

## **Rehabarama: the Impact on the Population of South Park**

*Testimony by Karin Manovich for the Information Policy, Census and National Archives  
Subcommittee of the House on Oversight and Government Reform Committee.*

*Monday, October 29, 2007 at Carillon Park in Dayton, Ohio.*

### **Background**

Historic South Park is fortunate to have been the site of two Rehabarama development projects during the last six years. In 2001, five dwellings were completely renovated and three new construction infill projects were showcased and sold to owner occupants. The second Rehabarama show was held in October of 2007 and included ten completely restored homes and three in-progress houses. The impact of Rehabarama on South Park has been significant and multifaceted.

### **Rehabarama 2001**

During the first Rehabarama, which was entirely publicly funded with an estimated cost of \$2.5 million dollars, properties were acquired in the most distressed area of the neighborhood. The acquisitions included uninhabitable properties, a fire damaged structure, a large duplex, and a vacant lot. Many of the properties were owned by absentee landlords, who had driven down property values and the quality of life in the neighborhood by neglecting their properties. According to the 2000 census, 14% of the housing stock was vacant, with 54% rental property. The goal of Rehabarama was to increase owner occupancy by reducing vacant properties. At the time of the 2000 census, South Park homes were 32% owner occupied.

Historic South Park is Dayton's largest historic district with nearly 800 homes. Prior to Rehabarama 2001, the neighborhood had been struggling on its own to reduce blighted rental and vacant homes. Multi-units, originally built as single family homes, had been gradually returned to owner occupied singles. Boarded up vacant homes had been slowly restored. Citizens of South Park spent several years lobbying for Rehabarama, which first was held in another Dayton neighborhood in 1993. The impact on that neighborhood was stunning, and had many Dayton neighborhoods lined up for a turn.

The finished homes in the 2001 show were priced at roughly 30% above the current market values in the neighborhood. The homes were mostly modest in size, with the smallest under 800 square feet. Five of the eight homes sold before or during the 10 day home show, with the final three selling within two months following the show. All homes sold at or just below the asking price. The immediate impact on the community was to raise property values about 30%. In addition, the positive publicity and high attendance figures (thousands of attendees) attracted new residents into the community purchasing other homes in the neighborhood, both finished and in need of restoration.

The City of Dayton also offered residents a matching grant for exterior home improvement projects completed during the months preceding the show, and

immediately after. The fund was used up almost immediately, which generated thousands of dollars worth of private investment in existing owner occupied homes in South Park.

The concentrated, highly visible exterior work on many structures in South Park had a domino effect in urging others to improve their properties. The demand for owner occupied properties in the district grew in the months and years following the show and fueled the continued revitalization of South Park. The literature from the 2001 show was used to attract additional investment in the neighborhood for years to come.

As a direct response to the 2001 Rehabarama, South Park has increased the income levels of its population and the overall number of taxpayers living in previously uninhabitable homes. Other vacant properties in the immediate area of the show homes have been restored by others and subsequently occupied by tax payers. All original buyers of the 2001 show homes are still living in their houses with the exception of one family, who reluctantly moved after an out of state job transfer. That property sold quickly to a new occupant in 2006 at a price increase of nearly 14% over the original Rehabarama sales price.

The effect of rough economic times in the City of Dayton has been the elimination of Rehabarama during the last five years. Much of the loss of such development funding has been due to the aging City population and flight of younger income producing occupants to the suburbs.

### **Rehabarama 2007**

South Park neighborhood volunteer leadership approached the City of Dayton in early 2006 with a proposal seeking funding for another Rehabarama show. This time, the show itself would be the only component needing public funds. The property acquisition and construction costs would be privately funded by two significant investors who were willing to restore up to 30 homes in South Park and spend up to \$3 million. The City of Dayton quickly agreed to fund the show itself and allocated \$100,000. The public funds were for show management, venue, marketing, security, decorating and printing costs only. The agreement came largely due to the anticipated taxes that would be generated in the future if 30 vacant homes were eventually occupied by taxpayers.

The impact of the second Rehabarama show came even before the show final approval with South Park's receipt of the American Institute of Architects (AIA) 150 Grant. South Park was selected for this grant due in large part to the fact that we would be hosting Rehabarama in 2007. The AIA 150 grant included \$100,000 of professional services redesigning South Park's commercial area, park spaces, streetscapes, rehabilitated properties, and infill construction.

Rehabarama 2007 included homes with three designs from the AIA program, and the participation by the local AIA chapter in the show itself.

Thirty homes were acquired by the investors to prepare for the Rehabarama show. An inventory of the housing stock in Historic South Park eighteen months prior to Rehabarama 2007 indicated that 90 homes, or about 11% of all houses, were vacant. The impact of eventually occupying thirty vacant homes with taxpayers is compelling. Not only will the City receive additional revenue, but the quality of life in the neighborhood with the substantial reduction of vacancies will improve immeasurably.

Geographic critical mass was necessary for a successful, walkable Rehabarama event. The ten closest homes were completely restored, professionally decorated by members of the Dayton Society of Interior Decorators, and opened to the public. The homes were priced again, roughly 30% above the current market rate. An estimated 4,000 people toured the homes, with one house selling at almost \$50,000 more than the highest selling single family home ever in South Park.

South Park prepared for Rehabarama 2007 by marketing the neighborhood in advance of the show to generate interest in attending the show and, hopefully, purchasing the homes. An all day outdoor jazz festival was held in the neighborhood a few weeks prior to the show which drew in 1,500 people. Tickets were distributed at the jazz festival and many participants subsequently attended Rehabarama. In addition, South Park volunteers organized a *Get Urban* event, featuring a nationally recognized expert on urban living, to promote Urban Living in general. This event was attended by 400 people. A live radio broadcast "Breakfast with the Beatles" was held in the neighborhood during the home show to attract additional interest and promote the event.

South Park volunteers have aggressively marketed the neighborhood before, between, and after both Rehabarama events with billboards, mass emailing, news articles, blogs, videos, holiday home tours, letters to the editor, and target marketing to populations likely to purchase homes in South Park. The local university has been mailing South Park brochures to all new hires with their contracts for employment. This effort has been very successful in attracting out of town homebuyers to South Park.

The impact of Rehabarama 2007 remains to be seen as the show just finished earlier this week. During the eighteen months preceding the show, South Park has experienced renewed interest by investors and owner-occupants in anticipation of the show. During the summer selling season of 2007, over 20 properties sold in the neighborhood at improved pricing over the preceding eighteen months. In addition, many residents with renewed faith in the future of

the neighborhood have purchased additional homes in the community for restoration. More than 200 residents volunteered in some capacity for Rehabarama 2007. The feedback from show attendees indicates that many outsiders have a positive impression of a community they were either unfamiliar with or had a negative impression of before.

**Conclusion**

The Rehabarama program has a significant impact on the residents of the community. Not only does it improve the housing stock, raise property values, and improve the quality of living, but it also attracts individuals to move into the neighborhood who are educated, have the resources to maintain their home and possibly take on additional properties for renovation. For example, South Park's population has changed to include the addition of approximately 25 university professors, three physicians, three architects, one attorney, numerous health care professionals, Air Force officers, and several business owners since Rehabarama 2001. The next census data should reflect a substantial increase in income and education level for the South Park Planning District. The median household income in the 2000 census was \$24,468, while the mean was \$30,138.

The variety in house size and pricing here in South Park has attracted a diverse demographic including singles, couples, families, and empty nesters. This diversity has contributed to making the community a sought after and sustainable living environment. The investment in a significant number of homes in both Rehabarama shows has galvanized the community to do more in terms of marketing, revitalization, and property improvement. We anticipate that the 2010 census will reflect an increase in owner occupancy and a decrease in vacant properties due the impact of Rehabarama and other neighborhood efforts.

The most significant benefit of Rehabarama is the education of thousands of suburban dwellers about the benefits of city living, especially the sense of community that urban living brings. By staffing the event with friendly neighborhood residents, that sense of community is conveyed. In the Midwest, there is a negative stigma associated with many cities where it is assumed that individuals only live in the city if they are poor and don't have other options. Bringing people into the city to dispel these notions is a crucial component to changing the culture and motivating people to return to the city. Allowing people to tour the upscale, attractive and affordable homes that Rehabarama has showcased, sends the message that city living is desirable and that many people live in the city by choice.