

## **Opening Statement**

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**Information Policy, Census, and National Archives Subcommittee**

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Good morning, Mr. Chairman, Ranking Member, Turner, and other distinguish members of the subcommittee. My name is Teresa Brandt. I am the President of Dayton View Historic Association here in Dayton, Ohio.

I am honored to have an opportunity to testify before the Sub-committee on Information Policy, Census, and the Committee on Oversight and Government Reform on the effects of urban redevelopment efforts in my neighborhood.

In an effort to paint you a picture of my neighborhood and the redevelopment efforts I believe it is prudent to give a short Background and Historical Perspective of the area. Dayton View Historic District (DVHD) also sometimes known as Historic Dayton View (HDV) is approximately 17 blocks in area within a much larger planning district designated as the Old Dayton View neighborhood. This area is located northwest of downtown across the river from the traditional urban core and includes approximately 200 primary structures (excluding garages).

The historic district was designated locally as such in 1977 and placed on the National Register of Historic Places in 1984. The first structure, a local farmhouse which still stands today, was built in 1832. The area was then replatted for multiple homes around 1870, however, no new homes were built until after sidewalks and streets were completed. It was not until the 1880's that a significant number of homes were built or until after the turn of the century for its population to really soar.

DVHD is an eclectic mix of primarily single family homes with some “natural” doubles (two-family homes) and a few multi-unit apartment buildings. Single family houses within DVHD range greatly in size from about 2000 square feet up to nearly 10,000 square feet. In architectural character the span matches that of the timeframe built from “High Victorian” in the 1880’s through the American Foursquare/Craftsman period nearer the turn of the century. The largest homes, built from 1910-25, were more ornate and “rich” illustrating the rise in popularity of the area and willingness of individuals to show their economic success.

DVHD is also unique as it is the only traditional historic district that is intersected by a larger thoroughfare somewhat dividing the area and creating a more transient feel to the neighborhood. The other local historic districts are bordered by major thoroughfares but not truly intersected by them. DVHD also is predominately residential with no real businesses, schools, or the like within its boundaries.

### **Fall from Popularity and Impacts**

During the 1930’s and the rising popularity of the area with its closeness to the City’s center created other conditions to emerge. The larger homes became subdivided time and again into smaller units to help meet the need for housing that was growing quickly partially due to the needs of the war efforts and the industrial revolution. As these conditions eased a new phenomenon occurred.....the use of the automobile enabling families to move farther and farther from the urban core. DVHD began its fall from popularity and the homes, many of which had been subdivided, became rental units creating more and more flight from the area of the traditional middle class family units. The largeness of the homes and the weakened market made the area ripe for other conditions to emerge. The larger homes, already subdivided, began to be converted to “nursing facilities”, cheap apartments, boarding houses, and the like, several of which still exist today. This atmosphere also

encouraged many illegal activities to emerge such as illegal liquor establishments, drug houses, prostitution, etc. Homes became “covered” by cheap materials of the time such as aluminum siding and storm windows and many of the original details were removed or obscured further hastening the decline of the original character of the neighborhood. The decline continued until the 1970’s when outside intervention began to reverse the downward trends.

### **Significant Efforts Reversing the Trends**

In 1977, the City Commission designated a portion of the area historic. This designation refocused the public’s interest in the architectural character and uniqueness of the area. As has happened elsewhere in the country, the more culturally aware and trendy individuals began to see value in the area. Homes were purchased cheaply (sometimes for as little as \$1 from the City) and work began to convert them back to a grander style. However, DVHD was not able to completely shed its image of being a lower class housing area and crime rates soared with boarding houses, drug houses, prostitution and illegal liquor establishments continuing until further intervention occurred. This negative perception of the area but its beautiful detailing within the homes fostered another crime to emerge....that of “stealing” the magnificent interior hand carved mantels and detailing for use in homes in “safer” areas.

It wasn’t until the 1990’s when several significant events/programs began to make a really significant impact and reverse the downward trends. These included the construction of a new City Police Station, the awarding of a Federal HOPE VI grant (Federal award in the amount of \$18.3 million with a projected leverage impact of \$50 million) on our border, and the first of two Rehabarama’s (total investment of \$6.3 million), a nationally recognized City effort to infuse money quickly into an area by restoring a few of the most blighted existing homes or constructing new homes in the character of the originals. Rehabarama efforts in Dayton were started by then Mayor Michael R

Turner (now a Congressman) in the early 1990's on a smaller scale in two other historic neighborhoods.

### **Historic Dayton View Rehabarama 1999**

The HDV Rehabarama effort in 1999 was unique in a number of ways. First, it was the first Rehabarama effort where new homes were constructed to "in-fill" or recomplete city block faces where original homes no longer existed. Second, a historic home was physically moved from outside the district's borders back into an empty lot within the neighborhood. Thirdly, the homes "rehabbed" or restored were larger than any previous ones undertaken.

The new homes ranged in size from 2400-2600 square feet of completed living space. Sales prices ranged from \$160,000 to \$199,000 for an average sales cost per square foot of between \$67 and \$77.

The relocated home at just over 2600 square feet sold for \$196,500 or \$75 per square foot. The rehabbed homes, ranging in size from 2400-4000 square feet sold for between \$165,000 and \$250,000 or \$58 to \$67 per square foot sales price. An additional factor of note is that those homes which sold during the Rehabarama event or soon thereafter sold at generally higher prices than those that did not sell for a longer period of time. This is true for both new construction and rehabbed efforts.

The total costs of this Rehabarama effort was \$3.2 million dollars with an average cost per unit for construction/rehab/marketing of \$320,000 per unit vs. an average sales price of \$182,950 or an unrecovered subsidy of \$137,000 per unit.

### **Historic Dayton View Rehabarama 2001**

In 2001, HDV received another "first". It was the first time the City returned to the same neighborhood for a second effort. This time the mix of housing types changed. Only 2 single

family homes were rehabbed, 1 traditional two-family home was offered as two separate units, one new home was constructed, and a small apartment building was converted to 8 separate condo units. The two separate rehabbed homes ranged in size from about 2500 square feet to almost 4000 square feet with sales prices of \$180,000 and \$250,000 for an average sales price of \$73 and \$63 per square foot respectively.

The new construction home, a much smaller version than offered previously at just over 1600 square feet, took just under two years to originally sell. The two family unit did sell as two separate units but also took much longer to sell (May 2005 for the later half). The multi-unit condo complex consisted of 4 one bedroom, first floor units and 4 two-story townhouses. The one bedroom flats took over four years to originally sell with prices declining as time went on. The four nearly identical townhouse units have experienced a similar scenario. Original sales of each unit were higher than that of the flats, however, as time passed those units remaining on the market sold at lower prices.

The total costs of this Rehabarama effort in 2001 was \$3.16 million dollars with an average cost per unit for construction/rehab/marketing of \$243,000 per unit vs. an average sales price of \$119,231 or an unrecovered subsidy of \$123,769 per unit. These numbers are a bit less than in 1999, however, the market mix of those offered changed in both size and type. And, it is important to note that the “product mix” is critical to quicker sales. Condos and a smaller, new construction home were not well received by the market (taking nearly 5 years for original sale of the final units) but the two single family restored homes sold very quickly (final closings recorded by November 2001, four months after the event).

### **Corollary Prices of Non-Rehabarama Home Sales**

Housing prices of similar homes of similar size that were also rehabbed and sold during this timeframe rose as well. From 2000-2004 the perceived value of the like housing stock remained

high. That is, these like homes sold for similar prices to those in the Rehabarama bolstering market values of existing restored homes. Unrestored homes or those which needed major updates remained fairly constant in price over this time period and continues to date.

Since 2005, however, there has again been a decline in housing values or perceived housing values as “like” restored homes have remained on the market for much longer periods of time and then sold for significantly less than like homes did in 2004. This is mirrored by the length of time it eventually took for the restored condos in the neighborhood to sell.

### **Ethnic Mix and Household Incomes Based on 2000 Census Data**

Accurate percentages of minority to non-minority households are not separated for the area since DVHD is a part of a larger planning district. In the larger district, Old Dayton View, the mix by declared race is 15% white and 85% non-white total population. Within the HDV we do not keep track of ethnic origin preferring to believe that a good neighbor is key not their racial or socioeconomic background. However, for purpose of discussion here I spoke with several other neighborhood officers and we did a quick estimate of the residents of the historic district and estimate that the percentages are closer to 30% white and 70% non-white. Additionally, while the total population of Old Dayton View includes 730 households, we estimate that there are approximately 250 households within HDV (includes single family homes and all others living in apartments, condos, or two-family homes). The mean income level in Old Dayton View is \$35,380 with the median being \$17,425. For HDV, an estimate of at least \$40,000 as mean is likely appropriate. Although I can not verify this definitively, this estimate is reasonable considering in the most recent releases of CDBG eligible neighborhoods by the City of Dayton, HDV is itself ineligible due, I’m told, to the average income being over the threshold.

An additional item of note is that thus far the impact of the HOPE VI project has not been measured via census data. This is because the first homes have just been built/purchased within the past two years and families are beginning to move back to the area. Since a great majority of these homes are “market rate” homes with historic flavor though not within the boundaries of HDV, I believe that the economic numbers for Old Dayton View area will begin to change more dramatically as time goes on although the minority to non-minority ratio will likely remain constant.

### **Impact of Population as a Result of the Rehabarama’s**

The two Rehabarama’s did much to improve the perception of the area both internally and externally. Many homeowners began to further improve the appearance of their properties knowing that the spotlight would be focused on the neighborhood. Additionally, for the 1999 event matching grants were offered by CityWide Development to existing homeowners to help them improve their properties. Total match available was in the \$4,000-5,000 range with approximately 11 homeowners taking advantage of the program for visible exterior improvements such as painting, porch repairs, gutters and the like. Therefore the impact of improvement to the neighborhood was much greater than only the large improvement for the featured properties.

As a result of the 1999 Rehabarama, 10 new higher income earning families (conclusion drawn based on need to finance a new home with an average sales cost of \$182,950) came to HDV in houses that had been previously blighted or had not existed. Of these new households half were purchased by white homebuyers who had not previously lived in the area. The remaining five were purchased by black/African American homebuyers who also had not previously lived in the area. Only one of the homes from this event was purchased by a family who had a child/children living with them and that house was the last one sold.

As a result of the 2001 Rehabarama, 12 homes (including condos) were ultimately sold to new homebuyers for the area and one (a condo) was sold to a current “empty nester” who was downsizing. One home was purchased by a new homebuyer with a child/children. All other homebuyers were single households, “empty nesters”, or young couples without children at the time. Of the 13 homebuyers, the rehabbed single family homes were sold to non-white buyers, the new construction home was sold to a single white male, the two halves of the natural double were sold to singles who were both non-white and sales of the condos appear to be more mixed but with slightly more white than non-white buyers.

Although the Rehabarama’s brought much positive attention to the area, it did not significantly change the ethnic mix of the neighborhood for several reasons. First, with only 23 homes being purchased the number is not significant enough to really change the overall percentages. Second, of the original white homebuyers who purchased homes in 1999 (n=5), four have since sold their homes and relocated outside the City. The numbers for the 2001 Rehabarama have remained relatively constant, of those properties having been resold, the ethnic mix has not changed.

The greatest value to the area comes as a result of the increased awareness of “quality” homes evidenced both visually and by higher property values showing that these type efforts are critical to spur investment and revitalization of an urban area. It is particularly critical to leverage decreasing public monies with private investment. Clearly there is a market in the City of Dayton and this particular area for single family, higher priced, stand alone homes. There does not appear to be much market in this area for condos or sales of 2 family homes to different families. Whether this is due to a difference in perception ethnically or merely a lower interest in a less historic looking property within a historic district is not known.



What is critical is a “shot in the arm” or a surge of investment being repeated into one area until prices stabilize and perceptions are changed. Although DVHD has not had a significant new surge of capital infused since 2001 and property values have begun to fall a bit, it is interesting to note that more and more families are beginning to move into the area. On my block alone, in 1999 there were only 3 children living in two single homes while today there are 17 children all under the age of 11 in 6 different households. Clearly, the perception of a safe, economical environment partially driven by the focus from the Rehabarama’s has been evidenced by the moving in of new families with young children.

Mr. Chairman, Committee Members, thank you for allowing me this opportunity to talk about my neighborhood and our redevelopment efforts. I hope that I have given you a good overview of the situation and that you will understand that it is vital to our urban cities’ recovery for multiple types of programs such as those I have described to help urban areas begin to recover. For my neighborhood to continue it’s recovery it is critical that more funding occur to help continue our efforts. We are working to find these funds and forming new and unique partnerships (both public and private) to further spur reinvestment and redevelopment. If future funds are forthcoming from some as yet undefined sources and our new partnerships solidified ways, will be found to continue the perception change, spur more “pride” in our urban areas and creatively leverage these funds for maximum impact.