvest?

Decreasing Outside Investment in Neighborhood?

Decreasing Outside Investment in Neighborhood

Declining or Lower Economic Status New Buyer

Less attractive to New Buyer

Property Age…

Property Improves

Property Values Improve

Property Declines

Property Values Decline
Key Questions

• **How do People decide where to live?**
  – What makes them want to buy a home here or live in our community?

• **What makes people want to stay in our community?**
  – What factors go into that decision?
Property Values Cycle in Aging Neighborhoods

New Buyer

Outside Investment in Neighborhood?

Stable or Higher Economic Status
New Buyer

Property Improves

More attractive to New Buyer

Property Values Improve

Property Aged...

Reinvest?

Yes

Expanded or Remodeled

Rented or not improved

No

Property Declines

Less attractive to New Buyer

Property Values Decline

Outside Investment in Neighborhood?
How do People Decide Where to Live?

1. **Crime** – Do I feel safe here?
2. **Schools** – Are there good schools here? Test Scores?
3. **Poverty/Economics** – Do I feel comfortable here, with my income level and economic opportunities? Does this place have the services/stores I need?
4. **Housing Quality** – Is this home up to my standards? Is the neighborhood nice enough?
5. **Growth** – Is this community growing and healthy or is it dying? New Homes? New investment?
6. **Transportation Accessibility** – What’s my commute? Can I easily get around?
7. **Aesthetics & Recreation** – What amenities?

**Fact:**
Single greatest measure of neighborhood health – **Do residents believe in a positive future for their neighborhood?**
What makes people want to stay in a community?

Simply put –

**Great communities are places where residents believe in the positive future of their community.**

People in communities make decisions based on the future prospects for that community.

- “Will my investment here be worth it over time?”

_Residents who don’t see a positive future will not engage or invest in the community._
What can fix our problem?

- Need to seek balance economically
  - Healthier mix of incomes
    - -- > Raise Property Values
- Decrease Crime & Disorder
- Improve our Schools
- Improve our Image
- Improve Retail Environment
- Improve our Built Environment
  - Housing, Infrastructure, Amenities
- Improve our Quality of Life Measures (FUN)

Fact: The means of fixing first tier suburbs is understudied in academia.
What has been done elsewhere?

- **Policing, Enforcement & Image**
  - Apply Broken Windows Theory
  - Code Enforcement
  - Image Enhancement & Civic Engagement

- **Development - Assumes profitable investment is possible**
  - Reinvention, Economic Development
  - Housing Approaches: Rehab, Affordable, etc.

- **Regional Options**
  - Regulatory Growth controls, etc.
  - Regional Partnerships

- **State & National Solutions**
  - Limited federal funding for neighborhood stabilization and renewal

---

**Fact:**
The means of fixing first tier suburbs is understudied in academia.
An Example of the Problem...

Decades of pre-incorporation neglect by county government
Growing Strong Neighborhoods

Mission:

Through education, enforcement, and investment in the city’s neighborhoods, residents would realize the image of the incorporation they envisioned, enhance their expectations of their community, and transform their neighborhoods into safer, cleaner and healthier environments.
Principles of the Program

• GSN will require on-going effort to achieve lasting and measurable results – perhaps decades, not just a few years

• GSN is a core driver of many current and potential City programs – every City function involved – every City Department involved

• GSN can help set priorities to “do what is important” – not just “do what is easy”
  - based on real metrics not just intuition

• Community and Citizen participation will be key to implementation
  - City Role: Broker and Facilitator
Citizen Engagement

• The days of top-down do-everything government are past

• Flattened government with active citizens is the new normal, engaged as:
  – Volunteers
  – Planners and visionaries
  – Community Partners - Turning citizen customers into citizen partners

• *Lots of bang for the buck*

“Multiply the Picnics!”
- Henry Ward Beecher
Policing and Enforcement

- **Theory:** Where community standards have fallen, they can be raised to:
  - Enhance property values
  - Improve quality of life
  - Involve residents in the renewal and establishment of higher property maintenance standards
  - Fits in with Broken Windows theory

- **Police**
  - Community Oriented Policing
  - Targeted special actions on chronic problems
  - Neighborhood Watch / Business Watch

- **Code Enforcement**
  - Proactive, multi-department approaches

“Broken Windows” theory is applied to avoid anti-social behavior through the diligent maintenance of a well-ordered environment.
Broken Windows Theory

- "Consider a building with a few broken windows. If the windows are not repaired, the tendency is for vandals to break a few more windows. Eventually, they may even break into the building, and if it's unoccupied, perhaps become squatters or light fires inside".

- Small Disorder -> Bigger Disorder -> Crime

- Disorder like litter, graffiti, properties in poor repair signal to people that this is not a place where order is maintained, or where people care about their community enough to clean it up.

“Broken Windows” theory was first described by James Q. Wilson and George L. Kelling in 1982.
Broken Windows Examples

- Envelope with $10 bill sticking out of mailbox
  - Clean Environment: 13% theft
  - Littered Environment: 25% theft
  - Graffiti Environment: 27% theft

- Bike with unwanted flyer
  - Clean Environment: 33% littered
  - Graffiti Environment: 70% littered

- Fence with shortcut & bicycles at parking lot
  (Opening in the fence was a 200m shortcut. Signs prohibited the use of the shortcut and the locking of bikes to the fence.)
  - Using Shortcut with bikes but no locks: 27%
  - Using shortcut with bikes locked to fence: 82%

(\textit{The Spreading of Disorder}, Kees Keizer, Siegwart Lindenbert, Linda Steg, Science, 2008.)
### Broken Windows & Disorder

**Disorder is a violation of social norms.**

Disorder triggers a “flight or fight” response.

### Social Disorder
- **Episodic**
  - Prostitution
  - Panhandling
  - Drinking
  - Catcalling
  - Graffiti
  - Vandalism

### Physical Disorder
- **Constant & Ongoing**
  - Abandoned Buildings
  - Abandoned Cars
  - Trash and Litter
  - Vacant Lots
  - Negligence & Decay

Disorder erodes people’s sense of control over the neighborhood and what goes on there.
What can be done in Rancho Cordova?

- **Policing, Enforcement & Image**
  - Proactively Apply Broken Windows Theory
  - Code Enforcement
  - Targeted Policing
  - Image Enhancement
    - Appearance, Fun, Arts, Events & Media
  - Civic Engagement
    - Neighborhood level focus, Events

- **Development**
  - Economic Development – Retail & Jobs
  - Housing Approaches: Rehab, Affordable, etc.
  - Improve our Built Environment
    - Infrastructure improvements, Cycling, etc.

**Fact:**
The means of fixing first tier suburbs is understudied in academia.
Growing Strong Neighborhoods Programs

- **Blightbusters** - Multi-department, proactive enforcement
- **Rental Property Inspection** – comprehensive & firm
- **Focus on 50** – GIS/data-driven Blightbusters successor
- **Multiple Ordinance & Zoning Updates**
  - Property Maintenance, Panhandling, Administrative Citations, Etc.
  - Restricted Uses for liquor stores, check cashing, massage, used goods, smoke shops, marijuana dispensaries, etc.
- **“Have a Heart, Donate Smart”** - Vagrancy Enforcement
- **Rancho Cordova Beautification** - Infrastructure, Graffiti
- **Neighborhood Watch** – with Broken Windows emphasis
- **Volunteerism / Civic Engagement / Events**
  - Cordova Community Council partnership with the City
  - Neighborhood Civic Engagement Project
  - City Volunteers and VINS

“Multiply the Picnics!”
- Henry Ward Beecher
Example: Blight Busters

• “Cleaning up Dodge”

• A first step in our Growing Strong Neighborhoods Program

• Proactive sweeps of entire city
  – over 2 years with 500 homes or businesses per event

• Coordinated actions using a large multi-department, multi-agency, multidisciplinary team

• Goal - help residents identify and correct problems of blight and nuisance that impact property values and safety
Blight Busters Team

- Code Enforcement
- Police Department (POP, traffic, etc.)
- Probation Agency
- Child Protection Agency
- Housing
- Building Inspection
- Fire Department
- Economic Development
- Animal Control
- Police Department Volunteers
- Neighborhood Services Volunteers
- Neighborhood Watch / Weed & Seed

Enforcement activities can encompass many departments, multiple agencies, and volunteers.
Growing Strong Neighborhoods Programs

- **Blightbusters** - Multi-department, proactive enforcement
- **Rental Property Inspection** – comprehensive & firm
- **Focus on 50** – GIS/data-driven Blightbusters successor
- **Multiple Ordinance & Zoning Updates**
  - Property Maintenance, Panhandling, Administrative Citations, Etc.
  - Restricted Uses for liquor stores, check cashing, massage, used goods, smoke shops, marijuana dispensaries, etc.
- **“Have a Heart, Donate Smart”** - Vagrancy Enforcement
- **Rancho Cordova Beautification** - Infrastructure, Graffiti
- **Neighborhood Watch** – with Broken Windows emphasis
- **Volunteerism / Civic Engagement / Events**
  - Cordova Community Council partnership with the City
  - Neighborhood Civic Engagement Project
  - City Volunteers and VINS

“Multiply the Picnics!”
- Henry Ward Beecher
Rancho Cordova & Rental Housing

• Rancho Cordova is home to more than 12,000 apartment units – a legacy of our Air Force history.

• Many apartment complexes were in poor repair, and declining in rental rates while the region and state were seeing rent increases.

• These poorly maintained and managed rental properties were a detriment to our community as centers for crime and social dysfunction.
Improved Housing = Strong Neighborhoods

Enhanced Economic Growth and Stability

Improved Neighborhood Quality

Increased Property Values

Better Family/Tenant Stability

Reduced Crime

Enhanced Economic Growth and Stability
Our Solution: Apartment Inspection

- Basically a government intrusion into a private sector business - enforcing housing, zoning code and building standard ordinances and regulations

- Very controversial in Sacramento region where we have a strong Rental Housing Association

- Most inspection ordinances blocked in surrounding jurisdictions by the rental housing owners

- Typical ordinance was seeking $30-$50/rental door for pay for universal inspections

- *We chose a slightly different path...*
Results - Before and After
Growing Strong Neighborhoods Programs

• **Blightbusters** - Multi-department, proactive enforcement
• **Rental Property Inspection** – comprehensive & firm
• **Focus on 50** – GIS/data-driven Blightbusters successor
• **Multiple Ordinance & Zoning Updates**
  • Property Maintenance, Panhandling, Administrative Citations, Etc.
  • Restricted Uses for liquor stores, check cashing, massage, used goods, smoke shops, marijuana dispensaries, etc.
• **“Have a Heart, Donate Smart”** - Vagrancy Enforcement
• **Rancho Cordova Beautification** - Infrastructure, Graffiti
• **Neighborhood Watch** – with Broken Windows emphasis
• **Volunteerism / Civic Engagement / Events**
  • Cordova Community Council partnership with the City
  • Neighborhood Civic Engagement Project
  • City Volunteers and VINS
Focus on Fifty

- Problem properties usually have more than one issue that’s making them problematic – where there are police calls, there are code issues, etc.
- Silo-based organizations often don’t notice the overlapping issues
- Identify and Target the bottom 50 “problem properties” by using overlapping risk indicators
- Use technology to acquire data: police and code calls, truancy, unpaid property taxes, parolees, fire calls, foreclosure, etc.
- Similar to Blightbusters, conduct comprehensive sweeps of identified properties with cooperation of RCPD, Code Enforcement, Building Inspectors, probation/parole, fire and other outside agencies
Focus on 50 Data
What can be done in Rancho Cordova?

- **Policing, Enforcement & Image**
  - Proactively Apply Broken Windows Theory
  - Code Enforcement
  - Targeted Policing
  - Image Enhancement
    - Appearance, Fun, Arts, Events & Media
  - Civic Engagement
    - Neighborhood level focus, Events

- **Development**
  - Economic Development – Retail & Jobs
  - Housing Approaches: Rehab, Affordable, etc.
  - Improve our Built Environment
    - Infrastructure improvements, Cycling, etc.

**Fact:**
The means of fixing first tier suburbs is understudied in academia.
Policing and Enforcement

- Can apply enforcement to many unique situations, using on-hand resources

  - Apartment Inspections
  - Commercial Corridor Enhancements – Use Restrictions along Folsom Blvd.
  - Rental Home Inspections
  - Transient Enforcement – TED
  - Probation Sweeps – Probation Partnership
  - Light Rail Fare Sweeps
  - Specific Areas of Enforcement – RJETS
  - GIS Created List of Hotspots – Focus on 50

“Broken Windows” theory is applied to avoid anti-social behavior through the diligent maintenance of a well-ordered environment.
Image Enhancements

• Efforts to make your community more attractive to homebuyers and investors
  – Branding and Marketing Campaigns
  – Events – Community Council Partnership
  – The Arts, embrace cultural diversity
    • Caution: These have to be substantial and real honest efforts to have a good effect

• Working with faith-based and other non-profit partners can have great benefits, and are likely essential to these efforts
Development as a Solution

- Theory: Use cutting edge planning and development assistance to reinvigorate old commercial zones and corridors
  - Challenge: *This has to pencil out and be economic*
  - *Existing Infrastructure & Incomes are major barriers*

- Create opportunity for densification and infill by using better planning
  - Special planning zones, overlays, etc.

- New Urbanism
  - Retrofit suburbia with more placemaking development, TODs, creating a diversity of housing and walkable sustainable neighborhoods

- Subsidize / enhance development using public resources
Housing Rehabilitation

- Suburbs Fail when people choose to move elsewhere, usually to newer housing
  - Mature suburbs need to compete

- Find ways to ease the major and minor remodeling projects homeowners undertake
  - Loan Programs
  - Master Architectural Plans for common types of homes - effective in cookie cutter neighborhoods

- Affordable Housing Rehabilitation
  - Often the most accessible and available type of state/federal assistance
  - Many programs (Section 8) overpopulated in FTS
  - Caution: ULI and other studies suggest an over-concentration of affordable housing correlates with declining communities, not restored communities.
Important Concluding Thoughts...

You now know what we’re doing and why we’re doing it.
Growing Strong Neighborhoods Programs

- **Blightbusters** - Multi-department, proactive enforcement
- **Rental Property Inspection** – comprehensive & firm
- **Focus on 50** – GIS/data-driven Blightbusters successor
- **Multiple Ordinance & Zoning Updates**
  - Property Maintenance, Panhandling, Administrative Citations, Etc.
  - Restricted Uses for liquor stores, check cashing, massage, used goods, smoke shops, marijuana dispensaries, etc.
- **“Have a Heart, Donate Smart”** - Vagrancy Enforcement
- **Rancho Cordova Beautification** - Infrastructure, Graffiti
- **Neighborhood Watch** – with Broken Windows emphasis

**Volunteerism / Civic Engagement / Events**
- Cordova Community Council partnership with the City
- Neighborhood Civic Engagement Project
- City Volunteers and VINS

*"Multiply the Picnics!"*
- Henry Ward Beecher
Property Values Cycle in Aging Neighborhoods

Increasing Outside Investment in Neighborhood

Stable or Higher Economic Status New Buyer

New Buyer

Decreasing Outside Investment in Neighborhood?

Property Improves

More attractive to New Buyer

Property Values Improve

Property Ages…

Expanded or Remodeled

Yes

Rented or not improved

No

Property Declines

Less attractive to New Buyer

Property Values Decline

Reinvest?
How do People Decide Where to Live?

1. Crime – Do I feel safe here?
2. Schools – Are there good schools here? Test Scores?
3. Poverty/Economics – Do I feel comfortable here, with my income level and economic opportunities? Does this place have the services/stores I need?
4. Housing Quality – Is this home up to my standards? Is the neighborhood nice enough?
5. Growth – Is this community growing and healthy or is it dying? New Homes? New investment?
6. Transportation Accessibility – What’s my commute? Can I easily get around?
7. Aesthetics & Recreation – What amenities?

Fact:
Single greatest measure of neighborhood health – Do residents believe in a positive future for their neighborhood?
Every city employee has a role in improving Rancho Cordova.

Every city resident is a partner in improving Rancho Cordova.

Working smart, and working together – there is no limit to what we can achieve.
• Questions?

David M. Sander, Ph.D.
Vice Mayor
City of Rancho Cordova, CA
dmsander@mac.com