Prioritizing Blighted Properties for Action

Homes Within Reach Conference
Tuesday, Nov. 12, 2013
Introductions

• Deb Lange,
• Chris Brown, Board Chair, Keystone CORE Services Derck & Edson
Program Background

• Pennsylvania Downtown Center (PDC) Interest in Blighted Property Intervention.

• Creation of Keystone CORE Services
  — *Focus: Small Site TA & Funding Assistance*

• Contractual Relationship with Carnegie-Mellon University
Board Membership

- Landscape Architect
- Chamber of Commerce
- Community Investment
- Architect
- Realtor
- Banking/Finance
- County Economic Development
- Housing Alliance
- Redevelopment Authority
“Patient Capital” Pre-Development (PCPD) Fund

- Technical Assistance
- EQ2 Investment
- Equity Investment
- Low Interest Loan
Who will we work with first?

Anecdotal reasoning by the Board vs. Analytical results from the Tool
KCS Services: Current & Planned

Outreach
- Real Estate Tech. Assist.
  - Site Assessment Visits
  - Site Feasibility Studies
  - Conservatorship Assistance
  - Blight Removal Assistance
  - Small Site Brownfields
  - Phase I & II Studies
  - Project Advisor

Membership
- Funding App. Assistance

Real Estate Acquisition
- Research & Development
- Management & General
- Fundraising

Real Estate Proj. Funding
- Lender
- Equity Partner
- Tax Credit Intermediary

Business Assistance
- Business Brokerage
- SBA 504 lender
- Succession Planning
- 2nd Location Assistance
KCS Project List

• Round 1 Projects
  – Greensboro
  – Allentown
  – Ebensburg
  – York
  – Philipsburg
  – Collegeville
  – Boyertown
  – Harrisburg
  – Sunbury
  – Bradford
  – Hamburg

• Round 2 Projects
  – Allentown
  – Boyertown
  – Ephrata
  – Oil City
  – West Chester
  – York
Dealing With A Blighted Property Inventory

• “Decision support” for blighted properties
  – Fear of the unknown
  – Limited resources
  – Many stakeholders
  – Preference for path of least resistance

• Answer: *Multi-Attribute Decision-Making Tool (MADM)*
MADM: A 2-Step Tool

• Step 1: Project “Site Profile”
  – General Information
  – Property Owner Information
  – Site Information
  – Environmental Information
  – Local Demographics
MADM: A 2-Step Tool

• Step 2: Site Attribute Questionnaire
  – Development Driver / Project Champion
  – Development Potential
  – Infrastructure
  – Real Estate Market Information
The Site Profile

• Quick
• Inventory
• Just the Facts
• Allows for preliminary “sorting” of properties.
• Based On:
  – Organizational Priorities
  – Project Similarities
    • Size
    • Demographics
Site Attribute Questionnaire (SAQ)

• A bit more painful
• Completed by an “independent” party
• Collects objective, site specific data
  – Four (4) broad categories
  – Subsets within each category
• Results provide raw data, just numbers
• Next: Score and rank the sites
Now The Fun Starts...

Ranking Equation

\[ C = \text{Category of data} \]
\[ ic = \text{Indicator within a category (c)} \]
\[ I = \text{Vector that defines the responses to questions in Indicator I for category c} \]
\[ W = \text{Weight, 0-100\%} \]
Scoring & Ranking the Sites

• Answers on the SAQ are assigned values
  – 1-5 Scoring Scale
  – Penalty (0 Points) for Not Answering A Question

• Organization Determines Weights
  – Based on local organization’s priorities
  – Weights applied to 4 broad categories & subsets
  – Weights are developed independent of SAQ

• Ranking
  – Weights applied to values
  – Scores calculated, Site Ranked High to Low
Outcomes & Lessons Learned

• Outcomes
  – Sites get ranked consistent with local priorities
    • Where to Start?: Overall, By Category
  – Results of ranking are transparent & defensible
  – Open and informed dialogue

• Lessons Learned
  – Data reduces decision-making fears
  – The weighting discussion is priceless
  – Ranking may not always match intuition
SCENARIO 1

You are a statewide agency that provides funds for economic development. Your mandate suggests that you are to promote ‘underwater’ properties or those that are not attractive to private developers. Given your mandate, what factors allow you to select sites that meet the mission of your organization?

1. Development Driver
2. Development Potential
3. Infrastructure
4. Market Information
MADM Exercise

SCENARIO 2

You are a statewide agency that worries about *job creation*. Your mandate suggests that you are to promote properties that will attract new, job creating businesses into the state. Given your mandate, what factors allow you to select sites that meet the mission of your organization?

1. Development Driver
2. Development Potential
3. Infrastructure
4. Market Information
MADM Exercise

SCENARIO 3
You are a regional organization that worries needs to attract investors. Your mandate suggests that you are to promote properties that will attract non-occupant investors into your region. Given your mandate, what factors allow you to select site that meet the mission of your organization?

1. Development Driver
2. Development Potential
3. Infrastructure
4. Market Information
MADM Exercise

DISCUSSION RE: SCENARIO 3

• RE-VOTE BASED ON DISCUSSION

1. Development Driver
2. Development Potential
3. Infrastructure
4. Market Information
Overall Lessons Learned

• Consensus on Projects Prior To “Submission”
• Clear Understanding of MADM by Implementing Org.
• Education in Use of MADM by the Local Organization
• Commitment to the Ranking System
• Commitment to the Project
Q & A