

## Camden Redevelopment Agency Case Study

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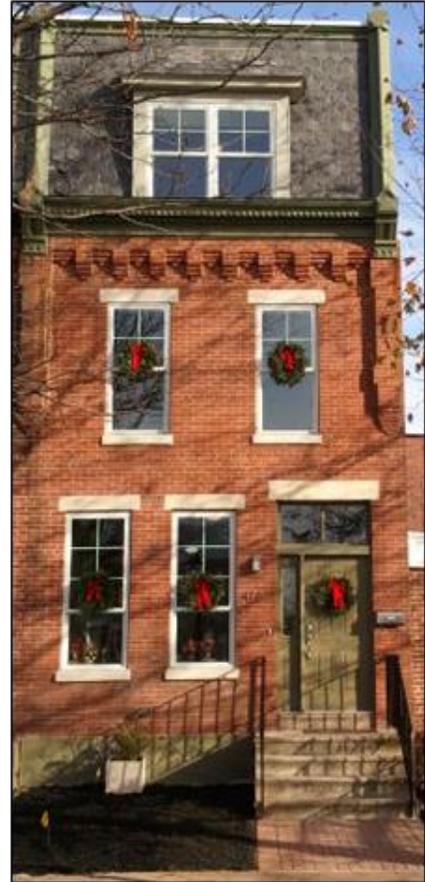
View of Newly Constructed NSP2 Homes on 6<sup>th</sup> Street between Washington & Benson

As the City of Camden’s lead agency for land assemblage, real estate acquisition, grant fund financing, Brownfield coordination, and physical development, the Camden Redevelopment Agency (CRA) plays an important role in moving Camden forward through redevelopment initiatives. The CRA has coordinated innovative projects and development implementation strategies that have resulted in substantially increased tax rates for the city, employment for its residents, home ownership opportunities for prospective buyers, rentals, enhanced educational opportunities, new community centers and a cleaner and greener city.

An example of the CRA’s impact is seen in the city’s Cooper Lanning neighborhoods. The CRA led a three year effort to construct, rehabilitate, and finance quality housing development, clean and green municipally-owned vacant lots, and demolish unsafe structures in the Cooper Lanning communities. It did so through the \$11.9 million dollar award from the Department of Housing and Urban Development (HUD)’s Neighborhood Stabilization 2 Program (NSP2) to stabilize and renew neighborhoods with housing redevelopment and related activities.

The CRA, as the lead and grantee in a consortium of non-profit and for profit development partners, successfully implemented its NSP2 Award, completed 104 home ownership and rental units, the demolition of 28 vacant and unsafe structures, the maintenance of 212 publically-owned vacant lots, and the acquisition of 212 properties for future and planned redevelopment. CRA's primary responsibilities involved assuring NSP2 regulatory compliance and reporting, assisting developers to secure public and private financing; monitoring and oversight of construction design, progress, and quality and workmanship, conformance with Section 3 requirements; fiscal monitoring leading to the completion of units.

As part NSP2, CRA procured and worked with its consortium to rehabilitate and construct 58 multi-phased homeownership units in two target city neighborhoods and developed 46 rental units. The award winning for sale homes were built in keeping with the historical and design character of the



neighborhoods while combining the comfort and energy efficient cost savings. Market rate and affordable units were offered for sale to households with incomes at or below 120% of area median income with 25% of the units set aside for households at or below 50% of area median income. Of the total 58 homes, 44 of the units have sold to both existing residents and professionals employed at the city's educational and medical institutions adding to the income mix in the community, 8 units are

under contract, and 6 are currently under construction.



The large-scale investment afforded by NSP2 provided \$350,000 in down payment and settlement incentives for home buyers, gave pre-purchase housing counseling from HUD approved counseling agencies to over 4,000 households and created hundreds of job opportunities. In fact, when officials at HUD sought examples of exemplary land-use and

development practices, they turned to the CRA, as featured in a national HUD webinar.

### **Financial Strategy**

The CRA leveraged the \$11.9 million NSP 2 funds with an additional \$32 million in public and private dollars. Of that \$32 million, the CRA leveraged \$2.8 million in housing funds into \$15.8 million with resources from the Reinvestment Fund (TRF), the New Jersey Department of Community Affairs, the New Jersey Housing & Mortgage Finance Agency, the New Jersey Neighborhood Reinvestment Tax Credit Program, and the City of Camden's HOME funds. See Leverage Chart below.



NSP2 Housing Leverage of Funds							
Other Funds by Activity	# Units	Total Development Costs	NSP2 Grant Funds	Sales Proceeds	State NRTC, NJDCA and NJHMFA	City HOME Funds	Total Other Sources
Tres Esquinas	10	2,549,710	400,000	600,000	1,320,945	228,765	1,549,710
Berkley Street Townhomes	4	1,420,000	500,000	600,000	70,000	250,000	320,000
Coopers Hill Townhomes	30	8,933,592	1,610,189	5,323,403	2,000,000		2,000,000
Camden Rehab 2	20	4,114,441	480,000	1,734,441	1,900,000		1,900,000
Camden Rehab 2 - Cooper Plaza	11	2,262,943	264,000	953,943	1,045,000	-	1,045,000
East Camden Rehab Project	3	628,988	115,988	288,000		225,000	225,000
<b>Totals</b>	<b>58</b>	<b>15,795,233</b>	<b>2,890,177</b>	<b>7,765,346</b>	<b>4,435,945</b>	<b>703,765</b>	<b>5,139,710</b>
				<b>TOTAL NSP2 FUNDS</b>			<b>2,890,177</b>
<b>Other Lenders:</b>				<b>TOTAL ALL FUNDS</b>			<b>15,795,233</b>
<b>The Reinvestment Fund (TRF) CHOICE/HMFA Assisted Projects</b>				<b>LEVERAGE RATIO</b>			<b>5.47</b>
State - NJ Department of Community Affairs							
State - NJ Housing & Mortgage Finance Agency							
State - Neighborhood Reinvestment Tax Credit Program							
City of Camden - HOME Entitlement Funds							

The impact of NSP 2 is huge. The CRA contracted with The Reinvestment Fund for a quantitative and qualitative analysis of the impact of the NSP2 housing strategy. The evaluation, which provides bi-annual snapshots of the conditions of the target neighborhoods, compares these trends to the city overall. An analysis of median sales price, number of bank owned properties, and the number of non-profit and subsidized sales among other indicators determined that the CRA's two target neighborhoods performed well and that the housing market is stabilizing and growing. The Cooper Plaza neighborhood actually saw a home sales price appreciation of 69% with an average sale price of \$82,000.

### Building Program



CRA is committed to green building principals and, as such, all the NSP 2 homes are certified Energy Star residences. The CRA units received a NEPA recognition in the Congressional Record for its green building. The three and four bedroom NSP 2 two story homes are in keeping with the

architectural character of the neighborhood while including modern amenities important to today's buyers. All the homes include stainless steel appliances, hardwood floors, and granite countertops.



### **Importance of Community Engagement**

Residents play an important role in the planning, construction and on-going implementation of the program. The NSP 2 strategy was based upon the community's stated redevelopment desires for the neighborhood and, in the case of the Cooper Plaza and Lanning Square area, a direct response to many of the goals detailed in the community's Cooper Lanning Human Capital Plan. CRA and its consortium partners outreached to existing community groups, churches, anchor institutions, community foundations, local supportive services and other non-profits to provide information and engage stakeholders in the implementation of the \$11.9 million grant. The CRA concentrated housing rehabilitation and construction activities in the areas best suited to spur strong market activity and spent vacant land stabilization resources in the areas the community overwhelmingly wanted to green.

Employment for residents continues to be a major goal in CRA development efforts. All construction work required a percentage of local hiring and the CRA greatly exceeded the HUD Section 3 requirements employing substantial numbers of city residents on NSP 2 job sites.

Monthly local employment data was shared with consortium partners and local stakeholder throughout the implementation of the program. The CRA partnered with the Housing Authority of the City of Camden’s YouthBuild Program (YouthBuild). Seventeen YouthBuild graduates were placed in paid apprenticeships on the NSP2 project sites. CRA contracted with a local non-profit employer of City residents to clean and green all NSP 2 sites. The CRA also provided development partners and their subcontractors with contact listings of local sources for materials, supplies and equipment as well as for security and landscaping services.

The CRA and community partners completed a branding and marketing campaign—“**Work Here. Play Here. Live Here.**” --to alert Camden residents to the new homeownership opportunities and home buyer counseling programs afforded by NSP 2 and maintained constant contact with local community groups to provide program and construction updates. The CRA, the Housing Authority of the City of Camden, and the Office of the Mayor held workshops and seminars with regional appraisers, lending institutions and bankers to educate about new housing opportunities in the Camden market.

The CRA continues its community outreach as land banked parcels become available for redevelopment.



Today, buyers continue to flock to the houses that are redefining urban living in the City of Camden. Residents are minutes from the city’s major employers, close to parks, within minutes of the waterfront attractions and steeped in the history of the neighborhood home of America’s great poet, Walt Whitman, who lived in Lanning Square and whose historic home welcomes visitors from around the world as a National Historic Landmark.