

A photograph of a red brick building with a teal door and steps. The door has a wreath and a small yellow sign. The steps are concrete and lead up to the door. There are potted plants on the steps. The building has a decorative cornice with brackets. The ground is paved with red bricks.

# LAYING THE FOUNDATION FOR STRONG NEIGHBORHOODS IN TRENTON, NJ

2015





# LAYING THE FOUNDATION FOR STRONG NEIGHBORHOODS IN TRENTON, NJ

A Market-Oriented Assessment

2015

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Dear Friends,

On behalf of New Jersey Community Capital and the Center for Community Progress, we are pleased to present our report, *Laying the Foundation for Strong Neighborhoods in Trenton*. This report weaves together many different sources of information to create a picture of conditions and trends in each of the city's many neighborhoods. It focuses in particular on each neighborhood's housing market conditions, as well as factors such as crime or tax delinquency, which affect housing demand and neighborhood stability.

Our goal in preparing this report was not simply to present information, but to provide Trenton city government and other engaged organizations with a tool to help them design better, more effective, strategies to build stronger neighborhoods. By understanding each neighborhood's market strengths and challenges, it becomes possible to identify which strategies or programs are likely to be more effective or which issues need to be prioritized in different parts of the city. We share with Mayor Jackson and his team the conviction that the city has an obligation to address the needs of all neighborhoods; but there is no 'one size fits all' strategy that works in all areas. This report should be valuable not only to the city government but to non-profit organizations, civic associations and concerned citizens wishing to understand how those needs vary and how to better match them with the right strategies.

A second goal of this report is to contribute to an ongoing project to make detailed data on neighborhood and property conditions available to city government and Trenton's many engaged residents and community stakeholders. In preparing the report, we assembled for the first time - and organized by neighborhood - a rich body of data which people can use to learn about their communities and target their activities and interventions. We anticipate working over the coming months with city government, Isles, and others to build a web-based data center for Trenton's neighborhoods, not only for official use, but for anyone concerned about their block or neighborhood.

While working on this report, we have had the opportunity to meet with many Trentonians, both inside and outside city government. We are grateful for their assistance and support, and deeply appreciative of their commitment to the city and their neighborhoods. It is to them, and the citizens of Trenton as a whole, that this report is dedicated.



Alan Mallach, Senior Fellow  
Center for Community Progress



Diane Sterner, Community Strategies Advisor  
New Jersey Community Capital

# ACKNOWLEDGEMENTS

Any report of this scope involves many people and organizations beyond those listed on the report cover. It would not have been possible without the financial support of the Princeton Area Community Foundation (PACF) and the Garfield Foundation. We particularly want to thank Michelle Cash and Jeffrey Vega of PACF and Orson Watson of the Garfield Foundation for their engagement and their commitment to the city of Trenton. Our thanks also to Thomas Edison State College's John S. Watson Institute for Public Policy, and their executive director, Barbara George Johnson, for funding the supplemental census tract analysis which is included as an appendix to the report.

Many Trenton stakeholders have provided valuable assistance, insight, and encouragement for this project. Monique King-Viehland, Director of the Department of Housing & Economic Development for the City of Trenton; Walter Denson, Director of Real Estate; Diana Rogers, Director of Economic Development, and others in the Department; and Julia Taylor and Iana Dikidjieva of Isles, Inc. were all closely involved with the project from its inception through to its completion. We are also grateful for the ongoing support the Trenton Neighborhood Restoration Campaign has given to this effort.

Diane Sterner of New Jersey Community Capital coordinated the project and continues to support implementation efforts with the City and other stakeholders, while John Manieri of the Cornwall Center at Rutgers University-Newark conducted much of the data assembly and prepared the maps used in the report. Deanna Moran of New Jersey Community Capital carried out additional data assembly, map preparation, and was responsible for the final layout and design of the report. Alan Mallach of the Center for Community Progress conducted the analysis and interpretation of the data and wrote the report. Jeffrey Yuen and Marie Mascherin of New Jersey Community Capital provided valuable comments on drafts and data presentation.



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# EXECUTIVE SUMMARY



## What This Report Is About

The purpose of this report is twofold: to look at conditions and trends in the City of Trenton and its neighborhoods, and to explore the strategic options available to city government and other stakeholders to address the challenges the city is facing. The assessment focuses principally on what is known as ‘market-oriented’ data; in other words, measures that reflect the strength of demand for housing in the city and its neighborhoods, including direct measures of the housing market such as sales prices or vacancies, and measures that relate to the confidence of residents and the demand in an area, such as crime or tax delinquency.

The housing market is not the only factor that determines whether or not a neighborhood is a vital, thriving community, but it is a major factor affecting neighborhood outcomes. The demand for housing in a neighborhood reflects the extent to which people choose to live in one particular place rather than other areas, given their means and their locational needs. As a result, it is important for anyone working to foster or preserve neighborhood vitality to understand how the market is working in their community, both as a general proposition, and with respect to particular indicators, such as price, foreclosures or vacancies. That information can help to promote strategic thinking about the neighborhood and its future, and suggest specific strategies and programs to address the neighborhood’s challenges.

Trenton is facing serious challenges in rebuilding its physical and economic fabric. It is suffering from severe economic distress, and has been losing ground compared to Mercer County and the state of New Jersey over the past decades. During more recent years, the city has seen dramatic increases in foreclosures, declines in house prices, and declining home ownership as more of the city’s properties are bought by investors. At the same time, it has valuable assets to support revitalization. These include its location in the heart of an economically vibrant region, its role as a transportation hub, its rich historic fabric, institutional assets such as its hospitals, Thomas Edison State College and the State Museum, and its role as the state capital and county seat. Trenton will have to capitalize on its assets in years to come in order to address its challenges and rebuild its vitality and the strength of its neighborhoods.

We present strategic options for addressing concerns in neighborhoods experiencing different conditions. These are not intended as specific recommendations to city government or others, but rather as possible directions to consider, based in many cases on efforts that have been successful in other communities. They should serve as a starting point for thinking about and framing effective strategies that reflect Trenton’s distinctive realities.

The report is a product of the ongoing collaborative effort by the City of Trenton, Isles, New Jersey Community Capital and the Center for Community Progress to build a property and neighborhood database of the city as a tool for future planning. We hope that the information in the report and the database that will be created using this information will be used by many different players, including city government, non-profit organizations, and community residents engaged in helping to plan the future of the city and its neighborhoods.

## Measuring Neighborhood Conditions

No one single statistic measures the condition of a neighborhood or how well its housing market is working. In order to assess neighborhood conditions, therefore, we look at a variety of different measures or variables.

We look at them both separately, to understand what is happening with that factor, and combine them into a market index, to get a sense of the overall condition of each neighborhood. Since Trenton's neighborhoods vary so widely in terms of their market conditions, we looked separately at each neighborhood and for large neighborhoods, like Chambersburg or North Trenton, we broke them into subareas to look at more closely. We looked at the following variable or indicators:

- Vacant properties
- Homeownership rate
- Median sales price
- Percentage of home sales going to investors
- Mortgage foreclosure filings
- Tax delinquency (outstanding tax sale certificates)
- Percentage of tax liens bought by investors
- Violent crime

Each of these indicators tells us something important, but different, about the neighborhood's market condition. Table 1 shows how each one helps to understand neighborhood conditions.

Each neighborhood was given a rank from 1 to 5 for each of these indicators. We then combined them to create a market index. Each neighborhood received a composite score from 1 (for the strongest neighborhoods) to 4 (for the most challenged neighborhoods). Map III-1 on page 42 shows the score for each neighborhood.

Trenton's neighborhoods and subareas divide into roughly equal thirds: 19 areas are strong (class 1) or moderately strong (class 2), 18 are weak (class 3) and 18 are very weak (class 4). The city's strong areas tend to be a combination of historically or architecturally distinguished pockets (Mill Hill, Cadwalader Heights and Fisher-Richey-Perdicaris) and areas at the city's edges, such as Glen Afton. The largest strong areas are North Trenton 4 and 5 (the St. Hedwigs area) and Villa Park. These areas tend to be consistently strong on all or nearly all indicators. Even so, some of these areas, particularly Villa Park, are showing some trends that should be carefully monitored to prevent possible future decline.

Moderately strong or class 2 areas tend to be areas that are either at the city's edges, such as Hillcrest or Franklin Park, or adjacent to strong areas, such as subarea 1 in Chambersburg or subarea 4 in Wilbur, both of which abut Villa Park. In contrast to the strong areas, most of the moderately strong areas show signs of weakness in one or more indicator, suggesting potential future difficulty.

More centrally-located neighborhoods are more likely to be struggling, including most of North Trenton, Wilbur, Stuyvesant-Prospect, East Trenton, and Central West; that part of South Trenton closest to downtown, and much of Chambersburg and Chestnut Park. Some of these areas show strength in some indicators, however, suggesting potential opportunities. Examples include low levels of vacant properties in Chambersburg and Chestnut Park, suggesting that targeted strategies to deal with vacant properties might help stabilize these neighborhoods. These same neighborhoods also have relatively low levels of property tax delinquency, which may mean a higher level of commitment to the area by neighborhood property owners.

## Moving Forward

This report and the future database are tools for the city of Trenton, community development corporations, neighborhood associations, citizens and others concerned with the future of Trenton's neighborhoods. This information should help them plan strategies and initiatives, target resources and evaluate ongoing revitalization efforts. They are tools, however, and not a set of answers. How they are used depends on the goals of city government and of other stakeholders with respect to the city as a whole and its many different

neighborhoods. This section will suggest some of the ways the city and its partners can use this information.

**TABLE 1: WHAT THE INDICATORS MEAN**

| INDICATOR                          | SIGNIFICANCE   |
|------------------------------------|--|
| Vacant properties                  | In a healthy neighborhood, when a house is vacated, it is usually sold or rented quickly. Large numbers of vacant or abandoned properties are a major marker of weak market conditions           |
| Homeownership Rate                 | Homeownership is an important factor in neighborhood stability, and is strongly associated with positive features such as more investment in one's property and greater neighborhood engagement. |
| Median sales price                 | The price for which houses sell may be the most direct measure of how well the real estate market in that area is doing – the higher the price for a comparable house, the stronger the market.  |
| % of sales to investors            | When too many houses are bought by investors, it reduces the homeownership rate, and can potentially destabilize a neighborhood.   |
| Mortgage foreclosure filings       | Mortgage foreclosures are a major destabilizing factor. They can lead to increased vacancies and reduced property maintenance, and reduce neighborhood confidence and property values.           |
| Tax delinquency                    | The percentage of owners paying their property taxes is an indicator of how property owners feel about their neighborhood and its future prospects.  |
| % of tax liens bought by investors | The percentage of investors buying tax liens is an indicator of how the world of outside investors feels about each neighborhood and its future prospects.                                       |
| Violent Crime                      | The violent crime rate is a key factor in people's decisions to stay or move into a neighborhood.  |

### ***Revitalization planning and resource allocation***

Using data as a tool for a revitalization strategy is based on the principle that revitalization planning and resource allocation should be goal-oriented; in other words, public resources should be used in ways that further sound, agreed-upon short- and long-term goals for each area. The realities of different areas dictate that the most appropriate goals for different areas will vary by the area's condition. In some areas, the goal may be to stabilize a relatively healthy neighborhood; elsewhere, it may be to build on opportunities to re-establish a neighborhood as a viable community or housing market. Different goals call for different strategies. In all cases, the present needs of residents as well as the longer-term goals for the area and the city must both be acknowledged and addressed.

The data made available in the report and the database can be drawn on for a number of purposes.

- Identifying strategies
- Designing programs
- Targeting specific activities and resources

Market information can be used both to come up with the revitalization or preservation strategies likely to work the best in certain areas, as well as to 'reality test' ideas that are proposed in the course of planning or brainstorming sessions.

### ***Identifying and choosing specific interventions***

The information in this report and in the database can also be used to help design specific interventions that the city and its partners may want to consider building into neighborhood strategies, particularly in three areas:

- Homeownership strategies
- Rental housing/landlord strategies
- Vacant property strategies

Some neighborhoods might benefit from marketing strategies designed to attract new homebuyers, while others may need strategies to raise the confidence of existing homeowners before trying to attract new ones, such as reducing the number of vacant properties. Areas with large and growing numbers of absentee landlords might demand strategies that specifically focus on those property owners.

### ***Matching strategies to neighborhood conditions***

Any strategy designed to influence property decisions by individuals and firms, whether inside or outside the neighborhood, will depend heavily on the market strength of the area where it is applied. Strategies such as homesteading or efforts designed to motivate owners of vacant properties to invest the money needed to put them back to productive use are likely to have better results in stronger market areas. Landlord strategies may be more effective in low-value areas, because landlords in those areas are likely to be able to afford to make significant improvements while still gaining a fair rate of return.

### ***Property strategies fall into three distinct categories:***

- Strategies that are likely to be effective, or more effective, in higher-value areas, such as those designed to encourage individual homebuyers;
- Strategies that are likely to be more effective in lower-value areas, such as code enforcement targeting problem landlords, or acquisition for site assembly;
- Strategies that should be established citywide or pursued independently of neighborhood condition, such as rental licensing or vacant lot maintenance.

In some cases, related strategies may be pursued differently, or different types of properties prioritized, depending on neighborhood conditions.

Finally, individual strategies should not be seen or carried out in isolation. Neighborhoods are complex, multifaceted entities. While some strategies may do some good by themselves, such as demolishing an eyesore on an otherwise attractive block, most are most effective when combined with other efforts. Thus, efforts to encourage new homebuyers should be linked to parallel efforts to support the area's existing homeowners, motivate good landlord behavior, remove dangerous properties, make streetscape improvements, improve vacant lots, and tackle other issues that are not property-related such as violent crime, but which directly affect neighborhood conditions. The ultimate goal remains not only to improve individual houses, but to change the trajectory of the city's neighborhoods for the better.



# INTRODUCTION



The purpose of this report is twofold: to look at conditions and trends in the City of Trenton and its neighborhoods, and to explore the strategic options available to city government and other stakeholders to address the challenges the city is facing. It focuses principally on what is known as ‘market-oriented’ data; that is, measures that reflect the strength of demand for housing in the city and its neighborhoods, including direct measures of the housing market such as sales prices or vacancies, and measures that relate to the confidence of residents and that affect demand, such as crime or tax delinquency. We present strategic options for addressing concerns in neighborhoods experiencing different conditions. These are not intended as specific recommendations to city government or others, but rather as directions to consider, based in many cases on efforts that have been successful elsewhere. It should serve as a starting point for thinking about and framing effective strategies that reflect Trenton’s distinctive realities.

The report is part of an ongoing collaborative effort by the City of Trenton, Isles, New Jersey Community Capital, and the Center for Community Progress to build a neighborhood and property database of the city as a tool for future planning. We hope that the information in the report will be used by many different players, including government, nonprofit organizations, and residents engaged in helping to plan the future of the city and its neighborhoods.

While the housing market is far from the only thing that determines whether or not a neighborhood is a vital, thriving community, it is a major factor affecting neighborhood outcomes. The demand for housing in a neighborhood reflects the extent to which people choose to live in one particular place rather than other areas, given their means and their locational needs. When people choose to move into a neighborhood, particularly when they choose to buy a home, they are making a longer-term commitment to that neighborhood that is often reflected in behaviors that enhance neighborhood vitality. Conversely, if people only live in that neighborhood because they lack other locational choices, and would leave if they could, their behavior is likely to reflect that perspective and the neighborhood is likely to suffer as a result. By looking at housing markets we can get a sense of this critical underpinning for neighborhood strength and vitality.

Where market demand is weak, houses may sit empty for a long time and those that sell are more likely to attract absentee investors than owner-occupant buyers. Homeowners are reluctant to make improvements, because they are unlikely to get their money back if they sell, while property owners are more likely to fall behind on mortgage or property tax payments and let their houses go into mortgage or tax foreclosures. At the same time, rapid growth in demand and prices can destabilize a neighborhood, potentially pushing low-income residents from their homes and undermining neighborhood stability and cohesion.

A thorough understanding of local market conditions is thus critically important for anyone working to foster or preserve neighborhood vitality. Data on those conditions can help to promote strategic thinking about the past, present and future of neighborhoods and suggest specific strategies and programs to address challenges. In some cases, strategies may be designed to stimulate the market – either by targeting the market directly or by taking steps to reduce factors like violent crimes or foreclosures which affect the market indirectly – or in other cases to address the consequences of accelerated market change and better protect the interests of the neighborhood’s lower-income residents. The findings of this report, however, clearly indicate that the need to build stronger markets in Trenton is far more urgent today than the need to protect residents against potential displacement.

## **This Report Contains Five Sections:**

### **1. Citywide Trends and Conditions**

This section provides an overview of market and related trends across the entire city of Trenton, and sets the stage for the more detailed analysis to follow.

### **2. Measuring Neighborhood Conditions**

This section begins by describing the methodology used for this report, how neighborhood boundaries were designated and how individual variables used to measure neighborhood conditions were selected, and then describes each variable more fully, and how it varies by neighborhood.

### **3. Comparing Trenton's Neighborhoods**

The third section provides a neighborhood-by-neighborhood comparative assessment.

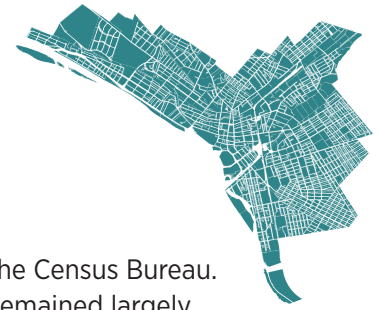
### **4. Neighborhood Trends**

This section illustrates the way the data can be used by highlighting some key trends in some of the city's neighborhoods.

### **5. Strategies and Next Steps**

The final section discusses further how the data in the report and in the planned property database can be interpreted, and explores in greater detail how public officials, nonprofits and community residents can develop strategies appropriate for each neighborhood. After discussing a variety of strategies, we offer a more in-depth discussion of three key areas: strategies dealing with vacant properties, problem landlords and rental housing, and rebuilding stable homeownership in the city's neighborhoods.

Throughout the report, information is presented for Trenton's neighborhoods as they are generally recognized by city officials, as well as by the residents of the neighborhoods themselves. For large neighborhoods like Chambersburg or Stuyvesant-Prospect, we have subdivided the neighborhood into subareas, so that the user can see how conditions sometimes vary even within the same neighborhood. While there may be some differences of opinion about the precise boundaries of some areas, we believe that the boundaries we used correspond well to how Trenton residents see their city's neighborhoods. For that reason, we are hopeful that the data will be meaningful and useful to them.



# I. CITYWIDE TRENDS AND CONDITIONS

Trenton is a city of 84,034 people according to the most recent (2014) estimates by the Census Bureau. The city's population, after dropping significantly between the 1950s and 1990s, has remained largely stable for more than a decade. In recent decades, the city has seen a steady decline in its non-Latino White population, steady growth in its Latino community, and a largely numerically stable African-American community. As of the 2010 Census, the city's racial/ethnic breakdown was 50% African-American, 34% Latino, 14% non-Latino White, and 2% other.

**TABLE I-1: CURRENT ECONOMIC INDICATORS**

|                         | CITY OF TRENTON | MERCER COUNTY | STATE OF NEW JERSEY |
|-------------------------|-----------------|---------------|---------------------|
| MEDIAN HOUSEHOLD INCOME | \$36,727        | \$73,759      | \$71,637            |
| % IN POVERTY            | 26.6%           | 10.8%         | 9.9%                |
| % UNEMPLOYED            | 17.9%           | 10.2%         | 9.5%                |

SOURCE: 2008-2012 5-Year American Community Survey

Trenton is an economically struggling city, as the data shown in Table I-1 indicate. Recent years have not been kind to the city of Trenton. Although the city experienced a modest market bubble during the first half of the previous decade, the overall trends for the city have been downward, and the aftermath of the bubble has had severe impacts on the city's housing conditions and its neighborhoods. Compared to the state of New Jersey during the same period, Trenton lost significant economic ground during the past decade, as shown in Table I-2.

**TABLE I-2: TRENTON INCOME TRENDS SINCE 1980**

|  |                     | 1980     | 2000     | 2008-2012 |
|--|---------------------|----------|----------|-----------|
| MEDIAN HOUSEHOLD INCOME (in 2012 \$)                       | TRENTON             | \$38,526 | \$42,823 | \$36,727  |
|  | STATE OF NEW JERSEY | \$62,621 | \$75,997 | \$71,637  |
| TRENTON % OF NJ MEDIAN                                     |                     | 62%      | 56%      | 51%       |
| POPULATION IN POVERTY                                      | TRENTON             | 21.2%    | 21.1%    | 26.6%     |
|  | STATE OF NEW JERSEY | 9.5%     | 8.5%     | 9.9%      |
| % IN POVERTY IN TRENTON RELATIVE TO % IN POVERTY STATEWIDE |                     | X 2.23   | X 2.48   | X 2.69    |

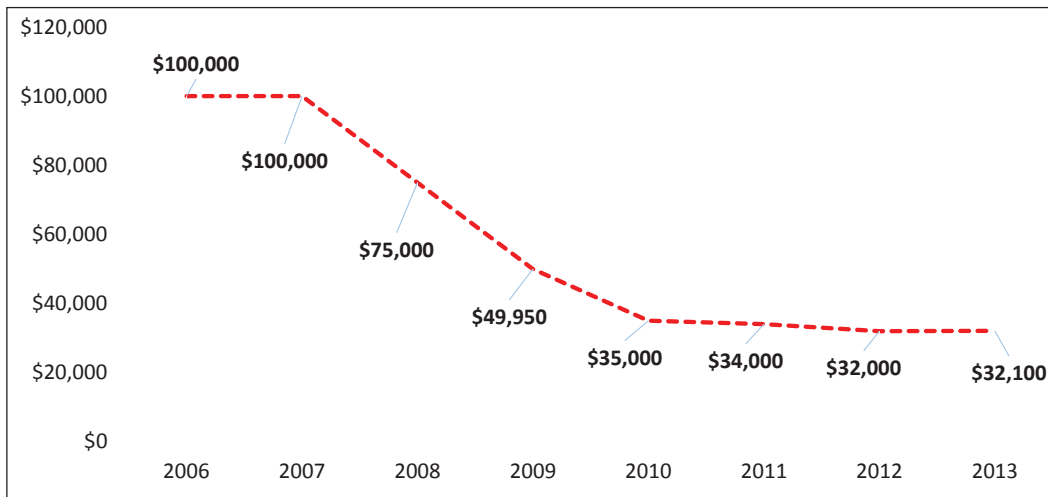
SOURCE: 1980 and 2000 Census; 2008-2012 5-Year American Community Survey

Median house prices rose during the first part of the last decade, peaking at \$100,000 in 2006 and 2007.<sup>1</sup> From that point, prices dropped sharply, as shown in Figure I-1. The sharp decline in prices bottomed out in 2010, but declines continued into 2012-2013 at a more modest level.<sup>2</sup>

<sup>1</sup> This run-up in prices had uncanny parallels to the bubble Trenton experienced in the late 1980s, which saw prices nearly double from 1985 to 1988, when house prices peaked at \$58,500, equivalent to \$103,000 in 2007 dollars. The subsequent price collapse triggered a wave of abandonment in the early 1990s.

<sup>2</sup> Prices showed a moderate uptick during the first half of 2014, with the median rising to \$36,000. It is too soon to tell whether this is a statistical 'blip', or a harbinger of a market revival.

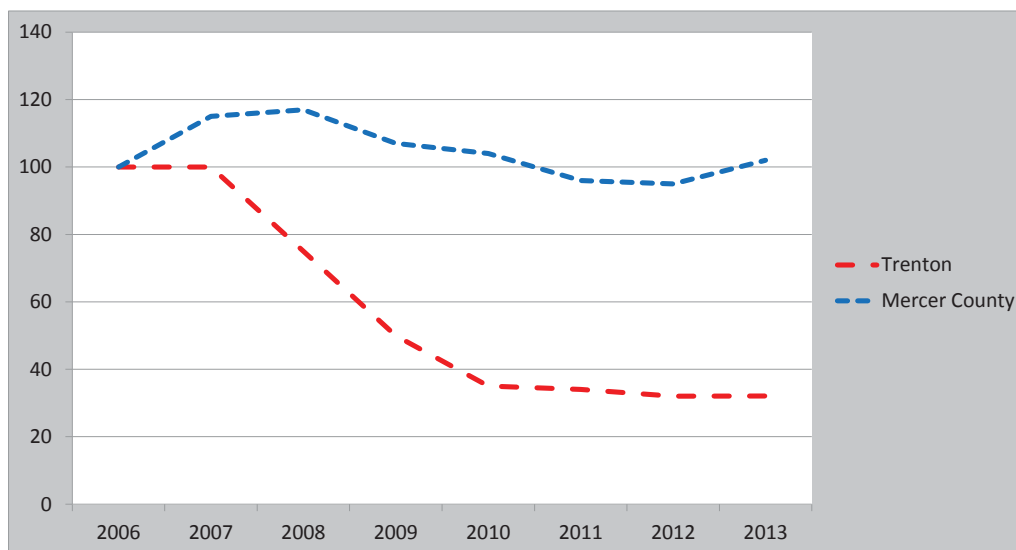
**FIGURE I-1: TRENTON MEDIAN HOUSE SALES PRICE 2006 TO 2013**



SOURCE: SRIA sales transaction reports

This is comparable to similar trends in other New Jersey cities such as Paterson or Newark, and roughly double the decline experienced nationally after the bursting of the house price bubble. This is in sharp contrast to Mercer County as a whole, where prices were hardly affected by the national market collapse, and which were roughly the same in 2013 as in 2006 (Figure I-2).

**FIGURE I-2: PRICE TRENDS IN TRENTON AND MERCER COUNTY 2006 TO 2013 (2006=100)**



Over the same period, however, gross rents in Trenton are estimated to have gone from \$851 in 2006 to \$950 in 2013, a 12% *increase*.<sup>3</sup> This is a problem in two important ways. First, since household incomes in Trenton are not rising at similar rates, rent increases are placing an increasing cost burden on struggling lower income families in the city, and second, because it can potentially lead to the city being targeted by unscrupulous short-term investors.

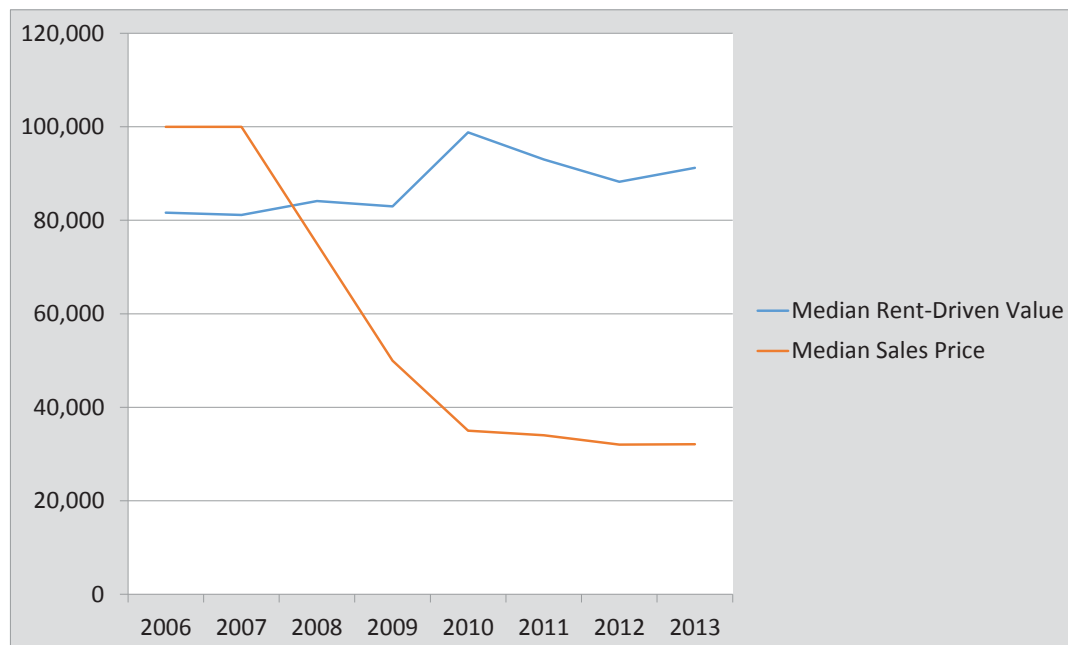
Figure I-3 shows the relationship between the actual sales price by year and the ‘median rent-driven value’, which is how much the property should be worth based on the median rent, assuming a capitalized value of 8 times the gross rent roll.<sup>4</sup> This disparity means that an investor buying and renting out a property in Trenton

<sup>3</sup> This data is from the one-year American Community Survey, and has a margin of error that is +/- around 10%.

<sup>4</sup> This assumes that the gross rent is equivalent to 12.5% of the owner’s capital investment. Assuming 30-50% of the gross rent is used for operations, maintenance, taxes and collection loss, that will still yield the owner a net annual return of 6 to 8% on her investment.

today can make 30% to 40% on his or her investment over as little as three years, leading to their potentially milking properties for short-term gain without concern for longer-term consequences to the community. A major factor triggering such a drastic decline in house prices was the increase in foreclosures. Foreclosure

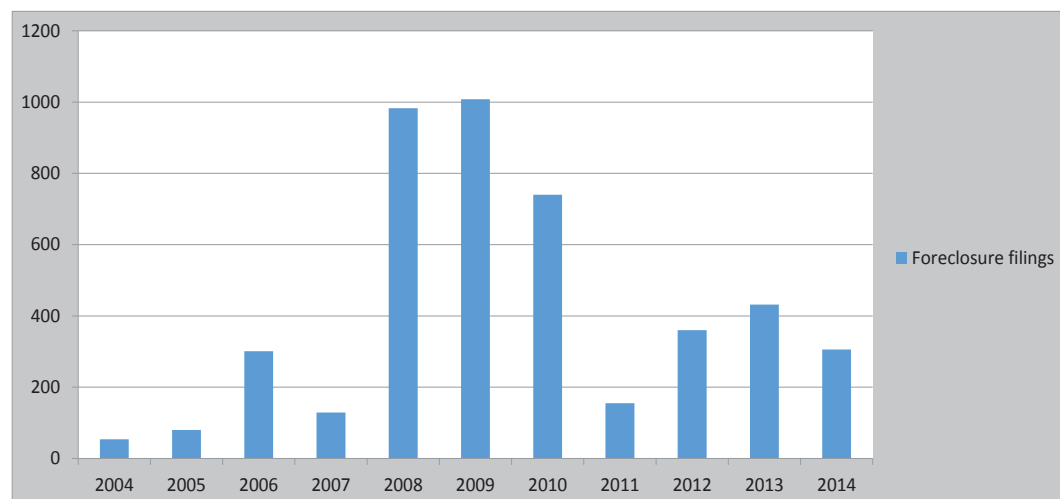
**FIGURE I-3: DISPARITY BETWEEN RENT-DRIVEN VALUE AND MEDIAN SALES PRICE 2006 TO 2013**



SOURCE: Median sales prices from Boxwood Means; median gross rent from one-year American Community Survey. Rent-driven value computed by author.

filings on Trenton properties, as shown in Figure 1-4, went from fewer than 100 per year in 2004 and 2005 to 1,000 per year in 2008 and 2009. While they have declined since then, they continue to be much higher than before the onset of the foreclosure crisis, averaging between 300 and 400 per year. All told, since 2006, foreclosures have been filed on roughly 1 out of every 5 homes in Trenton.<sup>5</sup>

**FIGURE I-4: FORECLOSURE FILINGS IN TRENTON BY YEAR 2004 TO 2014\***



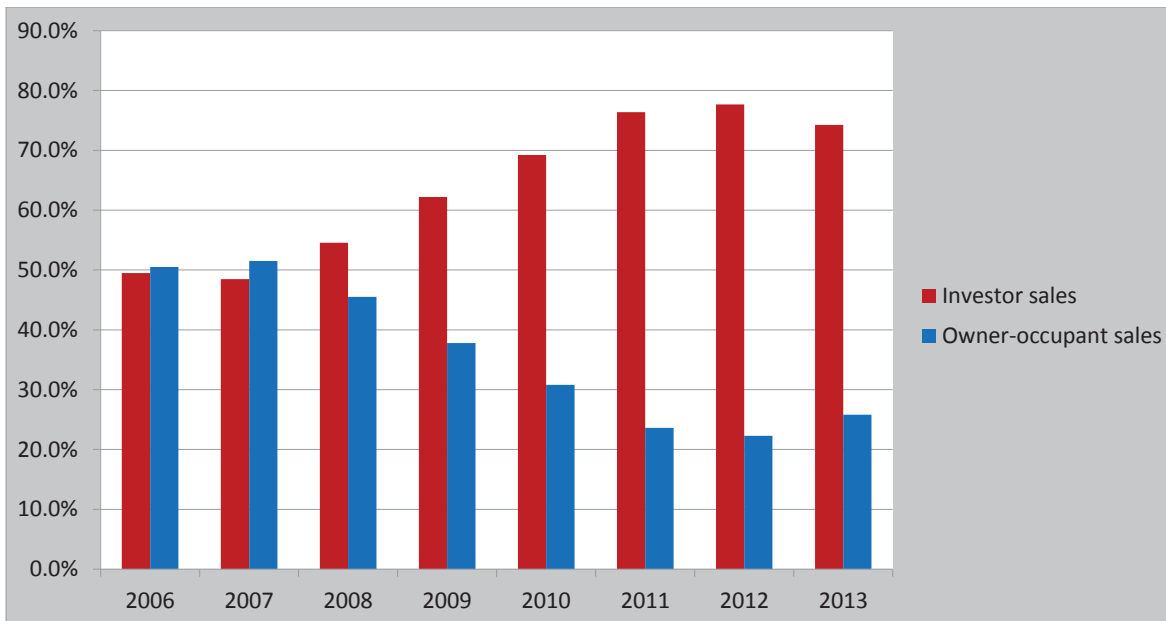
SOURCE: RealtyTrac

\*2014 data is incomplete

<sup>5</sup> This represents foreclosure filings, not completed foreclosures. While most filings are believed to result in completed foreclosures, it is impossible to determine the precise number or percentage of completed foreclosures. The number of foreclosure filings dropped significantly in 2011 as a result of a moratorium ordered by the New Jersey Supreme Court in response to numerous complaints of irregularities in the process.

The combination of price declines and foreclosures have contributed to the sharp drop in homeownership in Trenton over the past decade. Between 2000 and 2010, the number of owner-occupant households in the city dropped by nearly 2,500, while the homeownership rate went from 46% to 38%. Evidence that homeownership continues to be on a downward trend comes from data on house purchases in Trenton. The percentage of investor-buyers has risen steadily from just under 50% of all buyers in 2006 to 78% of all buyers in 2012, as shown in Figure I-5.<sup>6</sup>

**FIGURE I-5: PERCENTAGE OF HOME SALES TO INVESTOR-BUYERS AND OWNER-OCCUPANTS 2006 TO 2013**



SOURCE: SRIA sales transaction reports

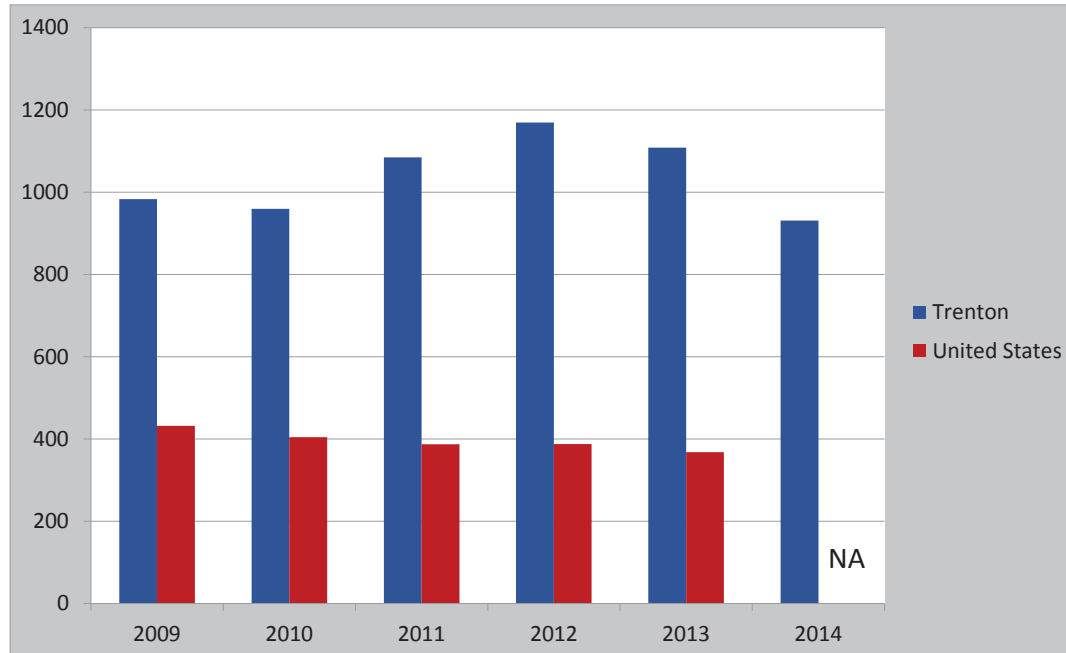
The low income levels of many Trenton households make it difficult for them to become homeowners. While a number of neighborhoods in Trenton continue to draw a steady flow of homebuyers, weak homebuyer demand is likely to be a factor in other neighborhoods. That problem is significantly exacerbated by the reality that many homebuyers, particularly lower-income buyers in housing markets that have shown significant house price declines, are experiencing great difficulty getting mortgage financing, placing investors, who generally buy with cash or non-conventional financing sources, at a significant advantage.

Crime, which is significantly elevated, may also play a role. The rate of violent crime in Trenton is more than double the national average. Between 2009 and 2013, the rate of violent crimes<sup>7</sup> in the United States decreased by 15%, but increased by 13% in Trenton, as shown in Figure I-6. Preliminary data on violent crime citywide for 2014 shows a significant decline from 2012 and 2013, which we hope indicates the beginning of a positive trend. Crime is not uniform across the city. While Trenton contains high-crime areas, crime rates in other parts of the city are comparable to or below national levels.

<sup>6</sup> It is difficult to measure precisely the effect of this increase in investor activity on the homeownership rate, since many of the sellers are also investors.

<sup>7</sup> As defined by the FBI, this category includes murder and non-negligent manslaughter, rape, robbery, and aggravated assault.

FIGURE 1-6: VIOLENT CRIME RATES PER 100,000 IN TRENTON AND THE UNITED STATES 2009 TO 2014



SOURCE: 2009-2013 FBI Uniform Crime Reports; 2014 NJ State Police Uniform Crime Report. National data not yet available for 2014.

To sum up, Trenton is facing serious challenges in rebuilding its physical and economic fabric. At the same time, it has valuable assets to assist in that task. They include its location in the heart of an economically vibrant region, its role as a transportation hub, its rich historic fabric, institutional assets such as its hospitals, Thomas Edison State College and the State Museum, and its role as the state capital and county seat. Trenton will have to capitalize on its assets in years to come in order to address its challenges and rebuild its vitality and the strength of its neighborhoods.



## II. MEASURING NEIGHBORHOOD CONDITIONS

No one single statistic measures the condition of a neighborhood or how well its housing market is working. In order to assess neighborhood conditions therefore, we examined many different measures or variables. Each variable was examined separately, and then combined into a market index, to better understand the overall condition of each neighborhood. In this section, we will first provide an overview of the methodology and process we followed, and will then describe each variable, how it was created and measured, and how it is relevant to understanding Trenton's neighborhoods.

### 1. Putting the Data Together

This section will describe how the data was put together and how the different variables were used to conduct the analysis. The first step was to determine which subareas to examine. Trenton's neighborhoods vary widely and many are geographically small. Market conditions in Chambersburg are different from those in Hillcrest, which are different from those in Mill Hill, and so forth. Most neighborhood condition studies break down cities by census tracts, which are standardized geographic areas defined by the United States Bureau of the Census, or by block groups, into which census tracts are divided. This works well in large cities where neighborhoods are typically larger and made up of multiple census tracts. In Trenton, however, the census tracts do not even come close to reflecting the city's neighborhood boundaries, as understood by local residents. Since a census tract breakdown offers the opportunity to compare neighborhood market data with socio-economic data, such as incomes, poverty, or educational attainment, we have done a parallel analysis by census tract, which is provided as Appendix 1 to this report.

In place of using census tracts, we organized the data around the city's actual neighborhoods, as precisely as they could be defined. While there may be some disagreements about exactly where some neighborhoods begin and end, there is a strong consensus in Trenton about most of the city's neighborhoods, which allowed us to create a generally acceptable neighborhoods map, shown in Map II-1. We then further divided the city's larger neighborhoods, like Chambersburg or Stuyvesant/Prospect into subareas as shown on the map, reflecting the fact that there are important differences not only between but within neighborhoods. We ended up with a total of 55 separate neighborhoods and neighborhood subareas, excluding unpopulated areas like Duck Island or Coalport.

This decision meant that we could not use census data and needed to find data for which we could get information on individual parcels by location, which we could then cluster into the city's tax blocks, and then cluster blocks into the neighborhoods and subareas on the map. This was more work, but valuable work, because it means that we now have parcel by parcel data on such matters as homeownership, home purchases, sales prices, vacancies, foreclosures, tax sale liens and crime incidents, which the city, nonprofit organizations, and residents can use for planning purposes. With respect to each data set that we collected, we attempted to go back as far as we reasonably could, to be able to plot trends as well as current conditions. Some of these trends are described in section IV of this report. Table II-1 lists the data sets or variables that were used for this report, the periods for which the data is available, and the source of the data.

Data sets for areas as small as many of Trenton's neighborhoods have limitations. Because of the small numbers of people or houses in some areas, measures such as crime or house sales are likely to fluctuate widely from year to year in ways that do not necessarily reflect actual trends. In a number of cases, we had to reorganize the raw data to yield a reliable measure; these instances are discussed in the section under that particular variable below.

## MAP II-1 NEIGHBORHOODS

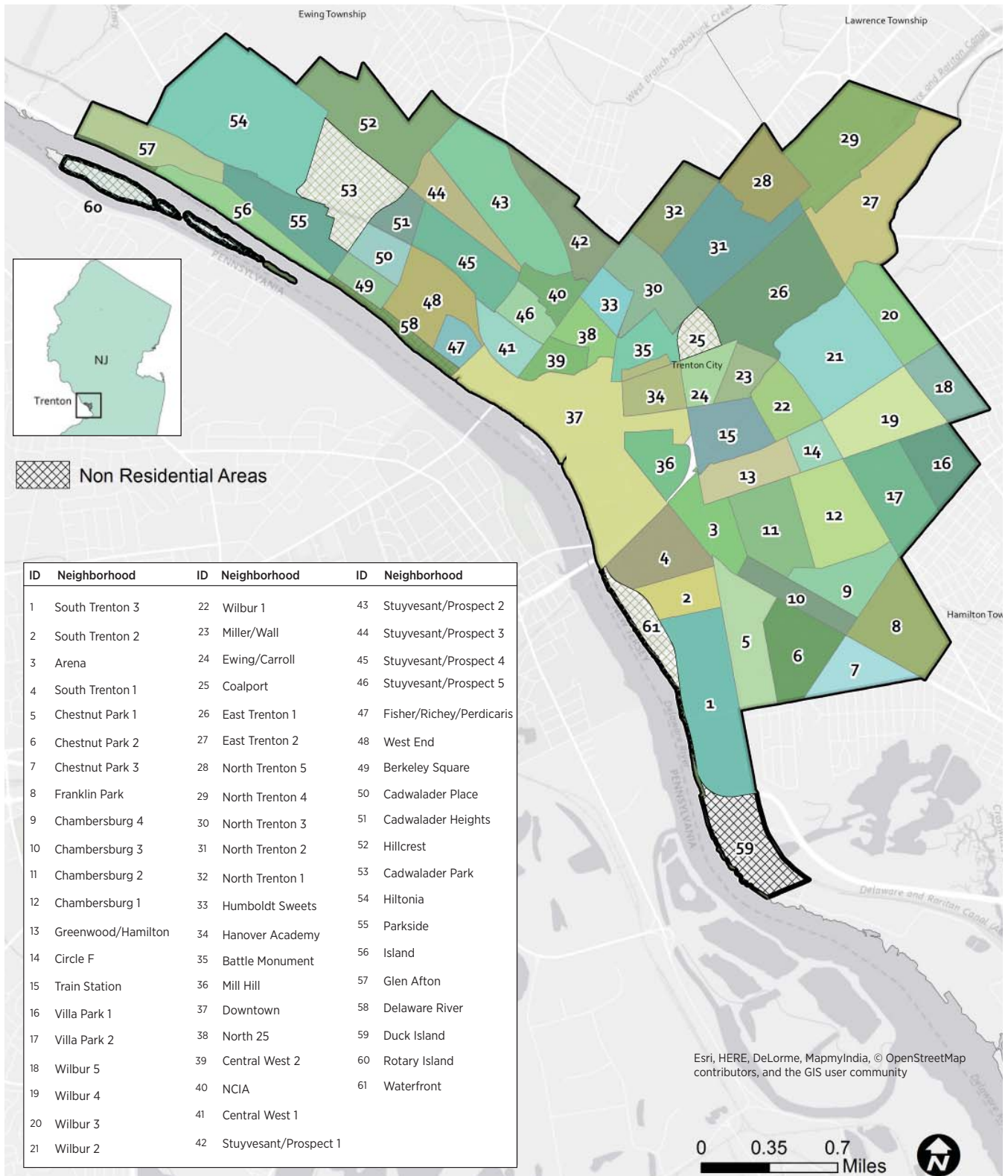


TABLE II-1: VARIABLES USED IN TRENTON ANALYSIS

| VARIABLE   | YEAR(S)                   | SOURCE  |
|--|---------------------------|---|
| Vacant properties  | 2014                      | Isles, Inc. parcel survey (summer of 2014)                                      |
| Homeownership rate   | 2014                      | Mod IV file from New Jersey Association of County Tax Boards                    |
| Median sales price   | 2006 through 2013         | SR1A sales transaction reports from New Jersey Association of County Tax Boards |
| % of all sales to investors  | 2006 through 2013         | SR1A sales transaction reports from New Jersey Association of County Tax Boards |
| Mortgage foreclosure filings   | 2006 through 2013         | RealtyTrac Inc.   |
| % of properties on which tax sale certificates (tax liens) are outstanding | Total through summer 2014 | City of Trenton Tax Collector   |
| % of tax sale certificates held by (struck off to) the city of Trenton     | Total through summer 2014 | City of Trenton Tax Collector   |
| Violent crime incidents  | 2009 through 2013         | City of Trenton Department of Public Safety                                     |

In all cases involving properties, we screened our data sets for those entries that were what are known as Class 2 properties; that is, one to four family properties, which we matched up with the total list of Class 2 properties from the Mod IV file.<sup>8</sup> Of these properties, we estimate that roughly 90% are single family homes, predominately row houses or side-by-side twins.

Once we had the actual data on each variable for each neighborhood, we gave each neighborhood or subarea a rank from 1 to 5 on each variable, in which 1 reflects the strongest condition; e.g., lowest foreclosure or poverty rate, and 5 the weakest; e.g., highest violent crime or vacancy rate. Table II-2 shows the ranges used to score each variable. In order to come up with the market index for each neighborhood or subarea, the scores for the individual variables were combined to create an aggregate score. These scores were then divided into four groups, reflecting strong, moderately strong, weak, and very weak conditions. For reasons discussed below, the scoring used for the median sales price variable is more complicated, and is discussed in the section devoted to that particular variable rather than shown in the table.

There is no empirical basis that can tell one where to place the breaks between ranges. We have tried to find points where distinctions appear to be reasonable on their face – in that they reflect meaningful differences – and which also reflect the distribution of neighborhoods with respect to that variable. In other words, we did not want to end up with a measure where the majority of tracts would all be in one of the five ranges. Similarly, we did not want to divide the neighborhoods into five quintiles, and arbitrarily place the top 20% into group 1, the next into group 2, and so forth. That would not reflect the actual distribution of neighborhoods in terms of their standing with respect to these factors. For distinctions such as ‘weak’ and ‘strong’ to be meaningful, one

<sup>8</sup> The Mod IV file is a dataset created and maintained by the New Jersey Department of The Treasury for the purpose of uniform preparation, maintenance, presentation and storage of property tax information. It includes property and ownership information for every real estate parcel in New Jersey.

must be realistic about where neighborhoods stand. At the same time, we recognize that users may disagree over precisely where the most appropriate breaks are located. Since the data sets will be made available to users, they should ultimately be able to download the data and explore outcomes using different ranges. In the final analysis, however, they will find that making small changes to the break points between ranges will not significantly affect the results.

## 2. Looking at Individual Variables

In this section we will discuss the significance of each of the variables we used for the analysis, and identify which neighborhoods show the strongest and weakest conditions with respect to each factor.

### A. Vacant properties

The vacant property data was collected by Isles during the summer of 2014, and the measure that we used was the percentage of vacant Class 2 (one to four family) structures out of all Class 2 structures. Vacancy is a critical factor in looking at the health of a neighborhood. In a healthy neighborhood, when a house becomes vacant it is typically put up for sale or rent and usually occupied within a few months. Houses are rarely abandoned, and then not because of pure economic reasons, but usually because of complicated personal or legal reasons. As a result, vacancy rates are low, reflecting normal turnover of population in the neighborhood.

Vacancy rates above a range of 5% to 8% reflect a weakness in the area's housing market, particularly in areas where little or no new housing is being constructed. The higher the vacancy rate, the weaker the market conditions in the area.

While we do not have trend data on vacancies for individual neighborhoods, we do have citywide trend data based on the 2000 and 2010 census. That data, combined with the data from the 2014 Isles survey, indicates that since 2000, the overall housing vacancy level in Trenton has not changed significantly, but has remained consistently high (13% - 15%). This suggests that the level of vacancy found in the survey is not a product of the collapse of the housing bubble

TABLE II-2: RANGES USED TO SCORE VARIABLES

| VARIABLE   | SCORE                            | RANGE                           |
|--|----------------------------------|---------------------------------|
| Vacant properties  | 1                                | Under 8%                        |
|  | 2                                | 8%-11.9%                        |
|  | 3                                | 12%-14.9%                       |
|  | 4                                | 15%-19.9%                       |
|  | 5                                | 20% or more                     |
| Homeownership rate   | 1                                | 70% or more                     |
|  | 2                                | 60%-69.9%                       |
|  | 3                                | 50%-59.9%                       |
|  | 4                                | 40%-49.9%                       |
|  | 5                                | Under 40%                       |
| % of all sales to investors  | 1                                | 70% or more                     |
|  | 2                                | 60%-69.9%                       |
|  | 3                                | 50%-59.9%                       |
|  | 4                                | 40%-49.9%                       |
|  | 5                                | Under 40%                       |
| Median sales price   | See discussion in section II-2-D |                                 |
| Mortgage foreclosure filings   | 1                                | Under 15%                       |
|  | 2                                | 15%-19.9%                       |
|  | 3                                | 20-24.9%                        |
|  | 4                                | 25%-29.9%                       |
|  | 5                                | 30% or more                     |
| % of properties on which tax sale certificates (tax liens) are outstanding | 1                                | Under 8%                        |
|  | 2                                | 8%-14.9%                        |
|  | 3                                | 15%-19.9%                       |
|  | 4                                | 20%-29.9%                       |
|  | 5                                | 30% or more                     |
| % of tax sale certificates held by (struck off to) the city of Trenton     | 1                                | Under 10%                       |
|  | 2                                | 10%-19.9%                       |
|  | 3                                | 20%-29.9%                       |
|  | 4                                | 30%-39.9%                       |
|  | 5                                | 40% or more                     |
| Violent crime incidents  | 1                                | Under national rate             |
|  | 2                                | 1-1.49 times national rate      |
|  | 3                                | 1.5-2.49 times national rate    |
|  | 4                                | 2.5-3.4 times national rate     |
|  | 5                                | 3.5 times national rate or more |

and the foreclosure crisis – although that clearly impacted many properties – but is more a function of long-term characteristics of the local housing market. At the same time, it is important to recognize that the level of vacancy did not increase over this period in contrast to many other cities, reflecting the stability of Trenton’s population during the past decade or more.

There is a very strong relationship between the vacancy rate in an area and the sales price of housing. A profit-motivated investor is unlikely to pursue rehabilitation of a vacant house in a low value area, since in those areas the cost of rehabilitation is likely to exceed the post-rehabilitation value of the property. At the same time, in other neighborhoods, vacancy rates are low or manageable, despite the overall housing market trends of recent years. These neighborhoods are likely to be able to generate private investment that can leverage public investment. Moreover, extensive research has shown that scattered vacancies have a significant negative effect on the viability of surrounding properties, and that removal through reuse or demolition of such vacant properties can contribute significantly to improving overall market conditions in the vicinity.

The challenge facing the city is how to motivate more people to restore vacant properties, particularly where they are integral to the fabric of their block and neighborhood, while recognizing that the amount of public subsidy that can be devoted to this purpose is limited. A closely related challenge is to use similarly limited funds available for demolition of vacant properties most strategically, so that those funds generate the greatest positive impact both in terms of neighborhood quality of life and the creation of redevelopment opportunities.

**TABLE II-3: LOWEST AND HIGHEST VACANCY RATES**

| LOWEST VACANCY RATE   |       |
|-----------------------|-------|
| North Trenton 4       | 2.9%  |
| Hiltonia              | 3.2%  |
| Stuyvesant/Prospect 2 | 4.8%  |
| Villa Park 2          | 5.5%  |
| North Trenton 5       | 6.1%  |
| HIGHEST VACANCY RATE  |       |
| Hanover Academy       | 27.3% |
| North Trenton 3       | 28.6% |
| Wilbur 1              | 30.3% |
| Central West 2        | 33.5% |
| Miller/Wall           | 40.0% |

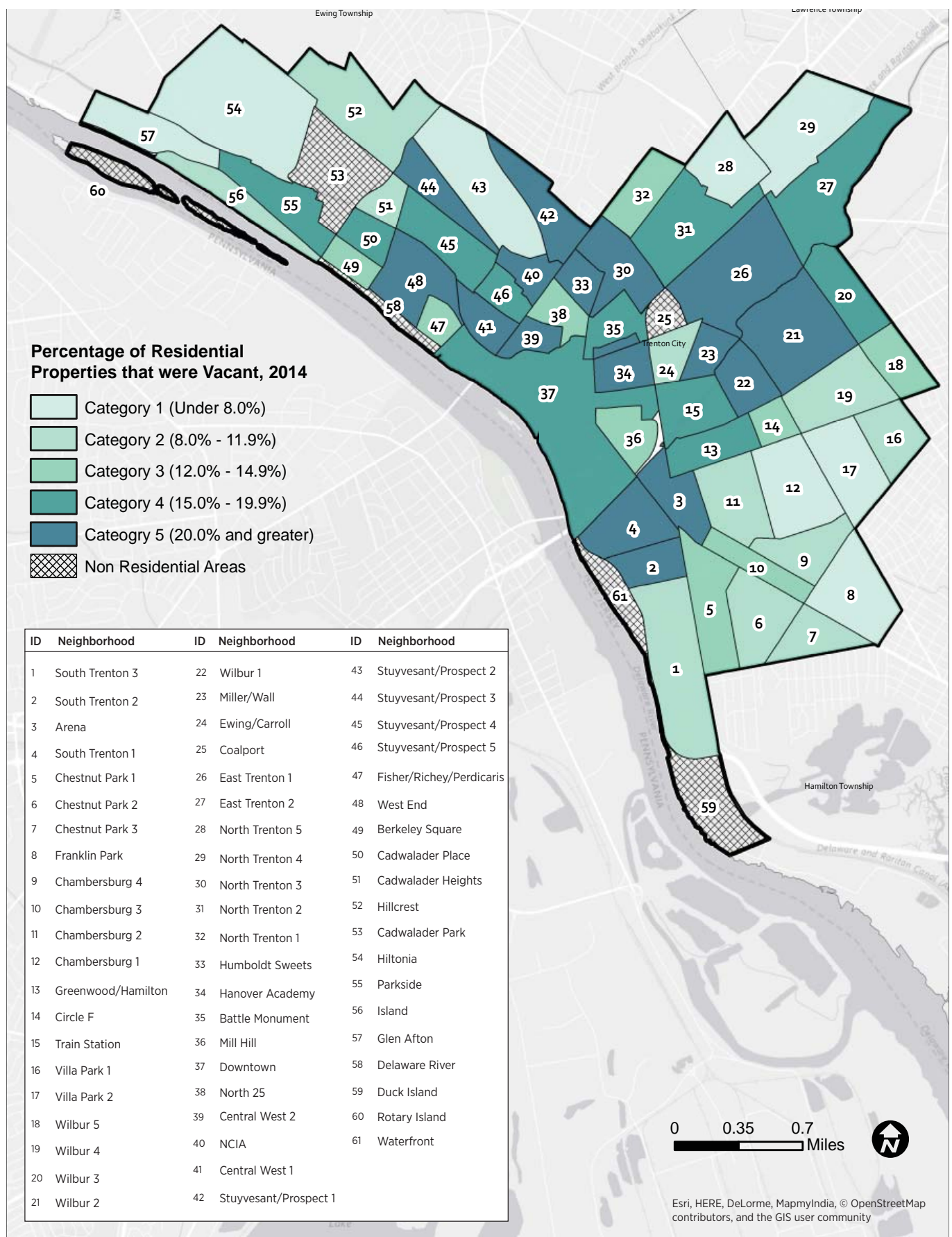
## ***B. Homeownership rate***

The homeownership rate is an important indicator of neighborhood stability. Not only is homeownership correlated with longer tenure,<sup>9</sup> but it is also strongly associated with positive neighborhood features, including greater investment in one’s property, greater neighborhood engagement, and stronger social capital. This doesn’t mean that everyone should be a homeowner, but that higher levels of homeownership tend to help foster stronger neighborhoods. While the causal connections are not straightforward – after all, people who are buying for owner-occupancy tend to pick stronger neighborhoods when they are able – the relationship is a strong one.

We used the Mod IV data file, which includes information on all properties in the state of New Jersey as of the end of 2013, including the address of the property, and the name and address of the owner of record to which property tax bills are sent. Having screened out all but Class 2 properties, our initial step was to exclude all properties where the address of the property and the address of the owner were not the same. We then excluded properties where the owner name was clearly not an individual or couple; for example, “235 Chestnut Street LLC” or “Flip-My-House, Inc.” The remaining properties were considered owner-occupied. Table II-4 shows the percentage of owner-occupants among all Class 2 properties in the neighborhoods with the highest and lowest homeownership rates.

<sup>9</sup> In 2013, the median tenure for tenants in Trenton was 2.9 years and for homeowners 13 years.

MAP II-2: RESIDENTIAL VACANCY RATE



SOURCE: Isles, Inc. Trenton Parcel Survey (summer of 2014)

As we will discuss in further detail later, strengthening the home ownership rate in areas where it is slipping and investor purchases are increasing is an important part of any neighborhood stabilization strategy, something which we discuss in detail in the final section of this report. One major factor in the decline of homeownership rates is the difficulty that qualified low- and moderate-income households have in obtaining mortgage financing. In 2013, the most recent year for which data was available, only 82 home purchase mortgages were made in Trenton, compared to nearly 1,000 in 2006, the last year before the bubble burst.

### C. Investor purchases

The proportion of home purchases by investors rather than owner-occupant buyers has a significant bearing on neighborhood stability. To maintain a healthy homeownership rate, it is important that there be enough homebuyers in the market to replace the natural attrition from those who move or pass away. There are other reasons, though, why this indicator is important. Homebuyers are much more selective about where they buy than investors; unlike investors, whose fundamental criterion is whether the house represents an opportunity to make money, homebuyers are planning to make both a personal and financial investment in the house and surrounding neighborhood. Furthermore, when house prices are low – both in absolute terms and relative to rent levels – there is a significant risk that the market will draw ‘milkers,’ investors interested in pure short-term cash flow profits. They are likely to hold the property for only a few years, provide little maintenance, perhaps pay no property taxes, and rent unselectively, since they have little interest in the long-term viability of the property or the neighborhood. While it is neither necessary nor realistic to expect that all buyers be owner-occupants, in a city like Trenton, with a historic owner/renter ratio of roughly 50/50, one would hope that at least 50% of all buyers would be prospective owner-occupants.

The mix of investor and owner-occupant buyers was determined in the same fashion as the homeownership rate, but using the SR1A real estate transaction records rather than the Mod IV file. The data shows investor purchases of Class 2 properties as a percentage of all Class 2 sales between 2011 and 2013, as shown in Map II-4. Investor purchase data is currently available in the database for every year from 2006 to 2013.

A number of interesting points emerge from a closer look at the 2013 investor purchases. As shown in Table II-5B, the great majority of investors have been coming from inside New Jersey, with about one-quarter Trenton-

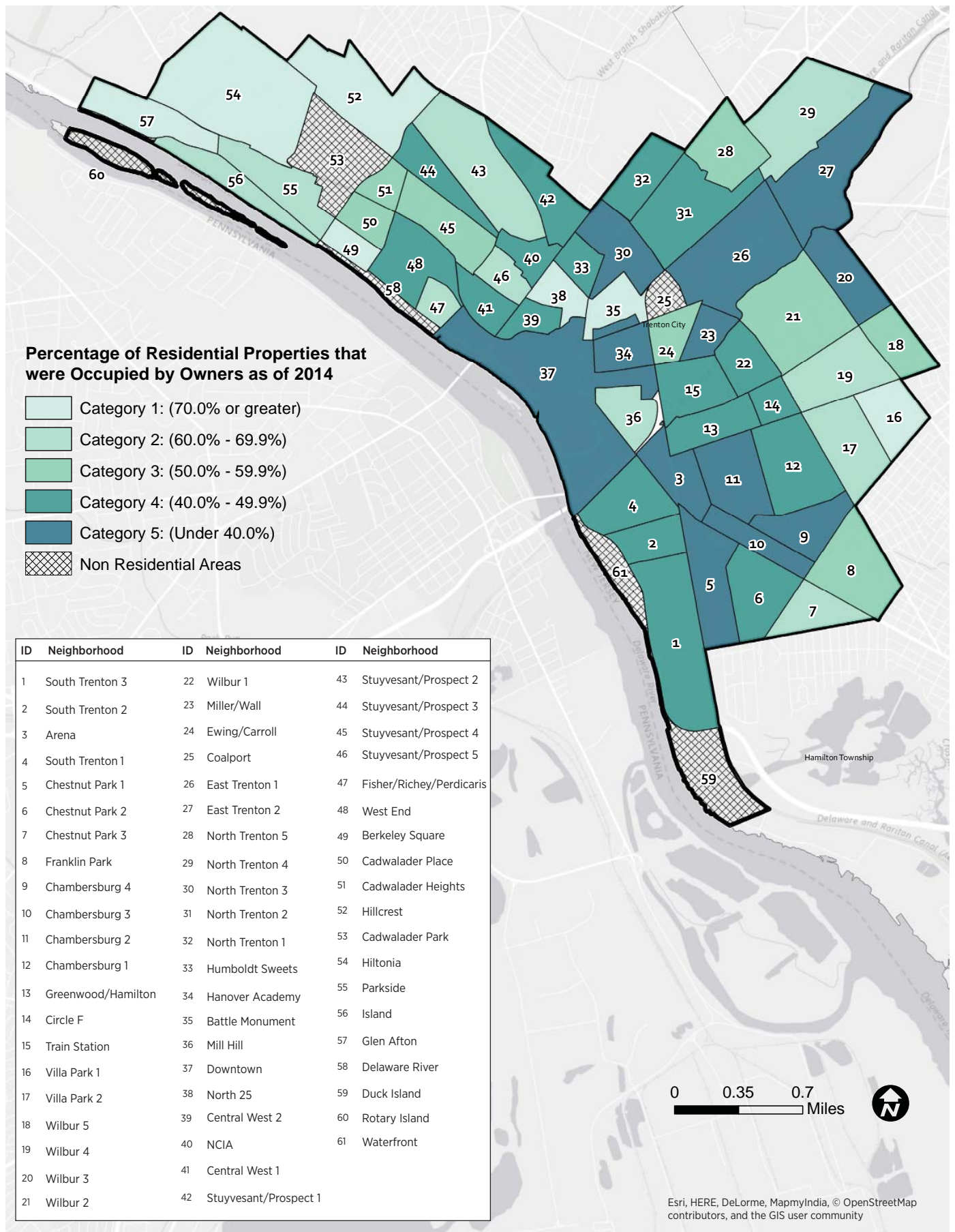
**TABLE II-4: LOWEST AND HIGHEST HOMEOWNERSHIP RATES**

| HIGHEST HOMEOWNERSHIP RATE |        |
|----------------------------|--------|
| Glen Afton                 | 80.56% |
| Hiltonia                   | 79.04% |
| Berkeley Square            | 77.78% |
| Hillcrest                  | 77.02% |
| Battle Monument            | 72.78% |
| LOWEST HOMEOWNERSHIP RATE  |        |
| Downtown                   | 30.53% |
| Chestnut Park 1            | 29.91% |
| Hanover Academy            | 26.23% |
| Miller/Wall                | 21.43% |
| Arena                      | 19.35% |

**TABLE II-5A: LOWEST AND HIGHEST INVESTOR PURCHASE SHARE**

| LOWEST INVESTOR PURCHASE SHARE  |        |
|---------------------------------|--------|
| Fisher/Richey/Perdicaris        | 0.0%   |
| Glen Afton                      | 25.0%  |
| Hiltonia                        | 30.8%  |
| Berkeley Square                 | 33.3%  |
| Cadwalader Heights              | 33.3%  |
| HIGHEST INVESTOR PURCHASE SHARE |        |
| East Trenton 1                  | 88.9%  |
| Chambersburg 3                  | 92.1%  |
| Humboldt Sweets                 | 95.2%  |
| Arena                           | 100.0% |
| Miller/Wall                     | 100.0% |

MAP II-3: HOMEOWNERSHIP RATE



SOURCE: New Jersey Association of County Tax Boards Owner's Assessment List

based,<sup>10</sup> and another 5% from Hamilton. The largest single group of investors comes from nearby Lakewood. They accounted for 28% of all investor purchases in 2013. The table shows all locations that accounted for 10 or more purchases. While on its face there appear to be large numbers of different buyers, each one accounting for only a few properties, common addresses shared by multiple buyers of record suggest that there may be a small number of relatively large buyers involved.<sup>11</sup>

**TABLE II-5B: DISTRIBUTION OF 2013 SINGLE FAMILY INVESTORS BY INVESTOR ADDRESS**

| INVESTOR ADDRESS   | NUMBER | PERCENTAGE OF PURCHASES |
|--------------------|--------|-------------------------|
| Lakewood, NJ       | 146    | 28%                     |
| Trenton, NJ        | 131    | 25%                     |
| Brooklyn, NY       | 29     | 6%                      |
| Hamilton, NJ       | 27     | 5%                      |
| Princeton, NJ      | 10     | 2%                      |
| Other NJ           | 103    | 20%                     |
| Inside New Jersey  | 446    | 85%                     |
| Outside New Jersey | 77     | 15%                     |
| Total              | 523    | 100%                    |

SOURCE: SR1A sales transaction reports

The increase in investor-owned properties, and the risk of investors coming into the Trenton market with short-term speculation rather than long-term stewardship in mind, suggests the importance of designing strategies that focus on the city's privately owned rental housing stock, to identify and go after problem landlords, while supporting responsible landlords who provide much-needed rental housing for Trenton families. A more detailed discussion of how the city could proceed in this area appears in the final section of this report.

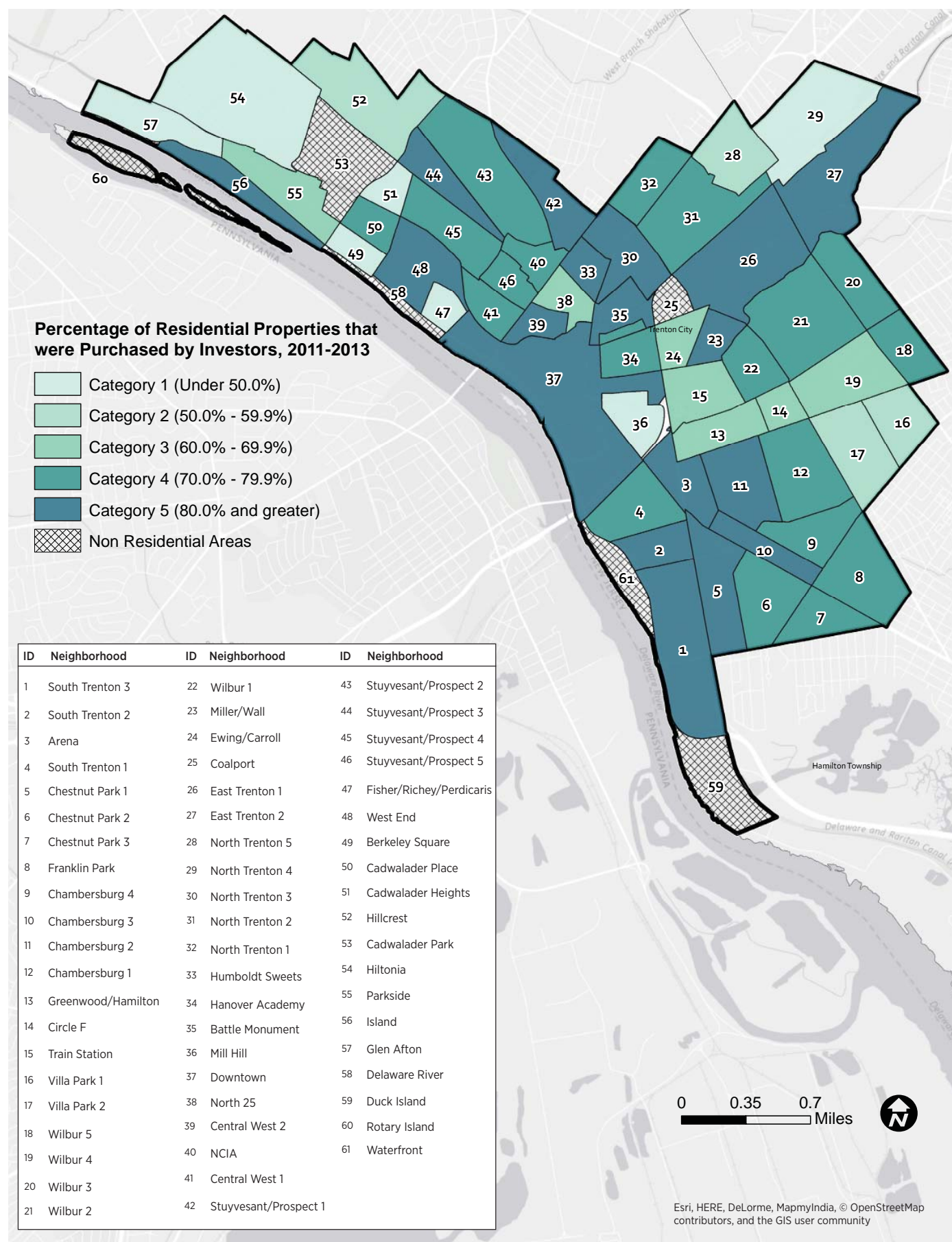
#### ***D. Median sales price***

The price for which houses sell in a neighborhood or city is probably the single most direct measure of market performance – the higher the price for a comparable house, the stronger the market, and the more people in the market who value the neighborhood. While prices that are too high or are rising too fast can cause problems such as displacement, low sales prices can represent an even more serious problem. One way to look at this is by comparing prices to the replacement cost of a house, the cost to restore a vacant shell, or construct a comparable new house on the property. When prices fall below replacement cost, property owners have no economic incentive to upgrade existing homes, rehabilitate vacant properties, or pursue infill construction on vacant lots. Low prices encourage speculation, and encourage investors to milk their properties of their value,

<sup>10</sup> This may overstate the case, because it is possible that some out-of-town investors may use a Trenton accommodation address.

<sup>11</sup> One address in Lakewood was shared by 21 separate buyers of record accounting for a total of 35 properties.

MAP II-4: INVESTOR-PURCHASED HOMES



SOURCE: New Jersey Association of County Tax Boards SR1A File

rather than maintain them as long-term investments.<sup>12</sup>

While the median price for a large body of home sales is easily computed, it is difficult to come up with a way to measure median sales prices for small neighborhoods, because there may be few if any sales transactions in some areas in any given year. It is possible to combine the data from more than one year, as we did with other variables, but that raises difficulties, because the numbers can be thrown off by one or two unusually high-priced transactions. Instead, we came up with a synthetic measurement. Specifically, we gave each neighborhood a score from 1 to 5 for each year from 2011 to 2013, and then averaged the three scores.<sup>13</sup>

Thus, in Table II-6A, a score of 1 means that that area was in the highest sales price tier in all three years, while a score of 5 means that it was in the lowest tier for all three years.

**TABLE II-6A: MEDIAN SALES PRICE BY AREA**

| HIGHEST MEDIAN SALES PRICE |   |
|----------------------------|---|
| Cadwalader Heights         | 1 |
| Fisher/Richey/Perdicaris   | 1 |
| Glen Afton                 | 1 |
| Hiltonia                   | 1 |
| Mill Hill                  | 1 |
| LOWEST MEDIAN SALES PRICE  |   |
| East Trenton 2             | 5 |
| North Trenton 1            | 5 |
| North Trenton 3            | 5 |
| Stuyvesant/Prospect 3      | 5 |
| Wilbur 1                   | 5 |

As noted earlier, house prices have declined sharply in Trenton since 2007, to where the median sales price in the city in 2012 and 2013 was \$32,000.<sup>14</sup> Sales prices continue to be relatively high in Trenton's strongest neighborhoods such as Hiltonia, Cadwalader Heights, Glen Afton and Mill Hill, typically running between \$150,000 and \$250,000, but those prices are still low from a regional perspective in light of the historic and architectural quality of many of the houses in those areas. In strong areas with less distinctive historic or architectural character, such as the St. Hedwigs area of North Trenton or Villa Park, houses sell for \$50,000 to \$60,000, well below replacement cost.

By contrast, prices in a number of the city's neighborhoods appear to have hit bottom, having fallen to levels at which there is no market basis for any further decline. We would suggest that that level is reached when the median house price falls to \$25,000 or less. Eight of the city's neighborhoods<sup>15</sup> are at that level, as shown in Table II-6B. These areas, with few exceptions, tend to have low homeownership rates and are areas in which the overwhelming majority of house purchases are by investors, rather than homebuyers.

Landlord strategies are likely to be particularly valuable in these areas. Not only is the housing stock in these areas largely absentee-owned, but the low prices coupled with relatively high rent levels make it clear that

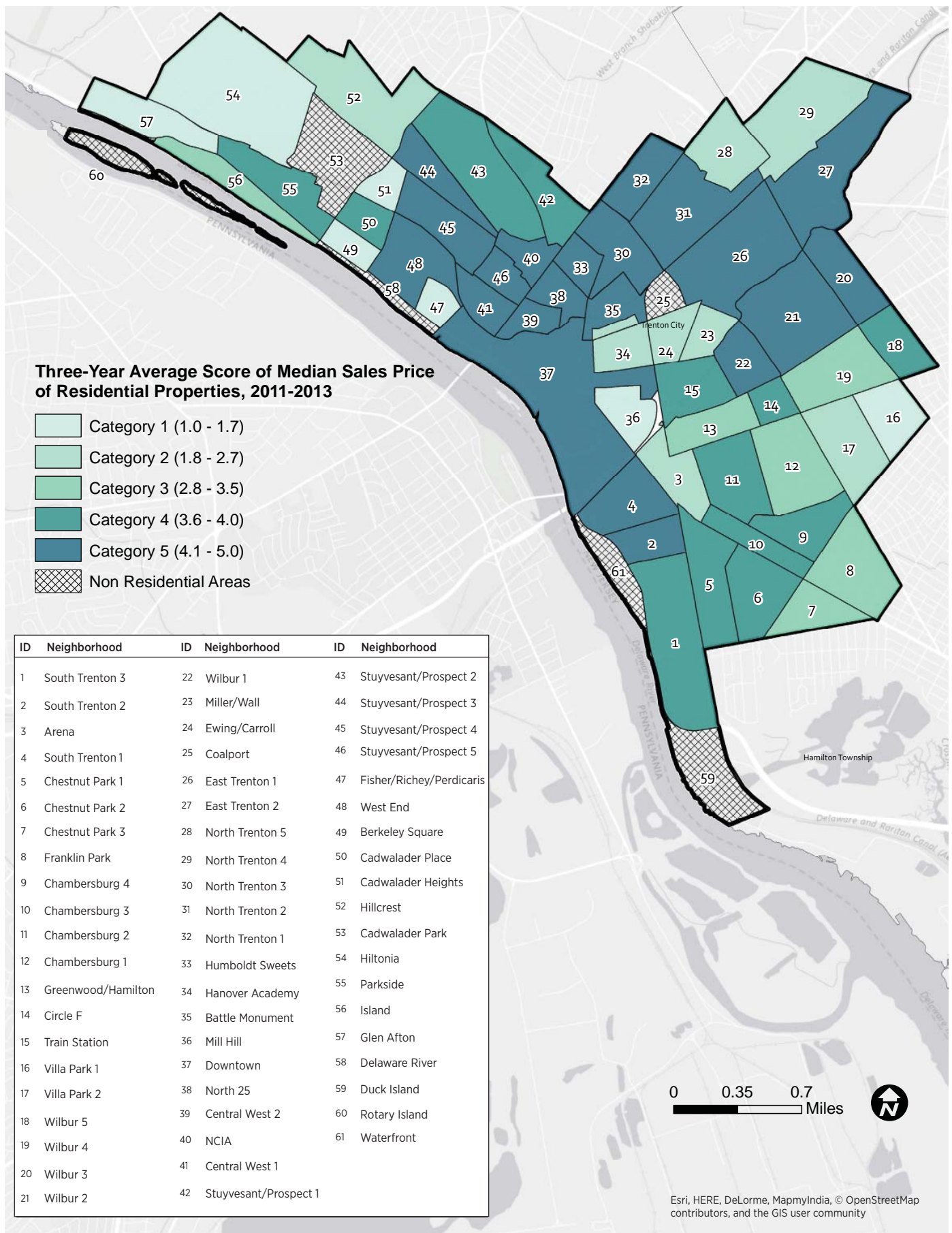
<sup>12</sup> Below a certain point, low sales prices provide little benefit to low-income households. Once prices get below the area of \$75,000 to \$100,000, still lower prices tend to have little impact on increasing homeownership opportunities. At current mortgage rates, a family with an adequate down payment and an income of \$30,000 – which is arguably about as low an income as one can find significant numbers of households that can qualify to become homeowners – can afford a house of \$100,000, although lower sales prices will enable lower-income buyers to spend less for shelter, thus giving them more disposable income for other needs. That notwithstanding, the negative destabilizing effects of lower sales prices significantly outweigh the modest benefits to some low income homebuyers. As we have seen earlier, lower sales prices have little or no effect on reducing costs to low income renters.

<sup>13</sup> Where an area had no sales in one of those years, we imputed the average of the other two years for that year.

<sup>14</sup> This price level represents roughly half of the historic average sales price in the city during the 1970s and 1980s, during which period, prior to the onset of the short-lived housing bubble of the late 1980s, house prices remained consistently in the area of \$60,000 to \$70,000 translated into 2013 dollars.

<sup>15</sup> Because of the small number of sales transactions in many areas, we have (1) combined subareas to show neighborhoods as a whole; and (2) combined sales transactions for 2012 and 2013.

MAP II-5: MEDIAN HOME SALES PRICE



SOURCE: New Jersey Association of County Tax Boards SR1A File

landlords in these areas can maintain their properties well and still make a healthy return on their investment, *if they are motivated to do so*. Effective regulatory strategies may be able to provide that motivation.

### ***E. Mortgage foreclosure filings***

Mortgage foreclosures are a major factor destabilizing neighborhoods. They can lead to increased vacancies as well as reduced property maintenance, and can reduce neighborhood confidence and property values. We have used

foreclosure filings, since they identify when mortgage payments became delinquent. Because of New Jersey's extremely slow foreclosure process, the actual foreclosure, as signaled by the sheriff's sale, may not take place for many years after the owner becomes delinquent and the foreclosure is filed. The data used in the report was purchased from Realty Trac, a national firm that monitors foreclosure activity. The data was cleaned to remove any duplicate entries for properties with the same address and owner. There may be more than one foreclosure filing at the same address, however, where a property was foreclosed, taken back by the lender and sold to a new owner, and subsequently went into foreclosure again. The property database contains data on foreclosure filings from 2004 through 2014. The data shows foreclosure filings on Class 2 properties as a percentage of all Class 2 properties in the neighborhood or subarea.

While all the other data sets follow a roughly consistent pattern in terms of strong and weak neighborhoods, the data on foreclosure does not follow the same pattern. As can be seen in Table II-7, the low foreclosure and high foreclosure neighborhoods are not the ones a reader familiar with Trenton would necessarily expect. We suggest that there be more investigation to better understand the reasons for this seeming anomaly.

Although, as noted earlier, foreclosure filings in Trenton are significantly down from their 2008-2010 peak, they are still highly elevated compared to the years before the mortgage crisis. The city of Trenton can play a valuable role in both preventing foreclosures, by working with non-profit counseling agencies to reach out to homeowners in foreclosure or at risk of foreclosure; and by using New Jersey's creditor responsibility law to hold lenders accountable for maintaining properties in foreclosure, where the owner of record has abandoned the property.

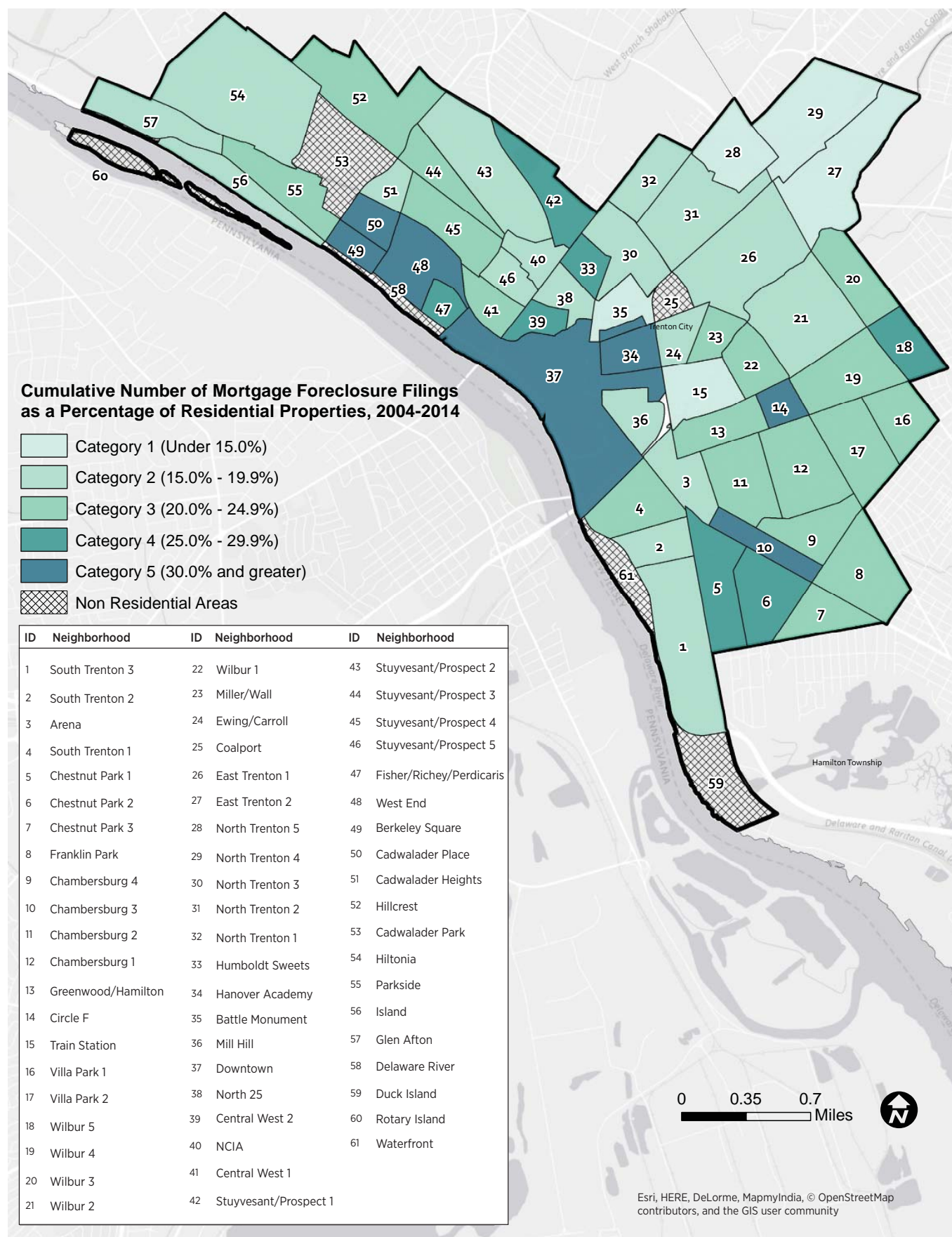
**TABLE II-6B: NEIGHBORHOODS WITH LOWEST MEDIAN SALES PRICES 2012-2013**

| NEIGHBORHOOD                              | MEDIAN SALES PRICE 2012-2013 |
|---|------------------------------|
| Wilbur                                    | \$25,000                     |
| Stuyvesant/Prospect                       | \$22,000                     |
| West End                                  | \$20,450                     |
| East Trenton                              | \$20,000                     |
| Central West                              | \$18,500                     |
| North Trenton (excluding St Hedwigs area) | \$17,750                     |
| Humboldt-Sweets                           | \$16,500                     |
| NCIA                                      | \$15,000                     |

**TABLE II-7: LOWEST AND HIGHEST FORECLOSURE FILING RATE**

| LOWEST FORECLOSURE FILING RATE  |       |
|---------------------------------|-------|
| North Trenton 4                 | 8.6%  |
| Battle Monument                 | 9.7%  |
| North Trenton 5                 | 12.1% |
| East Trenton 2                  | 13.4% |
| Train Station                   | 13.4% |
| HIGHEST FORECLOSURE FILING RATE |       |
| Chambersburg 3                  | 33.2% |
| Circle F                        | 37.7% |
| Hanover Academy                 | 40.9% |
| Berkeley Square                 | 41.3% |
| Downtown                        | 52.7% |

MAP II-6: CUMULATIVE MORTGAGE FORECLOSURE RATE



SOURCE: RealtyTrac, Inc.

## F. Property tax delinquency

Property owners have certain obligations, including the responsibility to pay property taxes to the city; and, if they have taken out a mortgage, to make mortgage payments. Whether or not they do so is a function of two factors – their ability to do so, or hardship, and their desire to do so, which reflects how they feel about the value of holding onto the property and their confidence in the neighborhood. Since mortgage payments are typically larger than property taxes, and since banks tend to move more quickly than local governments, the hardship factor usually weighs greater with mortgages, and the confidence factor weighs greater with property taxes. Thus, the percentage of owners paying their property taxes offers a rough measure of property owners' assessment of their neighborhood and its future prospects. Areas with particularly high levels of tax delinquency, such as parts of Wilbur, East Trenton, North Trenton, and Stuyvesant/Prospect, are at particularly high risk for continued property abandonment.

**TABLE II-8: LOWEST AND HIGHEST LEVELS OF PROPERTY TAX DELINQUENCY**

| LOWEST TAX DELINQUENCY RATE  |       |
|------------------------------|-------|
| North Trenton 5              | 5.7%  |
| Glen Afton                   | 6.0%  |
| Villa Park 2                 | 6.2%  |
| Villa Park 1                 | 6.3%  |
| Island                       | 6.7%  |
| HIGHEST TAX DELINQUENCY RATE |       |
| Central West 1               | 39.0% |
| North Trenton 3              | 39.2% |
| Stuyvesant/Prospect 3        | 40.9% |
| Wilbur 1                     | 43.5% |
| East Trenton 1               | 59.7% |

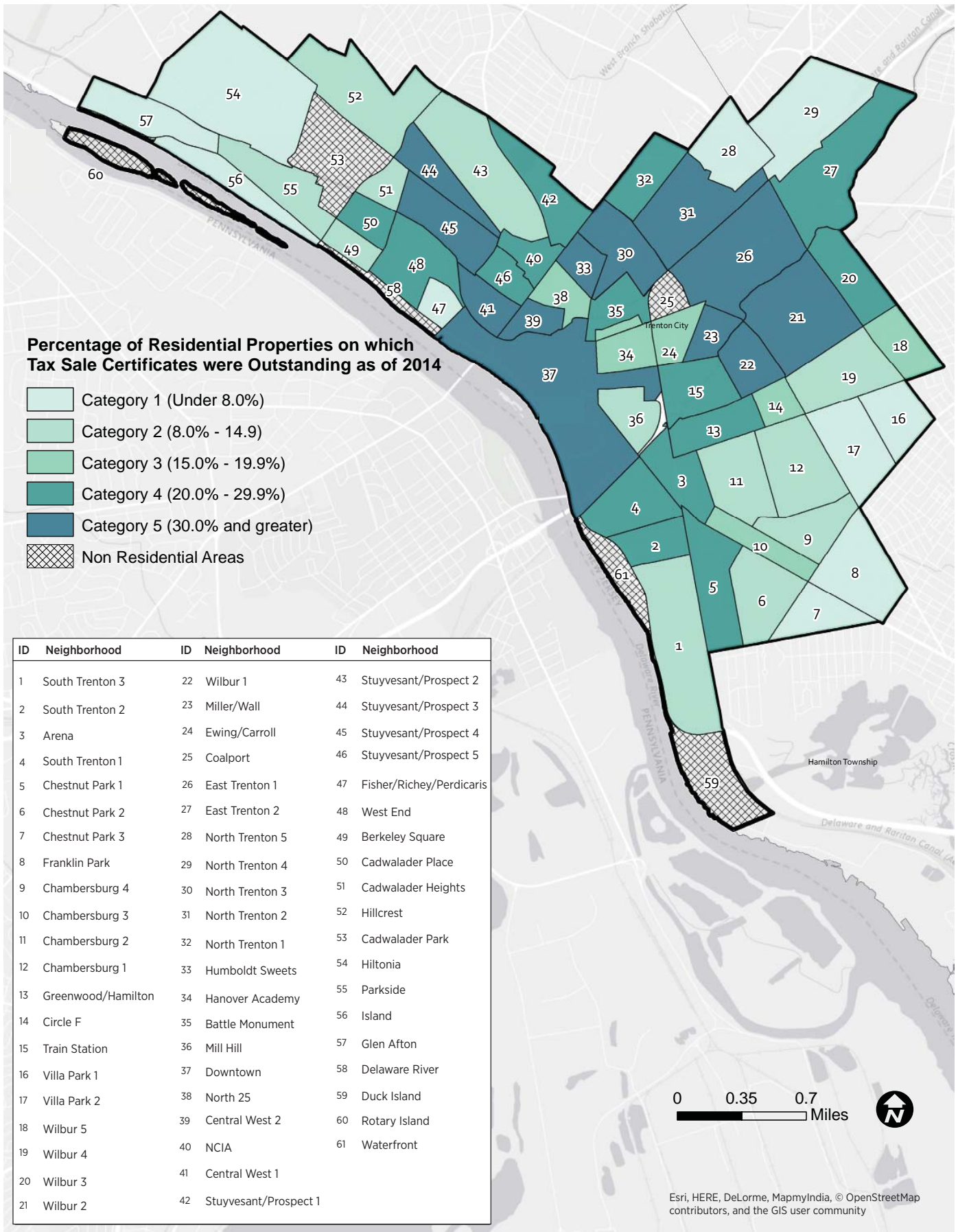
To measure this factor, we use the percentage of properties on which tax sale certificates or tax liens are currently outstanding, including tax liens created between 2006 and 2014. This includes all properties for which taxes were unpaid long enough for the property to end up in a tax sale, and which have not been redeemed or foreclosed subsequent to the sale, as shown in Map II-7.

## G. Tax sale certificate purchases

When the city puts tax delinquent properties up for tax sale, one of two things happens to each property: either the tax sale certificate is bought by an investor, who pays the city the outstanding taxes; or, if no investor offers the minimum bid on the property, it is 'struck off' and becomes the property of the city. The purchase of tax sale certificates is potentially profitable since the property owner has to pay both principal and accrued interest on back taxes to redeem the property. As a result, the pool of investors who bid at tax sales is both large and sophisticated, and includes a number of Wall Street firms. Thus, the percentage of properties that are struck off to the city because no investors bid on them is a good reflection of how the investor market sees the neighborhood; this is the parallel to the tax delinquency indicator, which reflects how property owners see their neighborhood. As with that indicator, this measure uses all tax liens outstanding since 2006 as of 2014. Taken as a whole, investors hold just under 70% of the outstanding tax sale certificates, while the city of Trenton holds 30%.<sup>16</sup> Compared to most cities, this is a relatively high strike-off level, but as Table II-9 shows, there is considerable variation from one neighborhood to the next. The distribution of neighborhoods for this variable is shown in Map II-8.

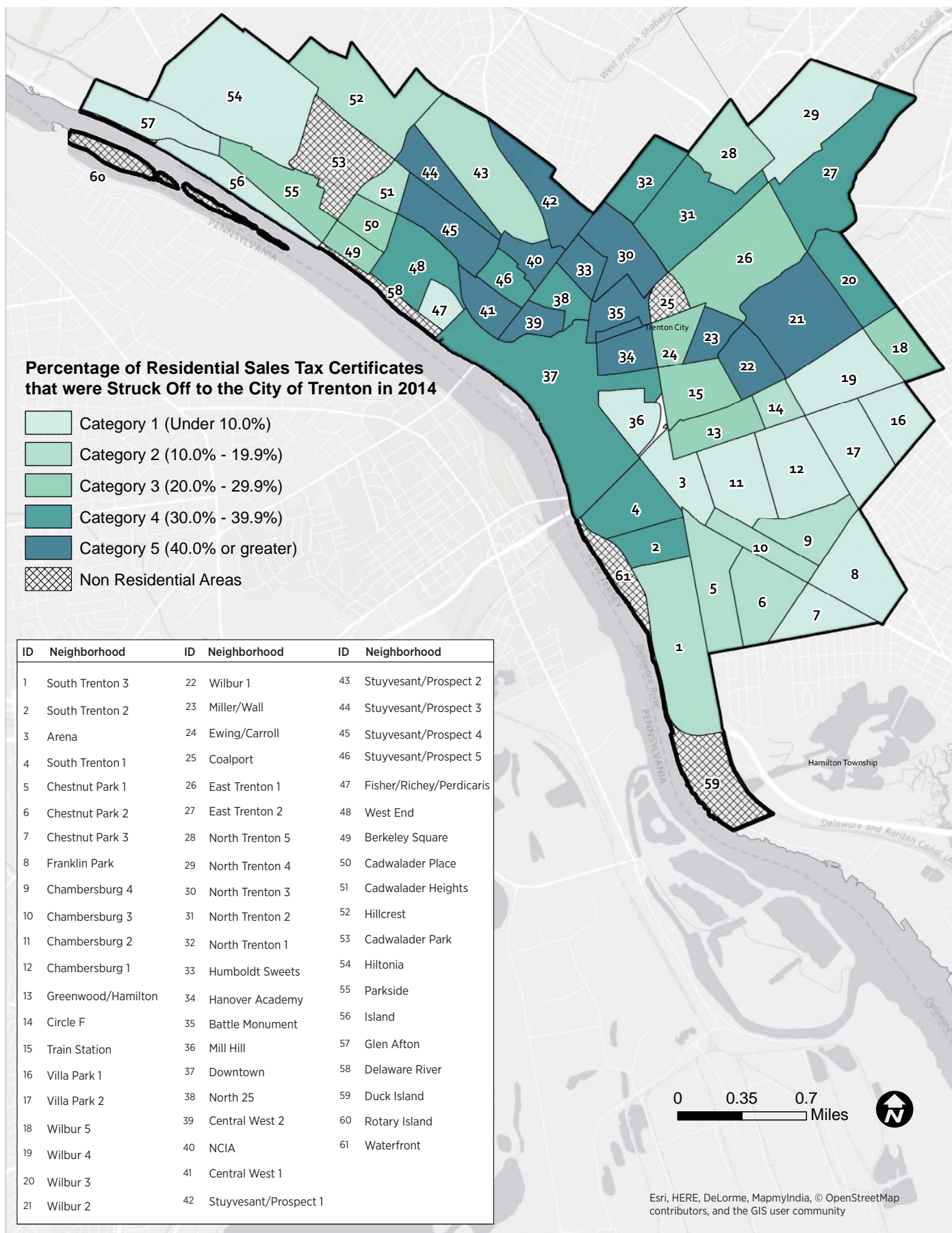
<sup>16</sup> The trends with respect to investor purchases of tax liens over the past few years are likely to be equally informative. Unfortunately, data on annual purchases only became available after this report was largely written, so it could not be included here. This data should be incorporated into the city's property database.

## MAP II-7: RESIDENTIAL TAX DELINQUENCY



SOURCE: City of Trenton Tax Collector

MAP II-8: RESIDENTIAL TAX DELINQUENCY STRIKE-OFF



SOURCE: City of Trenton Tax Collector

While it is not generally good to have many properties go through tax sale and be struck off to the city, it does offer the city the opportunity to use tax foreclosure to acquire properties which may have reuse value, either individually or as part of a larger parcel that can be assembled. The city may also be able to acquire tax certificates held by third parties on other properties that may be of value to the city for a nominal or modest sum from purchasers who may have little interest in taking title to those properties.<sup>17</sup>

### ***H. Violent crime incidents***

Crime in general, and violent crime in particular, are important – perhaps the most important – factors in how people, both within and outside an area, assess a neighborhood. Both the actual crime level as well as the fear of crime<sup>18</sup> exert a powerful influence on whether people choose to buy a home in a particular area; or if they live in that area, choose to stay if they have the economic means to move elsewhere. The Trenton Department of Public Safety provided spreadsheets of reported crime incidents by address, which were geo-coded and allocated by neighborhood and subarea.

The measure that we used was violent crime, as defined by the FBI. We chose this measure since (1) research suggests that violent crime affects people’s perceptions of an area more than property crime, and (2) it enabled us to draw comparisons between crime rates in Trenton and national averages. In order to control for possible random upward or downward ‘blips’ from one year to the next in small areas, we used the sum of all violent crime incidents reported from 2011 to 2013 (a period during which the overall violent crime rate did not change significantly in the city) to construct the measure. We compared the rates for each area with the national violent crime rate in 2013, which was 386.9 per 100,000 population, as shown in Map II-10.

**TABLE II-9: LOWEST AND HIGHEST PERCENTAGES OF TAX SALE CERTIFICATES STRUCK OFF TO CITY OF TRENTON**

| LOWEST PERCENTAGE OF TAX SALE CERTIFICATES STRUCK OFF  |       |
|--|-------|
| Arena  | 0.0%  |
| Fisher/Richey/Perdicaris                               | 0.0%  |
| Glen Afton   | 0.0%  |
| Hiltonia   | 0.0%  |
| Chambersburg 1   | 1.5%  |
| HIGHEST PERCENTAGE OF TAX SALE CERTIFICATES STRUCK OFF |       |
| Wilbur 2   | 48.5% |
| North Trenton 3  | 49.3% |
| Hanover Academy  | 52.2% |
| Battle Monument  | 62.9% |
| Humboldt Sweets  | 67.7% |

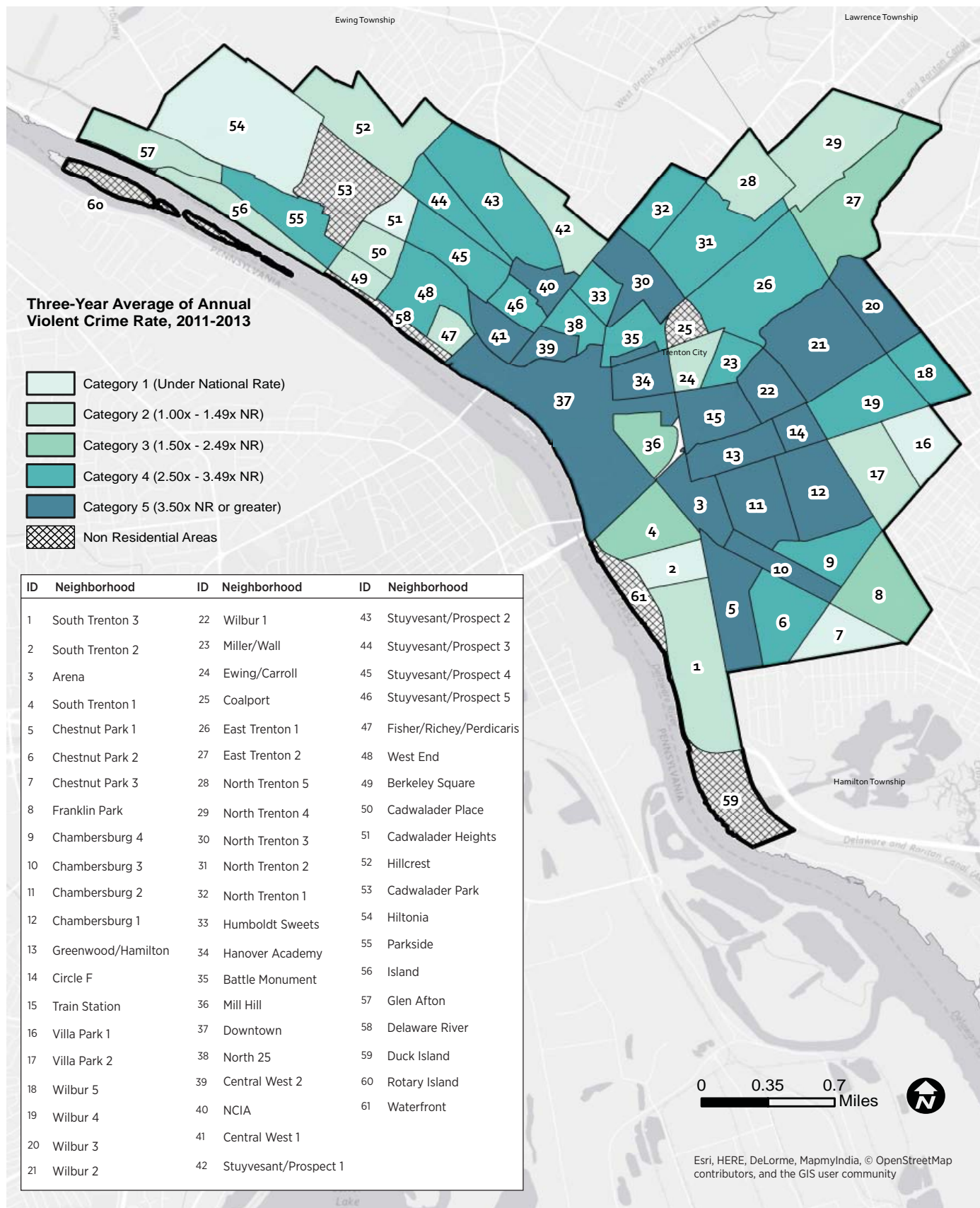
**TABLE II-10: HIGHEST AND LOWEST VIOLENT CRIME RATES**

| LOWEST VIOLENT CRIME RATE  |        |
|----------------------------|--------|
| Hiltonia                   | 19.6   |
| Cadwalader Heights         | 100.4  |
| South Trenton 2            | 184.4  |
| Villa Park 1               | 352.4  |
| Chestnut Park 3            | 382.4  |
| HIGHEST VIOLENT CRIME RATE |        |
| Hanover-Academy            | 2017.0 |
| Chambersburg 3             | 2086.5 |
| Wilbur 1                   | 2178.9 |
| Chambersburg 2             | 2246.9 |
| Central West 1             | 2366.9 |

<sup>17</sup> Many bidders at tax sales buy liens in the expectation that the owner will redeem the property, and that they will make their profit off the associated interest and penalties. If, at some point, it becomes clear to the buyer that the owner is not likely to redeem, they may be eager to cut their losses by selling the lien at a significant discount, rather than foreclose on a property that they don’t want to own. This is particularly likely to be the case where the property is vacant rather than occupied.

<sup>18</sup> While the fear of crime or the perception of the amount of crime in an area is not always consistent with the actual level, particularly when there has been recent significant change, the two are generally reasonably consistent with one another.

## MAP II-9: VIOLENT CRIME RATE



SOURCE: City of Trenton Department of Public Safety

Clearly, the city is well aware of the need for crime prevention strategies, and is actively addressing this issue; as we noted earlier, violent crime citywide dropped noticeably from 2013 to 2014. While specific suggestions would be beyond the scope of this report, it is important to note that wherever possible, such strategies should be integrated with the property-related strategies, including code enforcement and focused efforts to work with landlords, discussed in the final section of report, as well as community-based revitalization efforts.<sup>19</sup>

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<sup>19</sup> LISC (Local Initiatives Support Corporation) runs a Community Safety Initiative (CSI), which fosters community-based safety partnerships. This initiative, according to their website “helps neighborhoods confront these challenges by cross-training community developers and officers to create common language, bridge gaps across institutional cultures and help people break the bonds of traditional roles. CSI then creates a structure for police and communities to do things together - often to tackle hot spots that have not yielded to prior crime control efforts.” For publications and more information, see [http://www.lisc.org/csi/community\\_safety\\_at\\_lisc/strategy/index.php](http://www.lisc.org/csi/community_safety_at_lisc/strategy/index.php)

### III. COMPARING TRENTON'S NEIGHBORHOODS



The map and tables on the following pages present the results of the analysis for each of the 55 neighborhoods or subareas which make up the city of Trenton, excluding areas with no residential population. Table III-1 presents the composite score for each neighborhood, showing which of four broad categories each area fits into, which is shown graphically on Map III-1. Table III-3 then presents the actual scores for each neighborhood or subarea on each of the eight measures. Appendix 3 presents each area's rank on each of the eight separate measures described in the previous section.<sup>20</sup>

Trenton's neighborhoods and subareas divide into roughly equal thirds: 19 areas are strong (category 1) or moderately strong (category 2), 18 are weak (category 3), and 18 are very weak (category 4). The city's strong areas tend to be a combination of historically or architecturally distinguished pockets (Mill Hill, Cadwalader Heights and Fisher/Richey/Perdicaris) and areas at the city's edges, such as Glen Afton. The largest strong areas are North Trenton 4 and 5 (the St. Hedwigs area) and Villa Park. All of these areas tend to be consistently strong on all or nearly all of the indicators. As we discuss in the following section, however, some of these areas are showing trends that need to be carefully monitored to prevent possible future decline.

Moderately strong, or category 2, areas tend to be areas that are either at the city's edges, such as Hillcrest or Franklin Park, or adjacent to strong areas, such as subarea 1 in Chambersburg or subarea 4 in Wilbur, both of which abut Villa Park. In contrast to the strong areas, most of the moderately strong areas show signs of weakness in one or more indicator, suggesting potential future challenges facing these areas. These areas, however, do not necessarily show weakness in the same areas; one neighborhood may be challenged by excessive vacancies or tax delinquency, while another may have few vacancies and tax liens but is seeing a rapid increase in the share of home purchases by absentee investors.

Table III-2 shows where each moderately strong neighborhood or subarea shows weakness on a particular measure and how severe the weakness is, referring back to the way each measure was scored as shown in Table II-2 on page 21. Moderate risk factors are measures where the neighborhood received a rating of 3, while severe risk factors are those where it received a rating of 4 or 5. For example, although the Island and South Trenton subarea 3 are both generally strong areas, over 80% of all home purchases have been made by investors, which may be a warning sign of potential destabilization. Stuyvesant-Prospect subarea 2 (north of Pennington Avenue), while stronger than its surrounding areas, is at risk from low house values, a high level of investor purchases, and elevated violent crime. Despite these challenges, all of these areas continue to have valuable strengths that can be built on. By identifying their weaknesses, it becomes more feasible to develop targeted strategies to preserve these areas' strengths.

More centrally-located neighborhoods tend to be weaker, including most of North Trenton, Wilbur, Stuyvesant-Prospect, East Trenton and Central West, as well as that part of South Trenton closest to downtown, and large parts of Chambersburg and Chestnut Park. Some of these areas show strength in some indicators, however, suggesting potential opportunities. Examples include low levels of vacant properties in Chambersburg and Chestnut Park, suggesting that targeted strategies to deal with vacant properties might help stabilize these neighborhoods. These same neighborhoods also have relatively low levels of property tax delinquency and tax liens struck off to the city, suggesting the presence of a higher level of confidence in the area by neighborhood homeowners and investors.

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<sup>20</sup> Ranks highlighted in tables III-2 and III-3 are those where values have been imputed because of missing data.

**TABLE III-1: TRENTON NEIGHBORHOODS COMPOSITE SCORE**

|                          |    |
|--------------------------|----|
| Hiltonia                 | 9  |
| Glen Afton               | 10 |
| North Trenton 4          | 11 |
| Villa Park 1             | 12 |
| Cadwalader Heights       | 14 |
| North Trenton 5          | 14 |
| Villa Park 2             | 14 |
| Fisher/Richey/Perdicaris | 15 |
| Mill Hill                | 15 |
| Hillcrest                | 16 |
| Chestnut Park 3          | 17 |
| Berkeley Square          | 18 |
| Island                   | 18 |
| Franklin Park            | 19 |
| Ewing/Carrol             | 20 |
| Wilbur 4                 | 20 |
| Stuyvesant/Prospect 2    | 21 |
| Chambersburg 1           | 23 |
| South Trenton 3          | 23 |
| North 25                 | 25 |
| Parkside                 | 25 |
| Chambersburg 4           | 26 |
| Chestnut Park 2          | 26 |
| Chambersburg 2           | 27 |
| Train Station            | 28 |
| Wilbur 5                 | 28 |
| Arena                    | 29 |
| Battle Monument          | 29 |
| Cadwalader Place         | 29 |
| Circle F                 | 29 |
| Greenwood/Hamilton       | 29 |
| Stuyvesant/Prospect 5    | 29 |
| North Trenton 1          | 30 |
| South Trenton 2          | 30 |
| East Trenton 2           | 31 |

|                       |    |
|-----------------------|----|
| Chambersburg 3        | 32 |
| Chestnut Park 1       | 32 |
| North Trenton 2       | 32 |
| South Trenton 1       | 32 |
| Stuyvesant/Prospect 1 | 32 |
| Miller/ Wall          | 33 |
| Stuyvesant/Prospect 4 | 33 |
| Hanover Academy       | 34 |
| NCIA                  | 34 |
| Wilbur 2              | 34 |
| Wilbur 3              | 34 |
| East Trenton 1        | 35 |
| Central West 1        | 36 |
| Stuyvesant/Prospect 3 | 36 |
| West End              | 36 |
| Wilbur 1              | 36 |
| Humboldt Sweets       | 37 |
| North Trenton 3       | 37 |
| Central West 2        | 38 |
| Downtown              | 38 |

|  |                   |
|--|-------------------|
|  | STRONG            |
|  | MODERATELY STRONG |
|  | WEAK              |
|  | VERY WEAK         |

MAP III-1: NEIGHBORHOOD CONDITION COMPOSITE SCORE

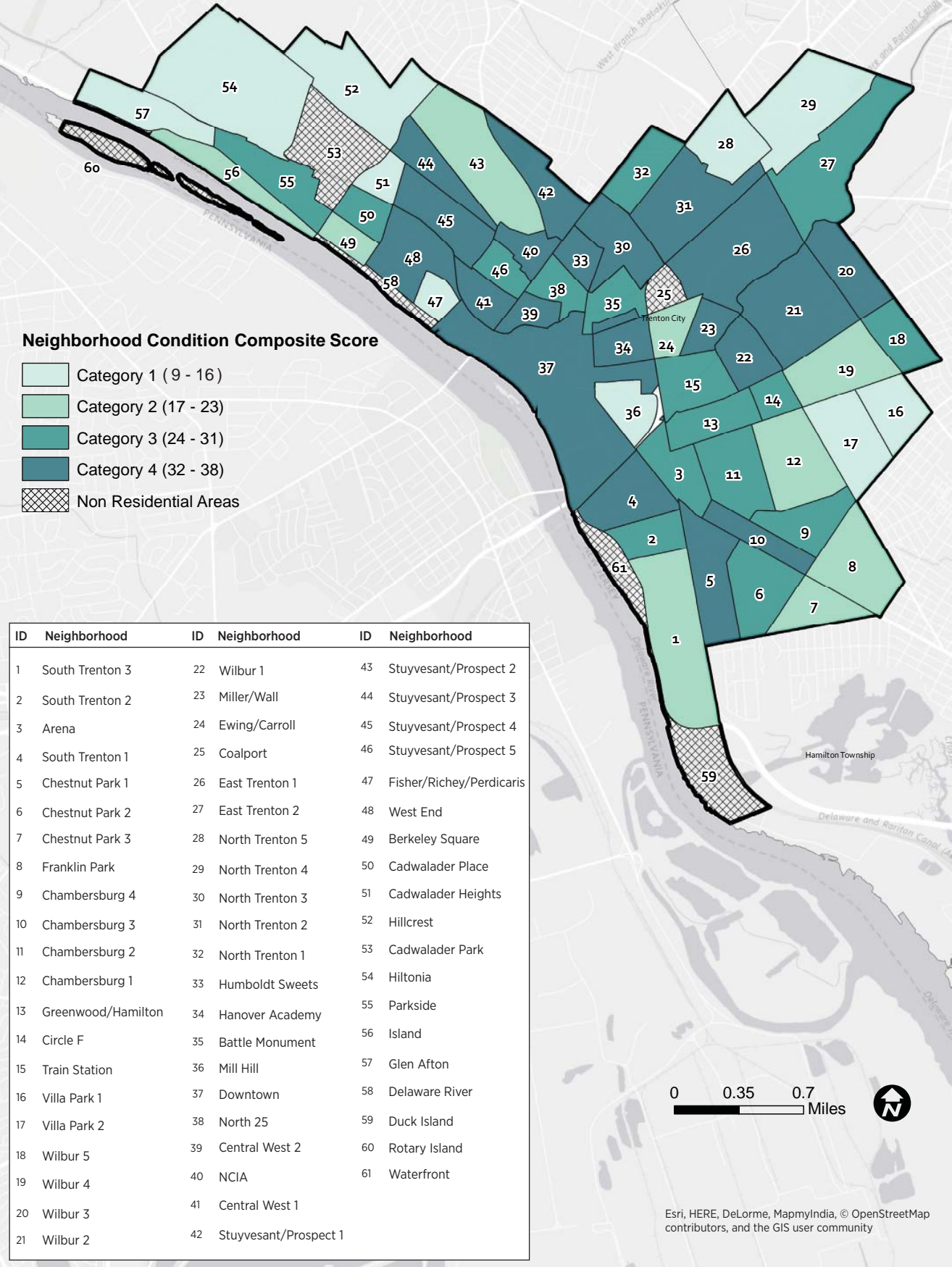


TABLE III-2: POTENTIAL AREAS OF RISK IN MODERATELY STRONG (CATEGORY 2) SUBAREAS

|                       | MODERATE RISK FACTORS   | SEVERE RISK FACTORS  |
|-----------------------|---|--|
| Berkeley Square       | Vacant houses   | Foreclosure filings  |
| Chambersburg 1        | Foreclosure filings<br>Low sales prices                         | Investor purchases<br>Violent crime<br>Low homeownership rate    |
| Chestnut Park 3       | Foreclosure filings<br>Low sales prices                         | Investor purchases   |
| Ewing/Carroll         | Investor purchases<br>Tax delinquency<br>Low homeownership rate |  |
| Franklin Park         | Foreclosure filings<br>Low sales prices<br>Violent crime        | Investor purchases   |
| Hillcrest             | Foreclosure filings   |  |
| Island                | Low sales prices  | Investor purchases   |
| South Trenton 3       |   | Investor purchases<br>Low sales prices<br>Low homeownership rate |
| Stuyvesant/Prospect 2 |   | Investor purchases<br>Low sales prices<br>Violent crime          |
| Wilbur 4              | Foreclosure filings<br>Investor purchases<br>Low sales prices   | Violent crime  |

TABLE III-3: NEIGHBORHOOD DASHBOARDS

|   | ARENA   |        | BATTLE MONUMENT |        | BERKELEY SQUARE |        | CADWALADER HEIGHTS |        |
|---|---------|--------|-----------------|--------|-----------------|--------|--------------------|--------|
|   | MEASURE | RATING | MEASURE         | RATING | MEASURE         | RATING | MEASURE            | RATING |
| PERCENTAGE OF VACANT HOUSES 2014                    | 21.6%   | 5      | 18.1            | 4      | 12.0            | 3      | 9.7%               | 2      |
| HOMEOWNERSHIP RATE 2014                             | 19.35%  | 5      | 72.27%          | 1      | 11.18%          | 1      | 58.46              | 3      |
| CUMULATIVE FORECLOSURE FILINGS 2004-2014            | 16.2    | 2      | 9.7%            | 1      | 41.3%           | 5      | 16.1%              | 2      |
| MEDIAN SALES PRICE 3 YEAR AVERAGE SCORE*            | 6       | 2      | 14              | 5      | 5               | 1      | 3                  | 1      |
| INVESTOR SHARE OF SINGLE FAMILY PURCHASES 2011-2013 | 100.0%  | 5      | 80.0%           | 5      | 33.3%           | 1      | 33.3%              | 1      |
| ANNUAL AVERAGE VIOLENT CRIME RATE 2011-2013         | 3603.6  | 5      | 1266.9          | 4      | 457.9           | 2      | 100.4              | 1      |
| PERCENTAGE OF HOMES WITH TAX LIENS 2014             | 29.0%   | 4      | 22.2%           | 4      | 12.5%           | 2      | 9.2%               | 2      |
| PERCENTAGE OF LIENS STRUCK OFF TO CITY 2014         | 0.0%    | 1      | 66.9%           | 5      | 22.2%           | 3      | 16.7%              | 2      |
| COMPOSITE SCORE                                     |         | 3      |                 | 3      |                 | 2      |                    | 1      |

|   | CADWALADER PLACE |        | CENTRAL WEST 1 |        | CENTRAL WEST 2 |        | CHAMBERSBURG 1 |        |
|---|------------------|--------|----------------|--------|----------------|--------|----------------|--------|
|   | MEASURE          | RATING | MEASURE        | RATING | MEASURE        | RATING | MEASURE        | RATING |
| PERCENTAGE OF VACANT HOUSES 2014                    | 17.4%            | 4      | 25.3%          | 5      | 33.5%          | 5      | 7.5%           | 2      |
| HOMEOWNERSHIP RATE 2014                             | 53.85%           | 3      | 49.39%         | 4      | 45.37%         | 4      | 45.81%         | 4      |
| CUMULATIVE FORECLOSURE FILINGS 2004-2014            | 32.3%            | 5      | 22.7%          | 3      | 29.1%          | 4      | 22.6%          | 3      |
| MEDIAN SALES PRICE 3 YEAR AVERAGE SCORE*            | 11               | 4      | 13             | 5      | 15             | 5      | 10             | 3      |
| INVESTOR SHARE OF SINGLE FAMILY PURCHASES 2011-2013 | 73.1%            | 4      | 74.3%          | 4      | 82.6%          | 5      | 77.6%          | 4      |
| ANNUAL AVERAGE VIOLENT CRIME RATE 2011-2013         | 432.9            | 2      | 2366.9         | 5      | 1811.6         | 5      | 1565.2         | 5      |
| PERCENTAGE OF HOMES WITH TAX LIENS 2014             | 26.9%            | 4      | 39.0%          | 5      | 34.4%          | 5      | 12.1%          | 2      |
| PERCENTAGE OF LIENS STRUCK OFF TO CITY 2014         | 21.4%            | 3      | 41.4%          | 5      | 42.3%          | 5      | 1.5%           | 1      |
| COMPOSITE SCORE                                     |                  | 3      |                | 4      |                | 4      |                | 2      |

|   | CHAMBERSBURG 2 |        | CHAMBERSBURG 3 |        | CHAMBERSBURG 4 |        | CHESTNUT PARK 1 |        |
|---|----------------|--------|----------------|--------|----------------|--------|-----------------|--------|
|   | MEASURE        | RATING | MEASURE        | RATING | MEASURE        | RATING | MEASURE         | RATING |
| PERCENTAGE OF VACANT HOUSES 2014                    | 9.9%           | 2      | 14.4%          | 3      | 10.7%          | 2      | 14.7%           | 3      |
| HOMEOWNERSHIP RATE 2014                             | 37.79%         | 5      | 35.28%         | 5      | 37.65%         | 5      | 29.91%          | 5      |
| CUMULATIVE FORECLOSURE FILINGS 2004-2014            | 23.2%          | 3      | 33.2%          | 5      | 22.4%          | 3      | 28.1%           | 4      |
| MEDIAN SALES PRICE 3 YEAR AVERAGE SCORE*            | 11             | 4      | 12             | 4      | 12             | 4      | 12              | 4      |
| INVESTOR SHARE OF SINGLE FAMILY PURCHASES 2011-2013 | 85.8%          | 5      | 92.1%          | 5      | 79.6%          | 4      | 85.2%           | 5      |
| ANNUAL AVERAGE VIOLENT CRIME RATE 2011-2013         | 2246.9         | 5      | 2086.5         | 5      | 1316.4         | 4      | 1690.0          | 5      |
| PERCENTAGE OF HOMES WITH TAX LIENS 2014             | 12.2%          | 2      | 15.2%          | 3      | 14.1%          | 2      | 20.7%           | 4      |
| PERCENTAGE OF LIENS STRUCK OFF TO CITY 2014         | 8.6%           | 1      | 16.9%          | 2      | 11.8%          | 2      | 17.1%           | 2      |
| COMPOSITE SCORE                                     |                | 3      |                | 4      |                | 3      |                 | 4      |

|   | CHESTNUT PARK 2 |        | CHESTNUT PARK 3 |        | CIRCLE F |        | DOWNTOWN |        |
|---|-----------------|--------|-----------------|--------|----------|--------|----------|--------|
|   | MEASURE         | RATING | MEASURE         | RATING | MEASURE  | RATING | MEASURE  | RATING |
| PERCENTAGE OF VACANT HOUSES 2014                    | 8.4%            | 2      | 9.0%            | 2      | 12.0%    | 3      | 15.1%    | 4      |
| HOMEOWNERSHIP RATE 2014                             | 47.42%          | 4      | 62.95%          | 2      | 43.96%   | 4      | 30.53%   | 5      |
| CUMULATIVE FORECLOSURE FILINGS 2004-2014            | 26.4%           | 4      | 20.1%           | 3      | 37.7%    | 5      | 52.7%    | 5      |
| MEDIAN SALES PRICE 3 YEAR AVERAGE SCORE*            | 12              | 4      | 9               | 3      | 11       | 4      | 15       | 5      |
| INVESTOR SHARE OF SINGLE FAMILY PURCHASES 2011-2013 | 76.3%           | 4      | 70.0%           | 4      | 68.0%    | 3      | 85.7%    | 5      |
| ANNUAL AVERAGE VIOLENT CRIME RATE 2011-2013         | 1240.4          | 4      | 382.4           | 1      | 1570.3   | 5      | 1626.5   | 5      |
| PERCENTAGE OF HOMES WITH TAX LIENS 2014             | 10.9%           | 2      | 7.0%            | 1      | 19.8%    | 3      | 37.9%    | 5      |
| PERCENTAGE OF LIENS STRUCK OFF TO CITY 2014         | 12.5%           | 2      | 3.2%            | 1      | 13.9%    | 2      | 36.1%    | 4      |
| COMPOSITE SCORE                                     |                 | 3      |                 | 2      |          | 3      |          | 4      |

|   | EAST TRENTON 1 |        | EAST TRENTON 2 |        | EWING/CARROLL |        | FISHER/RICHEY PERDICARIS |        |
|---|----------------|--------|----------------|--------|---------------|--------|--------------------------|--------|
|   | MEASURE        | RATING | MEASURE        | RATING | MEASURE       | RATING | MEASURE                  | RATING |
| PERCENTAGE OF VACANT HOUSES 2014                    | 22.7%          | 5      | 18.7%          | 4      | 11.9%         | 2      | 12.5%                    | 3      |
| HOMEOWNERSHIP RATE 2014                             | 36.95%         | 5      | 39.83%         | 5      | 56.63%        | 3      | 62.79%                   | 2      |
| CUMULATIVE FORECLOSURE FILINGS 2004-2014            | 18.5%          | 2      | 13.4%          | 1      | 15.5%         | 2      | 25.0%                    | 4      |
| MEDIAN SALES PRICE 3 YEAR AVERAGE SCORE*            | 15             | 5      | 15             | 5      | 8             | 2      | 3                        | 1      |
| INVESTOR SHARE OF SINGLE-FAMILY PURCHASES 2011-2013 | 88.9%          | 5      | 88.2%          | 5      | 60.0%         | 3      | 0.0%                     | 1      |
| AVERAGE ANNUAL VIOLENT CRIME RATE 2011-2013         | 1033.4         | 4      | 697.1          | 3      | 396.2         | 2      | 436.1                    | 2      |
| PERCENTAGE OF HOMES WITH TAX LIENS 2014             | 59.7%          | 5      | 28.1%          | 4      | 16.9%         | 3      | 7.0%                     | 1      |
| PERCENTAGE OF LIENS STRUCK OFF TO CITY 2014         | 20.7%          | 3      | 34.3%          | 4      | 21.4%         | 3      | 0.0%                     | 1      |
| COMPOSITE SCORE                                     |                | 4      |                | 4      |               | 2      |                          | 1      |

|   | FRANKLIN PARK |        | GLEN AFTON |        | GREENWOOD/HAMILTON |        | HANOVER ACADEMY |        |
|---|---------------|--------|------------|--------|--------------------|--------|-----------------|--------|
|   | MEASURE       | RATING | MEASURE    | RATING | MEASURE            | RATING | MEASURE         | RATING |
| PERCENTAGE OF VACANT HOUSES 2014                    | 6.4%          | 1      | 6.8%       | 1      | 15.3%              | 4      | 27.3%           | 5      |
| HOMEOWNERSHIP RATE 2014                             | 59.18%        | 3      | 80.56%     | 1      | 42.78%             | 4      | 26.23%          | 5      |
| CUMULATIVE FORECLOSURE FILINGS 2004-2014            | 20.5%         | 3      | 15.0%      | 2      | 23.6%              | 3      | 40.9%           | 5      |
| MEDIAN SALES PRICE 3 YEAR AVERAGE SCORE*            | 9             | 3      | 3          | 1      | 10                 | 3      | 7               | 2      |
| INVESTOR SHARE OF SINGLE-FAMILY PURCHASES 2011-2013 | 74.5%         | 4      | 25.0%      | 1      | 68.9%              | 3      | 72.2%           | 4      |
| AVERAGE ANNUAL VIOLENT CRIME RATE 2011-2013         | 708.5         | 3      | 404.0      | 3      | 1406.3             | 5      | 2017.0          | 5      |
| PERCENTAGE OF HOMES WITH TAX LIENS 2014             | 7.7%          | 1      | 6.0%       | 1      | 21.1%              | 4      | 18.9%           | 3      |
| PERCENTAGE OF LIENS STRUCK OFF TO CITY 2014         | 5.8%          | 1      | 0.0%       | 1      | 25.0%              | 3      | 52.2%           | 5      |
| COMPOSITE SCORE                                     |               | 2      |            | 1      |                    | 3      |                 | 4      |

|   | HILLCREST |        | HILTONIA |        | HUMBOLDT-SWEETS |        | ISLAND  |        |
|---|-----------|--------|----------|--------|-----------------|--------|---------|--------|
|   | MEASURE   | RATING | MEASURE  | RATING | MEASURE         | RATING | MEASURE | RATING |
| PERCENTAGE OF VACANT HOUSES 2014                    | 9.2%      | 2      | 3.2%     | 1      | 24.8%           | 5      | 11.8%   | 2      |
| HOMEOWNERSHIP RATE 2014                             | 77.02%    | 1      | 79.04%   | 1      | 43.48%          | 4      | 69.07%  | 2      |
| CUMULATIVE FORECLOSURE FILINGS 2004-2014            | 24.4%     | 3      | 17.3%    | 2      | 29.4%           | 4      | 19.5%   | 2      |
| MEDIAN SALES PRICE 3 YEAR AVERAGE SCORE*            | 7         | 2      | 3        | 1      | 14              | 5      | 10.5    | 3      |
| INVESTOR SHARE OF SINGLE-FAMILY PURCHASES 2011-2013 | 54.5%     | 2      | 30.8%    | 1      | 95.2%           | 5      | 81.3%   | 5      |
| AVERAGE ANNUAL VIOLENT CRIME RATE 2011-2013         | 503.5     | 2      | 19.6     | 1      | 1138.4          | 4      | 507.6   | 2      |
| PERCENTAGE OF HOMES WITH TAX LIENS 2014             | 9.3%      | 2      | 7.6%     | 1      | 33.3%           | 5      | 6.7%    | 1      |
| PERCENTAGE OF LIENS STRUCK OFF TO CITY 2014         | 13.5%     | 2      | 0.0%     | 1      | 67.7%           | 5      | 7.7%    | 1      |
| COMPOSITE SCORE                                     |           | 2      |          | 1      |                 | 4      |         | 2      |

|   | MILL HILL |        | MILLER/WALL |        | NCIA    |        | NORTH 25 |        |
|---|-----------|--------|-------------|--------|---------|--------|----------|--------|
|   | MEASURE   | RATING | MEASURE     | RATING | MEASURE | RATING | MEASURE  | RATING |
| PERCENTAGE OF VACANT HOUSES 2014                    | 14.8%     | 3      | 40.0%       | 5      | 22.7%   | 5      | 13.7%    | 3      |
| HOMEOWNERSHIP RATE 2014                             | 62.17%    | 2      | 21.43%      | 5      | 44.33%  | 4      | 71.70%   | 1      |
| CUMULATIVE FORECLOSURE FILINGS 2004-2014            | 18.8%     | 2      | 20.0%       | 3      | 17.5%   | 2      | 15.7%    | 2      |
| MEDIAN SALES PRICE 3 YEAR AVERAGE SCORE*            | 3         | 1      | 7           | 2      | 14      | 5      | 14       | 5      |
| INVESTOR SHARE OF SINGLE-FAMILY PURCHASES 2011-2013 | 42.9%     | 1      | 100.0%      | 5      | 71.4%   | 4      | 66.7%    | 3      |
| AVERAGE ANNUAL VIOLENT CRIME RATE 2011-2013         | 600.2     | 3      | 1328.0      | 4      | 1356.2  | 5      | 1138.0   | 4      |
| PERCENTAGE OF HOMES WITH TAX LIENS 2014             | 8.2%      | 1      | 33.30%      | 5      | 28.4%   | 4      | 19.8%    | 3      |
| PERCENTAGE OF LIENS STRUCK OFF TO CITY 2014         | 9.1%      | 1      | 42.90%      | 4      | 41.8%   | 5      | 38.5%    | 4      |
| COMPOSITE SCORE                                     |           | 1      |             | 4      |         | 4      |          | 3      |

|   | NORTH TRENTON 1 |        | NORTH TRENTON 2 |        | NORTH TRENTON 3 |        | NORTH TRENTON 4 |        |
|---|-----------------|--------|-----------------|--------|-----------------|--------|-----------------|--------|
|   | MEASURE         | RATING | MEASURE         | RATING | MEASURE         | RATING | MEASURE         | RATING |
| PERCENTAGE OF VACANT HOUSES 2014                    | 12.8%           | 3      | 15.4%           | 4      | 28.6%           | 5      | 2.9%            | 1      |
| HOMEOWNERSHIP RATE 2014                             | 46.43%          | 4      | 45.17%          | 4      | 32.54%          | 5      | 64.27%          | 2      |
| CUMULATIVE FORECLOSURE FILINGS 2004-2014            | 16.8%           | 2      | 16.8%           | 2      | 15.6%           | 2      | 8.6%            | 1      |
| MEDIAN SALES PRICE 3 YEAR AVERAGE SCORE*            | 14              | 5      | 15              | 5      | 15              | 5      | 7               | 2      |
| INVESTOR SHARE OF SINGLE-FAMILY PURCHASES 2011-2013 | 75.0%           | 4      | 78.3%           | 4      | 86.0%           | 5      | 47.2%           | 1      |
| AVERAGE ANNUAL VIOLENT CRIME RATE 2011-2013         | 1296.6          | 4      | 1140.7          | 4      | 1484.0          | 5      | 550.3           | 2      |
| PERCENTAGE OF HOMES WITH TAX LIENS 2014             | 23.6%           | 4      | 30.3%           | 5      | 39.2%           | 5      | 7.0%            | 1      |
| PERCENTAGE OF LIENS STRUCK OFF TO CITY 2014         | 33.3%           | 4      | 37.7%           | 4      | 49.3%           | 5      | 3.0%            | 1      |
| COMPOSITE SCORE                                     |                 | 3      |                 | 4      |                 | 4      |                 | 1      |

|   | NORTH<br>TRENTON 5 |        | PARKSIDE |        | SOUTH<br>TRENTON 1 |        | SOUTH<br>TRENTON 2 |        |
|---|--------------------|--------|----------|--------|--------------------|--------|--------------------|--------|
|   | MEASURE            | RATING | MEASURE  | RATING | MEASURE            | RATING | MEASURE            | RATING |
| PERCENTAGE OF VACANT HOUSES 2014                    | 6.1%               | 1      | 15.1%    | 4      | 20.9%              | 5      | 20.1%              | 5      |
| HOMEOWNERSHIP RATE 2014                             | 52.95%             | 3      | 63.29%   | 2      | 43.38%             | 4      | 41.13%             | 4      |
| CUMULATIVE FORECLOSURE FILINGS 2004-2014            | 12.1%              | 1      | 22.5%    | 3      | 22.7%              | 3      | 19.3%              | 2      |
| MEDIAN SALES PRICE 3 YEAR AVERAGE SCORE*            | 8                  | 2      | 11       | 4      | 13                 | 5      | 13                 | 5      |
| INVESTOR SHARE OF SINGLE-FAMILY PURCHASES 2011-2013 | 50.0%              | 2      | 66.0%    | 3      | 79.7%              | 4      | 84.8%              | 5      |
| AVERAGE ANNUAL VIOLENT CRIME RATE 2011-2013         | 464.8              | 2      | 994.4    | 4      | 817.3              | 3      | 184.4              | 1      |
| PERCENTAGE OF HOMES WITH TAX LIENS 2014             | 5.7%               | 1      | 13.9%    | 2      | 21.6%              | 4      | 21.8%              | 4      |
| PERCENTAGE OF LIENS STRUCK OFF TO CITY 2014         | 12.0%              | 2      | 25.3%    | 3      | 34.1%              | 4      | 37.0%              | 4      |
| COMPOSITE SCORE                                     |                    | 1      |          | 3      |                    | 4      |                    | 3      |

|   | SOUTH<br>TRENTON 3 |        | STUYVESANT/<br>PROSPECT 1 |        | STUYVESANT/<br>PROSPECT 2 |        | STUYVESANT/<br>PROSPECT 3 |        |
|---|--------------------|--------|---------------------------|--------|---------------------------|--------|---------------------------|--------|
|   | MEASURE            | RATING | MEASURE                   | RATING | MEASURE                   | RATING | MEASURE                   | RATING |
| PERCENTAGE OF VACANT HOUSES 2014                    | 9.9%               | 2      | 20.4%                     | 5      | 4.8%                      | 1      | 21.7%                     | 5      |
| HOMEOWNERSHIP RATE 2014                             | 46.14%             | 4      | 47.90%                    | 4      | 65.41%                    | 2      | 44.06%                    | 4      |
| CUMULATIVE FORECLOSURE FILINGS 2004-2014            | 16.7%              | 2      | 27.6%                     | 4      | 18.0%                     | 2      | 21.4%                     | 3      |
| MEDIAN SALES PRICE 3 YEAR AVERAGE SCORE*            | 12                 | 4      | 12                        | 4      | 12                        | 4      | 15                        | 5      |
| INVESTOR SHARE OF SINGLE-FAMILY PURCHASES 2011-2013 | 86.6%              | 5      | 81.0%                     | 5      | 70.6%                     | 4      | 82.4%                     | 5      |
| AVERAGE ANNUAL VIOLENT CRIME RATE 2011-2013         | 394.5              | 2      | 405.3                     | 2      | 1011.7                    | 4      | 974.9                     | 4      |
| PERCENTAGE OF HOMES WITH TAX LIENS 2014             | 12.7%              | 2      | 28.1%                     | 4      | 12.7%                     | 2      | 40.9%                     | 5      |
| PERCENTAGE OF LIENS STRUCK OFF TO CITY 2014         | 11.8%              | 2      | 40.4%                     | 5      | 11.1%                     | 2      | 43.9%                     | 5      |
| COMPOSITE SCORE                                     |                    | 2      |                           | 4      |                           | 2      |                           | 4      |

|   | STUYVESANT/<br>PROSPECT 4 |        | STUYVESANT/<br>PROSPECT 5 |        | TRAIN STATION |        | VILLA PARK 1 |        |
|---|---------------------------|--------|---------------------------|--------|---------------|--------|--------------|--------|
|   | MEASURE                   | RATING | MEASURE                   | RATING | MEASURE       | RATING | MEASURE      | RATING |
| PERCENTAGE OF VACANT HOUSES 2014                    | 18.6%                     | 4      | 19.4%                     | 4      | 16.4%         | 4      | 8.6%         | 2      |
| HOMEOWNERSHIP RATE 2014                             | 51.14%                    | 3      | 60.84%                    | 2      | 48.57%        | 4      | 70.83%       | 1      |
| CUMULATIVE FORECLOSURE FILINGS 2004-2014            | 20.6%                     | 3      | 15.2%                     | 2      | 13.4%         | 1      | 21.1%        | 3      |
| MEDIAN SALES PRICE 3 YEAR AVERAGE SCORE*            | 13                        | 5      | 14                        | 5      | 11            | 4      | 5            | 1      |
| INVESTOR SHARE OF SINGLE-FAMILY PURCHASES 2011-2013 | 76.9%                     | 4      | 78.6%                     | 4      | 60.0%         | 3      | 50.0%        | 2      |
| AVERAGE ANNUAL VIOLENT CRIME RATE 2011-2013         | 1174.0                    | 4      | 1095.5                    | 4      | 2754.8        | 5      | 352.4        | 1      |
| PERCENTAGE OF HOMES WITH TAX LIENS 2014             | 34.3%                     | 5      | 21.1%                     | 4      | 24.3%         | 4      | 6.3%         | 1      |
| PERCENTAGE OF LIENS STRUCK OFF TO CITY 2014         | 45.0%                     | 5      | 34.3%                     | 3      | 23.5%         | 3      | 3.0%         | 1      |
| COMPOSITE SCORE                                     |                           | 4      |                           | 4      |               | 3      |              | 1      |

|   | VILLA PARK 2 |        | WEST END |        | WILBUR 1 |        | WILBUR 2 |        |
|---|--------------|--------|----------|--------|----------|--------|----------|--------|
|   | MEASURE      | RATING | MEASURE  | RATING | MEASURE  | RATING | MEASURE  | RATING |
| PERCENTAGE OF VACANT HOUSES 2014                    | 5.5%         | 1      | 24.5%    | 5      | 30.3%    | 5      | 21.2%    | 5      |
| HOMEOWNERSHIP RATE 2014                             | 69.66%       | 2      | 41.65%   | 4      | 40.36%   | 4      | 50.67    | 3      |
| CUMULATIVE FORECLOSURE FILINGS 2004-2014            | 20.6%        | 3      | 32.5%    | 5      | 22.7%    | 3      | 18.7%    | 2      |
| MEDIAN SALES PRICE 3 YEAR AVERAGE SCORE*            | 7            | 2      | 14       | 5      | 15       | 5      | 13       | 5      |
| INVESTOR SHARE OF SINGLE-FAMILY PURCHASES 2011-2013 | 57.5%        | 2      | 87.1%    | 5      | 71.4%    | 4      | 73.1%    | 4      |
| AVERAGE ANNUAL VIOLENT CRIME RATE 2011-2013         | 543.3        | 2      | 1206.7   | 4      | 2178.9   | 5      | 1677.9   | 5      |
| PERCENTAGE OF HOMES WITH TAX LIENS 2014             | 6.2%         | 1      | 29.7%    | 4      | 43.5%    | 5      | 36.4%    | 5      |
| PERCENTAGE OF LIENS STRUCK OFF TO CITY 2014         | 8.5%         | 1      | 36.4%    | 4      | 46.4%    | 5      | 48.5%    | 5      |
| COMPOSITE SCORE                                     |              | 1      |          | 4      |          | 4      |          | 4      |

|   | WILBUR 3 |        | WILBUR 4 |        | WILBUR 5 |        | TRENTON |
|---|----------|--------|----------|--------|----------|--------|---------|
|   | MEASURE  | RATING | MEASURE  | RATING | MEASURE  | RATING |         |
| PERCENTAGE OF VACANT HOUSES 2014                    | 18.5%    | 4      | 10.2%    | 2      | 13.3%    | 3      | 14.1%   |
| HOMEOWNERSHIP RATE 2014                             | 38.99%   | 5      | 67.76%   | 2      | 52.83%   | 3      | 50.28%  |
| CUMULATIVE FORECLOSURE FILINGS 2004-2014            | 24.2%    | 3      | 21.4%    | 3      | 27.3%    | 4      | 21.7%   |
| MEDIAN SALES PRICE 3 YEAR AVERAGE SCORE*            | 13       | 5      | 10       | 3      | 11       | 4      | N/A     |
| INVESTOR SHARE OF SINGLE-FAMILY PURCHASES 2011-2013 | 77.8%    | 4      | 64.3%    | 3      | 74.4%    | 4      | 75.6%   |
| AVERAGE ANNUAL VIOLENT CRIME RATE 2011-2013         | 1981.8   | 5      | 1039.2   | 4      | 968.7    | 4      | 1114.1  |
| PERCENTAGE OF HOMES WITH TAX LIENS 2014             | 26.0%    | 4      | 12.9%    | 2      | 16.6%    | 3      | 19.2%   |
| PERCENTAGE OF LIENS STRUCK OFF TO CITY 2014         | 33.7%    | 4      | 8.5%     | 1      | 224.7%   | 3      | 30.6%   |
| COMPOSITE SCORE                                     |          | 4      |          | 2      |          | 3      |         |



## IV. NEIGHBORHOOD TRENDS

In the first section we pointed out some of the citywide trends taking place. In this section, we will illustrate some trends at the neighborhood level as a way of showing some of the potential uses of this data. Specifically, we will look at a number of selected neighborhoods with respect to three key variables – investor share of purchases, violent crime and sales price, and how they are changing over time. In order for the data to be meaningful, we have combined the subareas into their neighborhoods and present the data for the neighborhood as a whole.<sup>21</sup>

### 1. Investor Purchases

Figures IV-1A and 1B show the trends for the investor share of house purchases from 2006 to 2013 in a number of different neighborhoods, compared to the citywide trend. Table IV-1, which shows Chestnut Park, Chambersburg and South Trenton, shows that these three neighborhoods are following the citywide trend almost precisely, and that in each neighborhood, the level of investor purchases is a significant concern. All three areas are seeing significant erosion of homeownership. In South Trenton and Chambersburg the share of investor purchases is over 80%, significantly higher than the citywide share.

**FIGURE IV-1A: INVESTOR PURCHASE SHARE TRENDS, CITY AND SELECTED NEIGHBORHOODS**

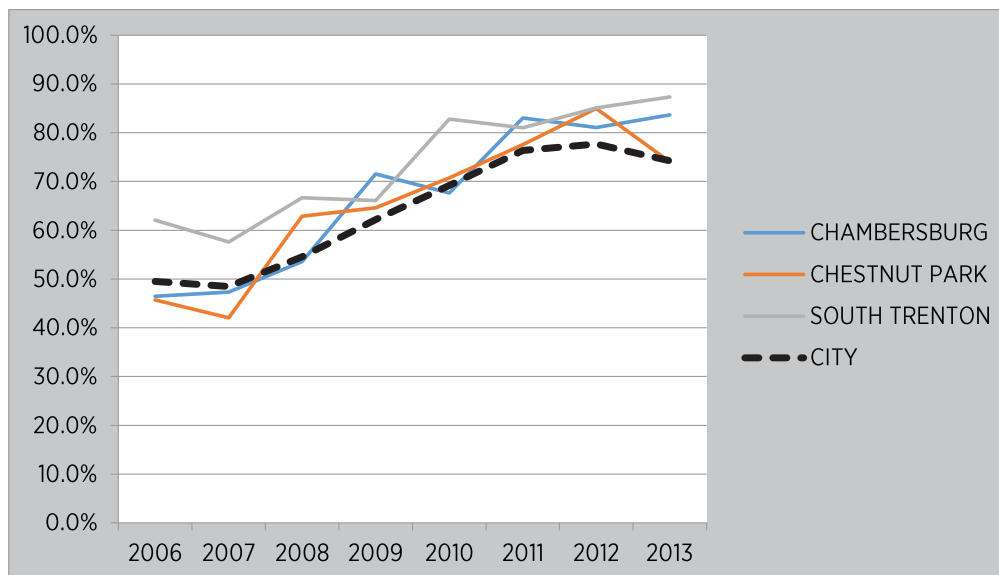
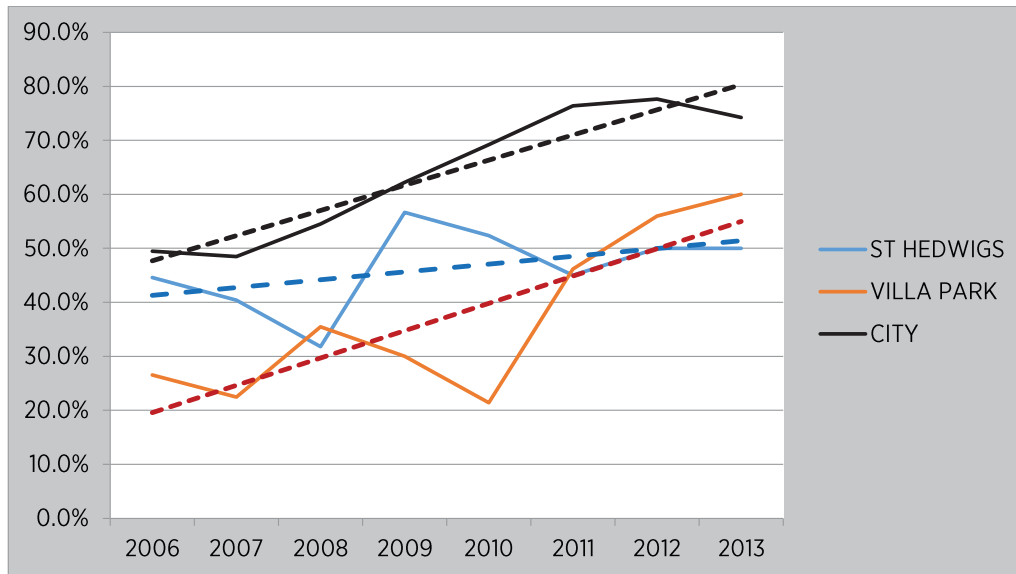


Table IV-1B illustrates two neighborhoods where the share of investor purchases is still well below the citywide level. To highlight the differences, trend lines have been added to the data. The trends for the two—St. Hedwigs and Villa Park—are substantially different; while the investor share has been rising in the St. Hedwigs area of North Trenton, it has been rising at a much slower level than citywide, and is still at about 50%, roughly where the citywide share was in 2006-2007. This is not a good situation, but since the current homeownership rate in this area is 59%, it suggests that the homeownership rate in this area is more stable than in most other parts of the city. The increase in absentee ownership in Villa Park, however, is a matter for greater concern, since a continuation of the current trend could lead to a potentially significant erosion of that area's homeownership base within the next few years.

<sup>21</sup> This is necessary since the subareas themselves are quite small and the numbers of both sales and crimes are relatively small, and because of that, tend to fluctuate from year to year. By combining the subareas, one gets larger numbers, which tend to even out the fluctuations and show trends more clearly.

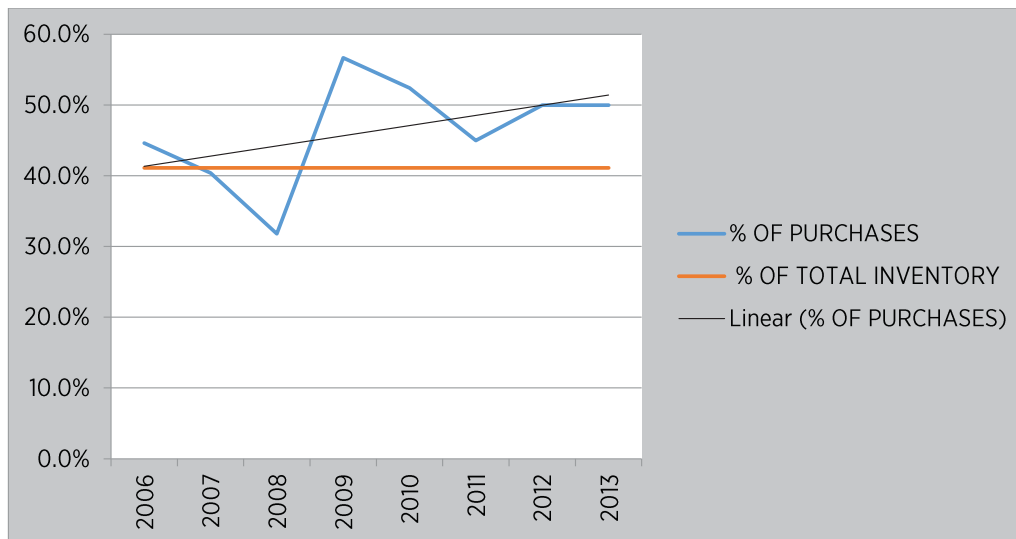
**FIGURE IV-1B: INVESTOR PURCHASE SHARE TRENDS, CITY AND SELECTED NEIGHBORHOODS**



Dashed lines represent the linear trend line for the city and each neighborhood

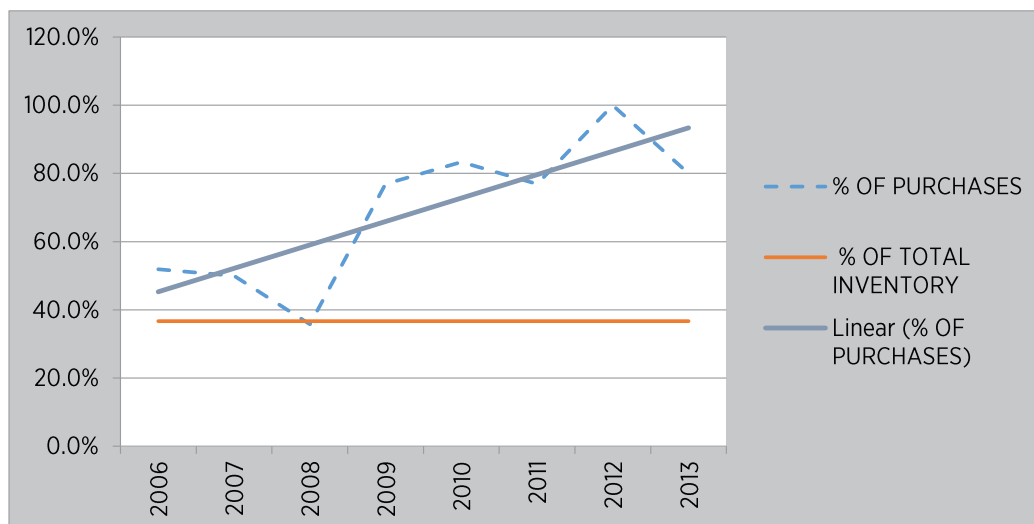
Another way of looking at this data is by directly comparing the trend with respect to the investor share of purchases with the current homeownership rate in the neighborhood. That can indicate whether the existing homeownership share is being increased by current transactions (as a result of a higher homebuyer share than the existing rate), decreased, or remaining about the same. The disparity between the two will also provide a sense of how rapid the trajectory of change may be. Figures IV-1C and IV-1D show this comparison for two areas, St. Hedwigs and Parkside. In both figures, the asterisk shows the percentage of homes owned by investors in the neighborhood as a whole, which is roughly 40% of all homes in both neighborhoods. The moving line shows the percentage of sales to investors by year.

**FIGURE IV-1C: COMPARISON OF THE INVESTOR SHARE OF THE HOME INVENTORY AND OF PURCHASES BETWEEN 2006 AND 2013 IN ST. HEDWIGS AREA**



The trajectories of the two neighborhoods are significantly different. While St Hedwigs may be showing some loss of homeownership,<sup>22</sup> the disparity between the investor share of purchases and their share of the current inventory is small. Thus, the erosion of homeownership is at worst gradual and modest, and could probably be reversed by improvements in market conditions or in the general quality of life in Trenton. By contrast, since 2009, the homeownership rate in Parkside has begun to erode rapidly, as nearly all of the purchases in the past few years – 53 out of 62 sales between 2010 and 2013 – were to investors. Turning the trend around in Parkside is likely to require intentional intervention.

**FIGURE IV-1D: COMPARISON OF THE INVESTOR SHARE OF THE HOME INVENTORY AND OF PURCHASES BETWEEN 2006 AND 2013 IN PARKSIDE**



## 2. Violent Crime

Figures IV-2A and 2B show trend data for the same neighborhoods, along with East Trenton, with respect to violent crime between 2009 and 2013. Figure 2A shows three neighborhoods where crime has been increasing at levels comparable to or greater than the generally upward citywide trend – Chambersburg, Chestnut Park and Villa Park. Chambersburg appears to be overall a very high crime area, while Villa Park is still a low crime area by Trenton standards, but is showing a highly troubling rate of increase. Coupled with the data on investor purchases shown immediately above, this data suggests that it may be appropriate to give careful attention to strategies that will prevent the loss of that neighborhood’s current stability.

Figure 2B shows three neighborhoods where violent crime rates are stable or declining – East Trenton, South Trenton, and the St. Hedwig’s area in North Trenton. The relatively low levels of violent crime in East Trenton are noteworthy, particularly in that part of the neighborhood north of Olden Avenue, since this is a very low income neighborhood with very high levels of absentee ownership, vacant properties, and tax delinquency.

## 3. Sales Prices

Sales prices dropped significantly in Trenton between 2006 and 2013. The price collapse was felt to varying degrees in all of the city’s neighborhoods, in contrast to the rest of Mercer County, where for the most part prices remained relatively stable. While all of the city’s neighborhoods were affected, houses in those neighborhoods that were

<sup>22</sup> We cannot be certain, because we have not analyzed the investor share of sellers, but only buyers. If we were to find that investors make up as large or a larger share of the sellers, which is certainly possible, that would indicate that the homeownership rate is stable.

FIGURE IV-2A: VIOLENT CRIME TRENDS, CITY AND SELECTED NEIGHBORHOODS

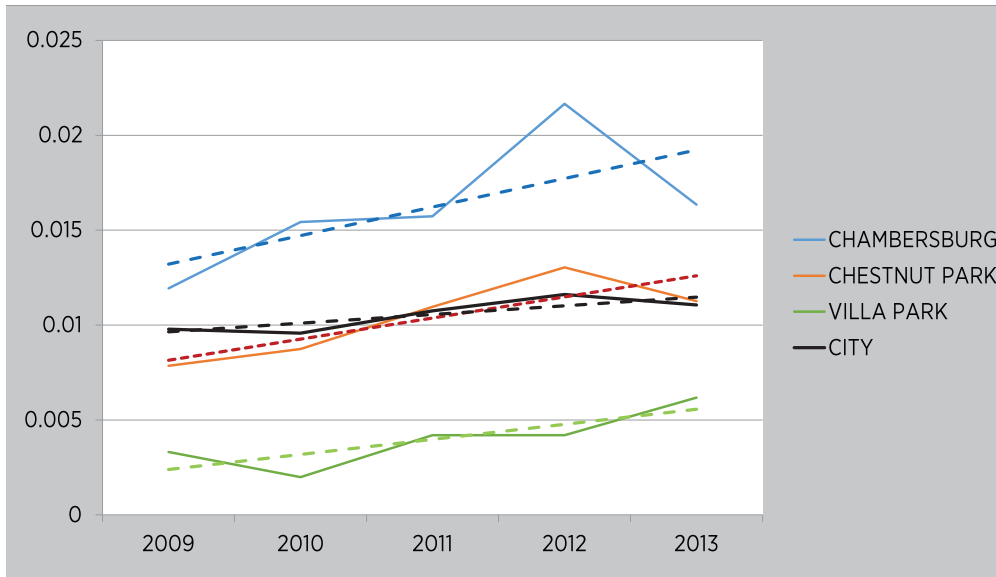
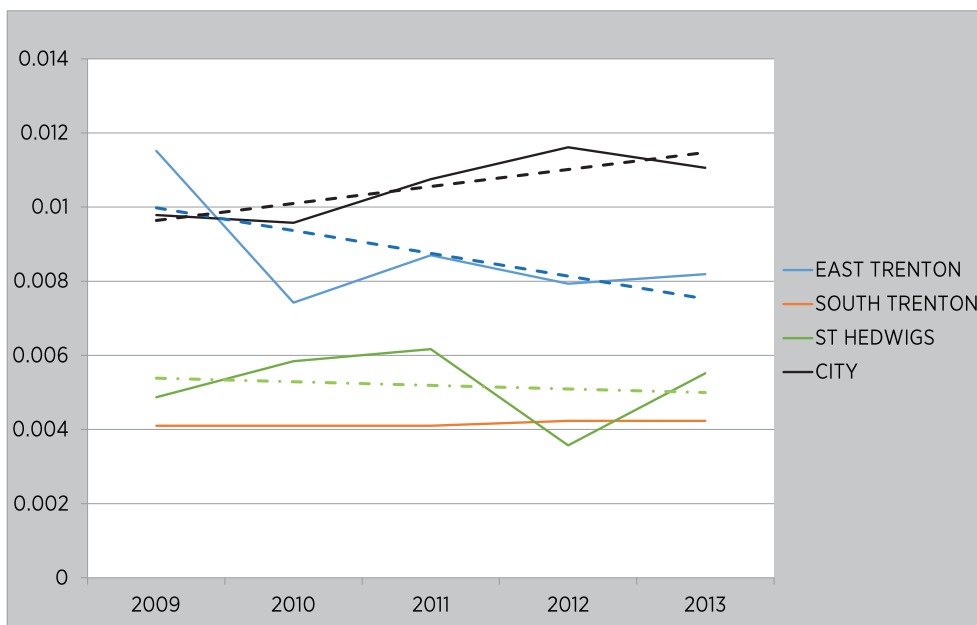


FIGURE IV-2B: VIOLENT CRIME TRENDS, CITY AND SELECTED NEIGHBORHOODS



strongest beforehand tended to retain more of their value. It is likely that during the first part of the 2000s these neighborhoods saw less speculation and subprime activity, both of which were major factors driving the price collapse, than neighborhoods like Chambersburg, Parkside or South Trenton, all of which saw house values decline precipitously.

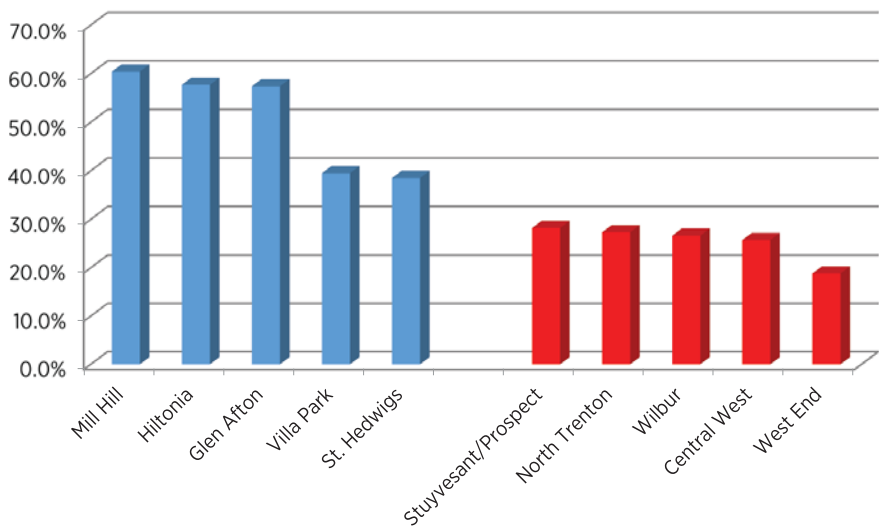
Figure IV-3A shows 2012-2013 prices as a percentage of 2006-2007<sup>23</sup> prices for five of the city's strongest<sup>24</sup> and five of the city's weakest neighborhoods, as described in the previous section. Villa Park and the St. Hedwigs area, which largely lack the distinctive houses and visual appeal of areas like Hiltonia and Mill Hill, have not fared as well as those neighborhoods, although considerably better than the city's most distressed

<sup>23</sup> In order to have enough transactions to make comparisons meaningful, we combined sales data into two year clusters.

<sup>24</sup> There were not enough sales transactions in some neighborhoods, including Fisher-Richey-Perdicaris and Cadwalader Heights, to calculate the trends for those areas.

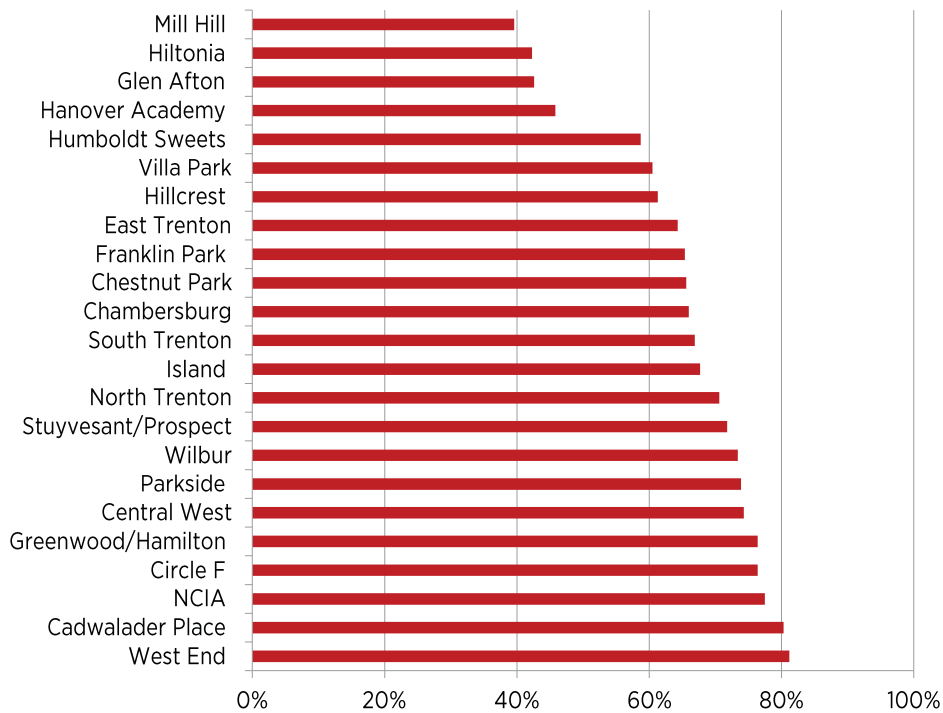
neighborhoods, where houses have typically lost 75% or more of their value. Figure IV-3B shows the percentage by which prices have declined over this period for those neighborhoods for which enough transactions are recorded to measure neighborhood-level trends.

**FIGURE IV-3A: MEDIAN SALES PRICES IN 2012-2013 AS A PERCENTAGE OF 2006-2007 MEDIAN SALES PRICE**



Generally speaking, prices have fallen farther in the central and western parts of the city than in the southern or eastern areas. Areas like East Trenton and Humboldt-Sweets appear to have experienced less decline than other economically-similar areas. However, this is misleading since both areas started the period with very low prices, and – as discussed earlier – once prices bottom out, as they have in both of these areas, there is no pressure for further decline.

**FIGURE IV-3B: PERCENTAGE DECLINE IN MEDIAN SALES PRICE 2006-2007 TO 2012-2013 BY NEIGHBORHOOD**



These three illustrations of neighborhood-level trends highlight some of the ways in which this data can be used for neighborhood planning and strategy development. In the final section of this report, we will discuss how this report and the underlying database can become a valuable tool for planning and action by the city, non-profit organizations, and neighborhood residents.

## V. STRATEGIES FOR MOVING FORWARD



The Trenton property database<sup>25</sup> and the information in this report are designed to be tools for the city of Trenton, community development corporations, neighborhood associations, citizens and others concerned with the future of Trenton's neighborhoods. This information is designed to help them plan strategies and initiatives, target resources and assess the results of ongoing revitalization efforts. They are tools, however, and not a set of answers. How they are used depends on the goals of city government and of other stakeholders with respect to the city as a whole and its many different neighborhoods. They can, however, provide useful input into the process of setting those goals, as well as serve as a reality check on the effectiveness of goals and strategies that may have been developed through other approaches. At the same time, they should not serve as the only input into the planning process. Many other sources of information, including observation, neighborhood surveys, and ongoing conversations with residents and others knowledgeable about neighborhood conditions, are also critically important.

This report is not intended to be prescriptive with respect to how the information it contains should be used. What we will do in this final section is suggest a number of ways in which this information, as well as the information in the database, may be useful in developing neighborhood revitalization and problem property strategies, and point out some of the factors that may make this information relevant. These suggestions are clustered under two main areas: planning for targeted neighborhood revitalization, including identifying strategies, setting priorities and designing programs; and guiding investment.

While the information in this report should provide rich food for thought for local officials and other stakeholders concerned with the future of the city's neighborhoods, it is the database that we hope will be created using and building on the data in this report that will be the truly powerful planning tool. While a report is frozen in time and limited to the material that can be presented in its pages, neighborhoods are a constantly moving target. A database can be regularly updated, and manipulated in many different ways to answer both general and highly specific questions. For example, one could identify which properties bought by investors are now on the vacant property list, or which ones are subject to tax lien certificates, and who are the tax lien buyers who hold the certificates. As we discuss how information can be used in the following pages, it is useful to think not only in terms of the information in the report, but the information that can be elicited from the database as well.

The database will contain all of the data assembled for this report, including year by year data for such areas as real estate transactions and crime, and baseline data for other areas such as tax delinquency and homeownership. It should be possible not only to update transaction and crime data on a regular basis, but to add additional time-series data, such as annual tax sale information. While it may not be realistic to update the vacant property survey annually, we hope it will be possible to update it as well, perhaps at two or three year intervals. As additional years of information are added to the data base, users can track how their neighborhoods are trending and use this information to measure progress, identify problem areas, and evaluate and refine strategies.

The first part of this section addresses the overall subject of using data to design revitalization strategies and guide investment. The second part looks at specific areas of intervention that can be guided by data,

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<sup>25</sup> While the database as a whole is not yet web-accessible, vacant property data used in this report is available on the Trenton Neighborhood Restoration Campaign website, <http://www.restoringtrenton.org/#!/map/mainPage>

**TABLE V-1: REPRESENTATIVE NEIGHBORHOOD REVITALIZATION STRATEGIES**

| ACTION/STRATEGY  | DEFINITION   |
|--|--|
| Strategic code enforcement   | Using code enforcement as a strategic tool to target particular geographic areas or housing types, in contrast to or in addition to more traditional complaint-driven code enforcement programs  |
| Nuisance abatement   | Using public legal authority and resources to abate nuisance conditions, through means such as lawn clearing and mowing, house boarding, etc., on private property where owners fail to address violations after notice                          |
| Strategic demolition   | Strategic use of demolition to remove key blighted properties, particularly in areas where they are significantly affecting the vitality of otherwise viable blocks or neighborhoods   |
| Foreclosure prevention   | Reducing foreclosures to keep owners and tenants in their homes, minimize vacancies as a result of foreclosures, and ensure that properties are maintained during and after foreclosure  |
| Crime prevention   | Reducing crime through community-based activities and partnerships with public safety agencies   |
| Vacant lot treatment   | Maintenance and greening of vacant and underutilized land  |
| Strategic tax foreclosure and other public acquisition of property | Targeting locations for strategic acquisition of vacant or underutilized properties through tax foreclosure and other acquisition methods in order to complement neighborhood revitalization and housing strategies                              |
| Conveyance of public property                                      | Selling, leasing or donating public property to private entities for reuse, and setting appropriate lease and sales prices and conditions, including targeting specific properties for programs such as homesteading and side lot sales          |
| Housing rehabilitation   | Providing financial assistance to owners of residential property to rehabilitate their buildings, or to for-profit or non-profit developers to rehabilitate vacant buildings abandoned by or taken from their owners                             |
| New construction   | Encouraging and providing financial assistance to developers and CDCs to construct new housing in conjunction with neighborhood revitalization efforts   |
| Streetscape improvements   | Improvements to streets and sidewalks, tree planting, street lighting, etc., designed to improve appearance of a block or neighborhood, often pursued in conjunction with a marketing strategy, public safety or larger revitalization strategy. |
| Neighborhood marketing   | Strategies to maximize the market assets of a neighborhood, typically designed to increase demand for homeownership in the area  |
| Landlord programs and incentives                                   | Financial or other incentives designed to motivate more responsible landlord behavior  |

focusing on improving rental housing conditions, fostering home ownership, and dealing with vacant properties. This section will also look how differences between neighborhoods affect strategies, and how to best align neighborhood strategies with the conditions identified in this report.

## 1. Using Data for Revitalization

*Using data as a tool for a revitalization strategy is based on the fundamental principle that revitalization planning and resource allocation should be goal-oriented; in other words, that public resources should be used in ways that further rational and agreed-upon short- and long-term goals for each area.* The realities of different areas dictate that the most appropriate goals for different areas will vary by the area's condition. In some areas, the goal may

be to stabilize a relatively healthy neighborhood; elsewhere, it may be to build on opportunities to re-establish a neighborhood as a viable community or housing market. Different goals call for different strategies. In all cases, the present needs of residents as well as the longer-term goals for the area and the city must both be acknowledged and addressed.

The data made available in the report and the data base can be drawn on for a number of purposes. In some cases, the data may simply confirm people's observations or experience, and some may question why it adds value. There are two principal reasons. First, even if it does simply confirm observation and experience, there is value to having that confirmed in a measurable way, as well as understanding the extent to which conditions in a particular area deviate from those elsewhere. In other words, it is one thing to know that a particular area has an abandoned property problem, it is something else – and more useful – to know that it has the highest percentage of abandoned properties in the city. The data can take something that is known only in a general way, and quantify it and put it into context. That is likely to be important whether for understanding the issue, conveying it to others, or seeking support for programs to address it.

Second, peoples' impressions are not always consistent with the hard reality. People bring many personal biases to their observations. In some neighborhoods, the people who are most vocal, or the issues that are most visible, may not be representative of people or conditions in the neighborhood as a whole. Neighborhoods are not homogeneous units, and the loudest voices may not be the most representative. Data can often surprise even the most experienced observer, either by adding information or by upsetting prior impressions.

Table V-1 lists and provides brief definitions of some of the strategy areas where neighborhood market data can be used to help frame plans, strategies and activities. These strategies are presented here in general; later in this section, we discuss how different strategies are likely to be more or less effective for different neighborhoods, based on their condition.

### ***a. Identifying Strategies***

Market information can be used both to come up with revitalization or preservation strategies likely to work the best in certain areas, as well as to 'reality test' ideas that are proposed in the course of planning or brainstorming sessions. For example, the information may be valuable in evaluating whether a strategy to market an area to homebuyers, or to build market-rate housing, is likely to be effective; or, as is often the case, that other efforts to address underlying problems may be needed before such strategies are likely to be effective. They can help zoom in on the strengths and challenges of an area, identifying the problems that need to be addressed in the plan as well as the strengths on which the plan can build.

### ***b. Designing Programs***

Neighborhood condition information may be useful in developing eligibility criteria and other parameters for certain programs offered by public agencies, such as homeowner rehabilitation grants or loans, landlord incentives, or side lot programs. Such programs may offer a lesser payoff in weaker market areas, where the risk of future abandonment of the homes which might be eligible today for those programs is very high. At the same time, such allocation criteria should not be applied mechanically. Homeowner rehabilitation assistance may be appropriate citywide in cases of life safety, while there are property clusters, blocks, or block clusters of stability in weak market areas which may be appropriate targets for more intensive programs. Programs designed to focus private investment in vacant properties may want to target areas where there are fewer vacant properties, for example, in order to maximize the neighborhood impact of limited resources.

### ***c. Targeting activities and resources***

Neighborhood information can be a useful guide in identifying where certain resources should be targeted, including both what may work best where from a citywide perspective, and how best to target resources within neighborhoods. This is an often difficult area to address, since on the one hand, the city's resources are severely limited, and are far from enough to tackle all of the needs or seize all of the opportunities that exist. While fairness dictates that decisions must be made in the interest of all of the city's people, the city government may have to make tough choices about where to invest its limited resources.

This information can be used to help target activities within a strategy to areas where they may have the greatest impact. If one of the city's goals is to stabilize the housing market and maintain the confidence of residents in still-vital but at risk neighborhoods, for example, the city has a compelling interest in minimizing the onset of blight in those neighborhoods, and maximizing investments that explicitly contribute to that goal. That may suggest, in turn, that certain activities known to be particularly well-suited to achieving that goal should be most actively pursued in those areas. One example of such a targeted approach might be demolition. From the standpoint of the economic impact of a particular dollar amount of investment, it is likely to be more productive, for example, to prioritize demolition of buildings where that action can be shown to significantly improve the stability of a block or neighborhood, such as when there is a single derelict building on an otherwise largely sound block.<sup>26</sup> While the report does not pinpoint those blocks, the database can be used to do just that. The neighborhoods in Trenton that are most likely to fit the description of 'still-vital but at risk' are usually the ones shown as 'moderately strong' in the neighborhood classification scheme introduced in Chapter II.

At the same time, many Trenton neighborhoods are suffering from more extensive blight. These neighborhoods are likely to call for different strategies reflecting their conditions. The assembly of multiple vacant properties that are suitable for new construction or rehabilitation may be appropriate for areas that have larger numbers of vacant lots or buildings, but which are seen as potential candidates for revival. Strategic demolition may play a pivotal role in these situations as well, to remove decrepit properties that may pose a barrier to site assembly and redevelopment, as well as improve quality of life for neighborhood residents.

Targeted landlord strategies may be particularly appropriate in areas with low market values relative to rent levels, since landlords in these areas are currently the most likely to be 'milkers' of their properties, but are also likely to be able, if properly motivated, to invest more in these properties while still gaining a reasonable rate of return. These strategies may be most effective in the "weak" (Category 3) but not "very weak" (Category 4) areas that have major challenges, yet still have a housing stock that hasn't hit bottom. Other types of activities, such as a program of low-interest loans to landlords to improve their properties, can similarly be targeted around market conditions.

The data may also suggest geographic areas that should be targeted for strategies designed around a neighborhood's specific strengths or weaknesses. The data highlights significant differences between tracts in some key areas:

- Some neighborhoods or subareas are seeing particularly elevated levels of tax delinquency, while others are seeing tax delinquency levels that are low in comparison to other conditions. It may be appropriate to target the former neighborhoods for interventions that focus on this issue, such as

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<sup>26</sup> A recent research study from Cleveland found that the higher the market value in the neighborhood to begin with, the greater the positive benefit from demolishing blighted structures in terms of the relationship between the cost of demolition and the incremental effect on neighborhood property values. This reflects in part the fact that a smaller number of demolitions can have a more significant impact in a neighborhood where abandoned properties are still relatively few in number.

efforts to reduce tax delinquency – or alternatively, to accelerate tax foreclosure.

- Levels of violent crime vary widely from one part of the city to another. Neighborhoods with higher crime levels may benefit from the City's community policing efforts, Crime Prevention Through Environmental Design (CPTED) initiatives,<sup>27</sup> community organizing around public safety, or special strategies targeting gang behavior.
- Some neighborhoods are seeing particularly elevated levels of purchases of single family properties by absentee buyers, especially relative to current homeownership rates. Here the city might want to give priority effort either to increase homebuyer activity, or better monitor the activities of a growing body of absentee landlords.

The database permits planners to go beyond the neighborhood or subarea level to identify both strengths and weaknesses. It can be used to identify small clusters where homeownership is much higher or lower than in the neighborhood overall, for example, or identify particular 'hot spots' of violent crime, or concentrations of vacant boarded properties.

While all neighborhoods, of all types, have needs that should be addressed, the city should resist the temptation to try to do something in every area at the same time. In the final analysis, spreading programs and activities thinly across all of the city's neighborhoods is unlikely to bring about meaningful change in *any* neighborhood.

## 2. Identifying and Choosing Specific Interventions

The previous sections have described generally how the information in this report and in the database can be used for planning, for developing strategies, and for more effectively targeting public investment at the neighborhood level. This section will discuss in greater detail some of the specific interventions that the city and its partners may want to consider using within the framework of neighborhood strategy, as well as the relationship between the effectiveness or impact of the strategy and the conditions in the neighborhoods. We focus on three types of intervention:

- Homeownership strategies
- Rental housing/landlord strategies
- Vacant property strategies

These interventions are presented as examples of approaches that can be considered, and including them here does not imply that they will necessarily be adopted, or that they reflect the city's policies.

### ***a. Homeownership***

A reasonably high homeownership rate – not so high that an adequate stock of rental housing is unavailable, but high enough to define the character of the area – is a valuable asset to any residential neighborhood. Extensive research has shown that homeownership, independent of household income, tends to foster neighborhood stability, greater property maintenance, and greater neighborhood engagement. Encouraging homeownership, and supporting existing homeowners, is a legitimate objective of public policy.

Trenton has seen a sharp erosion of homeownership over the past five decades. In 1960, the overall homeownership rate in the city was 58%, and 74% of single family homes were owner-occupied. Today, the overall rate is 38%, and 50% of single family homes are owner-occupied.

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<sup>27</sup> CPTED is defined as "a multi-disciplinary approach to deterring criminal behavior through environmental design." based on the seminal work of Oscar Newman. More information can be found at <http://www.cpted.net/>.

There are several situations where a strategy to support homeownership can be particularly effective:

- To sustain homeownership in neighborhoods where it is still at relatively high levels, but is being eroded through increased investor rather than homebuyer purchases.
- To increase homeownership in areas where it has declined significantly, but where other relevant neighborhood conditions indicate that the potential exists to reverse the trend.

In both cases, strategies should involve both supporting existing homeowners, and enabling them to remain in their homes; and encouraging new homeowners to move into targeted areas.

The data can be used to identify neighborhoods which share relevant characteristics, and even to zoom in on specific blocks or block clusters that may be particularly at risk or offer particular opportunities. Some specific strategies that might be explored include:

- Increasing homebuyer activity in targeted areas, including:
  - Marketing strategies,
  - Improving access to mortgage financing,
  - Facilitating the process of buying and rehabilitating distressed properties for owner-occupancy,
  - Providing financial incentives such as down payment assistance or tax abatement.
- Targeted efforts to assist homeowners at risk of losing their properties, by focusing on those whose homes have gone through tax sale or are in foreclosure and providing them with assistance, such as counseling or emergency financial assistance.
- Providing financial assistance to low-income homeowners, either for property improvement generally, or to address urgent health and safety problems with their homes.
- Building a support system for existing homeowners, focusing on counseling, emergency assistance and other activities, to reduce the risk of loss of their homes.
- Strengthening neighborhood or civic associations in key areas.

There are many examples of successful programs to sustain or increase homeownership around the United States. Baltimore has effectively marketed itself and key target neighborhoods to prospective homebuyers through the Live Baltimore Home Center.<sup>28</sup> Live Baltimore also provides a variety of services and incentives to new home buyers. Post-purchase counseling programs in areas as diverse as Chicago and Long Island have shown clear benefits in sustaining existing homeowners.<sup>29</sup> The Self-Help Credit Union, based in Durham, North Carolina, has shown that mortgage lending to lower-income borrowers is a sound financial proposition,<sup>30</sup> while a new mortgage pool created by New Jersey Community Capital in partnership with Affinity Federal Credit Union, specifically targeting low- and moderate-income homebuyers in urban areas, may be particularly appropriate for properties in Trenton.

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<sup>28</sup> For further information, see <http://livebaltimore.com/>

<sup>29</sup> For an excellent discussion of post-purchase counseling, see Quercia, Gorham and Rohe, "Sustaining Homeownership: The Promise of Post-Purchase Counseling" available at <http://content.knowledgeplex.org/kp2/cache/documents/2054/205415.pdf>

<sup>30</sup> See <http://www.self-help.org/personal/loans-credit/home-mortgages.html>

## ***b. Landlord strategies***

While homeownership strategies are important, strategies to sustain and improve the quality and affordability of Trenton's rental housing stock are equally important. Half of Trenton's single family houses are renter occupied, and rental housing is a critical resource for housing the city's low income population. While the median income for homeowners in Trenton is \$61,000, the median income for renters is \$24,000, more than half of whom pay over 30% of their income in rent. While there is little the city can do to reduce rents in existing privately-owned housing, it can encourage additional affordable rental housing in appropriate locations; and, perhaps even more importantly, it can take steps to ensure that Trenton's 17,000 renter families live in safe, healthy and sound housing.

The most effective way of pursuing this goal is through systematically regulating the city's rental housing sector through a rental licensing approach.<sup>31</sup> Under a licensing approach, all rental properties, in addition to registering with the city, must pass a basic health and safety inspection as a condition of obtaining the license.

The database is a particularly valuable tool in developing an effective landlord strategy. Since the database already contains all Class 2 properties classified by owner-occupant or investor-owner, it can be used as the basis for a property information database. That database can enable the city to track each property and its owner, and to support outreach efforts to ensure that all rental properties in the city are registered and licensed.

The database can also be used to track code violation complaints and citations, for each property police and nuisance calls, and whether the owner is current on taxes and utility bills, as shown in Figure V-1. Such a database can be used in a number of ways. It can be used to develop targeted code enforcement strategies by identifying problem 'hot spots,' or by identifying areas where landlords are most likely to be 'milked' of their properties rather than responsible long-term landlords, or by focusing on areas where investor purchases are increasing and the area is at high risk of destabilization.

The database can also be used to create a performance-based licensing system, in which individual properties and owners are rated annually on the basis of their performance with respect to code violations, police and nuisance calls and timely tax payment.<sup>32</sup> The rating can then be used in a number of ways:

- Problem landlords, i.e., those with a poor rating, are inspected and re-inspected more often than good ones. This enables the city to concentrate its limited inspection resources where they are most needed.
- Problem landlords can also be identified and required to participate in training or technical assistance programs, or in the most severe cases, to prepare a remedial action plan for approval by the city.
- Good landlords can be offered incentives to reward responsible stewardship of their properties.

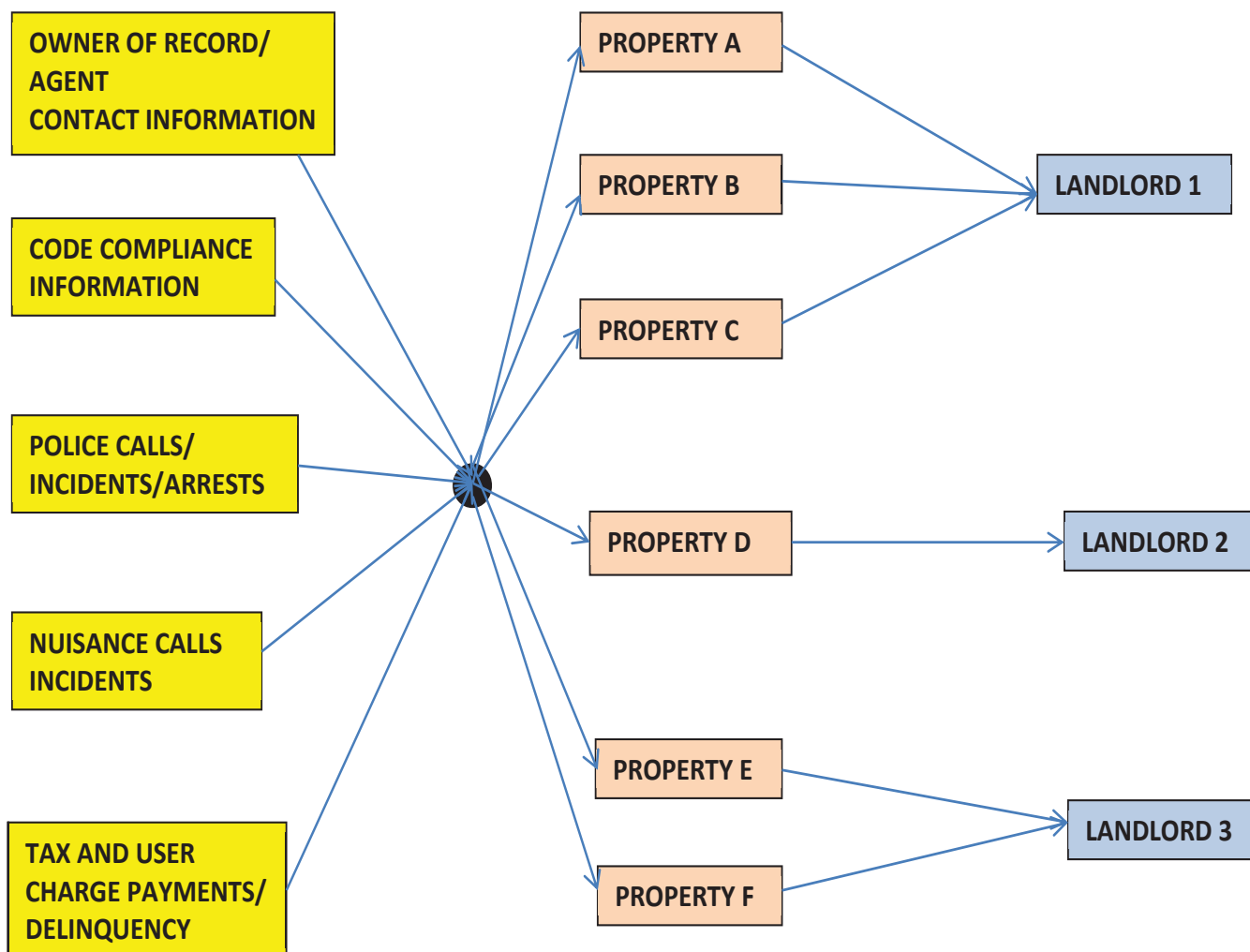
Good landlord incentives can be 'bundled' into a good landlord program, which would be available to any

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<sup>31</sup> Since the State of New Jersey has a regular (although far too infrequent) program of inspecting rental properties with 3 or more units, the city may want to prioritize one- and two-family properties for their rental housing strategy, while making sure, however, that all rental properties are in the system.

<sup>32</sup> A model program that does this is the Brooklyn Center, Minnesota rental licensing program. For more information, see <http://www.cityofbrooklyncenter.org/index.aspx?nid=316>. Brooklyn Center, an inner-ring suburb of Minneapolis, and Trenton are both roughly the same size.

FIGURE V-1: SCHEMATIC REPRESENTATION OF A BASIC RENTAL PROPERTY INFORMATION SYSTEM



landlord meeting appropriate performance criteria.<sup>33</sup> Some of the incentives that could be offered include:

- Provide access to free one-on-one technical help with specific management or maintenance problems. The city can line up a small group of people, including property managers, lawyers, and the like, who agree to be available for a modest amount of time for this program.
- Designate a police officer as an ongoing liaison with landlords to assist not only in crime-free programs, but with specific problems or concerns.
- Hold regular (monthly or bi-monthly) forums between key municipal officials and landlords where both municipal and landlord concerns can be discussed informally and openly.
- Provide fast-track approval of permits for property improvements.
- Offer free advertising of available rentals on the municipal web site and in local newspapers, particularly free weekly merchandising papers.

<sup>33</sup> The good landlord program does not have to wait until the performance-based system is up and running. It could be initiated based on a landlord commitment to a code of good practice, including maintaining the property to code, working with the policy on crime-free standards, timely tax payment, and responsible tenant selection and leasing practices. Once the performance based system is in effect, landlords in the program would be removed if they failed to meet minimum performance standards.

- Negotiate discounts for good landlords on goods and services at local merchants or from local contractors.
- Provide free or low-cost equipment such as smoke or carbon monoxide detectors, security locks, etc. Municipalities may be able to acquire these in bulk from retailers either as a contribution or at a significantly discounted cost.
- Provide free radon testing.
- Reduced fees for good landlords, such as a graduated licensing fee.
- Eligibility to purchase properties from the city.
- Security deposit guarantee. The city would guarantee the security deposit for tenants who meet all other criteria.

To build a sustainable, sound rental housing stock, the city must not only effectively regulate problem landlords, but reward responsible ones.

### ***c. Vacant property strategies***

The central goal with respect to vacant properties is to get them into productive use. This can mean many different things:

- Getting an owner to restore her property to productive use through rehabilitation;
- Obtaining or taking a property from its owner so that the city can restore it to use, or convey it to a responsible entity to do so;
- Building a new structure on a vacant lot;
- Demolishing a property and constructing a new structure on the vacant site; or
- Using a vacant lot for a non-redevelopment purpose, such as a community garden or farm, or other form of open space.

Which outcome is most appropriate, and which is most realistic, will depend not only on the property but on the neighborhood context, particularly the market strength of the area. An owner is not likely to put more money into a vacant property than she can expect to get back, either through resale or rental income. A developer will not build an infill house on a vacant lot unless he either expects a return that exceeds the development cost, or receives a public subsidy large enough to make up the difference. Thus, a successful vacant property strategy requires not only that the city use the legal tools and resources that it has available to it, but that it use them in ways that are sensitive to variations in neighborhood context.

Demolition is a case in point. The city's resources for demolition are very limited relative to the need. Furthermore, while demolition is expensive in itself, in a city made up heavily of twins and row houses, the cost of demolition is increased by the cost of restoring party walls of adjacent houses. Thus, even if one wanted to, it is unlikely to be feasible to do wholesale demolition in areas which contain large numbers of vacant

abandoned properties. Some of the areas where it may be appropriate to target demolition include:

- Blocks which contain no more than 1 or 2 properties in need of demolition, to stabilize the block.
- Individual problem properties in areas with larger numbers of vacant structures. Problem properties are not necessarily those in the worst physical condition, but those whose condition and location have the greatest impact on the neighborhood's quality of life.
- Vacant properties where demolition can materially further the assembly of a larger property with significant redevelopment potential.

The database can help with all of these activities, including analyzing areas in terms of vacancy and ownership pattern in order to identify sites with high potential for assembly. Where one or two vacant properties are present on an otherwise strong block, it may be more appropriate to try to get those properties rehabilitated and reused, rather than demolished. In that event, the city can use the tools provided by the New Jersey Abandoned Properties Rehabilitation Act (P.L.2003, c. 210), as follows:

- After appropriate due diligence, place the properties on Trenton's Abandoned Property List;
- Encourage the owner to restore the property and remove it from the list;<sup>34</sup>
- If unsuccessful, use spot blight eminent domain to take the property
- Convey the property to an appropriate entity for reuse. Such an entity might be a homesteader, or it might be a for-profit or non-profit developer, in which case some capital subsidy may be required.

In other cases, however, economic constraints may make it impossible for a property to be rehabilitated and reused. The owner may be unwilling to do so, it may not be a suitable property for homesteading, and the city may not have enough subsidy funds to cover the market gap for a developer. There are a number of areas in the city in which that outcome is likely, and in some, it may be the case for many years to come. If such a property is demolished, a positive use other than redevelopment will have to be found for the vacant lot created as a result.

A variety of potential non-development or 'green' reuses are possible. The particular reuse for each individual parcel should be determined to the extent possible in partnership with neighborhood and non-profit stakeholders to ensure that it is consistent with their vision for the neighborhood, and that it will be well-maintained.<sup>35</sup>

In many cases, immediate reuse of the vacant lot, whether for development or for a green alternative, may not be possible. In that case, a basic lot treatment, including sod, planting one or two trees, and putting up a simple split-rail or similar fence, on completion of demolition has been shown to be an effective way of minimizing the negative effect of the lot on its surroundings, including discouraging dumping and trashing of the lot.<sup>36</sup> Unless the city has an immediate reuse already committed for a site where a build is to be demolished, such a lot treatment should be incorporated into the city's demolition specs, so that no hiatus period, when the lot is significantly at risk of dumping, exists. This should be done whatever the condition of the neighborhood.

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<sup>34</sup> The city may want to consider offering some modest incentives to owners as well for this purpose.

<sup>35</sup> An excellent guide to alternative green reuses is the Reimagining Cleveland : Ideas to Action Resource Book available at <http://www.npi-cle.org/files/2012/07/IdeastoActionResourceBook.pdf>. An excellent example of a non-profit led vacant lot strategy is the Lots of Green program initiated by the Youngstown Neighborhood Development Corporation (YNDC). For more information, see (TO BE ADDED).

<sup>36</sup> A model program along these lines is the Philadelphia LandCare program, run by the Pennsylvania Horticultural Society. For more information, see <http://phsonline.org/greening/landcare-program>.

#### ***d. Matching strategies to neighborhood conditions***

During the preceding pages, we have frequently pointed out how neighborhood conditions, as measured with the data presented in this report and in the database, affect how effective a particular strategy is likely to be. ‘Effective,’ however, can have many different meanings. In some cases, it may mean that a strategy, such as homesteading, is likely to work in some areas and not in others. In other cases, it may mean that the strategy will have a greater economic effect in terms of increasing property values in some neighborhoods than in others. At the same time, property values are not the only criterion for choosing a strategy; it may have a positive effect in terms of an area’s quality of life, and be an appropriate strategy for a public agency, whether or not it influences the trajectory of property values.

*If a particular strategy is designed to influence market-driven property decisions by individuals and firms, however, its success is likely to depend heavily on the market strength of the area in which it is applied.* Thus, strategies such as homesteading, or efforts designed to motivate the owners of vacant properties to invest the money needed to put them back to productive use, are likely to have better results in stronger market areas. A single but very important exception to this rule, however, has to do with landlord strategies. As we discussed earlier, there is a strong argument for targeting strategic code enforcement of problem landlords to low-value or weaker areas, because landlords in those areas are likely to be able to afford to make significant improvements while still gaining a fair rate of return.

Table V-2 on the following page describes the relationship between strategies and neighborhood conditions for many of the specific strategies discussed in the preceding pages. As the table shows, in this respect strategies fall into three distinct categories:

- Strategies that are likely to be effective, or more effective, in higher-value areas, such as those designed to encourage individual homebuyers.
- Strategies that are likely to be more effective in lower-value areas, such as code enforcement targeting problem landlords, or acquisition for site assembly.
- Strategies that should be established citywide or pursued independently of neighborhood condition, such as rental licensing or vacant lot maintenance.

In some cases, related strategies may be pursued differently, or different types of properties prioritized, depending on neighborhood conditions. For example, we suggest prioritizing problem landlord code enforcement in low-value areas, but vacant property code enforcement in higher value areas. The rationale for the latter recommendation is that code enforcement is more likely to motivate compliance – putting the property back to use – in *higher* than in *lower value* areas.

Finally, it is important to stress that the individual strategies described above should not be seen or carried out in isolation. Neighborhoods are complex, multifaceted entities. While some strategies may do some good by themselves, such as demolishing an eyesore on an otherwise attractive block, most are more effective when combined with other efforts. Thus, efforts to encourage new homebuyers should be linked to parallel efforts to support the area’s existing homeowners, to motivate good landlord behavior, to remove dangerous properties, to make streetscape improvements, to improve vacant lots, and to tackle other issues that are not property-related such as violent crime, but which directly affect neighborhood conditions. The ultimate goal remains not only to improve individual houses, but to change the trajectory of the neighborhood for the better.

**TABLE V-2: EVALUATING STRATEGIES ON THE BASIS OF NEIGHBORHOOD CONDITIONS**

| STRATEGY  | NEIGHBORHOOD CONDITIONS  |
|---|--|
| Increasing homebuyer activity   | Small-scale and individual-buyer oriented strategies are most appropriate in areas that have some level of homebuyer demand at present. Larger scale strategies, such as new construction, may be effective in weaker areas, particularly if targeted to blocks or subareas with stronger assets.  |
| Targeted efforts to help homeowners at risk of losing their homes                 | Should be pursued independently of neighborhood condition.   |
| Financial assistance to low-income homeowners for property improvements           | Programs to assist low-income homeowners with urgent health & safety conditions should be pursued independently of neighborhood conditions. Programs that provide additional assistance, such as with respect to façade improvements, should be integrated with programs to increase homebuyer activity or other neighborhood stabilization efforts in stronger areas. |
| Building homeowner support system   | Programs such as post-purchase counseling should be pursued independently of neighborhood conditions   |
| Strengthen civic and neighborhood associations                                    | Programs to strengthen civic and neighborhood associations should focus on associations with strong potential for becoming strong vehicles for effective collective action in their neighborhoods, and coordinated with other efforts, particularly those associated with increasing homeowner activity.   |
| Rental licensing system   | Should be established citywide. Priority in outreach and inspection should be given to one and two family properties.  |
| Performance-based licensing   | Should be established citywide independently of neighborhood conditions  |
| Good landlord program   | Should be established citywide independently of neighborhood conditions  |
| Strategic Code enforcement focusing on problem landlords                          | This strategy should prioritize lower-value areas where risk of landlords ‘milking’ properties is greatest   |
| Code enforcement aimed at motivating property owners to restore vacant properties | This strategy is likely to be effective largely in higher-value areas where return from rehabilitation is greater.   |
| Demolition  | Should be strategic and focus not only on property condition but on impact of demolition on surrounding properties. Demolition should prioritize scattered (no more than 1-2/block) vacant properties in higher value areas, and properties with high quality of life impact or significant redevelopment opportunities in lower value areas                           |
| Vacant lot treatments   | Should be option in all areas. Key criterion is whether entities (individuals, businesses, organizations) exist to maintain lot  |
| Tax foreclosure and other public acquisition                                      | Should be pursued primarily in areas with high potential for reuse of the property or post-demolition lot. Individual house rehabilitation is likely to be more feasible in higher-value areas, but acquisition for purposes of site assembly should be pursued wherever opportunities present themselves, principally in low-value areas.                             |
| New construction  | Should be pursued in locations where new construction, whether for homeownership or LIHTC, will clearly enhance neighborhood quality of life and/or market conditions.   |



# APPENDIX 1:

## TRACKING CONDITIONS BY CENSUS TRACTS

### Background

In preparing the study of trends and conditions in Trenton's neighborhoods, we found that the city's actual neighborhoods fit poorly, if at all, with the city's census tracts as mapped by the United States Census Bureau. As a result, the study was based on the actual neighborhoods, making it significantly more meaningful for potential users. The downside of that approach was that it was impossible to compare neighborhood market conditions with social and economic conditions, because the latter data is only available by census tract.

The purpose of this appendix, then, is to fill that gap first, by re-calculating the same market-related condition measures and the neighborhood market condition index that were used in the study by census tract; and second, comparing them to an index of socio-economic measures for the same census tracts. We then look at trends since 2000 with respect to the socio-economic measures and two (vacancy rate and homeownership rate) of the condition measures. The scores on the respective market and socio-economic indices are provided in Tables A1 and A2, while the data from which the scores were derived appears in Tables A3 and A4. All socio-economic data used in this report comes from the 2009-2013 Five-Year American Community Survey. Maps showing Trenton's neighborhoods, and census tracts overlaid on the neighborhood boundaries, are provided as Maps A1 and A2 at the end of the appendix.

The socio-economic index is based on a composite of income (median income and percentage below the poverty level), employment (unemployment rate and employed population as a share of all population 16+) and educational attainment (share of population 25 and over without a high school diploma and share with a four-year college or higher degree). Table A5 provides additional socio-economic data by census tract that was not used to create the index, but which may be of interest.

### Findings

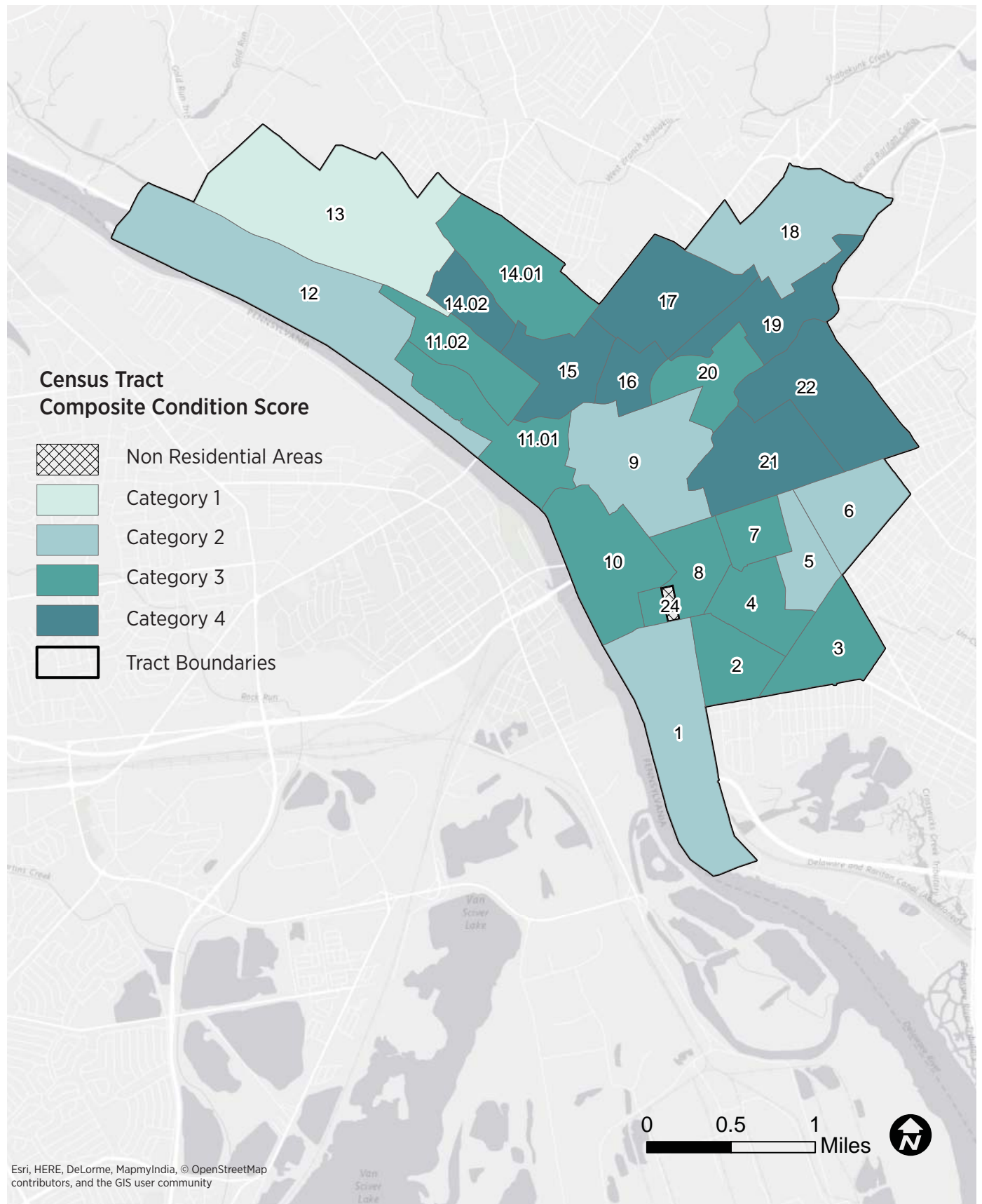
The market condition index correlates very highly with the socio-economic index, as shown in Table 1 below. Map 1 shows scores by census tract for the market condition index, while Map 2 shows scores for the socio-economic index.

It is, sadly, not surprising that people who are poorer, with lower levels of education and employment, are more likely to live in areas that suffer from weak market conditions. The relationship between neighborhood market conditions and the race or ethnicity of its population, however, is much weaker, and is not significant.

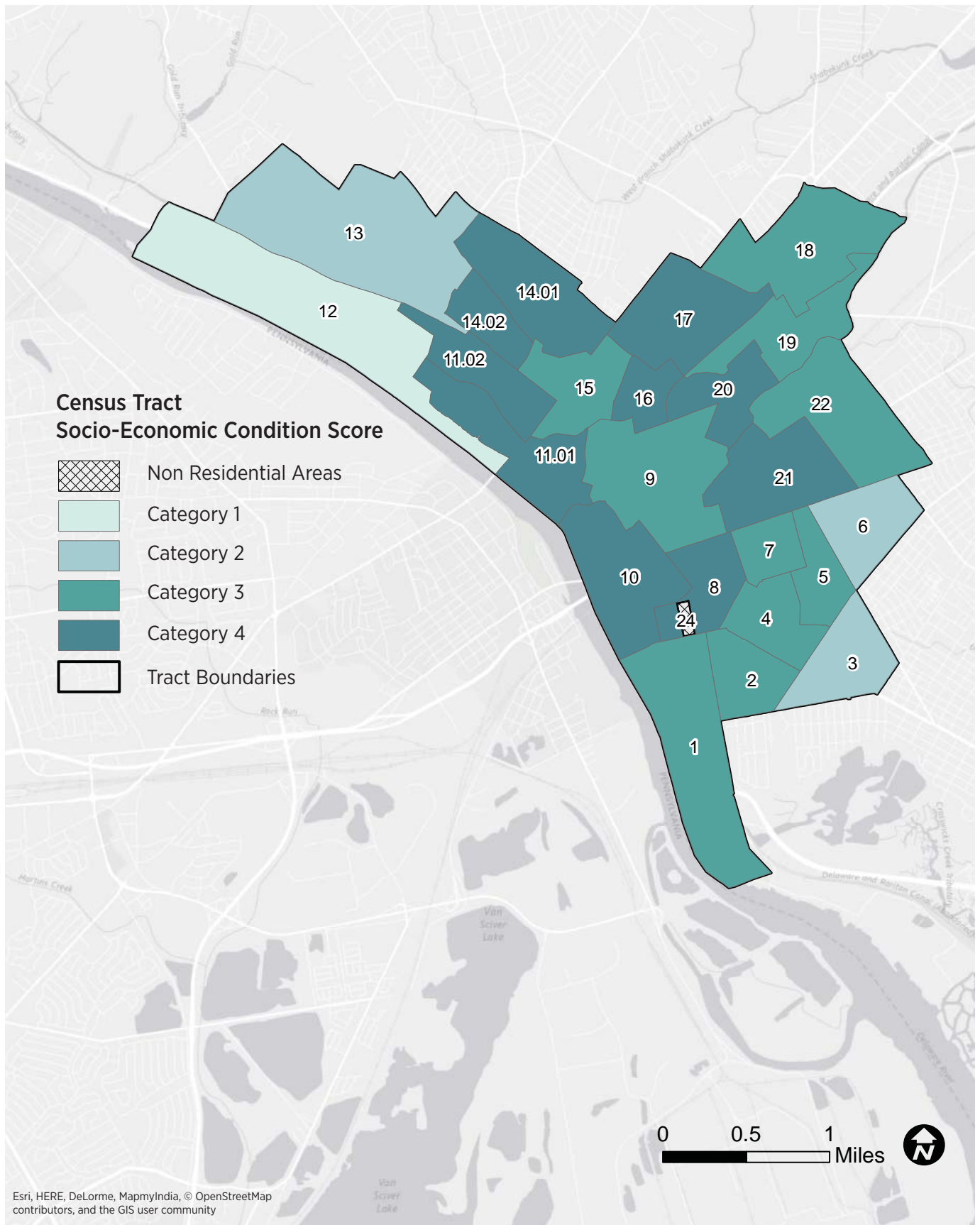
The three census tracts which share both relatively strong market and socio-economic conditions are tracts 6, 12 and 13. The neighborhoods represented by those tracts are indicated in Table 2. By contrast, 13 of the city's 24 census tracts can be considered severely distressed, in that they have scores of 4 in one index, and 3 or 4 in the other. Four tracts have scores of four on both indices, as shown in Table 3.

This reflects the painful reality that Trenton's population is disproportionately poor, lacking in formal education, and unemployed compared to national or countywide averages, as shown in Table 4. Trenton's unemployment and poverty rates are nearly twice national levels; far more Trenton residents lack even a high school or equivalency diploma, while barely 1 in 10 have a degree from a four-year college, a critical step toward growing

MAP 1: NEIGHBORHOOD COMPOSITE MARKET CONDITION SCORE



MAP 2: NEIGHBORHOOD COMPOSITE SOCIO-ECONOMIC CONDITION SCORE



SOURCE: U.S. Census Bureau, ACS 2013, 5-Year Estimates

**TABLE 1: COMPARISON OF MARKET INDEX AND SOCIO-ECONOMIC INDEX BY CENSUS TRACT**

| CENSUS TRACT | NEIGHBORHOOD MARKET INDEX | SOCIO-ECONOMIC INDEX |  | CENSUS TRACT | NEIGHBORHOOD MARKET INDEX | SOCIO-ECONOMIC INDEX |
|--------------|---------------------------|----------------------|--|--------------|---------------------------|----------------------|
| 1            | 2                         | 3                    |  | 12           | 2                         | 1                    |
| 2            | 3                         | 3                    |  | 13           | 1                         | 2                    |
| 3            | 3                         | 2                    |  | 14.01        | 3                         | 4                    |
| 4            | 3                         | 3                    |  | 14.02        | 4                         | 4                    |
| 5            | 2                         | 3                    |  | 15           | 4                         | 3                    |
| 6            | 2                         | 2                    |  | 16           | 4                         | 4                    |
| 7            | 3                         | 3                    |  | 17           | 4                         | 4                    |
| 8            | 3                         | 4                    |  | 18           | 2                         | 3                    |
| 9            | 2                         | 3                    |  | 19           | 4                         | 3                    |
| 10           | 3                         | 4                    |  | 20           | 3                         | 4                    |
| 11.01        | 3                         | 4                    |  | 21           | 4                         | 4                    |
| 11.02        | 3                         | 4                    |  | 22           | 4                         | 3                    |

|   |  |
|---|--|
| Stronger (1 or 2 on both indices)                 |  |
| Weaker (4 on at least one index, 3 or 4 on other) |  |

**TABLE 2: STRONGEST CENSUS TRACTS**

| TRACT | NEIGHBORHOODS   |
|-------|---|
| 6     | Villa Park  |
| 12    | Berkeley Square, Cadwalader Place, Parkside and Glen Afton                      |
| 13    | Cadwalader Heights, Hiltonia, Hillcrest and a small part of Stuyvesant-Prospect |

**TABLE 3: WEAKEST CENSUS TRACTS**

| TRACT | NEIGHBORHOODS                         |
|-------|---------------------------------------|
| 14.02 | Part of Stuyvesant-Prospect           |
| 16    | Part of North Trenton                 |
| 17    | Part of North Trenton                 |
| 21    | Part of Wilbur and Greenwood-Hamilton |

number of job opportunities. 40% of all the jobs in the city of Trenton are held by people with a college degree; 86% of those jobs are held by people who commute from outside the city to work.<sup>37</sup> The disparities between Trenton and the rest of Mercer County are even greater, since Mercer County (even when Trenton is included in the numbers) is substantially more affluent than the United States as a whole.

**TABLE 4: COMPARING TRENTON AND UNITED STATES ON SOCIO-ECONOMIC INDICATORS**

| INDICATOR                                     | UNITED STATES | MERCER COUNTY | TRENTON  |
|---|---------------|---------------|----------|
| Median HH income                              | \$53,046      | \$73,480      | \$36,662 |
| % in poverty                                  | 15.4%         | 11.2%         | 26.5%    |
| No HS diploma                                 | 14.0%         | 12.7%         | 28.8%    |
| BA or higher                                  | 28.8%         | 38.8%         | 10.9%    |
| Unemployment                                  | 9.7%          | 10.6%         | 18.0%    |
| Percentage of population 16+ who are employed | 57.6%         | 59.8%         | 52.1%    |

When we look at housing and socio-economic trends by census tract, we see a mixed picture. Table 5 shows trends between 2000 and 2013 with respect to the socio-economic factors that were used to construct the socio-economic index, while Table 6 shows trends between 2000 and 2010 with respect to two housing measures, the vacancy rate and the homeownership rate.<sup>38</sup> Census tracts that improved significantly during this period have been highlighted in the tables.

With few exceptions, there does not appear to be any particular relationship between improvements in different areas. One exception is Census tract 15, which includes the area between the Battle Monument and Calhoun Street. This census tract showed significant improvement in educational attainment, employment and homeownership, something that may be associated with the large-scale Homeownership Zone investment in this area. Tract 16, around the Battle Monument, also showed a significant increase in homeownership and a decline in vacant properties; it showed only modest increases in educational attainment and employment and a significant drop in median incomes and increase in poverty. Four census tracts showed real increases in household incomes; that is, increase in household incomes adjusted for inflation between 1999 and 2013. These included tracts 5 and 8, largely in or around Chambersburg; tract 10, in South Trenton, and tract 18, mostly the St. Hedwig's area, but including a part of East Trenton.

<sup>37</sup> This data for 2011 comes from the Census Bureau Longitudinal Employer-Household Dynamics database.

<sup>38</sup> Data from the 2010 census was used for comparison purposes rather than the 5 year ACS because of its greater accuracy.

TABLE 5: SOCIO-ECONOMIC TRENDS

| Tract  | % without high school diploma or GED |       | % with BA or higher degree |       | % unemployed |       |
|--------|--------------------------------------|-------|----------------------------|-------|--------------|-------|
|        | 2000                                 | 2013  | 2000                       | 2013  | 2000         | 2013  |
| 1      | 40.2%                                | 36.9% | 5.8%                       | 12.8% | 9.4%         | 9.2%  |
| 2      | 38.3%                                | 35.7% | 10.8%                      | 5.0%  | 8.7%         | 17.0% |
| 3      | 27.4%                                | 25.0% | 12.4%                      | 17.3% | 4.0%         | 14.2% |
| 4      | 41.0%                                | 51.6% | 9.0%                       | 3.0%  | 4.5%         | 15.2% |
| 5      | 43.0%                                | 34.8% | 6.1%                       | 9.4%  | 7.4%         | 19.4% |
| 6      | 27.2%                                | 14.0% | 12.9%                      | 16.4% | 6.9%         | 19.9% |
| 7      | 41.2%                                | 37.0% | 12.7%                      | 12.3% | 5.1%         | 18.7% |
| 8      | 49.4%                                | 38.6% | 7.2%                       | 5.2%  | 9.8%         | 22.3% |
| 9      | 43.6%                                | 22.3% | 11.6%                      | 16.3% | 13.7%        | 18.7% |
| 10     | 52.3%                                | 37.0% | 3.8%                       | 9.9%  | 18.0%        | 12.7% |
| 11     | 36.2%                                | 18.4% | 8.0%                       | 7.2%  | 10.5%        | 26.8% |
| 12     | 17.6%                                | 11.3% | 26.5%                      | 28.6% | 6.1%         | 11.6% |
| 13     | 23.5%                                | 15.9% | 21.1%                      | 18.9% | 6.2%         | 17.2% |
| 14.01  | 34.3%                                | 31.2% | 6.2%                       | 8.0%  | 15.3%        | 26.7% |
| 14.02  | 43.6%                                | 20.9% | 7.4%                       | 11.5% | 12.7%        | 24.9% |
| 15     | 40.2%                                | 21.1% | 5.5%                       | 10.2% | 15.6%        | 11.5% |
| 16     | 51.5%                                | 36.3% | 6.0%                       | 8.2%  | 15.1%        | 12.7% |
| 17     | 48.7%                                | 30.1% | 3.4%                       | 5.7%  | 15.3%        | 27.0% |
| 18     | 34.8%                                | 21.8% | 8.6%                       | 9.5%  | 9.1%         | 12.7% |
| 19     | 45.4%                                | 39.3% | 5.3%                       | 4.2%  | 20.8%        | 5.0%  |
| 20     | 49.4%                                | 24.4% | 0.0%                       | 5.6%  | 37.8%        | 29.1% |
| 21     | 44.0%                                | 40.4% | 7.5%                       | 6.9%  | 14.1%        | 18.3% |
| 22     | 38.7%                                | 27.7% | 5.4%                       | 13.7% | 10.8%        | 18.3% |
|        |                                      |       |                            |       |              |       |
| MERCER | 18.2%                                | 12.7% | 34.0%                      | 38.8% | 7.5%         | 10.6% |

TABLE 5: SOCIO-ECONOMIC TRENDS

| Tract  | Median household income |       |                           |                            | % below poverty level |       |
|--------|-------------------------|-------|---------------------------|----------------------------|-----------------------|-------|
|        | 1999                    | 2013  | 2013/1999<br>current \$\$ | 2013/1999<br>constant \$\$ | 1999                  | 2013  |
| 1      | 28,868                  | 32943 | 1.14                      | 0.82                       | 14.7%                 | 23.6% |
| 2      | 34,087                  | 41750 | 1.22                      | 0.88                       | 17.1%                 | 24.5% |
| 3      | 39,583                  | 52331 | 1.32                      | 0.95                       | 8.9%                  | 14.3% |
| 4      | 36,201                  | 37530 | 1.04                      | 0.74                       | 14.8%                 | 27.3% |
| 5      | 35,327                  | 49816 | 1.41                      | 1.01                       | 11.6%                 | 22.4% |
| 6      | 45,000                  | 58413 | 1.30                      | 0.93                       | 7.0%                  | 19.3% |
| 7      | 39,275                  | 42891 | 1.09                      | 0.78                       | 12.2%                 | 23.7% |
| 8      | 26,920                  | 38371 | 1.43                      | 1.02                       | 19.7%                 | 29.1% |
| 9      | 22,533                  | 27159 | 1.21                      | 0.86                       | 38.2%                 | 37.0% |
| 10     | 13,480                  | 20357 | 1.51                      | 1.08                       | 45.6%                 | 35.7% |
| 11     | 25,644                  | 27366 | 1.07                      | 0.76                       | 23.1%                 | 25.2% |
| 12     | 45,391                  | 57188 | 1.26                      | 0.90                       | 14.0%                 | 13.9% |
| 13     | 49,542                  | 66630 | 1.34                      | 0.96                       | 6.2%                  | 10.1% |
| 14.01  | 21,625                  | 19943 | 0.92                      | 0.66                       | 27.0%                 | 43.1% |
| 14.02  | 32,111                  | 35550 | 1.11                      | 0.79                       | 25.1%                 | 33.9% |
| 15     | 25,568                  | 30770 | 1.20                      | 0.86                       | 27.4%                 | 32.8% |
| 16     | 21,630                  | 19423 | 0.90                      | 0.64                       | 30.5%                 | 51.0% |
| 17     | 27,078                  | 27798 | 1.03                      | 0.73                       | 25.3%                 | 29.5% |
| 18     | 33,780                  | 50436 | 1.49                      | 1.07                       | 21.9%                 | 19.2% |
| 19     | 33,533                  | 41667 | 1.24                      | 0.89                       | 25.4%                 | 43.4% |
| 20     | 18,946                  | 19432 | 1.03                      | 0.73                       | 52.8%                 | 34.8% |
| 21     | 25,170                  | 30156 | 1.20                      | 0.86                       | 25.8%                 | 28.2% |
| 22     | 39,583                  | 40213 | 1.02                      | 0.73                       | 17.0%                 | 24.3% |
|        |                         |       |                           |                            |                       |       |
| MERCER | 56,613                  | 73480 | 1.30                      | 0.93                       | 8.7%                  | 11.2% |

TABLE 6 HOUSING TRENDS

| Tract  | Vacant Dwelling Units |       | Homeownership rate |       |
|--------|-----------------------|-------|--------------------|-------|
|        | 2000                  | 2010  | 2000               | 2010  |
| 1      | 9.0%                  | 5.0%  | 34.0%              | 25.7% |
| 2      | 9.0%                  | 14.2% | 54.0%              | 35.1% |
| 3      | 6.3%                  | 12.9% | 64.0%              | 62.0% |
| 4      | 10.2%                 | 18.3% | 40.2%              | 23.0% |
| 5      | 10.2%                 | 15.8% | 52.7%              | 44.7% |
| 6      | 4.7%                  | 7.6%  | 70.1%              | 68.5% |
| 7      | 7.9%                  | 7.8%  | 50.2%              | 44.7% |
| 8      | 12.7%                 | 20.9% | 32.6%              | 23.1% |
| 9      | 18.2%                 | 30.4% | 19.1%              | 18.3% |
| 10     | 8.8%                  | 22.4% | 16.2%              | 12.9% |
| 11     | 17.3%                 | 27.1% | 20.1%              | 17.0% |
| 12     | 11.1%                 | 14.9% | 47.7%              | 49.9% |
| 13     | 4.9%                  | 13.4% | 64.2%              | 58.7% |
| 14.01  | 14.3%                 | 20.2% | 28.7%              | 26.6% |
| 14.02  | 18.4%                 | 38.4% | 44.9%              | 36.2% |
| 15     | 23.6%                 | 23.1% | 28.4%              | 34.9% |
| 16     | 21.3%                 | 11.9% | 21.5%              | 51.2% |
| 17     | 13.0%                 | 21.8% | 37.1%              | 26.6% |
| 18     | 6.9%                  | 13.2% | 54.3%              | 45.5% |
| 19     | 20.1%                 | 24.7% | 34.9%              | 31.0% |
| 20     | 43.2%                 | 36.0% | 20.2%              | 19.6% |
| 21     | 14.2%                 | 21.5% | 30.0%              | 31.1% |
| 22     | 11.9%                 | 19.7% | 51.8%              | 37.9% |
|        |                       |       |                    |       |
| MERCER | 5.6%                  | 7.0%  | 67.0%              | 65.9% |

TABLE 7: NEIGHBORHOOD CONDITION SCORES BY CENSUS TRACT

|                    | Vacancy | owner-<br>occupancy | investor<br>purchases | Tax liens held<br>by city | Total tax liens | Median sales<br>price | Violent crime | foreclosure rate | INDEX |
|--------------------|---------|---------------------|-----------------------|---------------------------|-----------------|-----------------------|---------------|------------------|-------|
| Census Tract 1     | 2       |                     | 4                     | 5                         | 2               | 2                     | 4             | 1                | 2     |
| Census Tract 2     | 1       |                     | 4                     | 5                         | 2               | 2                     | 4             | 4                | 3     |
| Census Tract 3     | 5       |                     | 2                     | 4                         | 1               | 1                     | 2             | 5                | 5     |
| Census Tract 4     | 4       |                     | 5                     | 5                         | 2               | 2                     | 3             | 5                | 3     |
| Census Tract 5     | 1       |                     | 4                     | 4                         | 1               | 2                     | 3             | 4                | 3     |
| Census Tract 6     | 5       |                     | 1                     | 2                         | 1               | 1                     | 1             | 4                | 5     |
| Census Tract 7     | 5       |                     | 4                     | 5                         | 1               | 2                     | 2             | 5                | 3     |
| Census Tract 8     | 4       |                     | 5                     | 5                         | 3               | 4                     | 4             | 4                | 1     |
| Census Tract 9     | 4       |                     | 4                     | 3                         | 3               | 3                     | 1             | 4                | 2     |
| Census Tract 10    | 2       |                     | 4                     | 5                         | 4               | 4                     | 4             | 2                | 3     |
| Census Tract 11.01 | 1       |                     | 4                     | 5                         | 4               | 4                     | 5             | 1                | 1     |
| Census Tract 11.02 | 3       |                     | 4                     | 4                         | 5               | 5                     | 4             | 3                | 3     |
| Census Tract 12    | 2       |                     | 2                     | 4                         | 2               | 2                     | 3             | 3                | 2     |
| Census Tract 13    | 1       |                     | 1                     | 2                         | 2               | 2                     | 1             | 1                | 1     |
| Census Tract 14.01 | 1       |                     | 3                     | 3                         | 3               | 4                     | 4             | 5                | 3     |
| Census Tract 14.02 | 4       |                     | 4                     | 5                         | 5               | 5                     | 5             | 4                | 4     |
| Census Tract 15    | 4       |                     | 4                     | 5                         | 5               | 5                     | 5             | 4                | 4     |
| Census Tract 16    | 5       |                     | 4                     | 5                         | 5               | 5                     | 5             | 2                | 1     |
| Census Tract 17    | 4       |                     | 4                     | 4                         | 5               | 5                     | 5             | 5                | 4     |
| Census Tract 18    | 5       |                     | 3                     | 2                         | 2               | 2                     | 2             | 2                | 2     |
| Census Tract 19    | 3       |                     | 5                     | 5                         | 5               | 5                     | 5             | 3                | 4     |
| Census Tract 20    | 2       |                     | 5                     | 5                         | 4               | 5                     | 5             | 1                | 3     |
| Census Tract 21    | 5       |                     | 4                     | 3                         | 4               | 4                     | 4             | 5                | 4     |
| Census Tract 22    | 5       |                     | 3                     | 4                         | 4               | 4                     | 4             | 5                | 4     |

TABLE 8: NEIGHBORHOOD CONDITION VARIABLES BY CENSUS TRACT

| Census Tract       | Class 2 % Vacant | Percent of prop sold, bought by investors | Percent of Tax Liens Struck Off | Percent of prop with tax liens outstanding | Median sales price Weighted Average 2011-2013 | Foreclosure rate 2004-2014 | Violent crime rate 2011-2013 | Percent Owner-Occupied |
|--------------------|------------------|---|---------------------------------|--|---|----------------------------|------------------------------|------------------------|
| Census Tract 1     | 9.90%            | 87.60%                                    | 11.90%                          | 12.80%                                     | 30,022  | 16.10%                     | 3,374                        | 46.80%                 |
| Census Tract 2     | 7.60%            | 82.40%                                    | 15.90%                          | 14.40%                                     | 29,900  | 32.80%                     | 11,274                       | 40.90%                 |
| Census Tract 3     | 26.20%           | 73.20%                                    | 5.00%                           | 7.50%                                      | 44,645  | 81.00%                     | 31,718                       | 60.40%                 |
| Census Tract 4     | 17.10%           | 83.10%                                    | 12.50%                          | 13.70%                                     | 33,096  | 24.10%                     | 26,342                       | 36.50%                 |
| Census Tract 5     | 6.80%            | 76.30%                                    | 4.50%                           | 12.30%                                     | 36,952  | 22.80%                     | 11,261                       | 44.30%                 |
| Census Tract 6     | 21.60%           | 54.50%                                    | 6.30%                           | 6.20%                                      | 65,440  | 47.30%                     | 12,289                       | 70.10%                 |
| Census Tract 7     | 24.50%           | 81.90%                                    | 1.30%                           | 10.70%                                     | 41,119  | 44.00%                     | 58,153                       | 43.10%                 |
| Census Tract 8     | 18.80%           | 87.10%                                    | 23.90%                          | 21.40%                                     | 28,616  | 9.00%                      | 9,68                         | 36.20%                 |
| Census Tract 9     | 16.10%           | 63.90%                                    | 26.30%                          | 16.40%                                     | 69,586  | 6.90%                      | 11,653                       | 48.50%                 |
| Census Tract 10    | 10.80%           | 81.30%                                    | 38.70%                          | 21.90%                                     | 25,159  | 8.70%                      | 3,984                        | 43.70%                 |
| Census Tract 11.01 | 7.20%            | 84.40%                                    | 35.00%                          | 26.90%                                     | 22,042  | 9.30%                      | 2,872                        | 47.80%                 |
| Census Tract 11.02 | 12.00%           | 77.60%                                    | 42.80%                          | 33.90%                                     | 26,468  | 12.80%                     | 9,601                        | 46.40%                 |
| Census Tract 12    | 8.50%            | 71.90%                                    | 19.60%                          | 14.80%                                     | 39,464  | 16.60%                     | 6,789                        | 67.90%                 |
| Census Tract 13    | 6.80%            | 50.90%                                    | 15.10%                          | 11.30%                                     | 55,258  | 14.30%                     | 3,606                        | 71.10%                 |
| Census Tract 14.01 | 7.00%            | 69.60%                                    | 26.40%                          | 22.90%                                     | 30,562  | 15.50%                     | 14,052                       | 56.90%                 |
| Census Tract 14.02 | 18.30%           | 86.00%                                    | 45.00%                          | 35.70%                                     | 20,871  | 22.00%                     | 11,704                       | 44.50%                 |
| Census Tract 15    | 17.20%           | 84.10%                                    | 48.90%                          | 32.80%                                     | 16,675  | 27.40%                     | 11,97                        | 46.80%                 |
| Census Tract 16    | 20.40%           | 85.70%                                    | 51.00%                          | 31.30%                                     | 15,905  | 11.20%                     | 5,342                        | 42.90%                 |
| Census Tract 17    | 18.30%           | 79.30%                                    | 40.30%                          | 30.60%                                     | 18,361  | 39.80%                     | 25,434                       | 44.20%                 |
| Census Tract 18    | 25.50%           | 57.80%                                    | 18.00%                          | 9.10%                                      | 45,601  | 15.30%                     | 4,826                        | 55.40%                 |
| Census Tract 19    | 12.90%           | 86.80%                                    | 40.30%                          | 34.10%                                     | 24,135  | 6.20%                      | 6,118                        | 36.70%                 |
| Census Tract 20    | 11.00%           | 91.30%                                    | 34.80%                          | 43.80%                                     | 24,196  | 7.30%                      | 2,761                        | 38.50%                 |
| Census Tract 21    | 24.80%           | 63.90%                                    | 37.70%                          | 27.80%                                     | 28,996  | 34.60%                     | 34,331                       | 49.60%                 |
| Census Tract 22    | 25.40%           | 76.00%                                    | 31.80%                          | 22.40%                                     | 29,591  | 42.30%                     | 26,12                        | 51.20%                 |

TABLE 9: SOCIAL AND ECONOMIC SCORES BY CENSUS TRACT

|                    | HH income | Poverty | Unemployment | Without HS diploma | BA degree or higher | Employment to population | SOCIO-ECONOMIC INDEX |
|--------------------|-----------|---------|--------------|--------------------|---------------------|--------------------------|----------------------|
| Census Tract 1     | 3         | 3       | 1            | 4                  | 4                   | 2                        | 3                    |
| Census Tract 2     | 3         | 3       | 3            | 4                  | 4                   | 2                        | 3                    |
| Census Tract 3     | 2         | 1       | 2            | 3                  | 3                   | 1                        | 2                    |
| Census Tract 4     | 3         | 3       | 3            | 4                  | 4                   | 2                        | 3                    |
| Census Tract 5     | 2         | 2       | 4            | 4                  | 4                   | 1                        | 3                    |
| Census Tract 6     | 2         | 2       | 4            | 2                  | 3                   | 1                        | 2                    |
| Census Tract 7     | 2         | 3       | 3            | 4                  | 4                   | 1                        | 3                    |
| Census Tract 8     | 3         | 3       | 4            | 4                  | 4                   | 2                        | 4                    |
| Census Tract 9     | 3         | 4       | 3            | 3                  | 3                   | 2                        | 3                    |
| Census Tract 10    | 4         | 4       | 2            | 4                  | 4                   | 3                        | 4                    |
| Census Tract 11.01 | 3         | 2       | 4            | 3                  | 4                   | 4                        | 4                    |
| Census Tract 11.02 | 4         | 3       | 4            | 2                  | 4                   | 4                        | 4                    |
| Census Tract 12    | 2         | 1       | 2            | 1                  | 2                   | 1                        | 1                    |
| Census Tract 13    | 1         | 1       | 3            | 2                  | 3                   | 4                        | 2                    |
| Census Tract 14.01 | 4         | 4       | 4            | 4                  | 4                   | 4                        | 4                    |
| Census Tract 14.02 | 3         | 4       | 4            | 2                  | 4                   | 4                        | 4                    |
| Census Tract 15    | 3         | 4       | 2            | 3                  | 4                   | 2                        | 3                    |
| Census Tract 16    | 4         | 4       | 2            | 4                  | 4                   | 4                        | 4                    |
| Census Tract 17    | 3         | 3       | 4            | 4                  | 4                   | 4                        | 4                    |
| Census Tract 18    | 2         | 2       | 2            | 3                  | 4                   | 2                        | 3                    |
| Census Tract 19    | 3         | 4       | 1            | 4                  | 4                   | 1                        | 3                    |
| Census Tract 20    | 4         | 4       | 4            | 3                  | 4                   | 4                        | 4                    |
| Census Tract 21    | 3         | 3       | 3            | 4                  | 4                   | 4                        | 4                    |
| Census Tract 22    | 3         | 3       | 3            | 3                  | 4                   | 3                        | 3                    |

TABLE 10: SOCIAL AND ECONOMIC VARIABLES USED IN INDEX BY CENSUS TRACT

|                    | Median HH income | % population below poverty line | % population 16+ unemployed | % population 25+ Not HS Grad | % population 25+ BA or higher | Employed as % of total population 16+ |
|--------------------|------------------|---------------------------------|-----------------------------|------------------------------|-------------------------------|---------------------------------------|
| Census Tract 1     | 32943            | 23.60%                          | 9.20%                       | 36.90%                       | 12.80%                        | 58.00%                                |
| Census Tract 2     | 41750            | 24.50%                          | 17.00%                      | 35.70%                       | 5.00%                         | 60.10%                                |
| Census Tract 3     | 52331            | 14.30%                          | 14.20%                      | 25.00%                       | 17.30%                        | 67.50%                                |
| Census Tract 4     | 37530            | 27.30%                          | 15.20%                      | 51.60%                       | 3.00%                         | 58.90%                                |
| Census Tract 5     | 49816            | 22.40%                          | 19.40%                      | 34.80%                       | 9.40%                         | 63.80%                                |
| Census Tract 6     | 58413            | 19.30%                          | 19.90%                      | 14.00%                       | 16.40%                        | 62.10%                                |
| Census Tract 7     | 42891            | 23.70%                          | 18.70%                      | 37.00%                       | 12.30%                        | 62.60%                                |
| Census Tract 8     | 38371            | 29.10%                          | 22.30%                      | 38.60%                       | 5.20%                         | 57.30%                                |
| Census Tract 9     | 27159            | 37.00%                          | 18.70%                      | 22.30%                       | 16.30%                        | 54.00%                                |
| Census Tract 10    | 20357            | 35.70%                          | 12.70%                      | 37.00%                       | 9.90%                         | 49.40%                                |
| Census Tract 11.01 | 37143            | 16.20%                          | 28.20%                      | 22.20%                       | 9.30%                         | 44.70%                                |
| Census Tract 11.02 | 22273            | 29.90%                          | 25.70%                      | 14.70%                       | 5.10%                         | 46.30%                                |
| Census Tract 12    | 57188            | 13.90%                          | 11.60%                      | 11.30%                       | 28.60%                        | 63.00%                                |
| Census Tract 13    | 66630            | 10.10%                          | 17.20%                      | 15.90%                       | 18.90%                        | 44.00%                                |
| Census Tract 14.01 | 19943            | 43.10%                          | 26.70%                      | 31.20%                       | 8.00%                         | 39.20%                                |
| Census Tract 14.02 | 35550            | 33.90%                          | 24.90%                      | 20.90%                       | 11.50%                        | 46.20%                                |
| Census Tract 15    | 30770            | 32.80%                          | 11.50%                      | 21.10%                       | 10.20%                        | 57.00%                                |
| Census Tract 16    | 19423            | 51.00%                          | 12.70%                      | 36.30%                       | 8.20%                         | 44.00%                                |
| Census Tract 17    | 27798            | 29.50%                          | 27.00%                      | 30.10%                       | 5.70%                         | 46.70%                                |
| Census Tract 18    | 50436            | 19.20%                          | 12.70%                      | 21.80%                       | 9.50%                         | 55.10%                                |
| Census Tract 19    | 41667            | 43.40%                          | 5.00%                       | 39.30%                       | 4.20%                         | 62.20%                                |
| Census Tract 20    | 19432            | 34.80%                          | 29.10%                      | 24.40%                       | 5.60%                         | 47.10%                                |
| Census Tract 21    | 30156            | 28.20%                          | 18.30%                      | 40.40%                       | 6.90%                         | 41.10%                                |
| Census Tract 22    | 40213            | 24.30%                          | 18.30%                      | 27.70%                       | 13.70%                        | 52.90%                                |

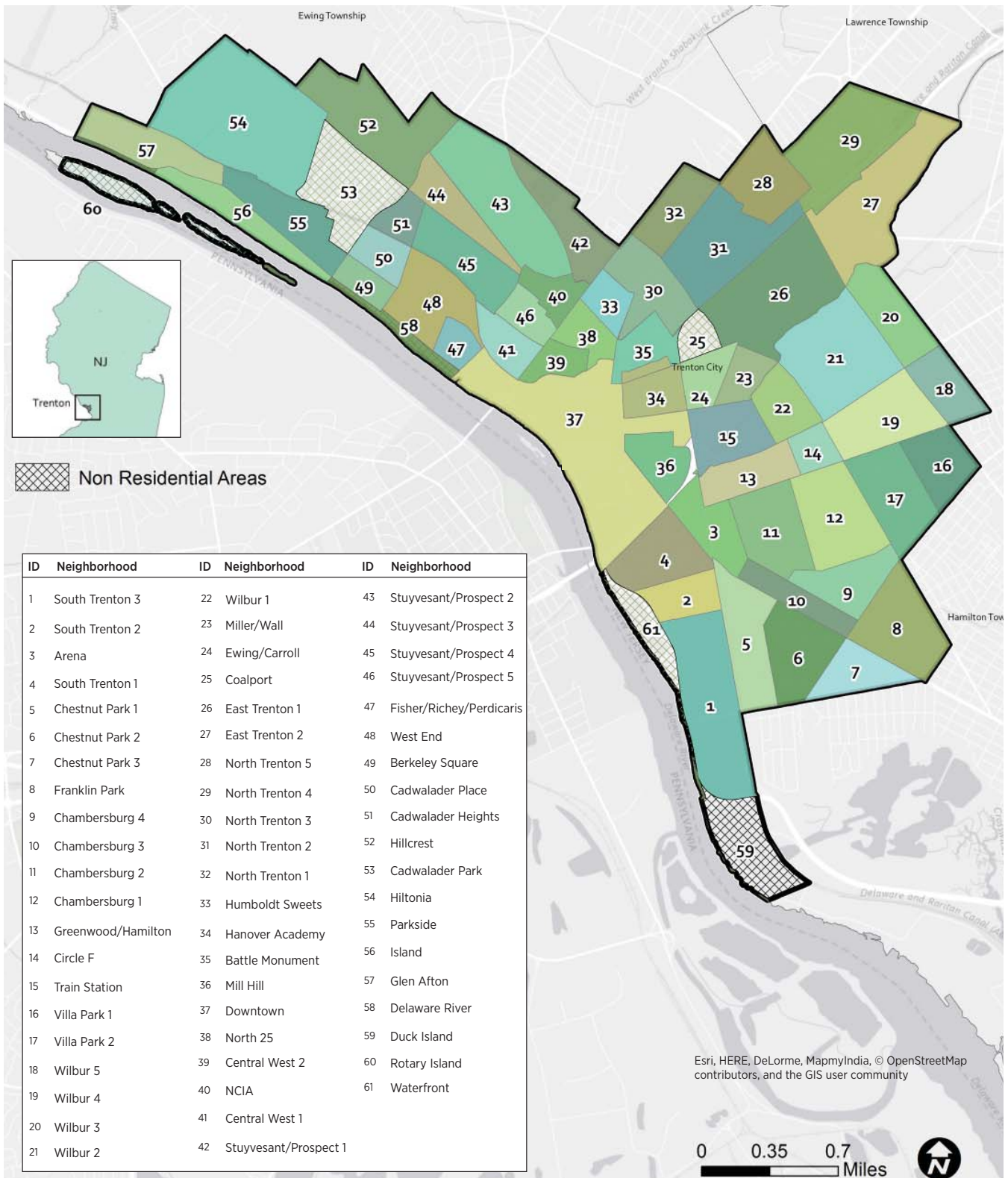
TABLE 11: OTHER SOCIO-ECONOMIC VARIABLES BY CENSUS TRACT

|                    | Average household size | % of household with female head of household | % of Pop foreign born | % Hispanic or Latino (Note 1) | % Non-Latino white | % Black (note 2) | Labor force participation rate | Poverty ratio (note 3) |
|--------------------|------------------------|--|-----------------------|-------------------------------|--------------------|------------------|--------------------------------|------------------------|
| Census Tract 1     | 2.89                   | 19.7%  | 24.5%                 | 60.6%                         | 21.0%              | 17.5%            | 63.9%                          | 2.1                    |
| Census Tract 2     | 3.12                   | 28.4%  | 23.7%                 | 41.9%                         | 27.5%              | 30.8%            | 72.4%                          | 1.7                    |
| Census Tract 3     | 3.26                   | 19.9%  | 33.3%                 | 51.8%                         | 30.1%              | 16.3%            | 78.6%                          | 3.6                    |
| Census Tract 4     | 3.63                   | 26.1%  | 43.1%                 | 68.5%                         | 16.8%              | 12.7%            | 69.5%                          | 1.3                    |
| Census Tract 5     | 3.4                    | 17.0%  | 41.9%                 | 60.0%                         | 15.9%              | 21.0%            | 79.1%                          | 2.8                    |
| Census Tract 6     | 2.74                   | 19.2%  | 20.0%                 | 38.1%                         | 36.5%              | 24.0%            | 77.5%                          | 3.5                    |
| Census Tract 7     | 2.88                   | 32.8%  | 37.7%                 | 57.6%                         | 21.5%              | 21.1%            | 76.9%                          | 2.2                    |
| Census Tract 8     | 3.17                   | 19.8%  | 45.3%                 | 68.1%                         | 8.6%               | 20.1%            | 73.8%                          | 1.4                    |
| Census Tract 9     | 2.15                   | 19.8%  | 17.3%                 | 38.1%                         | 11.7%              | 57.2%            | 66.4%                          | 1.1                    |
| Census Tract 10    | 2.54                   | 23.7%  | 21.0%                 | 40.9%                         | 8.4%               | 52.4%            | 56.5%                          | 1.2                    |
| Census Tract 11.01 | 2.04                   | 27.4%  | 8.9%                  | 0.7%                          | 5.6%               | 88.7%            | 62.3%                          | 4.0                    |
| Census Tract 11.02 | 2.4                    | 26.4%  | 12.7%                 | 1.6%                          | 6.7%               | 89.9%            | 62.3%                          | 1.3                    |
| Census Tract 12    | 2.27                   | 26.5%  | 8.1%                  | 6.9%                          | 15.0%              | 76.5%            | 71.3%                          | 4.5                    |
| Census Tract 13    | 2.64                   | 27.4%  | 14.4%                 | 12.5%                         | 19.1%              | 67.2%            | 53.1%                          | 7.4                    |
| Census Tract 14.01 | 2.27                   | 40.8%  | 7.0%                  | 4.9%                          | 0.5%               | 94.1%            | 53.5%                          | 0.7                    |
| Census Tract 14.02 | 3.28                   | 42.2%  | 12.1%                 | 8.9%                          | 1.0%               | 89.4%            | 61.5%                          | 1.2                    |
| Census Tract 15    | 2.67                   | 37.4%  | 22.0%                 | 6.2%                          | 1.8%               | 92.0%            | 64.4%                          | 1.4                    |
| Census Tract 16    | 2.29                   | 28.4%  | 24.6%                 | 27.1%                         | 8.6%               | 55.5%            | 50.4%                          | 0.5                    |
| Census Tract 17    | 2.63                   | 37.4%  | 10.4%                 | 7.2%                          | 3.2%               | 87.7%            | 63.9%                          | 1.6                    |
| Census Tract 18    | 3.25                   | 17.9%  | 35.7%                 | 36.5%                         | 35.0%              | 28.9%            | 63.2%                          | 2.4                    |
| Census Tract 19    | 4.32                   | 30.8%  | 41.1%                 | 62.9%                         | 2.5%               | 34.5%            | 65.4%                          | 0.8                    |
| Census Tract 20    | 2.41                   | 38.8%  | 3.1%                  | 22.8%                         | 10.7%              | 63.6%            | 66.4%                          | 1.0                    |
| Census Tract 21    | 3.34                   | 24.6%  | 23.1%                 | 41.6%                         | 6.3%               | 52.1%            | 50.3%                          | 1.3                    |
| Census Tract 22    | 3.29                   | 25.9%  | 27.0%                 | 30.7%                         | 6.5%               | 58.9%            | 64.7%                          | 2.2                    |

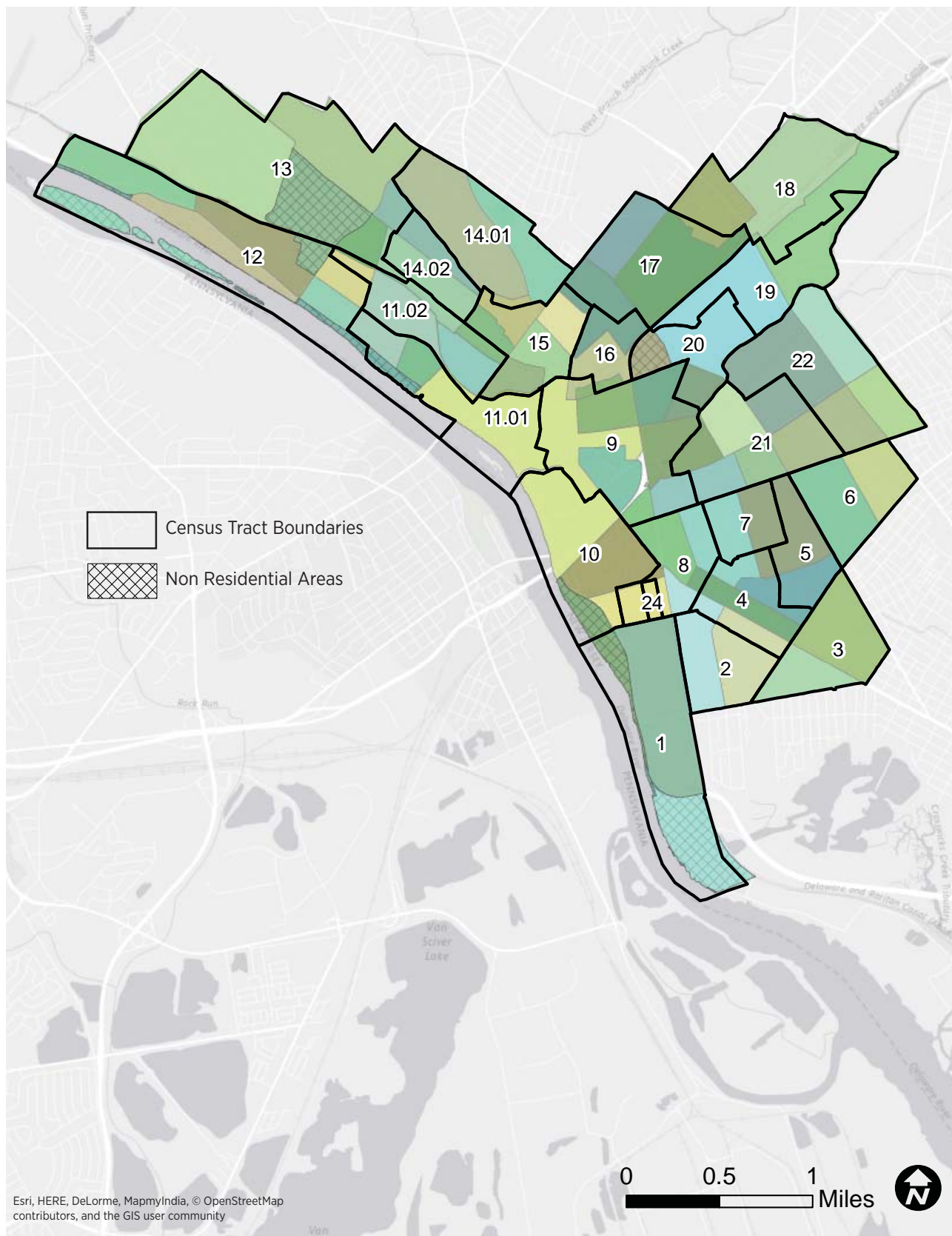
## NOTES TO TABLE A5

- (1) Latino population may be of any race  
 (2) Black population may be of any ethnicity  
 (3) Ratio of households earning more than double the poverty level to households earning below the poverty level

MAP 3: STUDY AREA REFERENCE



MAP 4: TRENTON CENSUS TRACT BOUNDARIES (OVERLAID ON NEIGHBORHOOD MAP)



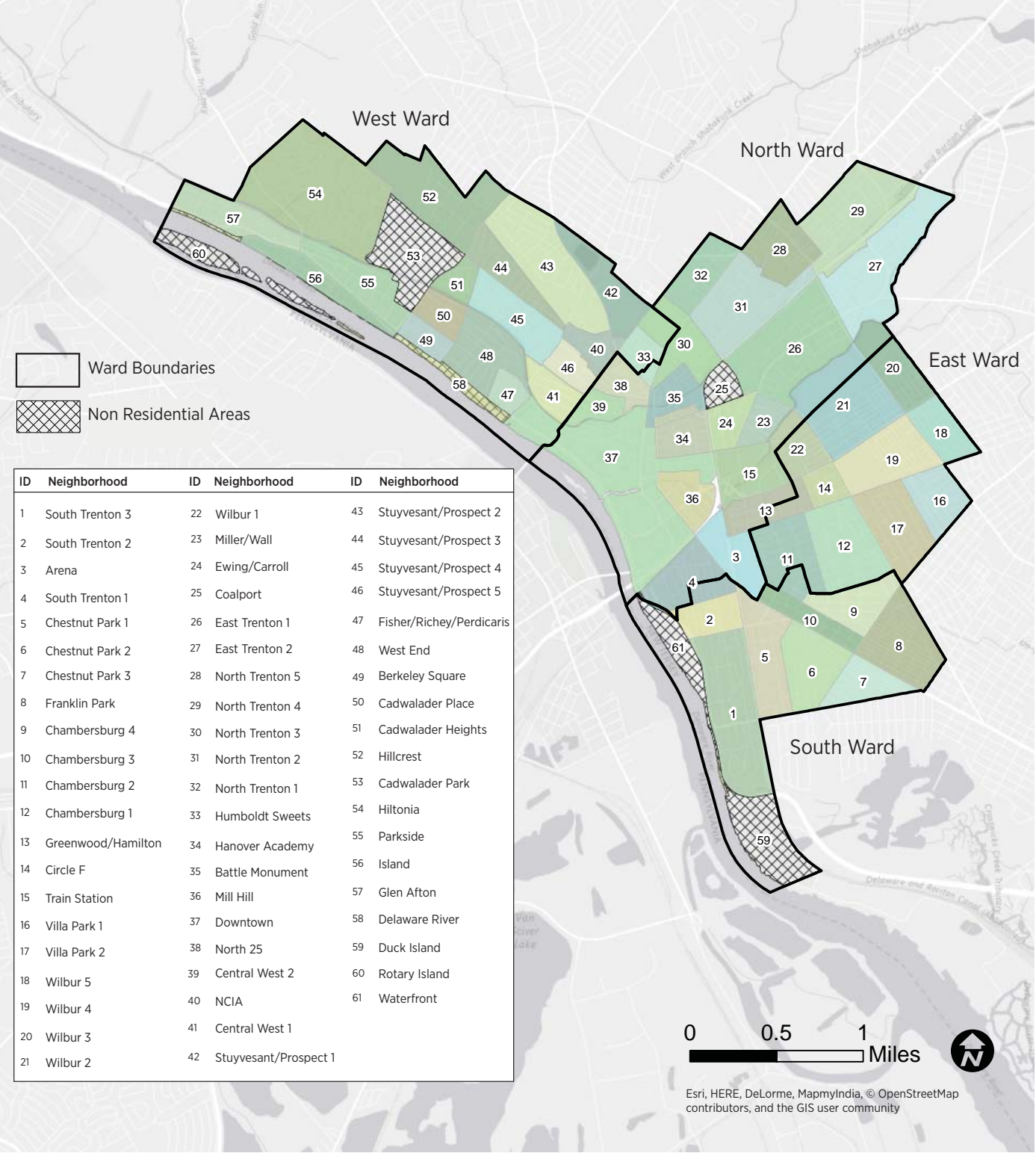
SOURCE: U.S. Census Bureau

## APPENDIX 2: NEIGHBORHOOD AND WARD BOUNDARIES

Political organization in Trenton is structured around the four wards – North, South, East and West. With very few exceptions the neighborhoods and subareas described in this report align closely with the city’s ward boundaries; thus, it is possible to see how the mix of neighborhoods by category is distributed among the wards. As the maps in this appendix show, each ward contains a mix of neighborhoods of different categories, from the strongest to the weakest.

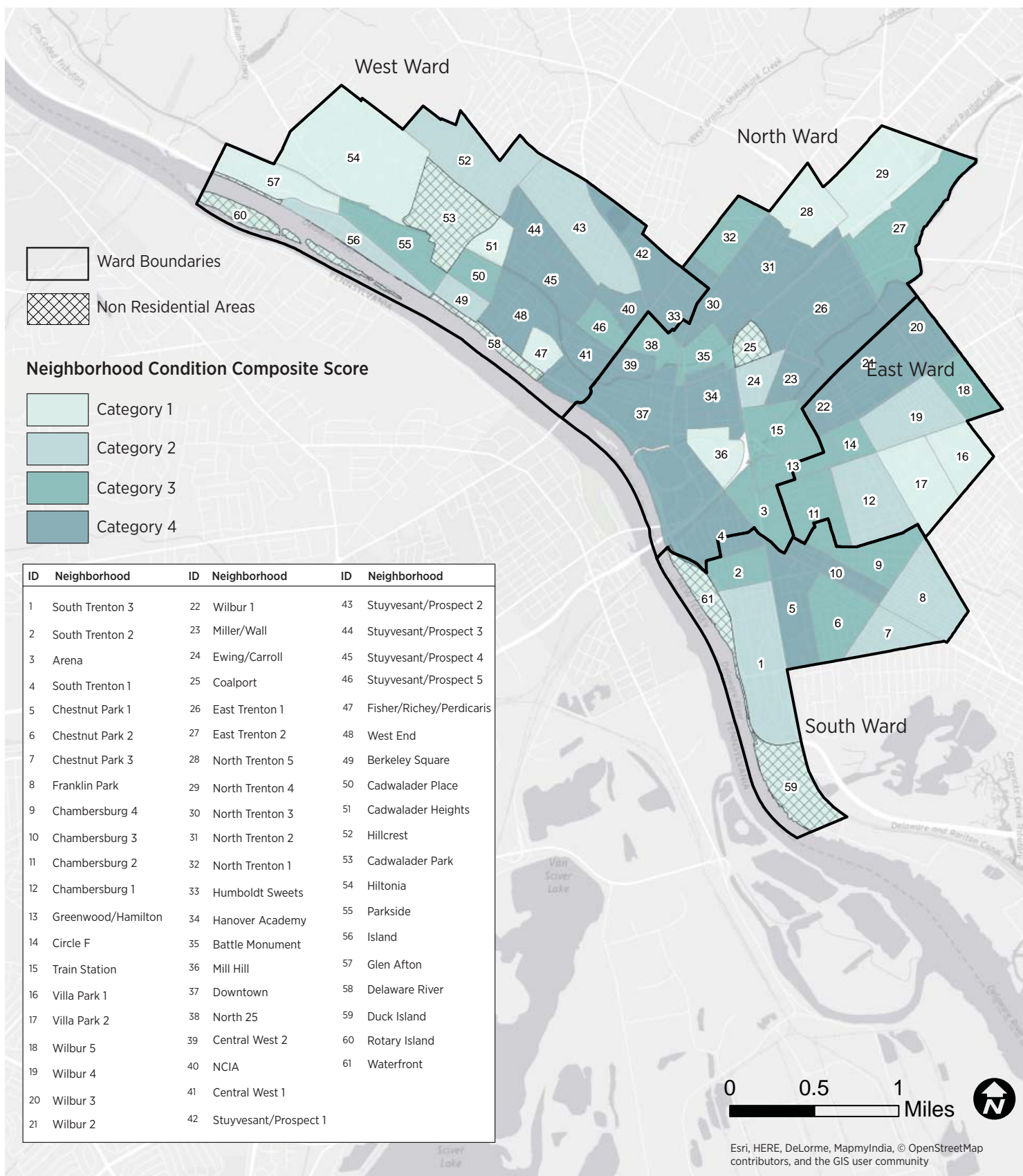
Map 1 shows how the neighborhoods are aligned by ward, by superimposing the ward boundaries on the neighborhoods map initially presented on page 18 of the report. Map 2 shows the mix of neighborhoods by category for each ward, again superimposing the ward boundaries on the composite score map initially presented on page 40.

MAP 1: TRENTON WARD BOUNDARIES (OVERLAID ON NEIGHBORHOOD MAP)



SOURCE: City of Trenton

MAP 2: NEIGHBORHOOD CONDITION COMPOSITE SCORE (WITH WARD BOUNDARIES)



SOURCE: City of Trenton

## APPENDIX 3: SUMMARY RATINGS

TABLE 1: SUMMARY RATINGS FOR INDIVIDUAL MEASURES BY NEIGHBORHOOD AND SUBAREA

|                          | PERCENTAGE OF<br>VACANT HOUSES 2014 | HOMEOWNERSHIP RATE<br>2014 | CUMULATIVE<br>FORECLOSURE FILINGS<br>2004-2014 | MEDIAN SALES<br>PRICE THREE YEAR<br>AVERAGE SCORE 2011-<br>2013 | INVESTOR SHARE OF<br>SINGLE FAMILY<br>PURCHASES 2011-2013 | ANNUAL AVERAGE<br>VIOLENT CRIME RATE<br>2011-2013 | PERCENTAGE OF<br>HOMES WITH TAX LIENS<br>OUTSTANDING 2014 | PERCENTAGE OF<br>OUTSTANDING LIENS<br>STRUCK OFF TO CITY<br>2014 | COMPOSITE<br>SCORE |
|--------------------------|-------------------------------------|----------------------------|--|---|---|---|---|--|--------------------|
| Arena                    | 5                                   | 5                          | 2  | 2   | 5   | 5   | 4   | 1  | 29                 |
| Battle Monument          | 4                                   | 1                          | 1  | 5   | 5   | 4   | 4   | 5  | 29                 |
| Berkeley Square          | 3                                   | 1                          | 5  | 1   | 1   | 2   | 2   | 3  | 18                 |
| Cadwalader Heights       | 2                                   | 3                          | 2  | 1   | 1   | 1   | 2   | 2  | 14                 |
| Cadwalader Place         | 4                                   | 3                          | 5  | 4   | 4   | 2   | 4   | 3  | 29                 |
| Central West 1           | 5                                   | 4                          | 3  | 5   | 4   | 5   | 5   | 5  | 36                 |
| Central West 2           | 5                                   | 4                          | 4  | 5   | 5   | 5   | 5   | 5  | 38                 |
| Chambersburg 1           | 1                                   | 4                          | 3  | 3   | 4   | 5   | 2   | 1  | 23                 |
| Chambersburg 2           | 2                                   | 5                          | 3  | 4   | 5   | 5   | 2   | 1  | 27                 |
| Chambersburg 3           | 3                                   | 5                          | 5  | 4   | 5   | 5   | 3   | 2  | 32                 |
| Chambersburg 4           | 2                                   | 5                          | 3  | 4   | 4   | 4   | 2   | 2  | 26                 |
| Chestnut Park 1          | 3                                   | 5                          | 4  | 4   | 5   | 5   | 4   | 2  | 32                 |
| Chestnut Park 2          | 2                                   | 4                          | 4  | 4   | 4   | 4   | 2   | 2  | 26                 |
| Chestnut Park 3          | 2                                   | 2                          | 3  | 3   | 4   | 1   | 1   | 1  | 17                 |
| Circle F                 | 3                                   | 4                          | 5  | 4   | 3   | 5   | 3   | 2  | 29                 |
| Downtown                 | 4                                   | 5                          | 5  | 5   | 5   | 5   | 5   | 4  | 38                 |
| East Trenton 1           | 5                                   | 5                          | 2  | 5   | 5   | 4   | 5   | 3  | 34                 |
| East Trenton 2           | 4                                   | 5                          | 1  | 5   | 5   | 3   | 4   | 4  | 31                 |
| Ewing/Carroll            | 2                                   | 3                          | 2  | 2   | 3   | 2   | 3   | 3  | 20                 |
| Fisher/Richey/Perdicaris | 3                                   | 2                          | 4  | 1   | 1   | 2   | 1   | 1  | 15                 |
| Franklin Park            | 1                                   | 3                          | 3  | 3   | 4   | 3   | 1   | 1  | 19                 |
| Glen Afton               | 1                                   | 1                          | 2  | 1   | 1   | 2   | 1   | 1  | 10                 |
| Greenwood/Hamilton       | 4                                   | 4                          | 3  | 3   | 3   | 5   | 4   | 3  | 29                 |
| Hanover Academy          | 5                                   | 5                          | 5  | 2   | 4   | 5   | 3   | 5  | 34                 |
| Hillcrest                | 2                                   | 1                          | 3  | 2   | 2   | 2   | 2   | 2  | 16                 |
| Hiltonia                 | 1                                   | 1                          | 2  | 1   | 1   | 1   | 1   | 1  | 9                  |
| Humboldt Sweets          | 5                                   | 4                          | 4  | 5   | 5   | 4   | 5   | 5  | 37                 |

Highlighted cells indicate where a score has been imputed because of limited data availability.

TABLE 1: SUMMARY RATINGS FOR INDIVIDUAL MEASURES BY NEIGHBORHOOD AND SUBAREA

|                       | PERCENTAGE OF VACANT<br>HOUSES 2014 | HOMEOWNERSHIP RATE 2014 | CUMULATIVE FORECLOSURE<br>FILINGS 2004-2014 | MEDIAN SALES PRICE THREE<br>YEAR AVERAGE SCORE 2011-<br>2013 | INVESTOR SHARE OF SINGLE<br>FAMILY PURCHASES 2011-2013 | ANNUAL AVERAGE VIOLENT<br>CRIME RATE 2011-2013 | PERCENTAGE OF HOMES WITH<br>TAX LIENS OUTSTANDING 2014 | PERCENTAGE OF OUTSTANDING<br>LIENS STRUCK OFF TO CITY<br>2014 | COMPOSITE SCORE |
|-----------------------|-------------------------------------|-------------------------|---|--|--|--|--|---|-----------------|
| Island                | 2                                   | 2                       | 2   | 3  | 5  | 2  | 1  | 1   | 18              |
| Mill Hill             | 3                                   | 2                       | 2   | 1  | 1  | 3  | 1  | 2   | 15              |
| Miller/ Wall          | 5                                   | 5                       | 3   | 2  | 5  | 4  | 5  | 4   | 34              |
| NCIA                  | 5                                   | 4                       | 2   | 5  | 4  | 5  | 4  | 5   | 34              |
| North 25              | 3                                   | 1                       | 2   | 5  | 3  | 4  | 3  | 4   | 25              |
| North Trenton 1       | 3                                   | 4                       | 2   | 5  | 4  | 4  | 4  | 3   | 30              |
| North Trenton 2       | 4                                   | 4                       | 2   | 5  | 4  | 4  | 4  | 4   | 32              |
| North Trenton 3       | 5                                   | 5                       | 2   | 5  | 5  | 5  | 5  | 5   | 37              |
| North Trenton 4       | 1                                   | 2                       | 1   | 2  | 1  | 2  | 1  | 1   | 11              |
| North Trenton 5       | 1                                   | 3                       | 1   | 2  | 2  | 2  | 1  | 2   | 14              |
| Parkside              | 4                                   | 2                       | 3   | 4  | 3  | 4  | 3  | 3   | 25              |
| South Trenton 1       | 5                                   | 4                       | 3   | 5  | 4  | 3  | 3  | 4   | 32              |
| South Trenton 2       | 5                                   | 4                       | 2   | 5  | 5  | 1  | 4  | 4   | 30              |
| South Trenton 3       | 2                                   | 4                       | 2   | 4  | 5  | 2  | 2  | 2   | 23              |
| Stuyvesant/Prospect 1 | 5                                   | 4                       | 4   | 4  | 5  | 2  | 4  | 4   | 33              |
| Stuyvesant/Prospect 2 | 1                                   | 2                       | 2   | 4  | 4  | 4  | 2  | 2   | 21              |
| Stuyvesant/Prospect 3 | 5                                   | 4                       | 3   | 5  | 5  | 4  | 5  | 5   | 36              |
| Stuyvesant/Prospect 4 | 4                                   | 3                       | 3   | 5  | 4  | 4  | 5  | 5   | 33              |
| Stuyvesant/Prospect 5 | 4                                   | 2                       | 2   | 5  | 4  | 4  | 4  | 3   | 29              |
| Train Station         | 4                                   | 4                       | 1   | 4  | 3  | 5  | 4  | 3   | 28              |
| Villa Park 1          | 2                                   | 1                       | 3   | 1  | 2  | 1  | 1  | 1   | 12              |
| Villa Park 2          | 1                                   | 2                       | 3   | 2  | 2  | 2  | 1  | 1   | 14              |
| West End              | 5                                   | 4                       | 5   | 5  | 5  | 4  | 4  | 4   | 36              |
| Wilbur 1              | 5                                   | 4                       | 3   | 5  | 4  | 5  | 5  | 5   | 36              |
| Wilbur 2              | 5                                   | 3                       | 2   | 5  | 4  | 5  | 5  | 5   | 34              |
| Wilbur 3              | 4                                   | 5                       | 3   | 5  | 4  | 5  | 4  | 4   | 34              |
| Wilbur 4              | 2                                   | 2                       | 3   | 3  | 3  | 4  | 2  | 1   | 20              |
| Wilbur 5              | 3                                   | 3                       | 4   | 4  | 4  | 4  | 3  | 3   | 28              |

Highlighted cells indicate where a score has been imputed because of limited data availability.

## APPENDIX 4: CORRELATIONS

A widely used way of determining whether two variables are related is by calculating the correlation between them; that is, whether there is a relationship between two variables that cannot be explained by chance. In practice, since there is always a possibility that any relationship can be the product of chance, correlation analysis calculates the probability or likelihood that the relationship is chance, or that it is based on some underlying connection. As a general practice, correlations that show a greater than 10% probability of being chance are not considered meaningful, while those that show a 1% or smaller probability of being chance are considered particularly strong.

Table 1 shows the correlations between the eight variables used to assess neighborhood conditions in the report. Correlations can go in two different directions:

- A positive correlation (no sign) means that the relationship is in the same direction; for example, higher vacancies are associated with higher tax delinquency and higher violent crime.
- A negative correlation (- sign) means that the relationship is in the opposite direction; for example, a higher home ownership rate is associated with lower vacancies and lower violent crime.

The table shows that for the most part, the variables are strongly related to one another. In fact, with the exception of foreclosure, all of the variables are strongly related to one another in ways that are consistent with our understanding of the economic and social dynamics involved. Figure 1 following the table illustrates this relationship; controlling for homeownership rate, it shows how the percentage of vacant buildings, the percentage of properties with tax liens, and the rate of violent crime all decline steadily as the homeownership rate increases.

At the same time, Figure 1 points out that not all areas follow the same pattern, and highlights four areas that stand out: East Trenton 2 and South Trenton 2 have substantially lower crime rates than might be predicted on the basis of their low homeownership rates, while North 25 and Battle Monument have higher crime and vacancy rates than might be predicted on the basis of their high homeownership rates. In the latter case, this may reflect the fact that a substantial amount of new housing was built in those areas for homeownership with the assistance of state and federal funds during the late 1990s and early 2000s, but which may not have altered the dynamics of the surrounding area significantly.

It is important to remember, however, in the old catch phrase, that correlation does not mean causality. The fact that there is a strong relationship between violent crime and tax delinquency does not mean that violent crimes cause tax delinquency, or that tax delinquency causes crime to increase. While either or both of those statements may be true, that does not follow from the fact that a correlation exists. It is more likely that both of them are influencing and influenced by a third variable, attachment and commitment to a house and a neighborhood, which is difficult to measure directly. Further research into the nature of that relationship would be valuable.

**TABLE 1: TABLE OF CORRELATIONS**

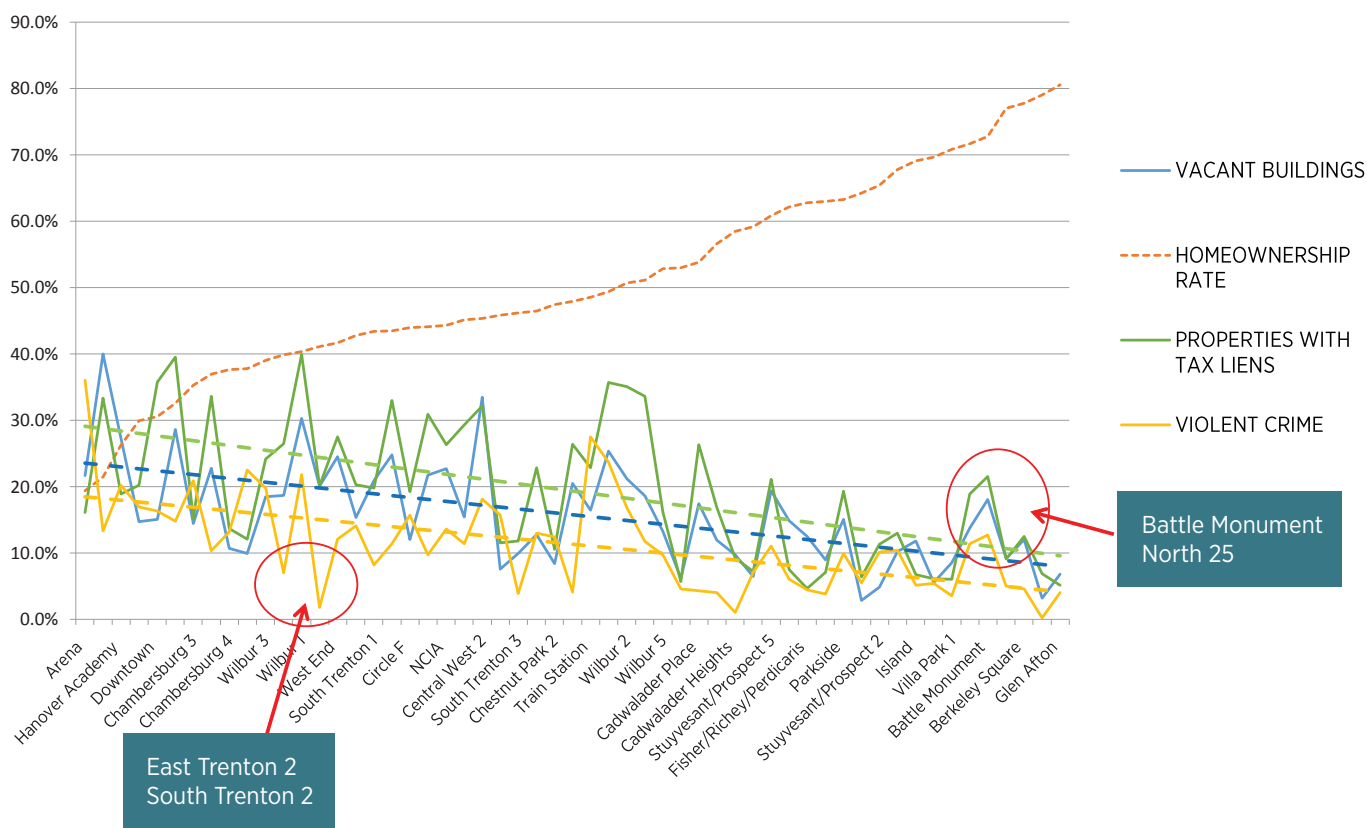
|                              | VACANCY  | HOME OWNERSHIP RATE | FORE-CLOSURE | MEDIAN SALES PRICE | INVESTOR SHARE OF SALES | VIOLENT CRIME | TAX DELINQUENCY | TAX LIENS STRUCK OFF TO CITY |
|------------------------------|----------|---------------------|--------------|--------------------|-------------------------|---------------|-----------------|------------------------------|
| VACANCY                      |          | -.606035            | .172314      | -.450388           | .518855                 | .446417       | .815472         | .769435                      |
| HOME OWNERSHIP RATE          | -.606035 |                     | -.274200     | .442708            | -.693965                | -.622708      | -.570137        | -.373016                     |
| FORECLOSURE                  | .172314  | -.274200            |              | .073509            | .120520                 | .168732       | .193691         | .127765                      |
| MEDIAN SALES PRICE           | -.450388 | .442708             | .073509      |                    | -.735605                | -.352048      | -.724969        | -.673079                     |
| INVESTOR SHARE OF SALES      | .518855  | -.693965            | .120520      | -.735605           |                         | .486258       | .575526         | .482016                      |
| VIOLENT CRIME                | .446417  | -.622708            | .168732      | -.352048           | .486258                 |               | .444942         | .258122                      |
| TAX DELINQUENCY              | .815472  | -.570137            | .193691      | -.724969           | .575526                 | .444942       |                 | .846419                      |
| TAX LIENS STRUCK OFF TO CITY | .769435  | -.373016            | .127765      | -.673079           | .482016                 | .258122       | .846419         |                              |

**SIGNIFICANCE LEVEL KEY**

(Probability of relationship being due to chance)

|  |                |
|--|----------------|
|  | 10% or greater |
|  | less than 10%  |
|  | less than 5%   |
|  | less than 2%   |
|  | less than 1%   |

FIGURE 1: RELATIONSHIP BETWEEN HOMEOWNERSHIP, VACANCY, TAX LIENS AND VIOLENT CRIME\*



\*Due to space limitations only every other neighborhood name appears in the axis below the chart





2015



New Jersey Community Capital  
Center for Community Progress  
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