

Support the Community Regeneration, Sustainability, and Innovation Act of 2009 (S. 453/H.R. 932)

The Problem

Cities such as Buffalo, NY, Youngstown, OH, Gary, IN, St. Louis, MO, and Birmingham, AL have long suffered from sustained population losses and vacant property rates far in excess of those now being experienced by boom and bust communities. While increasing mortgage foreclosures, job losses, and business bankruptcies have led to significant vacancy challenges in cities

throughout the country, in these cities, and those regions with similar stories, the dual foreclosure and economic crisis are compounding a long-term, deep-rooted problem. Between 1970 and 2000, Buffalo lost 37 percent of its population, Youngstown lost 42 percent, Gary lost 41 percent, St. Louis lost 44 percent, and Birmingham lost 19 percent. As residents move away, they leave behind buildings, land, and infrastructure; according to the 2000 Census, these cities averaged a 14 percent vacancy rate, and by 2007 the American Community Survey estimated the rate jumped to 22 percent. Mounting vacant property inventories drain municipal budgets, decrease tax revenues, and pose safety threats; the cumulative weight of these forces hampers the ability of local governments to respond effectively to revitalize these communities.

Federal support that specifically addresses these barriers is critical to ensure that cities experiencing long-term decline can once again become healthy, sustainable, and equitable communities. Many of these cities first and foremost need a distinct, and measurable action plan to re-envision and reconfigure viable neighborhoods.

The Solution

The Community Regeneration, Sustainability, and Innovation Act of 2009 (the Regeneration Act) would create a new pilot grant program within the U.S. Department of Housing and Urban Development (HUD) targeted towards cities and metropolitan areas experiencing large-scale property vacancy and abandonment due to long-term employment and population losses. The Regeneration Act will provide a path to prosperity for struggling cities by encouraging innovative approaches and coordinating existing federal and state resources based on best practice models from around the country.

What the Bill Does

Against the backdrop of flexible, performance-based standards, the Regeneration Act would build the capacity of these local governments to prevent, demolish, manage, and reclaim vacant and abandoned properties through an array of effective strategies and tools. Eligible activities include:

- Implementing multi-jurisdictional or regional approaches to addressing the problem of vacant and abandoned property;
- Reusing properties in ways that will provide long-term benefits to the public, whether through the creation of green infrastructure, economic development, or other strategies;
- Encouraging innovation, experimentation, and environmentally sustainable practices;
- Creating new and sustainable employment opportunities for residents; and
- Starting or expanding land banks that establish public control over vacant and abandoned property.



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The Pennsylvania Horticultural Society

The Regeneration Act includes three levels of assistance designed to provide short-term economic stimulus and longer-term strategic regeneration planning and programs to shrinking cities:

- **Regeneration Communities Demonstration Program:** A \$300 million demonstration program that would authorize the selection of ten applicants per year – 15 small cities (population of 150,000 or less) and 15 large cities (population exceeding 150,000) over the three-year period (\$100 million per year).
- **Strategic Regeneration Planning:** For those communities that need planning assistance, a one-time planning grant could be awarded to develop plans prior to their submission to HUD.
- **Sustainability Demonstration Projects:** Authorizes a competitive innovative grants program for specific short-term demonstration projects that are in accordance with the Regeneration Act's sustainability goals.¹

A hallmark of the Regeneration Act is the formation of a Federal Interagency Council to facilitate the targeting and leveraging of governmental and nonprofit resources within regeneration communities. The regional offices of relevant federal agencies would allocate their resources and expertise to support and follow a communities' regeneration plan and federal staff could be loaned to local governments through intergovernmental personal assignments. \$24 million would be directed to HUD to convene the Council and provide communities with guidance and technical assistance.

Leveraging the Neighborhood Stabilization Program and Stimulus Funds: While the federal government recently released nearly \$6 billion in funds to begin to address the acute foreclosure crisis in America through the Neighborhood Stabilization Program and the American Recovery and Reinvestment Act, these resources and eligible activities do not begin to measure up against the complexity of the chronic abandonment problem in our older-industrial cities. In addition to suffering significant stresses on their housing markets long before the recent foreclosure crisis, these communities are challenged by their legacy of industrial decline. Regeneration plans and NSP plans should leverage each other in creating vital neighborhoods for America's citizens.

Benefits of the Program

For the first time, the Regeneration Act allows communities to invest in the strategies that revitalize neighborhoods and reconnect people and places, that will raise property values, create new and sustainable job opportunities, provide secure food systems, and produce renewable energy sources.

- **Regeneration activities increase property values.** A targeted demolition and holding strategy of abandoned homes in Flint, MI produced a \$109 million return on investment in improved surrounding property values.
- **Regeneration activities create green jobs and produce renewable fuels.** A nonprofit organization in Pittsburgh, PA is growing crops for bio-fuel on blighted and abandoned land, providing the crops while also fostering education and green collar job training for urban youth and entry-level workers.
- **Regeneration activities prevent further abandonment.** Cleveland, OH's real property information system helps the city and its partners understand the landscape of foreclosure and vacant properties in order to target appropriate intervention strategies and leverage scarce resources.
- **Regeneration activities increase local food security.** The city of Milwaukee, WI and a nonprofit organization have partnered to organize small-plot food producers in neighborhoods once plagued with vacant properties, aging housing stock, and a high poverty rate. In addition to ensuring affordable and healthy food for the neighborhood, the organization has developed a Youth Corps to introduce the skills of food production to area youth.

¹ Communities could opt to apply for a planning grant or a demonstration project grant; funding levels are \$25 million for first year and \$12.5 million for years two and three for both options.