Cook County Land Bank Authority

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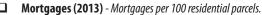
QUESTION: What emerging neighborhoods in the City of Chicago are displaying enough of a positive transformation where a CCLBA intervention would maximize revitalization efforts?

Test #1: Analyzing which Chicago neighborhoods/municipalities possess weaker/stronger housing market traits.   *Source Method: DePaul Institute for Housing Studies.*

The DePaul Institute for Housing Studies put together a study, with few modifications from us, analyzing Chicago neighborhoods/municipalities & housing market traits within each area. These characteristics are organized around community areas, and consequently a neighborhood focus. Four (4) tranches have been identified in a quartile system (up to 20 possible points). For the purposes of our study, the middle tranches were selected while the top and bottom quartiles were eliminated. The variable used are as follows:

- **Turnover Ratio** - *Sales per 100 residential parcels.*
- **Turnover Ratio/Cook County Average** - *Turnover rate ratio (2005-2007, 2011-2013).*
- **Share of Sales less than $20,000**- *High share of low-value sales.*
- **Foreclosure Accumulation** - *From 2005-2013, measure of distress.*
- **Mortgages (2013)** - *Mortgages per 100 residential parcels.*

Test #2: Analyzing what census tracts in the fourth (4) tranche of communities are exhibiting generally positive housing characteristics.   *Source Method: IHDA BRP*

Based on the formula used from IHDA's Blight Reduction Program, the objective of this test is to, (1) Draw the scale down from the neighborhood to the census tract, and (2) Include census tracts that are exhibiting positive housing market characteristics yet are in weaker markets. The variables we used are as follows:

- **Vacancies Trending (2010-2012)** - *ACS 5-year estimate*
- **Foreclosures Trending (2010 - 2012)**- *ACS 5-year estimate*
- **Home Lending (2010 - 2012)**- *Conventional Loans, Home Mortgage Disclosure Act*
- **Mortgage Loan Amount** - *Median Loan Amt., Home Mortgage Disclosure Act*

If the census tracts are exhibiting three (3) or more of the traits listed above, the tracts are added along with the neighborhoods listed in Test #1. Overall, all of the results in Test #1 & Test #2 are considered eligible communities, or areas in the city where the CCLBA would focus on acquiring properties.

Test #3: What neighborhoods should the CCCLBA focus investment efforts based on quantitative results, organization participation, and existing supply?

This final test strives to measure, (1) Positive neighborhood trends post-recessions, (2) Level of organizational interest, and (3) Existing supply of distressed properties. The positive neighborhood indicators are as follows:

- **Home Lending Trends (2012-2013)** - *HMDA*
- **Home Values (2011-2013)** - *ACS 5-year estimates*
- **% of Pop. After 2010** - *ACS 2013 5-year estimates*
- **Vacancy Rate Trends (2011-2013)** - *ACS 5-year estimates*
- **Foreclosures (2011 - 2013)** - *ACS 5-year estimates*

The level of organizational interest (2), based on a continuous scale of 0 to 1, lists the # of organizations that have expressed desire to work with the CCLBA. The existing supply of distressed prop. (3), measures tax/delinquent/scavenger sale properties, privately-owned vacant inventory, and foreclosures on a scale of 0 to 1 based on point density. All three of these parts are measured equally in three parts & tabulated.