

## Near Eastside Impact Study

The REALTOR® Foundation was created in 1984 by the Metropolitan Indianapolis Board of REALTORS® (MIBOR). Since its founding, the REALTOR® Foundation has awarded grants of more than \$1mm to regional non-profits that have helped central Indiana strengthen its communities.

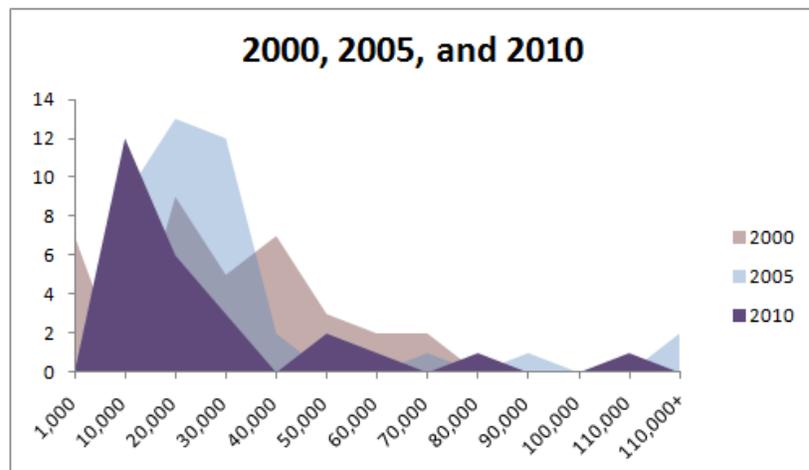
As the Quality of Life Plan (area in dark green), and then the Super Bowl Legacy project, became more clear, MIBOR and the REALTOR® Foundation began looking for how we could fit into this picture and how it might connect with our 100<sup>th</sup> anniversary in 2012. These broader community initiatives, and the partners involved in making them happen, fit perfectly with the Foundation's mission "To mobilize our real estate community to raise funds and foster support for organizations that transition central Indiana's homeless to safe and secure housing." Our vision is for central Indiana's homeless have access to safe and permanent housing solutions that positively change their lives.

Starting in 2010, as we were looking for opportunities to fulfill our vision and mission, the Boner Center and IndyEast Asset Development (IAD) approached us, asking if and how we could get involved. IAD had 32 housing units, representing 32 NFL cities, that they were looking to renovate and transfer to the Boner Center at a total cost of \$5.5mm with funding coming from the Department of Housing and Urban Development, the City of Indianapolis, the Indiana Housing and Community Development Authority, and the United Way of Central Indiana. MIBOR had \$500,000 fundraising goal and a mission to address homelessness. So, the two efforts came together in the *Building a Living Legacy* initiative (area in blue). It connected MIBOR to a broader community effort, promoted established neighborhoods that typically don't have a marketing or outreach budget, had the right partners to make the residents successful, and helped address homelessness.



### Where We Started

The following chart shows the distribution of sales in the blue targeted area over three time periods - 2000, 2005, and 2010. The number of sales and average prices were declining, not just in absolute numbers but also relative to the overall decline in activity at the end of the decade as the result of the recession. And, there were no new construction sales during the entire first decade of this century - one of the most booming decades for housing in history, plenty of vacant land, and yet no new construction activity at all. Why?



This chart shows the change in population for the area roughly shown in blue on the map (Targeted Area), the area in green (Quality of Life Plan area), and Marion County as a whole.

| People                    | 1960    | 1970    | 1980    | 1990    | 2000    | 2010    | 2012    |
|---------------------------|---------|---------|---------|---------|---------|---------|---------|
| Targeted Area             | 7,601   | 7,081   | 5,706   | 5,229   | 4,652   | 3,035   | 2,834   |
| Quality of Life Plan Area | 58,272  | 53,747  | 45,802  | 42,953  | 38,993  | 30,738  | 30,651  |
| Marion County             | 697,567 | 792,299 | 765,233 | 797,159 | 860,454 | 903,393 | 904,535 |

As shown in this chart, while Marion County's population has grown over the last 50 years, both the Targeted Area and the Quality of Life Plan Area have declined significantly.

### What We Did

MIBOR and The REALTOR® Foundation joined with several community partners to undertake comprehensive community redevelopment. This process started at least as far back as 2005 with a neighborhood-association (NESCO) initiative for comprehensive community planning. In 2007, John H. Boner Center served as a convening organization for the Great Indy Neighborhood Initiative (GINI) -a resident led approach to comprehensive neighborhood redevelopment that was piloted in six neighborhoods, one of which was the Near Eastside, and received early support from MIBOR. Over 500 community residents worked together with over 1,000 volunteer hours during 2007 to create a Quality of Life plan that outlined the neighborhoods vision for transformation, but the full vision, planning, and implementation would take several years.



Public investment came in several forms. In 2006, the City of Indianapolis declared much of the neighborhood a Redevelopment Area and established a Housing Tax Increment Financing (HoTIF) district. Property taxes collected in the HoTIF were used for major portions of the neighborhood Quality of Life plan noted previously (i.e. about \$10mm). Second, Indy received about \$29mm from the federal government through the Neighborhood Stabilization Program (NSP). Approximately \$9mm of this was invested in the neighborhoods tied to the Quality of Life Plan.

The 2012 Super Bowl Host Committee was looking for a way to enhance Indianapolis's bid. One idea was to create a state-of-the-art community center that contained NFL-quality facilities and would be part of a larger community revitalization effort. Consequently, the Near Eastside Legacy Project was created to adopt and fulfill several components of the broader Quality of Life plan created by NESCO and the Boner Center. This included:

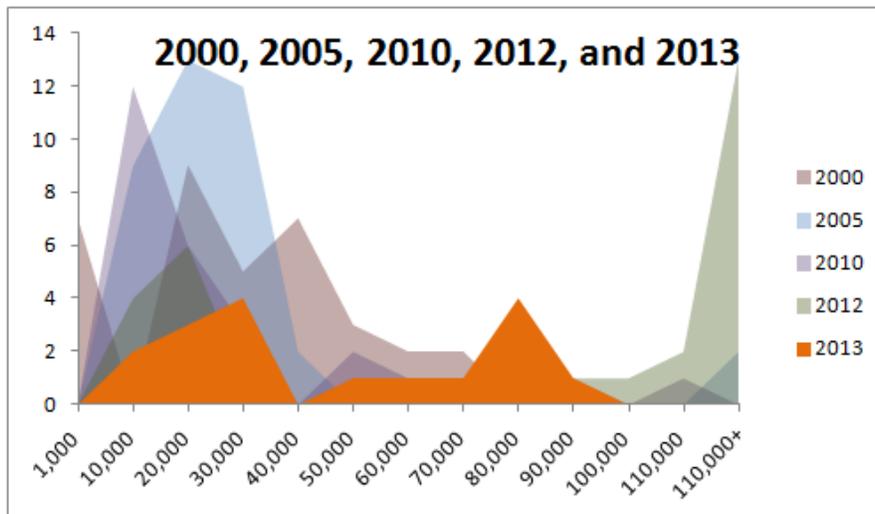
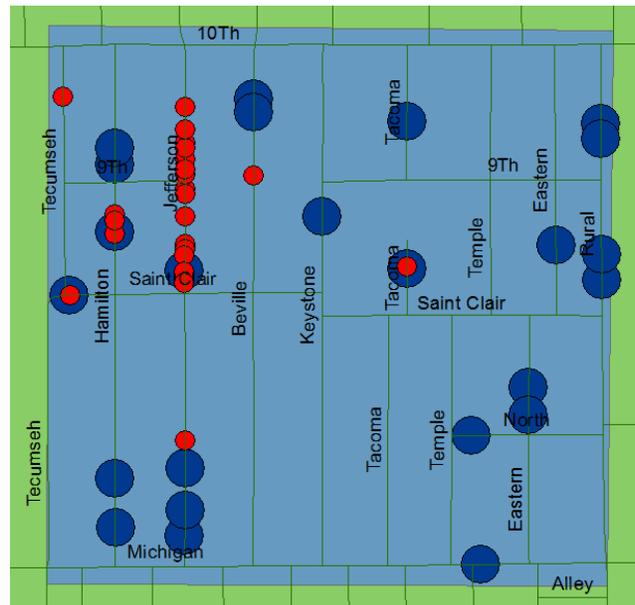
- The Chase Near Eastside Legacy Center led by the Boner Center and managed by IUPUI.
- Housing redevelopment led by the Indy-east Asset Development organization.
- Business and economic redevelopment with the East 10th Street Civic Association.
- Special events and promotions to bring attention to the neighborhood.

## What We Accomplished

The adjoining chart shows the location of the 32 housing units renovated as part of the *Living Legacy* project (shown in blue) along with the 26 housing units renovated by IAD (shown in red).

IAD's mission is to catalyze housing and real estate development on the Near Eastside of Indianapolis—fostering collaborative efforts to achieve comprehensive community development in three ways:

- Acted as the lead agency responsible for housing provisions of the 2012 Super Bowl Legacy Project.
- Is the coordinating agency for the Near Eastside Redevelopment Area.
- Is an "Umbrella CDC" building the capacity of grassroots development organizations to understand and address their respective housing issues.



The distribution of sales for 2012 (light green) and 2013 (orange) looks a lot different as shown in the adjoining chart (the 2000 (red) 2005 (blue) and 2010 (light purple) distributions are shown in the background).

The 2012 market splits into two groups—more traditional sales at lower end vs. several sales at the very upper end. Upper end sales represent hidden demand released as a result of significant investment in housing redevelopment. We also saw three new construction sales in 2012 with an average price point at the very upper edge of the range shown on this chart.

The subsidized, higher-end activity was not present in 2013 so we don't see the sales at the far right end of the chart. But, we continue to see the market bifurcation noted previously. There are many sales at/around the \$10,000 to \$40,000 range and then again around the \$70,000 to \$90,000 range. The result is not just a higher average, but a sustained split in this market between traditional, lower end sales and higher-end, rehabbed sales.

### As for the residents and the housing units we renovated:

- All 32 housing units are currently occupied by families/individuals that were homeless or at risk of becoming homeless.
- There are over 100 families/individuals on a waiting list for the program.
- All residents are currently enrolled in at least one counseling program with the Boner Center (homeownership, budgeting, job search, etc.)
- 44 households assisted to-date:
  - 23 are original residents
  - 189 people (131 of which are kids, ~2/3rds)

*"Thank you. Thank you. It is such a great program that has allowed me to pick up and rebuild my life. It is so nice to come home to my house, instead of going back to the shelter. Thank you." – Teresa B.*

- 86% have income <\$10k (highest is \$31k)
- Rents range from \$341 to \$616 (average is \$425)
- 6 of the 44 were directly from homeless shelters
- 3 of the 44 involve family reunifications
- 1 has gone on to become a homeowner

**How do we sustain and replicate this kind of shift?**

It takes partnerships of all sorts –some partners focus on infrastructure investment, some on commercial development, others residential rehabilitation, and a variety of supportive services to address needs like homelessness to transform a neighborhood from one of significant decline and disinvestment to one where you can see the potential for the private sector to take off and create new market opportunities.

At the same time we see this general improvement in overall activity, it is important to ask how we avoid displacing longer-term residents. The homes that the REALTOR® Foundation funded are reserved for homeless families so even as those units have been rehabbed and residents have come and gone, they will continue to serve more disadvantaged families for the foreseeable future.

**So why should we care, what difference does it whether we undertake something like this again?** It matters because these types of revitalized neighborhoods have a lot of the features people want based on a Community Preference Survey conducted in 2012, co-sponsored by MIBOR and the Indianapolis Metropolitan Planning Organization). This survey contacted over 1,500 residents of Boone, Brown, Hamilton, Hancock, Hendricks, Johnson, Marion, Montgomery, Morgan, and Shelby counties. More than half of all residents preferred a community-type different than the one they live in (i.e. consumers looking for change). The areas of biggest mismatch were:

- About 50 percent of residents lived in either suburban house-only neighborhoods or urban residential neighborhoods (like the “before” area), but less than 25 percent wanted to live in these areas.
- Over 50 percent of residents wanted to live in suburban mix (housing and commercial) neighborhoods or rural areas.
- About 3 times as many folks wanted to live downtown as currently do.

| Community Preference Survey   |
|---|
| <p>Biggest mismatches:</p> <ul style="list-style-type: none"> <li>– Downtown</li> <li>– Rural</li> <li>– Suburban with mix of housing and business</li> </ul> |

| The Living Legacy Project   |
|---|
| <p>Our Investment:</p> <ul style="list-style-type: none"> <li>– Close to downtown</li> <li>– Becoming less dense</li> <li>– Housing-oriented but with a complement of commercial</li> </ul> |

The adjoining chart shows how these survey results stack up against the neighborhood targeted by the REALTOR® Foundation. Our targeted neighborhood is very close to downtown (one of the original suburbs of the old Mile Square area), is becoming significantly less dense due to population declines, and is replacing

worn out physical structures with a mix of upscale renovated and new construction housing, commercial investment, and infrastructure improvements.

By working together, through the REALTOR® Foundation, we were able to accomplish three major achievements:

- fulfill the mission of the REALTOR® Foundation to address homelessness
- support a community-wide comprehensive redevelopment effort
- create a prototype for future potential activities

**Thank you to MIBOR's members for all of your support! Through your generosity, we are making a substantial impact in one of Indianapolis's turnaround neighborhoods and demonstrating that REALTORS® are vital to our community's future.**

**Questions?**

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