



CITY OF BIRMINGHAM HOUSING AND NEIGHBORHOOD STUDY

DECEMBER 2014



1. ACKNOWLEDGMENTS

GCR Inc. would like to thank the following people and organizations that contributed to the creation of this study.

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CITY OF BIRMINGHAM HOUSING AND NEIGHBORHOOD STUDY

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Dr. Craig Witherspoon, Superintendent, Birmingham City Schools

Regional Planning Commission of Great Birmingham

Jefferson County Tax Assessor

Birmingham Association of Realtors

Survey Respondents

2. INTRODUCTION

The City of Birmingham's Community Development Department contracted with GCR, Inc. (GCR) in June 2014 to conduct the City's first in depth assessment of housing and neighborhoods. Over the six month planning process, GCR and the City of Birmingham's Community Development Department embarked on an intensive assessment of Birmingham's housing needs and housing market that by conducting in depth interviews with stakeholders, conducting surveys and phone polls of community members, and extensive data analysis.

The goal of this assessment is to provide information to the City of Birmingham's Community Development Department to make data-driven decisions based on current demographics, a snapshot of the housing market, and an honest look at the challenges facing low income and minority populations within the City.

In order to provide a comprehensive assessment, the study will use the following structure:

- Coordination with Ongoing Planning Efforts
- Demographic Trends
- Housing Market Trends
- Affordable Housing Challenges
- Affirmatively Furthering Fair Housing
- Special Needs Assessment
- Creating Livable Communities: Assessing Community Access
- Public Opinion Poll and Stakeholder Survey
- Implementation

Birmingham: The Magic City

As the former iron capital of the world, the City of Birmingham remains an economic engine for the State of Alabama. Good jobs in the iron and steel industry paved a path to the middle class for many of the City residents, and the disappearance of these jobs severely impacted the City's economy. With many iron and steel jobs moving out of the city and country, the wealth created through manufacturing that had bolstered the Birmingham economy and created investment in the City's neighborhoods declined.

The loss of manufacturing jobs, along with racial and economic segregation, perpetuated poverty and created pockets of isolation across the City. Even residents who had accumulated wealth through homeownership, found their neighborhoods losing services and residents due to job loss, racial tensions, and white flight to surrounding communities. The decline in population led to increased vacant land and abandoned properties throughout the City, and the decline in tax base impacted the City and region's ability to create services for its residents. These challenges have not gone away, and are reflected in the high amount of vacant land and abandoned properties throughout the City, as well as the disproportionate rate of poverty within the City limits. In addition to the City's challenges, and amid the housing crisis of 2008, in 2008 Jefferson County fell into bankruptcy due to a \$3.2 million sewer bond, at the time it was the largest municipal bankruptcy in history, creating uncertainty for the entire metropolitan region.¹

Economic Rebirth: Downtown Investment

Despite these seemingly insurmountable challenges, the City of Birmingham has relied on its economic assets including the University of Alabama at Birmingham, the Health Industry, and major private employers including Regions Bank, AT&T, BBVA, steel and iron companies and regional car manufacturing to create an economic base to build off. Combining the City's growth as a healthcare cluster, the City of Birmingham itself has been a catalyst for using public investment to leverage private investment in downtown.

From leveraging Department of Housing and Urban Development financing tools such as Float Loans, Section 108 Loans, and historic tax credits available at the State level, the City of Birmingham and private investors began rehabilitating properties within Downtown Birmingham. The availability of financing and tax credits provided developers with the opportunity to meet changing demands of aging populations and young people to create more housing options in walkable communities with amenities.

In 2010 9,400 people lived downtown and in neighborhoods around downtown, and with 1,000 units under construction it is leading the way in neighborhood revitalization using funds from the Department of Housing and Urban Development, and historic tax credits from the State of Alabama.²

A shining example of the resurgence of Downtown Birmingham is Railroad Park. Opened in 2010, the park's design embraces the City's history as a hub for heavy industry and major rail corridor. The park sits between Downtown Birmingham and the University of Alabama at Birmingham, creating a connection between the City's major anchor institution and the real estate investment happening downtown.

Figure 1: Regions Field Development



Source: GCR, Inc.

Figure 2: Railroad Park

Source: GCR, Inc.

of Birmingham using an approach grounded in data, and with an eye towards creating a framework for the City of Birmingham's Community Development Department, private developers, and community leaders to strengthen and create vibrant neighborhoods across the City of Birmingham.

Equitable Growth and Investment

The public investment in development Railroad Park shows the critical role of City government in creating catalytic neighborhood change. Investment around Railroad Park including the development of Regions Field, as well as apartments, retail, and retail space have led to increased property values in the area. The challenge facing this area is how to not price out residents and how to create housing opportunities for all incomes in an area with access quality jobs, and amenities like Railroad Park.

While this investment has led to a more positive view of downtown and the city overall, the challenge of perception of the City remains, and it also has led to additional challenges. The City of Birmingham and surrounding communities are still racially divided, with the City retaining a majority African American population and Jefferson County with a majority white population. While downtown investment in condo, loft and apartment development, as well as the development of amenities and entertainment, the question remains how the investment in downtown will impact the rest of the City's neighborhoods.

This study will examine the challenges and opportunities for low growth and high growth areas within the City

Figure 3: 2nd Avenue Development

Source: GCR, Inc.

Data Sources

This study relies on a combination of U.S. Census and Department of Housing and Urban Development Data for its analysis. The report utilizes the 2008 to 2012 5 Year American Community Survey data, as well as the Comprehensive Housing Affordability Survey (CHAS). This data is supplemented by data provided by the City of Birmingham's Department of Community Development and Department of Planning, Engineering and Permits, Jefferson County, and other publicly available data sources from the Department of Housing and Urban Development.

3. COMMUNITY ENGAGEMENT

A critical part of plan development involved the participation of property owners, residents, the development community, non-profit builders, the local housing authority, local and state housing agencies and other stakeholders in the Birmingham community.

Stakeholder involvement in the development of this housing plan was important for several reasons:

- To assure that the final plan addresses as many different stakeholder interests as possible;
- To facilitate implementation of the decision; and
- To build consensus and a collaborative process lasting beyond the planning period.

To initiate this process, the GCR team worked with Community Development Department staff to assemble an Advisory Committee that was representative of housing organizations within the City of Birmingham. To supplement this targeted stakeholder engagement, GCR also conducted online surveys for both Birmingham residents and organizations that work on housing issues, as well as conducting a statistically significant phone poll, discussed later in this section.

Beginning early in the process, and continuing throughout the development of the plan, the Advisory Committee met monthly to identify and discuss housing needs in the City of Birmingham. In addition to monthly check-ins with the Advisory Committee, GCR also engaged key community stakeholders through a series of one-on-one interviews to evaluate the housing needs of the community and the opportunities and barriers of building housing for all incomes across the City. Input collected from these meetings was reviewed during committee work sessions over a period of several months.

Advisory Committee Members

Nan Baldwin, *Vice President of Regional Development*, Birmingham Business Alliance

Patricia Burch, *Chief Operating Officer*, Greater Birmingham Habitat for Humanity

Richard Busby, *Vice President and Senior Community Development Officer of the Wells Fargo Southeast Region*, Wells Fargo

Paul Carruthers, *Community Affairs Manager*, Regions

Alonzo Darrow, *President*, Citizen's Advisory Board

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Erin Johnson, *Project Manager*, Regional Planning Commission of Greater Birmingham

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Tom Magee, *Chief Planner*, City of Birmingham: Department of Planning, Engineering and Permits

Chris Retan, *Executive Director*, Aletheia House

AC Roper, *Police Chief*, Birmingham Police Department

Maurice B. Taylor, Housing Authority of the Birmingham District

Dr. Craig Witherspoon, *School Board Superintendent*, Birmingham City Schools

Figure 4



Source: GCR

Figure 5



Source: GCR

Figure 6



Source: GCR

Community Engagement Schedule

July: Develop Stakeholder List & Community Engagement Schedule

- The GCR team worked with the City of Birmingham to develop respective stakeholder/committee lists for targeted engagement.
- The team collaborated with the City of Birmingham to create a preliminary schedule for meetings and stakeholder workshops.
- Stakeholder Groups:
 - Initiated Stakeholder Contacts.
 - Scheduled in person interviews to take place during 8/6/2014 site visit.
 - Conducted additional stakeholder surveying and one-on-one interviews with representatives from various stakeholder groups.

August: Advisory Committee Kickoff & Initial Stakeholder Outreach

Advisory Committee:

- Initial Meeting: August 6, 2014 at the Birmingham Botanical Gardens
- Established group dynamics, rules of engagement, shared interests and vision for the project.
- Conversation regarding Housing and its importance to the City of Birmingham.
- Discussion of Birmingham's housing strengths, affordable housing success stories, organizational best practices, and the perception of the Birmingham housing market.

Stakeholder Groups:

- Initiated Stakeholder Contacts
- Held in person interviews with representatives from various stakeholder organizations.
- Conducted additional stakeholder surveying and one-on-one interviews with representatives from various stakeholder groups.

September: Stakeholder Outreach

- Advisory Committee Meeting: September 15, 2014 at the Birmingham Botanical Gardens.
- Stakeholder Surveying/Stakeholder Interviews with Stakeholder Groups.

October: Visioning

- Advisory Committee Meeting & Visioning Session: October 23, 2014 at the Southern Museum of Flight.
- Stakeholder Surveying/Stakeholder Interviews with Stakeholder Groups.

November: Implementation

- Advisory Committee: Implementation Meeting.
 - Present findings to Advisory Committee to discuss implementation (11/19/14).
- Draft Plan: Community Presentation
 - Present draft findings and recommendations to the public (12/15/14).
 - Presentation to City Council (12/16/14).

Survey Tools and Methodology

GCR conducted two polling activities to determine the quality of life and housing preferences of residents of Birmingham and the surrounding metro area. Two distinct instruments were chosen to deliver a diverse array of responses, representing a wide cross-section of Birmingham residents. The first, an online survey contained distinct tracks for residents and non-residents and focused more on neighborhood choice and preferences. The second poll was conducted via a phone survey, gathering responses from a statistically accurate cross section of both residents and non-residents. The phone poll focused more on broad quality of life indicators and general housing preferences.

Online Survey

GCR designed a quality of life and neighborhood preference survey using the FluidSurveys online platform which opened September 22, 2014 and collected 310 responses before it was closed November 10, 2014. Of the respondents, 82% live in the City of Birmingham, the remaining 12% live in the surrounding metro.

Non-Birmingham Residents

Of the respondents that do not currently live in the City of Birmingham, three quarters lived in Birmingham at some point in the past. Nearly 80% of non-residents reported having considered moving to Birmingham at some point, listing higher quality schools as a top item that would motivate them to make the move.

Birmingham Residents

Of the Birmingham residents that responded to the survey, nearly 70% have lived in Birmingham for more than 5 years, nearly 20% their entire life. The neighborhoods with the highest response rate were Crestwood (21%), Southside (19%), Red Mountain (18%), Northside (11%), and Crestline (10%). When asked if they had a “sense of pride” with the way Birmingham looks a feels, 50% of respondents agreed, and 75% answered that they agreed or were neutral. 80% of Birmingham residents reported feeling safe in their neighborhood and 85% said they have easy access to parks and recreation. Respondents were then asked to agree or disagree to three general statements about the City of Birmingham, summarized in the table below.

Birmingham Residents

Birmingham residents were asked to choose a reason why they live in Birmingham. The top choice (62%) was that they were born there or to be close to family. The remaining responses were to be close to work (17%) and for university (5%).

Neighborhood and Housing Preferences

The following graphic includes responses for neighborhood and housing preference as well as overall quality of life for Birmingham residents versus their metro neighbors. These responses generally show that Birmingham residents overwhelmingly have a strong sense of pride about the city, closely tied to the overall lifestyle, sense of community, and natural environment afforded by life in the city. Residents identified crime, a sense that the city is “rundown” and the overall lifestyle in the city as reasons to not have a sense of pride in Birmingham.

Generally, residents of the surrounding metro reported a higher level of overall quality of life, however, Birmingham residents reported a more striking increase in quality of life over the past 10 years, showing a positive view of the city’s trajectory and that services lifestyle are improving for residents.

Birmingham renters identified down payment assistance as a key to improving quality of life in the city, as well as better quality units and energy bill assistance. Owners in the city identified vacant home demolition and small repair grants as top priorities for improving quality of life. Birmingham residents are more open to a mix of renter and owner households and place proximity to amenities, work, and family as higher priorities than their metro neighbors. Metro residents prioritize safety, and good schools at a much higher rate than Birmingham residents.

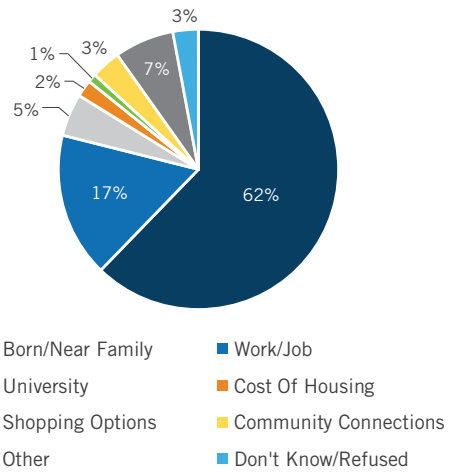
Finally, when looking for housing, Birmingham residents prefer newly-renovated historic homes in great locations, versus their suburban neighbors that tend to put a bigger emphasis on new construction and size of home. Additionally, when selecting a neighborhood, metro residents overwhelmingly are looking for a strictly single family neighborhood, while city residents are looking for a well-maintained mix of homes in close proximity to shopping.

HOUSING PREFERENCES IN THE BIRMINGHAM REGION

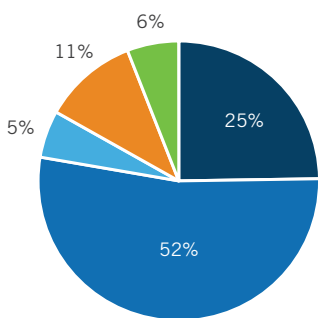
The Residential Preference Survey was conducted by phone between November 10th and November 16th 2014. The poll collected 411 responses designed to show a representative sample of housing preferences within the City of Birmingham, Jefferson County, and Shelby County. The sampling was designed to mirror the race, age, and income reflected in each area surveyed.

GCR prepared two subsets for the sample using Voter Registration Data from Jefferson and Shelby County Voter Registration, the first subset consisted of Birmingham residents, and the second subset consisted of residents of Jefferson and Shelby County that do not live within Birmingham City Limits.

Reason for Living in Birmingham

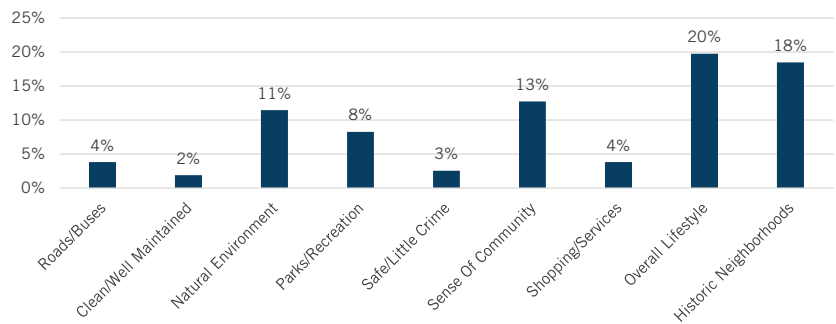


Sense of Pride in Birmingham

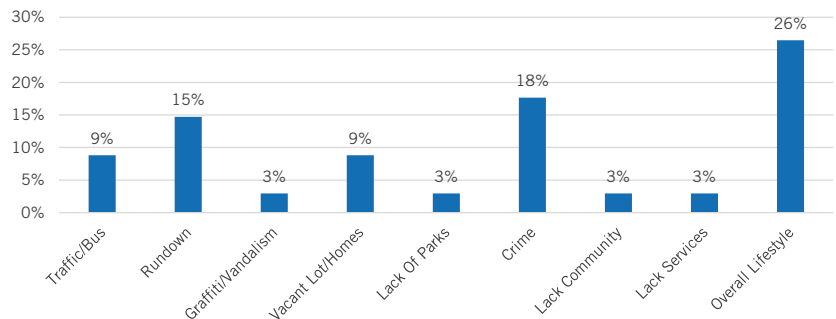


- Strongly Agree
- Neither
- Strongly Disagree
- Agree
- Disagree

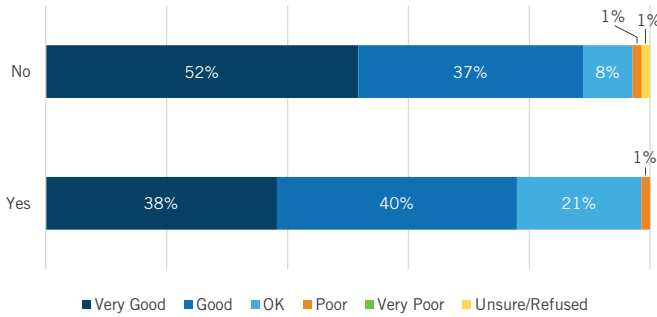
Reason for Having Pride in Birmingham



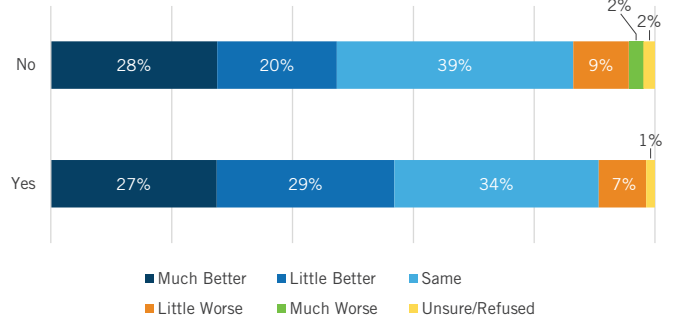
Reasons to Not Have Pride in Birmingham



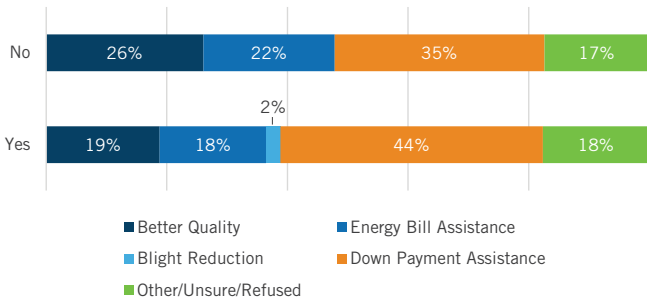
Overall Quality of Life



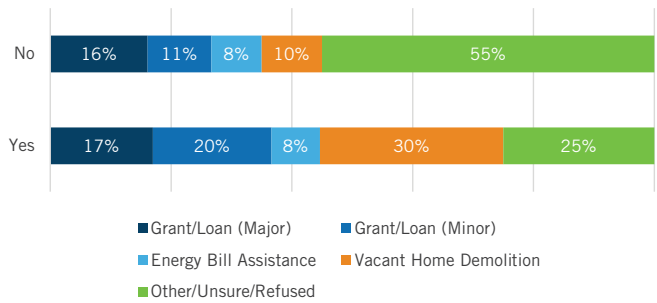
Quality of Life Compared to 10 Years Ago



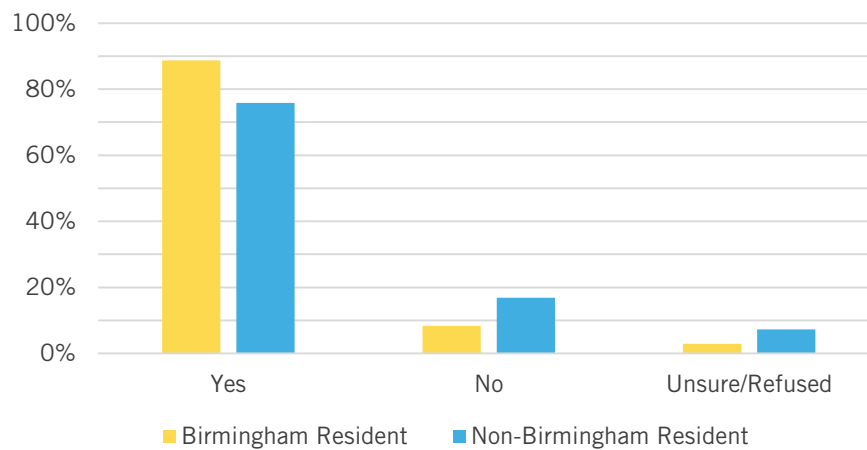
Renters - What would make the biggest difference in quality of life?



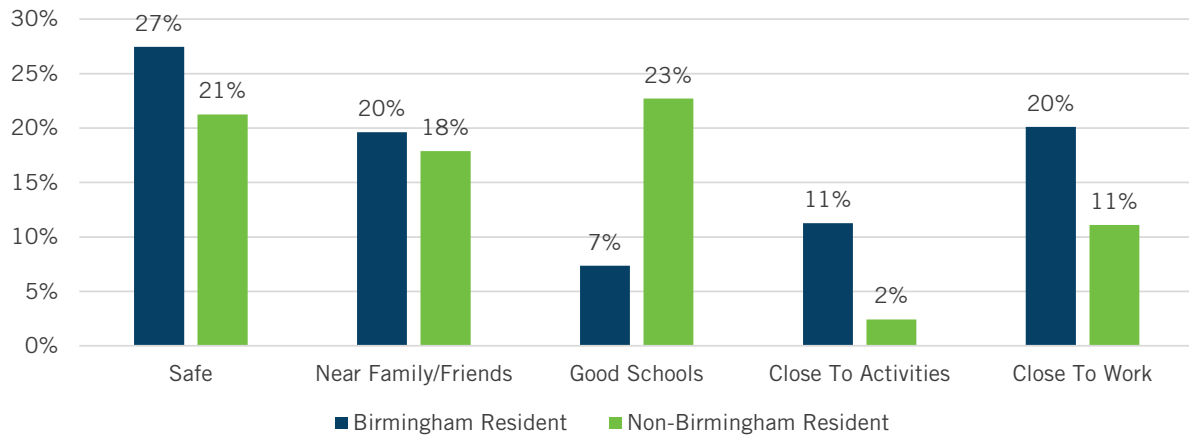
Owners - What would make the biggest difference in quality of life?



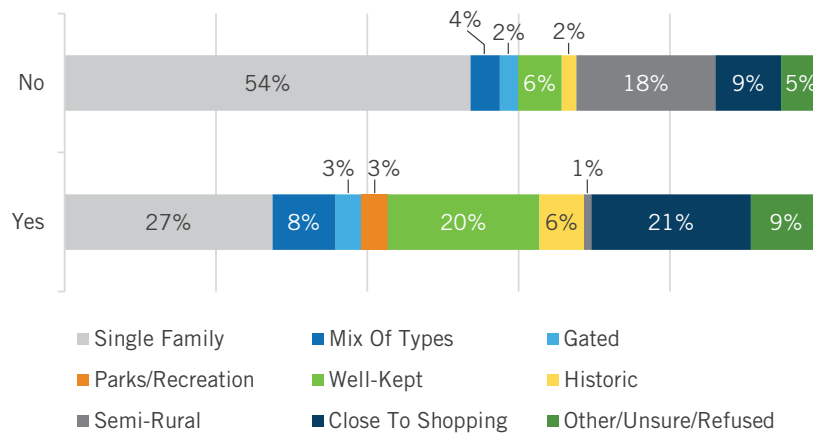
Do you support a mix of home ownership and rental options in your community, provided they are well maintained?



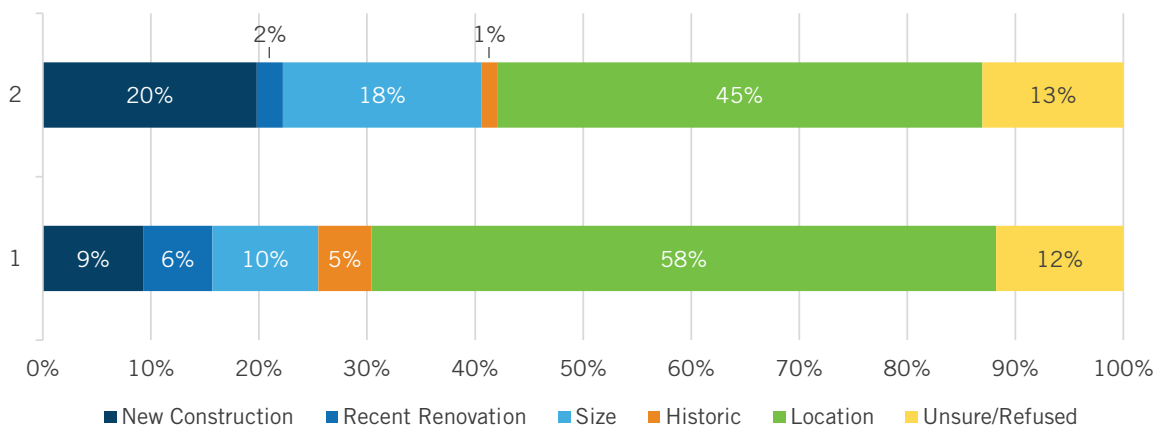
Most Important Decision When Moved to Current Home



Community Preference



Most Important Factor in Choosing a Home



4. COORDINATION WITH ONGOING PLANNING EFFORTS

Momentum is a key theme in the City of Birmingham. With so much energy and City resources going into planning processes, this study focused on build off of existing planning efforts and providing guidance to the City of Birmingham's Community Development Department to support their mission to serve low income households within the City of Birmingham. To guide the plan, our analysis began with a review of current and ongoing planning efforts within the City of Birmingham and the Birmingham Region. This section will provide an overview of a select sampling of these projects, highlight relevant discoveries, and target specific findings that have informed the creation of this Housing Plan.

RISE Initiative

In his 2014 State of the City Address, Mayor William Bell presented his vision for blight reduction and streamlined city services, including code enforcement and demolition in the City of Birmingham. This vision, more formally known as the RISE initiative, is a multifaceted neighborhood stabilization strategy under the coordination of the Office of Community Development. The acronym finds its origin in the initiative's focus areas:

- R**emoving Blight
- I**ncreasing Values
- S**trengthening Neighborhoods, and
- E**mpowering Residents

RISE combines community and economic development; promotes civic engagement and workforce development; and leverages public/private partnerships as a strategy to positively impact and strengthen the City of Birmingham. In doing so, RISE addresses the following four (4) areas of development and engagement:

1. Community Development
2. Economic Development
3. Workforce Development
4. Civic Engagement

The "9-N-9" initiative is a component of the city of Birmingham's overall RISE Initiative and will consist of neighborhood commercial development, such as neighborhood grocery stores, healthcare providers, utility payment centers and other ancillary services that fill the needs of the immediate neighborhood.³

This project will be executed by the Mayor's Office of Economic Development and is scheduled to take place in several phases: acquisition, financing, marketing and implementation.⁴

Figure 21



Source: City of Birmingham

Acquisition - The city will identify properties throughout its nine council districts for development.

Financing - The lending initiative will be led by the city with an initial allocation of \$4.5 million in assets and infrastructure. According to the city of Birmingham, Regions Bank will match the funding of \$4.5 million from a dedicated loan source, and the bank will also contribute an additional \$14 million for economic development opportunities.

Marketing - Commercial sites for potential economic development will be marketed with help from economic development agencies.

Implementation - The Mayor's Office of Economic Development and the Community Development Department will work in conjunction with developers in implementing strategies for communities.

Through planning and redevelopment, the goal of the initiative is to grow the city by 10,000 residents over the next five years.⁵ This plan will build off of the RISE Initiative by providing funding, strategy, and policy recommendations specific to key development and redevelopment areas, public and subsidized housing, and implementation strategies for future housing development.

IBM Smarter Cities Challenge

Birmingham, supported by the University of Alabama at Birmingham Sustainable Smart Cities Research Center, was one of 16 cities selected to receive an IBM Smarter Cities Challenge grant in 2014.

The Smarter Cities Challenge is IBM's largest philanthropic initiative. For a period of three weeks, the corporation places working teams on site in each challenge city to address critical issues facing each chosen challenge city. These teams work closely with city leaders and deliver recommendations on how to make each city smarter and more effective. Since the grant program began in 2011, over 100 cities have been selected to receive challenge grants, with contributions valued at over \$50 million to date.

The City of Birmingham's grant process focused on the challenges the city faces with food insecurity. The Smarter Cities Challenge report for the City of Birmingham provided the following recommendations:⁶

FOOD INSECURITY KEY NUMBERS:

Of the 151.9 square miles in Birmingham:

- **43** square miles are considered food deserts;
- **88,409** people (23,657 children) live in these neighborhoods; &
- **83** percent are Black and Hispanic.

1. Community Food Insecurity Task Force: Establish a temporary community-wide task force to be charged with the eradication of food insecurity.

2. Community Nutrition and Education: Create a comprehensive nutrition education effort targeting youth and families in order to increase the consumption and demand of healthy food.

3. Mobile Food Markets: Implement a mobile food markets program with the backing of the Community Food Insecurity Task Force. These markets would make use of older transit

Figure 22



Source: IBM Smarter Cities Challenge Final Presentation. July 23, 2014.

busses by transforming them into mobile food markets, provide fresh food to needy communities and provide fresh foods from local farmers.

4. Information Sharing Platform: Plan for the expansion of the City's 311 reporting system with added website capabilities and mobile text messaging options.
5. Economic Action Authority: Establish a consolidated Economic Action Authority to improve the economic vitality of the City of Birmingham and coordinate economic development activities.
6. Data Driven Decisions: Engage with the University of Alabama at Birmingham to create a comprehensive data and analytics framework which would enable city and community leaders to make decisions that are data-driven.
7. Optimize Transit to Improve Food Access: Recommendation that BJCTA review current bus system and increase access in areas of food insecurity.

With respect to this housing plan, the Smarter Cities Challenge Findings related to transportation access are of utmost importance. This plan will further explore issues experienced by the transportation disadvantaged and recommend policy and implementation strategies to address improved access in the region.

Figure 23



Source: Birmingham Business Alliance

Blueprint Birmingham Plan

Coordinated by the Birmingham Business Alliance (BBA), the Blueprint Birmingham Plan is a growth strategy for the seven-county region. The plan was released in 2010 and includes 16 identified objectives, over 40 action items, and a total of 150 individual tactics which are organized within four main goals:

1. Public and Private Leadership
2. Workforce Development
3. Economic Prosperity
4. Community and Regional Stewardship

The Plan's Competitive Analysis Report examined the Birmingham region's strengths and challenges to establish its competitive position. The plan outlined the following housing challenges facing the region:

- Depreciation of the median price of existing single-family homes in the region has helped make housing more affordable in the region, but has contributed significantly to an erosion of household wealth.
- Due in part to lower prices for housing, the overall cost of living is well below the national average.
- Affordable housing prices will benefit the region by allowing it to remain competitive in attracting talent.

The Birmingham Comprehensive Plan

After over 50 years, the City of Birmingham adopted its first Comprehensive Plan in 2013. The Comprehensive Plan provides a complete overview of housing policy, programs, and needs for the City in a single document.

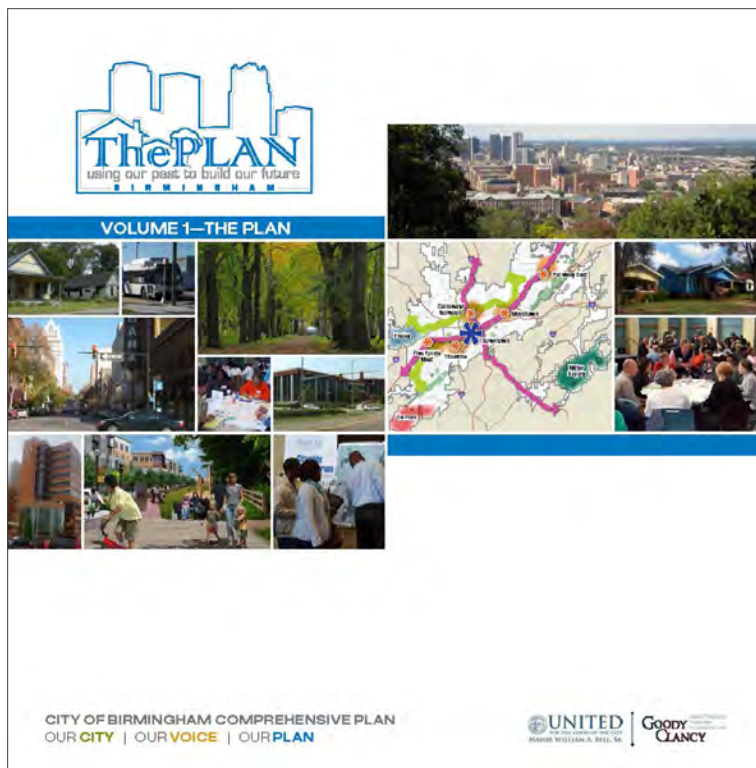
Key Strategic Plan Goals Identified in the Comprehensive Plan:

1. Provide decent affordable housing for low and very-low income households.
2. Provide down-payment assistance to first-time homebuyers meeting program income guidelines and requirements.
3. Provide housing and services for populations with special needs.
4. Provide housing and supportive services for homeless populations.
5. Promote citywide economic development.

The planning process also revealed barriers faced by the City and challenges with alleviating barriers through existing City programs. These include:

- Lack of state and local fair housing legislation impedes enforcement of housing discrimination.
- Lack of investment in low income and minority communities.
- Limited general understanding of fair housing issues in government.
- Need for increased services for special needs, HIV/AIDS, and chronic homeless.
- Need for more public housing and subsidized units, some redevelopment leading to a loss of total units.

Figure 24



Source: City of Birmingham Comprehensive Plan

Figure 25

Source: Community Framework Plans

Community Framework Plans: Imagine Birmingham

One of the major outcomes of the City of Birmingham's 2013 Comprehensive Plan was its call for the creation of individual Community Framework Plans. The city is divided into Framework Areas so that the City may identify specific goals, policies and strategies that can be accomplished in each area. Imagine Birmingham serves as the central location for information regarding the Framework Planning Processes. The Regional Planning Commission has focused its initial assessments on the following neighborhoods, with plans to expand to all of the Framework Areas.

North Birmingham

Six neighborhoods are encompassed in the North Birmingham study area. These include: Acipco-Finley, Collegeville, Fairmont, Harriman Park, Hooper City, and North Birmingham. The majority of the neighborhoods inside the North Birmingham Community were created as a series of company-built residential sites for industrial workers during the late 19th and early 20th centuries. Currently, the North Birmingham Community is undergoing dynamic changes and uncertainties. However, the community's strategic setting, proximity to major transportation networks, vast amounts of available land, and rich history should prove instrumental as the community moves forward to blossom for a second time.

Titusville

The Titusville study area includes North Titusville, South Titusville and Woodland Park.

Western Area

The Western Area is composed of three communities Five Points West, Smithfield, and West End and their respective neighborhoods: Arlington-West End, Fairview, Belview Heights, Germania Park, Bush Hills, Graymont, Central Park, Green Acres, College Hills, Oakwood Place, East Thomas, Rising-West Princeton, Enon Ridge, Smithfield, Ensley Highlands, and West End Manor.

The Framework Planning Process was conducted by the Regional Planning Commission of Greater Birmingham (RPCGB), operating under contract to the City of Birmingham with funding from the Building Communities Program. Once finalized, the respective Plans will provide direction on land use, new development, transportation, housing, parks, trails and open space, utilities and economic development for each identified area.

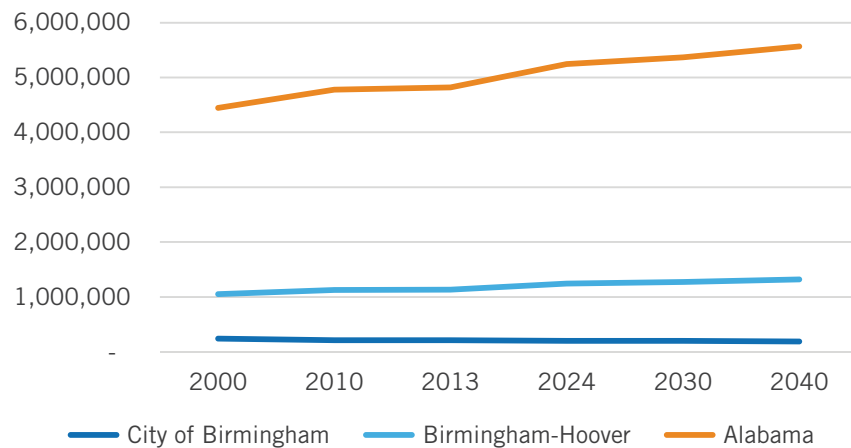
5. DEMOGRAPHIC TRENDS

Fewer People and Households

The City of Birmingham ranks in a pack of medium sized cities with populations around a quarter of a million. In 2012 Birmingham ranked 100th in the country by population, and the Birmingham metro area ranked 71st among other metros by population.⁷ Of the metro area, Birmingham makes up nearly a fifth of the population. The majority of the metro's population lies in the more affluent and less diverse suburban communities that surround Birmingham.

As the State and Metro have gained population, Birmingham has experienced a steady decline in population over the last several decades. Between 2000 and 2010, Birmingham lost 13% of its population, with an additional 1% decline estimated between 2010 and 2013. This decline is estimated to slow into the future with the Regional Planning Commission of Greater Birmingham estimating a decline of just under 5% between 2010 and 2024 and just under 11% by 2040. Meanwhile, the metro is expected to gain nearly 200,000 people and Alabama nearly a million.

Figure 26: Population Trends



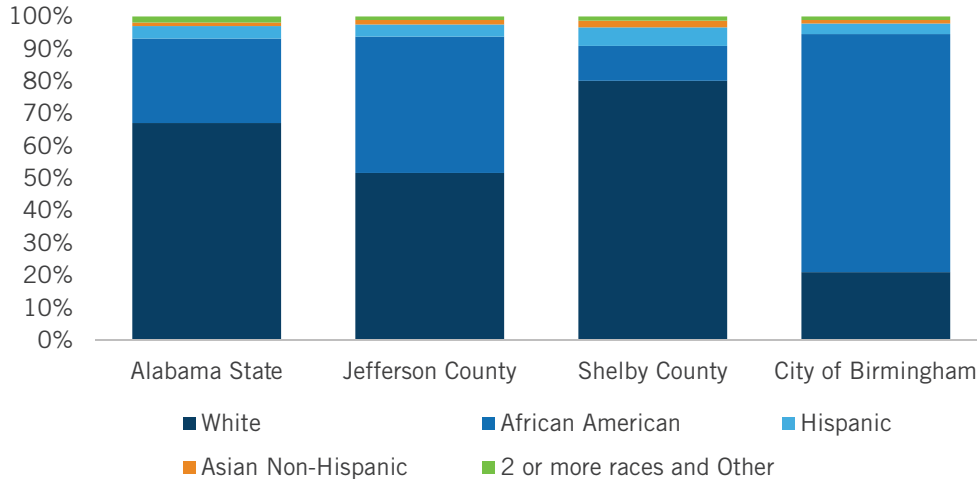
Source: Regional Planning Commission of Greater Birmingham and U.S. Census Bureau and Center for Business and Economic Research, The University of Alabama, Fall 2012.

The decline in Birmingham's population with gains in the suburbs suggests that, mirroring most US metros, Birmingham's decline can be attributed to the exodus of wealthier white households to outlying suburbs. This process leads the declining property tax collections, public school enrollment and funding, and often leaves vacant and blighted housing units.

Diverse but Aging Population

The population that remains in Birmingham is highly diverse, with a majority minority population. Just over a fifth of the population of Birmingham is white, while the total of Jefferson and Shelby counties are both majority white. African Americans make up nearly 75% of the population of Birmingham, accounting for 12.5% of the African American population of the whole State.

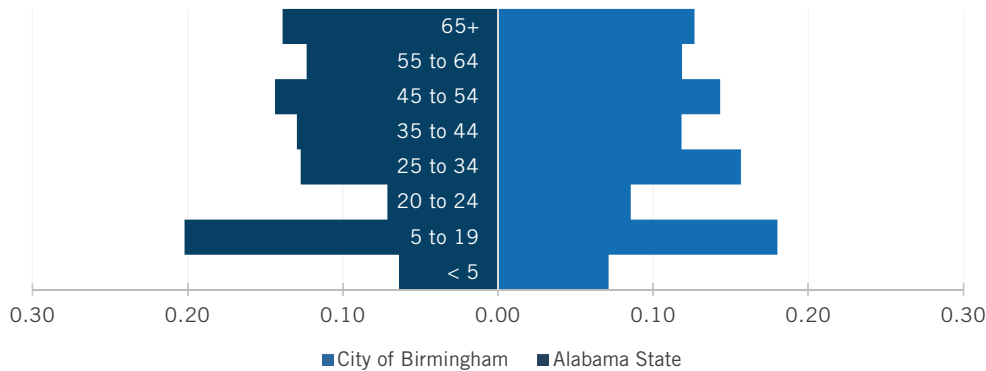
Figure 27: Race & Ethnicity



Source: US Census Bureau, ACS 2008-12 5-Year Estimates.

The population in Birmingham is relatively young, with children and young adults between 5-19 and those 25 and up making up a large proportion of the City. The smallest cohorts are children under 5 (7%) and young adults between 20 and 24 (9%). This suggests that children who grow up in Birmingham leave in their early twenties. Nationally, this cohort is the largest second to the Baby Boomer generation (44-69 years old) and should be more prominently represented, especially considering the University of Alabama at Birmingham and other colleges in the area.

Figure 28: Population by Age



Source: US Census Bureau, ACS 2008-12 5-Year Estimates.

The elderly population of Birmingham represents 13% of the total. Of all households, 8% have a householder over the age of 65. Of these, 97% are elderly people living alone. As the Baby Boomer generation ages, the share of elderly population will greatly increase and demand for senior housing and services will become greater.

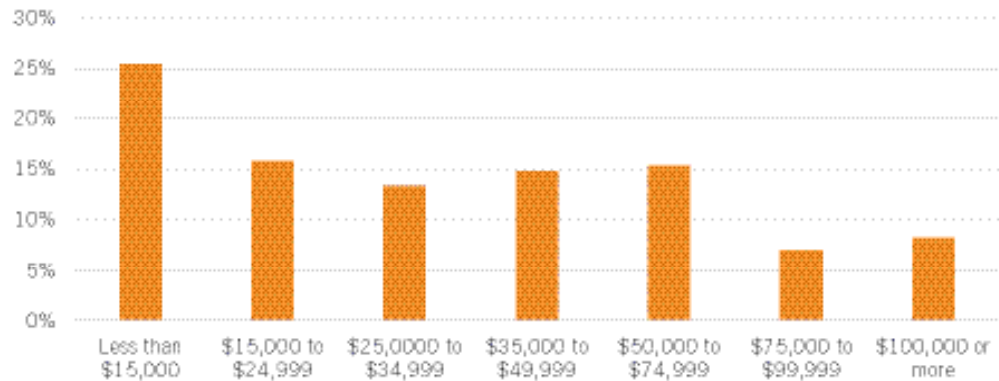
Unequal Income and Educational Attainment

The Birmingham Metro area boasts a healthy median income of \$61,000, more than 16% higher than the US average and nearly 13% higher than the State of Alabama. However, the City of Birmingham has a median of only \$31,467, just over half the metro average and 60% of the US average. In Birmingham, a quarter of households earn less than \$15,000 annually, 36% less than \$25,000. These households face the greatest challenge in finding decent, safe and affordable housing.

For the purpose of administering housing programs, the Department of Housing and Urban Development (HUD) categorizes households relative to the Area Median Income (AMI), and categorizes all households earning less than 80% of AMI (\$48,800 in Birmingham) as a low income household. HUD uses the metropolitan median for their AMI determination and based on this measure, there are nearly 50,000 low income households in Birmingham, equivalent to 55.5% of all households. Of these, 18,690 or 20% earn less than 30% AMI.

Birmingham has 59,897 households living in poverty, representing a 28.9% poverty rate; up 4.2% from 2000.

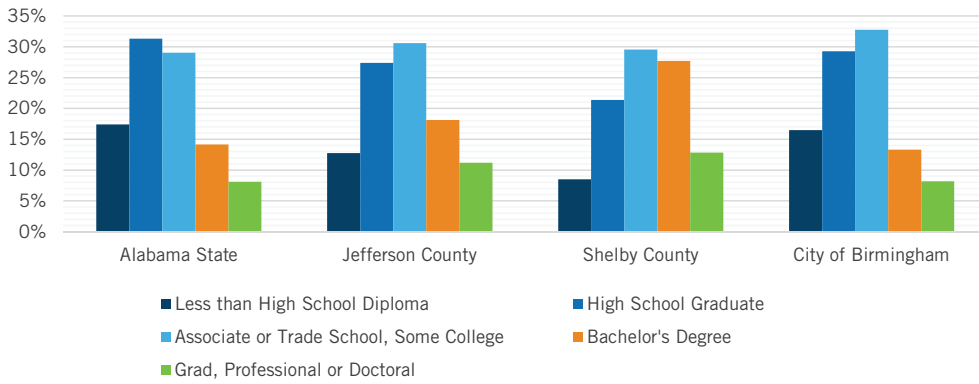
Figure 29: Birmingham Income Distribution



Source: US Census Bureau, ACS 2008-12 5-Year Estimates.

Birmingham has relatively low levels of educational attainment compared with the metro area and state. 45% of residents have no education beyond high school, with 16% having no high school diploma. 21% of residents have a bachelor's or graduate degree, however the remaining third of the population either attended some college, trade school, or has an associate's degree, much higher than the metro and state.

Figure 30: Educational Attainment

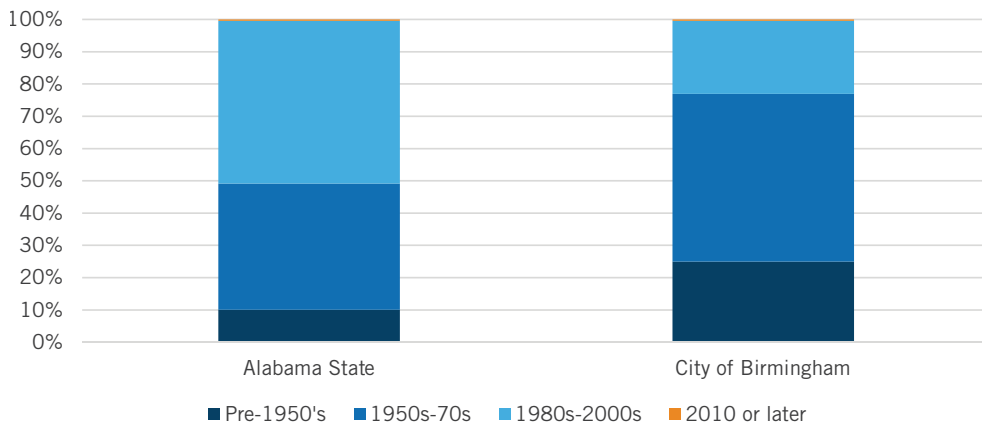


Source: US Census Bureau, ACS 2008-12 5-Year Estimates.

Aging Housing and High Vacancy

As Birmingham’s housing stock ages, it is more in need of reinvestment and less attractive to new residents and young families. Roughly 60% of all housing units in the City are 30 or more years old. Of Birmingham’s 111,090 housing units, 88,971 were occupied in 2012, amounting to a 20% vacancy rate.

Figure 31: Housing Units by Year Built



Source: US Census Bureau, ACS 2008-12 5-Year Estimates.

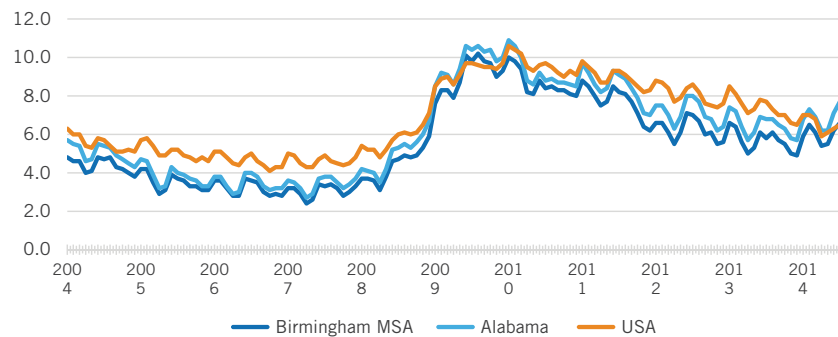
6. ECONOMIC TRENDS

Low Wages and Employment

Employment and housing have a symbiotic relationship. The location of employment centers and wages directly impact housing choice and the level of affordability. Though the rate of unemployment as calculated by the Bureau of Labor Statistics matches the national rate (6.3%)⁸ this rate does not take into account segments of the population that do not work or are not currently looking for employment. In 2012, 87,962 residents of the City of Birmingham over 16 years old were employed.

Like the rest of the Nation, Birmingham has not completely recovered from the Great Recession of the late 2000s. Birmingham’s unemployment rate has more closely mirrored the Nation over the last year, where it outperformed the Nation and State in the years leading up to the recession.

Figure 32: Monthly Unemployment, Not Seasonally Adjusted



Source: US Bureau of Labor Statistics, Labor Force Statistics from the Current Population Survey, 2014.

Employment in the Birmingham area is dominated by the healthcare and social assistance industries. Growth in employment over the next decade is expected in these industries. The top five highest growth occupations in the area are Registered Nurses, Licensed and Vocational Nurses, Home Health Aides, Lawyers, and Personal Care Aides.⁹ These occupations are split fairly starkly by wages as seen below.¹⁰

Table 2: Birmingham Growth Occupations by Wage

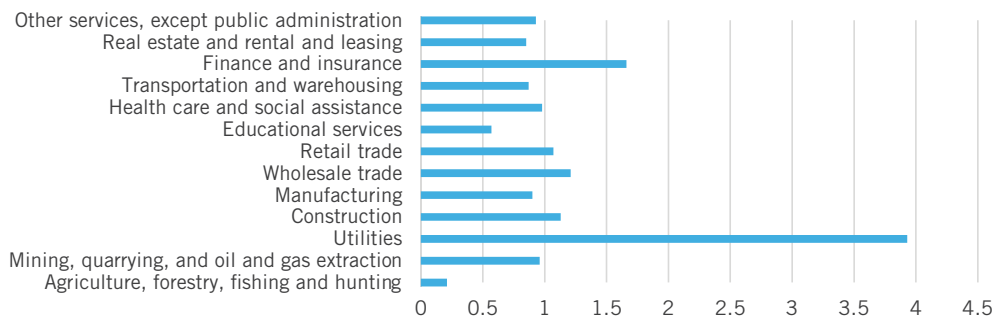
Occupation	Annual Mean Wage	Percent Total Annual Mean Wage
Registered Nurse	\$ 57,260	132%
Licensed/Vocational Nurse	\$ 36,410	84%
Home Health Aide	\$ 18,260	42%
Lawyer	\$ 114,420	265%
Personal Care Aide	\$ 18,220	42%
All Occupations	\$ 43,120	100%

Birmingham has a highly diverse employment base, particularly when compared to similar sized cities. The city has a history as a hub for mining and steel-related industries but in recent decades has diversified into healthcare, finance, and transportation. The largest industry sectors in the Birmingham area are Healthcare and Social Assistance, Retail Trade, Manufacturing, and Finance and Insurance, accounting for nearly half of all employment.

Location Quotient Analysis

Location Quotient (LQ) is an analysis tool to understand local industry concentrations and their importance to the region and country. The LQ is a ratio of an industry’s local employment to that industry’s employment in the U.S. LQ provides a different type of analysis than employment numbers or growth because it can identify “export industries,” which means industries that export their goods or services outside of Birmingham, and industries with higher than average employment. Job growth in industries with a high LQ will likely spur and support related industries such as restaurants and retail. By far, the Utility sector leads projected export industries, with Finance and Insurance also a strong growth industry within the City.

Figure 33: Industry by Location Quotient, Birmingham MSA



Source: US Bureau of Labor Statistics, Local Area Comparisons Database, 2013.

Economy: Clusters, Employment, and Wages

The Birmingham Metropolitan Statistical Area (MSA) consists of the seven counties surrounding and including the City of Birmingham: Bibb, Blount, Chilton, Jefferson, St. Clair, and Walker. The MSA is ranked 49th by population in the US, with an estimated 2013 population of 1,140,300. Employment in the MSA is 454,311, with average annual wages of \$42,202.¹¹ Employment in the MSA has decreased by 0.24% since 1998, but average wages have grown 3% in that same time.

Major employers in the Birmingham MSA are listed on the next page.¹² Two additional major employers, Honda and Mercedes Benz, are located outside the MSA and are not included, though they employ 4,500 and 3,500 people respectively.

Map 1: Employment Density in Birmingham

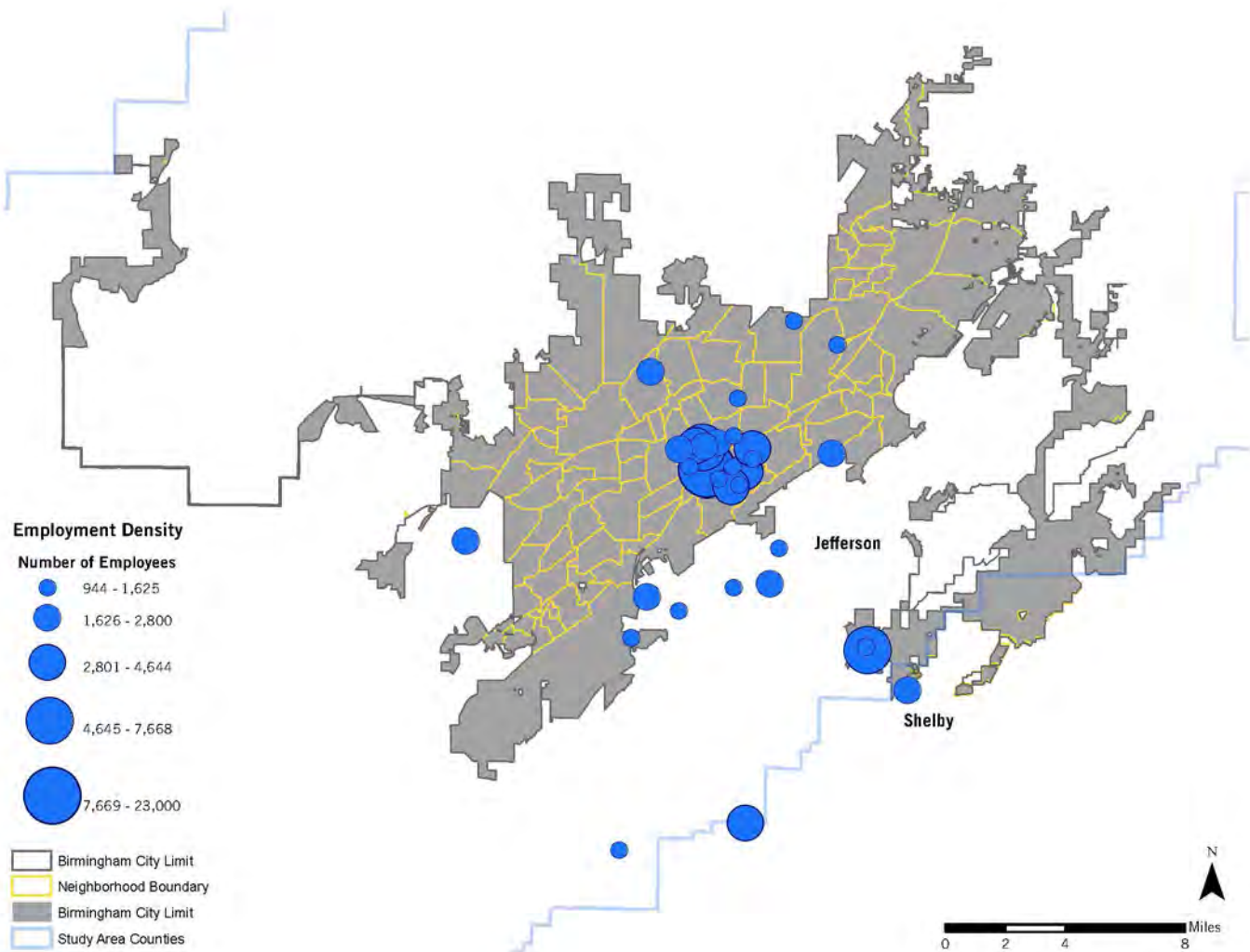


Table 3: Major Employers in Birmingham Metropolitan Statistical Area

Company	Employment	Product	Presence
University of Alabama at Birmingham & UAB Health Services Foundation	23,000	Education & Healthcare Services	Headquarters
Regions Financial Corporation	6,000	Banking	Headquarters
AT&T	5,750	Information	Major Operations
St. Vincent’s Health System	4,703	Education & Healthcare Services	Headquarters
Baptist Health System	4,000	Healthcare & Management Services	Headquarters
Alabama Power Company	3,982	Utilities	Headquarters
Children’s Health System/Children’s of Alabama	3,652	Healthcare & Management Services	Headquarters
Blue Cross – Blue Shield of Alabama	3,000	Insurance	Headquarters
BBVA Compass	2,804	Banking	Headquarters
Brookwood Medical Center	2,600	Healthcare & Management Services	Headquarters
American Cast Iron Pipe Company	2,400	Metal Fabrication	Headquarters
US Steel – Fairfield Works	2,400	Metal Fabrication	Major Operations

Source: Birmingham Business Alliance

One way of discussing economic strengths and weaknesses is by examining industry clusters. This concept, pioneered by Prof. Michael Porter at Harvard University, groups related industries together, showing where economic activities in a set of related industries in a given location reach critical mass.¹³

Clusters are divided into two major types: local and traded. Local clusters, such as local health services or local real estate and construction, sell products and services primarily for the local market. Every region and MSA in the country has the same local clusters: schools, local government, local media, doctors and dentists, accountants, etc. Traded clusters serve markets outside the local region, and are generally concentrated where the competitive advantages are greatest. For example, financial services are clustered in New York City, while aircraft manufacturing is clustered in Seattle (but Mobile is growing).

Birmingham has twelve traded clusters where it specializes: Coal Mining, Communications, Distribution & eCommerce, Electric Power, Environmental Services, Financial Services, Forestry, Insurance, Lighting, Livestock, Recreational Goods, and Upstream Metals.

Table 4: Traded Clusters and Employment in the Birmingham MSA

Traded Cluster	Rank among MSAs	Employment
Distribution & Electronic Commerce	48	20,841
Insurance Services	40	11,535
Upstream Metal Manufacturing	10	6,510
Financial Services	54	6,487
Coal Mining	6	3,087
Livestock Processing	63	1,875
Communications Equipment & Services	61	1,574
Lighting and Electrical Equipment	53	1,313
Forestry	6	916
Electric Power Generation & Transmission	45	910
Recreation & Small Electric Goods	46	829
Environmental Services	53	495

Source: US Cluster Mapping Project

This table leaves out several traded clusters that are strong in employment, but are not specializations of the Birmingham region, including Business Services (25,915), Education & Knowledge Creation (5,882), Transportation and Logistics (5,715), and Automotive (4,661).

Local clusters dwarf traded clusters in employment. The top local cluster in Birmingham, Local Health Services, employs 64,710 people. Some of the top employers in the MSA are healthcare organizations, like UAB and St. Vincent's.

The strongest performing cluster is Upstream Metal Manufacturing. Based on the national job growth rate, that cluster had expected job losses of 1,612 between 1998 and 2012. Instead, the cluster grew by 1,787 jobs, the most of any traded cluster in the region. The job creation was largely concentrated in the Metal Products subcluster, which added about 1,500 jobs.

The best paying jobs were in a local cluster, Local Utilities. The average wage in this cluster in the Birmingham area was \$69,859 in 2012.

Of local clusters, the lowest wages were in Retail and Hospitality. Retail paid an average wage of \$16,828, lower than the national average of \$17,629 in that cluster, while hospitality paid an average wage of just \$14,968, also lower than the national average of \$15,446. These two clusters have added the most jobs in the Birmingham MSA among local clusters: Hospitality added over 9,500 jobs between 1998 and 2012, and Retail added another 5,300.

Retail Performance

The city of Birmingham, with a population of 209,880 people as of 2013, has just over 1,800 retail and food and drink establishments. These retail businesses have annual sales of approximately \$2.35 billion, while the food and drink businesses have annual sales of \$309 million. Sales data show that the supply of retail and food and drink businesses, represented by their sales figures, outstrips demand for those services from the population of Birmingham. Thus, Birmingham businesses rely on residents of outlying areas for nearly a billion dollars of their annual sales.

Table 5: Retail Performance, Overview, City of Birmingham

Category	Demand (Retail Potential)	Supply (Retail Sales)	Retail Gap	Number of Businesses
Retail	\$1,514,036,001	\$2,354,676,042	-\$840,640,041	1,478
Food and Drink	\$169,100,326	\$309,907,168	-\$140,806,842	328
Total – Retail and Food and Drink	\$1,683,136,327	\$2,664,583,210	-\$981,446,883	1,806

Source: Birmingham Source: ESRI Business Analyst

These retail gaps are particularly acute in the auto dealership and supply market, as well as gasoline stations and food service businesses. General Merchandise, a category known for large-format stores like Walmart and Target, shows a positive retail gap, meaning Birmingham residents shop outside the city in this retail category.

Table 6: Retail Performance, 3 Digit NAICS Level, City of Birmingham

Retail Category	Demand	Supply	Retail Gap	Number of Businesses
Motor Vehicle & Parts Dealers	\$291,711,753	\$730,003,440	-\$438,291,687	181
Furniture & Home Furnishings Stores	\$34,731,796	\$62,191,072	-\$27,459,276	64
Electronics & Appliance Stores	\$44,546,934	\$88,774,286	-\$44,227,352	56
Bldg Materials, Garden Equip. & Supply Stores	\$43,964,731	\$59,004,625	-\$15,039,894	60
Food & Beverage Stores	\$194,583,928	\$246,087,298	-\$51,503,370	230
Health & Personal Care Stores	\$124,296,242	\$192,736,117	-\$68,439,875	91
Gasoline Stations	\$190,130,940	\$431,801,180	-\$241,670,240	94
Clothing & Clothing Accessories Stores	\$92,849,496	\$141,533,473	-\$48,683,977	221
Sporting Goods, Hobby, Book & Music Stores	\$35,216,605	\$69,857,628	-\$34,641,023	79
General Merchandise Stores	\$356,108,485	\$261,707,723	\$94,400,762	48
Miscellaneous Store Retailers	\$35,108,928	\$44,278,767	-\$9,169,839	290
Food Services & Drinking Places	\$169,100,326	\$309,907,168	-\$140,806,842	328

Source: ESRI Business Analyst

Negative retail gaps (known as a surplus) are ideal for a city like Birmingham – showing that its retail establishments attract shoppers from both in and outside the city. While sometimes a positive retail gap (known as leakage), as in the General Merchandise category, can mean that the city should target a certain category for growth, it could also mean that the city is at a competitive disadvantage in that category.

Occupations & Wages

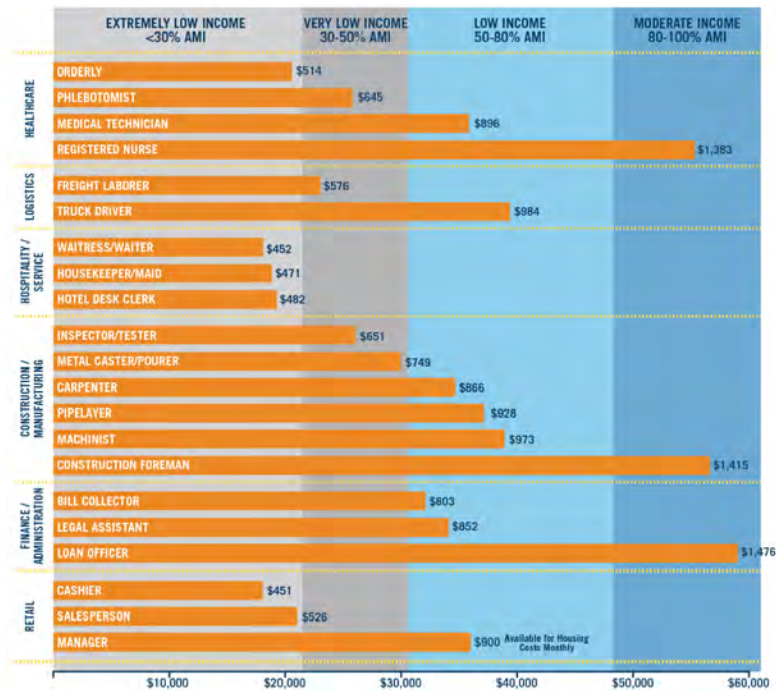
Occupational data provides an added layer of depth to industry data by indicating what types of jobs are most prevalent within each industry. For example, diverse occupations exist within the healthcare industry sector including doctors and nurses, but also accountants, receptionists, nutritionists, and janitors. Estimated wages associated with dominant occupations can be used as an indicator of housing affordability.

Although the mean annual wage in Birmingham in 2013 was \$43,120, many people are employed in occupations that earn less than the mean. As an example, the largest occupa-

tional categories include Office and Administrative Support, Sales, Healthcare Practitioners and Technical, and Food Prep and Servers. The 84,410 people employed in the Office and Administrative Support sector earn an average of \$14.79 per hour, those in Sales \$11.95 per hour, and for Food Prep and Servers \$8.82 per hour.

The illustration below indicates an example of occupations and the housing they can afford for each of Birmingham’s top employment sectors. For example, an Orderly makes close to \$20,000 per year and can afford a monthly rent or mortgage payment of \$514. This is affordable for apartments or homes priced for Very Low Income persons (less than 50% AMI) but not for Low Income persons (between 50% and 80% AMI).

Figure 34: Housing Cost by Occupation, City of Birmingham



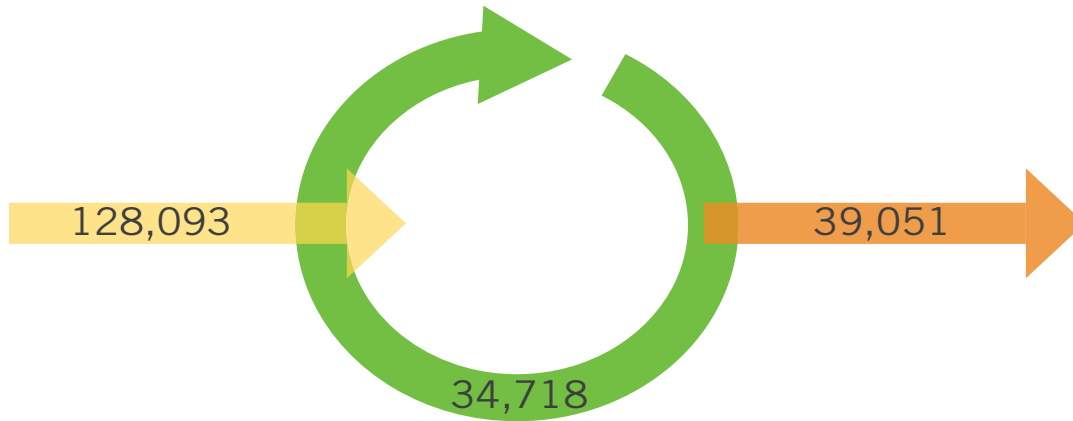
Source: US Bureau of Labor Statistics Metropolitan Area Occupational Wage Estimates, May 2013. Income limits from Novogradac and Company using Birmingham MSA income limits, 2014.

Living and Working in Birmingham

Employment is also a key factor of neighborhood health and housing market strength. Figure 35 looks at how many people live in the city, work in the city, and both live and work in the city. A majority of people live outside of the city and commute in, while a total of 34,718 people both live and work in the city.

Like other Cities that are the economic driver of a region, many of Birmingham’s workers live outside of the City and commute in, and many of the City’s residents commute out of the City for work. This stems from a combination of the City’s history including job loss, neighborhood decline, and racial segregation. Because of these factors, the tax base in the city declined leading to less money for services and fewer job opportunities for residents without the means to leave declining neighborhoods.

Figure 35: Number of Employees Working In and Outside of Birmingham



Source: Longitudinal Employer-Household Dynamics, 2011

This divide between those who live, work or live and work in the city is driven by perception of the city and its quality of life, and the decades of suburbanization outside of the City of Birmingham. While Downtown investment has improved the perception of the City, attracting residents to the city remains a challenge.

The revitalization occurring in Downtown Birmingham meets current trends for developing walkable urban neighborhoods and housing developments that cater to workers commuting from outside of the City. Incentive programs are discussed further in Section VII, but the City can positively impact its perception, increase its tax base and catalyze neighborhood revitalization by providing incentives for people to relocate within the City, create more job opportunities for City residents, and create more quality transit options for residents working outside of the City.

7. HOUSING MARKET

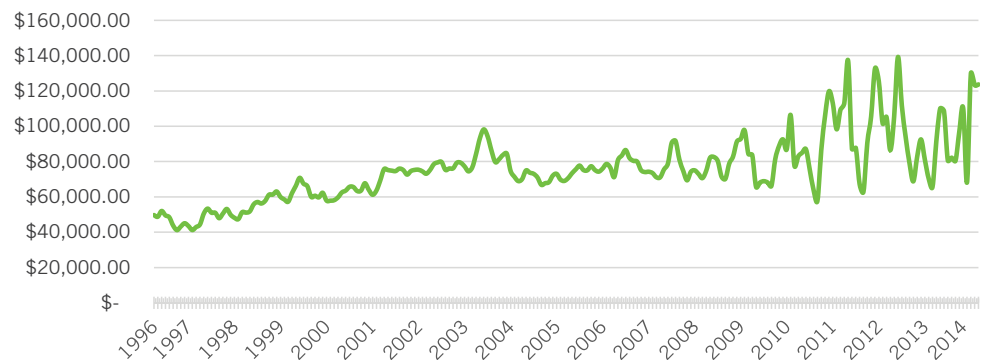
Uneven Investment and Value

Birmingham offers a relatively low cost of housing for both homeowners and renters. The 2014 median sales price for a home in Birmingham is just above \$120,000, compared with the nationwide average of over \$210,000.¹⁴ Looking deeper, the city of Birmingham average sales price per square foot stands at \$82.55 compared to \$125.69 nationwide.

Housing markets are very dependent on the free market, meaning that the only way to price a home is to try to figure out what a buyer would be willing to pay. Buyers determine value based on a number of internal and external factors to a property, including size, condition, quality of finishes, but also quality of the schools nearby, proximity to shopping and employment centers, crime, and neighborhood character. For sale housing in Birmingham is very affordable compared to the nation; however low sales prices can also indicate problems in the housing market including an aging building stock, disinvested neighborhoods, and limited neighborhood amenities.

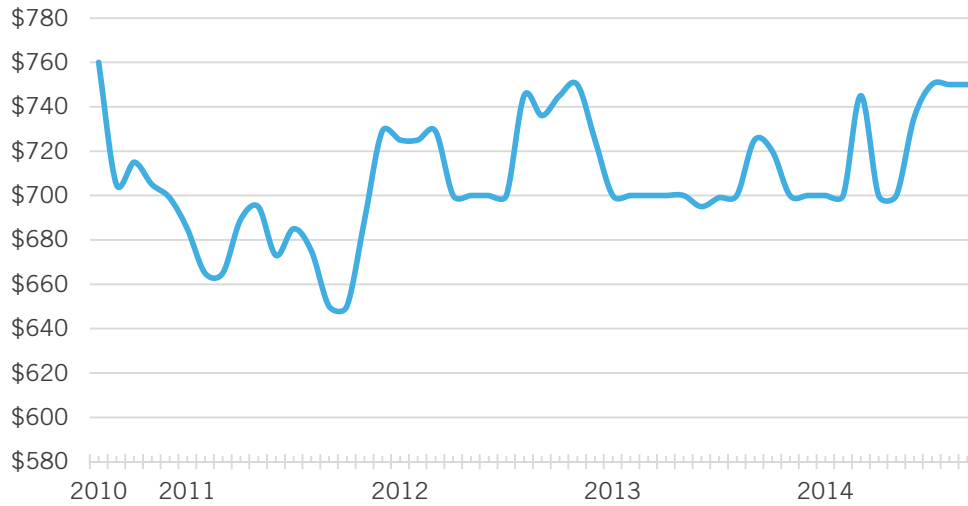
The below figures below illustrate median sales and rent figures for Birmingham. Median sales prices remained relatively strong during the economic downturn between 2008 and 2011, however, prices have been more volatile month-to-month during that time. Rents have been even more volatile, currently standing at a monthly average of about \$750, down from the 2010 average of \$760. Rents in the last four years have remained in the \$760-\$640 range.

Figure 36: Median Sales Price in Birmingham



Source: Zillow Real Estate Research Data, Monthly Average Sales Price by City dataset, September 2014.

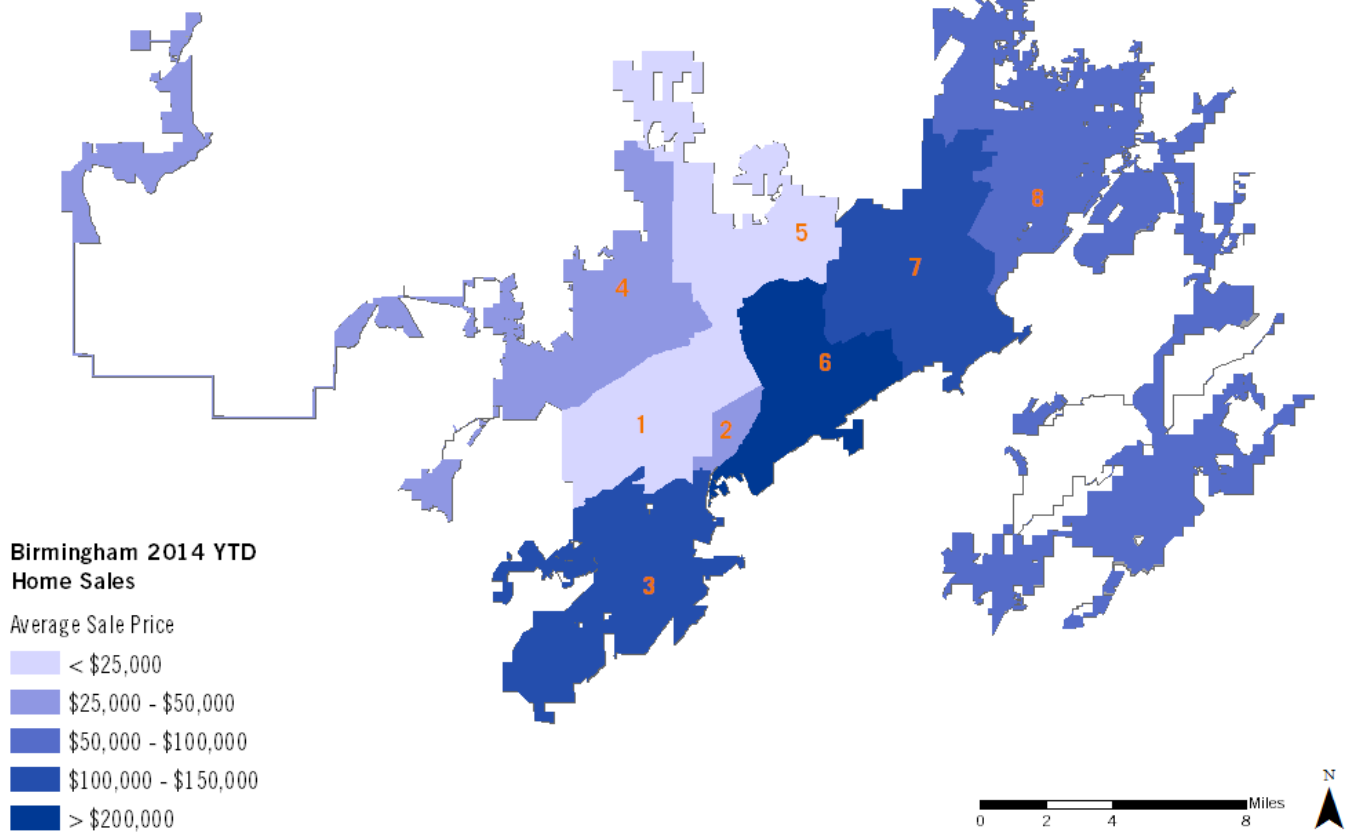
Figure 37: Average Rent in Birmingham



Source: Zillow Real Estate Research Data, Monthly Average Rent by City dataset, September 2014.

Housing Market Health by Framework Area

Drilling down to smaller submarkets, Birmingham’s Framework planning areas serve to divide distinct housing markets within the city. Looking at MLS sales data for 2014, there are clear trends that emerge regarding the health of each of these submarkets. Looking first to average sales price, Framework Area 6 has by far the highest sales prices among the City of Birmingham, encompassing new downtown condo conversions and luxury developments. It also becomes clear that the neighborhoods that border the Southeastern edge of the city, closest to the Shelby County suburbs, see much higher sales prices than the neighborhoods to the Northwest of downtown.

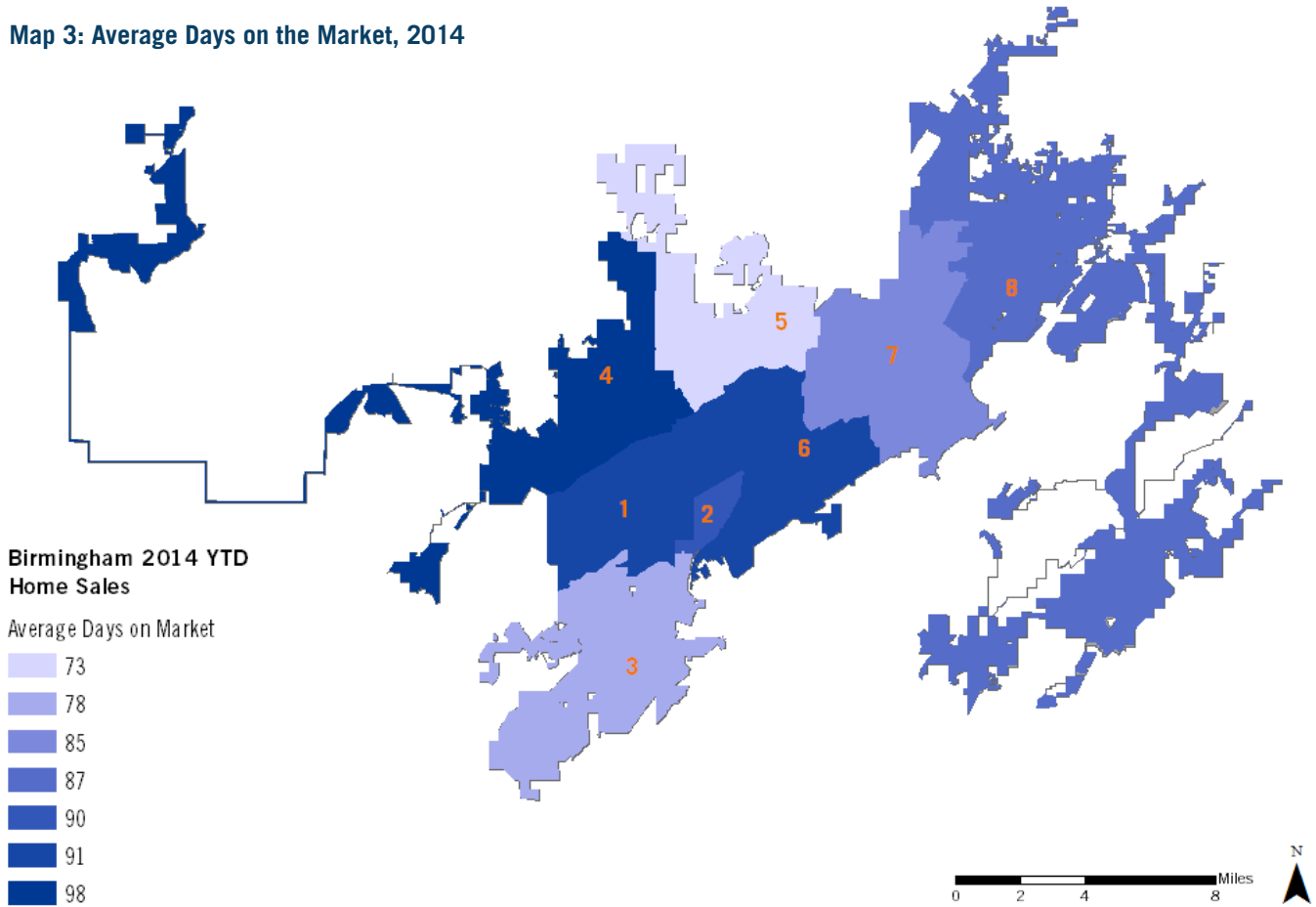
Map 2: 2014 Average Sale Price in Birmingham

Source: Birmingham Association of Realtors, Multiple Listing Service, 2014.

Another important metric for measuring market strength is the number of days a home is on the market between listing and sale. Strong markets where a large number of buyers are able to purchase and compete for homes will see much lower days on the market. Buyers in these markets waste no time in purchasing so as not to lose a home to another buyer. Weaker markets take longer to sell homes as buyers feel they have a little more time to look around and negotiate to get the best deal possible.

In Birmingham this year, homes in Framework Areas 1, 2, 6 and 4 are taking the longest to move from list to sale. This could be explained by a number of factors depending on the area. First, Framework Areas 1 and 4 in the previous map showed low relative average sales prices, meaning this area could be struggling to attract buyers. The combination of inexpensive homes and lengthy list periods indicate that there is low interest in purchasing in these neighborhoods and buyers are taking longer to look at all their options and negotiate a better price. Framework areas 2 and 4 likely have higher days on market averages because the housing products in these areas are targeted at a different market segment than is in the highest demand in Birmingham. For instance, the downtown area is now dominated with luxury condos which appeal to very few buyers, and are priced in the range only a few buyers can afford. This means it takes a little longer to attract buyers that meet both criteria.

Map 3: Average Days on the Market, 2014

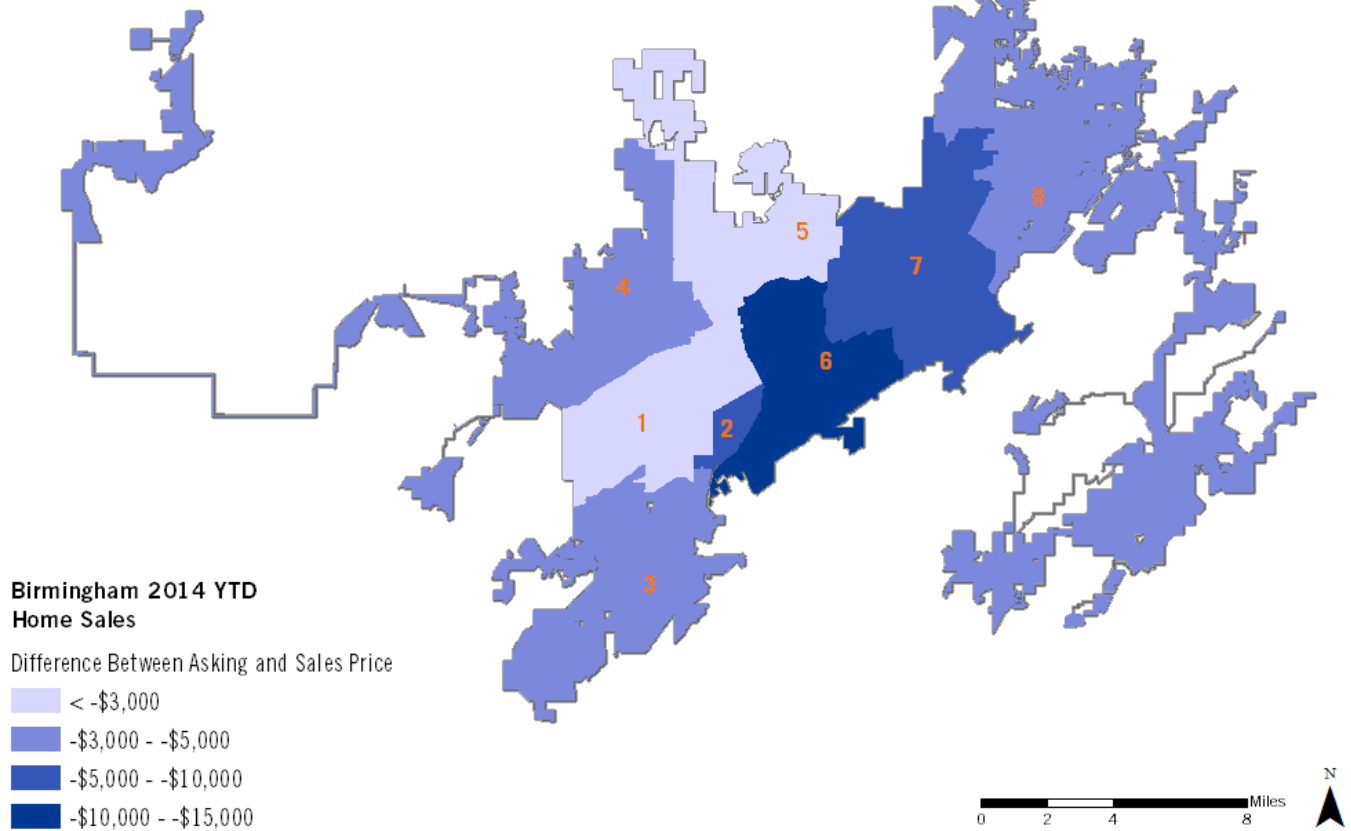


Source: Birmingham Association of Realtors, Multiple Listing Service, 2014.

Finally, the difference between the list price and sale price rounds out the picture of market health based on sales figures. The average difference represents the discrepancy between what sellers in a particular area *think* their homes are worth versus what buyers *believe* the homes are actually worth, based on the variety of factors buyers determine price. If an area has an average sale price above the average asking price, it would indicate that buyers were getting into bidding wars and consistently paying above asking price for homes, representing a very competitive market.

In Birmingham, Framework Area 6 has the highest discrepancy between asking price and the eventual sale price. This could be tied again to the type of product being sold in this area. If the initial ask is based on luxury status for a new construction unit, but it is on the market for a while, buyers feel more comfortable asking less to purchase. More surprisingly based on the above metrics, areas 1 and 5 have the lowest discrepancy. This could be attributed both to a low overall number of sales in the area, but also to low initial list prices based on common knowledge about sales in the area.

Map 4: Difference Between Asking and Sales Price, 2014



Source: Birmingham Association of Realtors, Multiple Listing Service, 2014.

Multifamily Development Pipeline

The development of new multifamily properties is also an excellent metric of market health. GCR’s analysis of existing pipeline for new multifamily units in Birmingham totaled nearly 1,200 units with just over 100 for low income tenants. All of the market rate multifamily developments found are located in Framework Area 6, near the Railroad Park downtown district.

Table 8: Regional Multifamily Development Pipeline

Development Name	Framework Area	Units	Unit Type	Estimated Completion	Value
LIV Parkside	6	228	Market	Apr-15	\$ 30,000,000
Venue at the Ballpark	6	236	Market	Jan-16	Unknown
Lane Park15	6	276	Market	Oct-14	\$ 130,000,000
Starbucks Mixed Use	6	36	Market	Jul-15	\$ 10,000,000
Metropolitan Apartments	6	315	Market	Mar-16	\$ 40,000,000
Tuxedo Park	4	42	Senior, Low Income	2016	\$ 8,200,000
The Park at Wood Station	5	64	Family, Low Income	2015	\$ 13,600,000
Total		1,197			\$ 231,800,000

Source: GCR, Inc.

Planning in Weak Housing Markets

Typically a weak housing market is defined by one that has a less than 3:1 ratio of median income to median home value. For 2012, this ratio was 2.77:1 for the city of Birmingham, close to many other low-growth central cities throughout the country. Neighborhood revitalization when there is little demand for new housing can be challenging, particularly if vacant units far outnumber new residents. The City's RISE Initiative is currently a vehicle for the City of Birmingham to address blight, and is discussed in more detail in Section 4.

Birmingham Land Bank Authority

The Birmingham Land Bank Authority emerged out of City's Comprehensive Planning Process, which stressed the need for a tool to deal with extensive blight, vacancy and tax delinquent property across Birmingham. The Alabama Legislature enacted the Alabama Land Bank Authority Act, which enables the creation of a land bank authority in jurisdictions with over 1,000 tax delinquent properties. With nearly 15,700 tax delinquent properties, the City of Birmingham qualified and the City Council passed a resolution to establish the Birmingham Land Bank Authority in 2014.

The local Authority shares the mission outlined in state legislation, which enables the Authority to acquire tax delinquent properties to rehabilitate land which is not generating revenue, not producing taxes and turn it into a property that provides housing, industry and jobs. The City's Land Bank Authority will build off of the Comprehensive Plan, and begin its work in three Framework areas: Titusville, North Birmingham, and the Western Area. The challenge, with 15,700 delinquent properties is targeting resources to areas that have a strong market where vacant homes and land will be able to be sold.¹⁶ In addition to building off of the Comprehensive Plan, the Land Bank Authority will be a central component of the Mayor's RISE Initiative.

The Land Bank Authority will have both a Board of Directors and Land Bank Citizens Advisory Board. The Board of Directors will have 7 board members, with the City Council recommending four, and the Mayor will recommend 3 (including the Mayor). Expertise will include Finance and Banking, Architect, Planner, nonprofit housing developer in the City of Birmingham. The Land Bank Authority held its first meeting in September 2014.

Proceeds of sales will be distributed in accordance to state enabling legislation, with one third of funds going to the authority, one third going to Authority expenses, and one third to recipients of ad-valorem taxes including school districts.¹⁷

St Louis, Missouri

The city of St Louis has experienced severed disinvestment and population loss over the last 50 years as a result of the extreme segregation and influx of southern black residents in the mid-20th century. The city today has a 2.95:1 ratio of income to value. Despite the city's lack of growth and low income to value ratio, several central neighborhoods have seen an influx of new residents and revitalization. An analysis performed in 2014 by the University of Missouri- St Louis and Washington University in St Louis measured the health of the city's neighborhoods and determined which had seen some revitalization based on increases in population, income, racial diversity, and commercial activity.¹⁸ The study identified eight “success factors” that could be found in each of the five neighborhoods studied. Those factors are:

- Strong anchor institutions
- Excellent housing stock
- Thoughtful commercial development
- Thoughtful residential development
- Resident civic engagement
- Good Location
- Successful public policy
- Strong public schools

Further analysis revealed successful examples of catalytic mixed use developments that can help generate new demand, and policies like tax abatements and tax credits to make development in weak markets easier for developers.

Flint, Michigan

Flint, Michigan is a very weak market city, having lost more than 35% of its population between 1970 and 2000. As seen in the land banking case study, the Genesee County Land Bank Authority has been successful at reducing blight and moving vacant land back into commerce. The authority also administers many of the city's planning and development activities after municipal budget reductions eliminated the planning department. In 2006, the GCLB drafted a market study of Flint's neighborhoods called the “Neighborhood Redevelopment Strategy”.¹⁹ The strategy classified neighborhoods as either functioning, constrained, weak or very weak. Based on that analysis, neighborhoods were further classified by their intervention strategy including preservation, stabilization, rejuvenation and strategic interventions. The foundation for the strategy reversed the traditional strategy of investing heavily in the worst neighborhoods. GCLB decided to invest most heavily in neighborhoods that were on the verge of decline or in the beginning stages of decline, ensuring the city maintains the existing tax base and residents.

Once intermediate neighborhoods were identified, GCLB worked with neighborhood stakeholders and community development organizations to identify perceived reasons for decline amongst the neighborhoods. Many neighborhoods reported that decline was a result of decreasing maintenance of homes, fewer participants in civic/neighborhood organizations, and increasing vacancy. GCLB then assisted neighborhoods in developing marketing efforts, prioritizing programs to address maintenance and blight, and connected stakeholders with organizations that could help rehabilitate homes and develop new housing.

8. AFFORDABLE HOUSING CHALLENGES

Market rents are not affordable to many of the workers in many of the area's key industries, notably retail, hospitality/service, and lower-level medical workers. This section of the study provides a definition of affordable housing and provides insight into the housing needs of low and moderate income households in Birmingham. This is derived from two main data sources, the US Census American Community Survey (ACS) 2008-2012 5 year estimates, and the HUD Comprehensive Housing Affordability Survey (CHAS) 2007-2011 data. Based on the CHAS data, 32% of renters (13,228 households) and 16% (7,642 households) in Birmingham have housing problems, meaning they either pay an excessive amount of their income for housing, or live in inadequate or overcrowded conditions.

The following section will summarize the housing problems faced by low and moderate income households in Birmingham, categorized by household size, age, race and ethnicity, along with providing HUD's definitions of affordable housing, income categories and affordability.

Affordable Housing in Birmingham

Housing is typically the most costly component of a household's budget, comprising roughly 1/3 of a household's expenditures, followed by other critical needs like transportation (17%), food (13%) and healthcare (7%). Having a decent, affordable home is a critical component for a household's quality of life, allowing additional funds to be used for the other necessary services like groceries and health insurance. But finding a quality, affordable home is difficult for many households with lower paying jobs or those on fixed incomes, and is out of reach for the unemployed without substantial assistance. This includes the homeless and those at risk of homelessness.

HUD defines affordable housing as paying no more than 30% of household income towards housing costs including utilities, taxes and insurance. If a household pays over 30% or more of its income towards housing, HUD defines this as cost burdened, and over 50% is considered severely cost burdened. Cost burden captures the idea that households have other costs, and paying over 30% on housing restricts the amount that household can spend on other necessities.

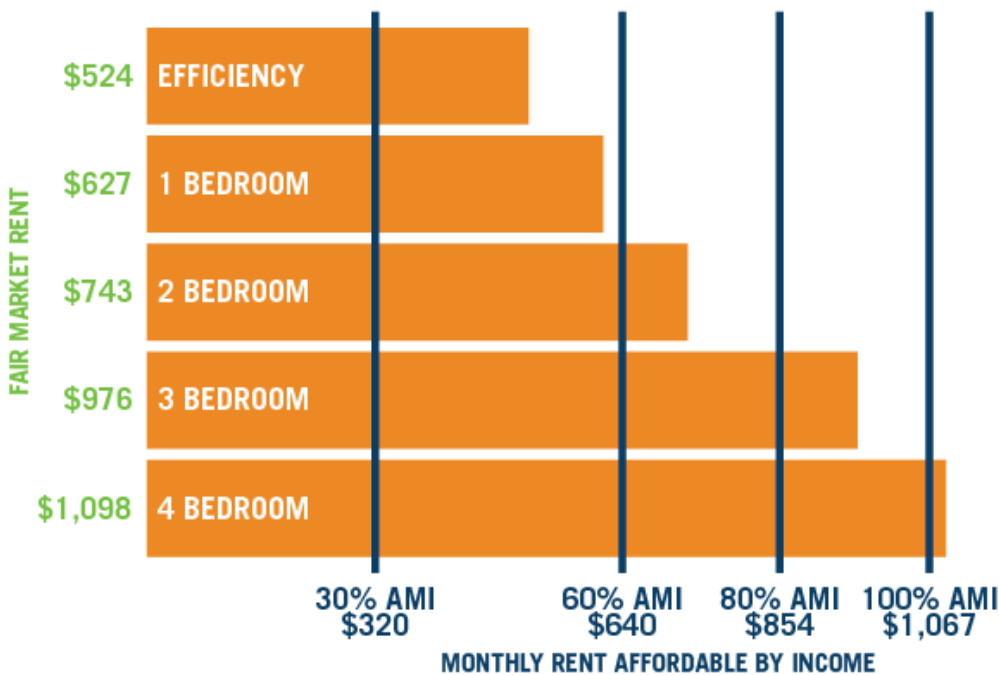
Spending less than 30% of household income on housing is considered affordable. However, the lower a household's income, the more challenging it is to find rental or ownership opportunities that do not exceed 30% of the household's income. For a household earning \$15,000, an affordable home would cost under \$375 per month, but for a higher income household that earns \$45,000, an affordable home would cost no more than \$1,125 per month. This section examines the housing cost burdens experienced by households who likely having challenges in finding decent, affordable housing. This includes the working poor, defined as people who spent at least 27 weeks in the labor force but whose income is below the poverty level, along with households with fixed and limited incomes, including many seniors and individuals with disabilities.

There are also significant housing needs among much of the workforce. Households earning between 50% and 80% AMI are typically full-time workers with lower than average

incomes, that may also need housing assistance in costly housing markets. New housing targeting this income group is often defined as “workforce housing”.

Many of the top occupations in Birmingham fall under HUD’s definition of Low Income (earning less than 80% AMI). The figure below illustrates Fair Market Rent and affordability by income for a single person. Using a Personal Care Aide as an example, with an annual income of \$18,220, a person in that occupation could afford \$455 per month for rent. However, the Fair Market Rent for an efficiency apartment in Birmingham is \$524. This means an average single Personal Care Aide would need to pay nearly 35% of their income for an efficiency. If they required additional bedrooms for children or other dependents, they would be required to pay significantly more (almost 50% for a 2 bedroom).

Figure 38: Affordability by Fair Market Rent



Source: Novogradac and Company, 2014, GCR Inc.

Housing prices are driven by the cost of labor, construction materials and the price of land. These cost factors, especially in areas with high land prices – typically in communities with good schools and a high quality of life - lead to rents and mortgages that are unaffordable to many low and very low income households. To provide housing that is affordable to all residents, federal, state and local housing subsidies are used to offset land and construction costs. Without subsidies to offset housing costs, many families would not be able to afford a decent home.

In order to determine eligibility for programs that provide housing subsidy, HUD provides a yearly definition of area median income (AMI). Households that earn under 80% of AMI are considered by HUD to be “low-income”; below 50% AMI are considered “very low-income”; and below 30% are considered “extremely low-income”. These definitions are used to target housing resources by program.

Housing Challenges

HUD uses the Area Median Income (AMI) categories to provide a baseline definition of household income to support housing policy and analysis. The primary tool to assess housing need is the Comprehensive Housing Affordability Strategy (CHAS), a tool used to demonstrate who is living with **housing problems**.

HUD explicitly defines **housing problems** as the following:

- **Cost Burden** – A household is paying more than 30% of their income for housing, including taxes and insurance (for owners) and utilities (for renters). Households are considered severely cost burdened if they pay more than 50% of their income for housing.
- **Overcrowding** – A household is living in overcrowded conditions if there are more people than rooms (including living room, dining room and kitchen, but not bathrooms). A household is living in extremely overcrowded conditions if there are more than 1.5 persons per room.
- **Inadequate conditions** – A household is living in inadequate conditions if they do not have complete kitchen facilities (consisting of a sink, kitchen and stove) or complete bathroom facilities (consisting of a sink, toilet, and tub or shower). This is not a complete assessment of inadequate conditions. Many homes may be lacking a complete roof, heat, insulation or electricity, but are not included in this assessment.

CHAS combines American Community Survey (ACS) microdata and HUD's AMI to create an estimate for the number of households living with housing problems. The data is provided by HUD to support local and state housing policy and programs through the Consolidated Planning process.

This study utilizes CHAS data aggregated from the tract level to fit the boundaries of the City of Birmingham. Using CHAS data allows for comparing housing affordability and cost burdens across geographies, and also provides insight into the supply and demand for affordable housing at the city and neighborhood level.

While CHAS data provides a picture of housing need and affordability, it has its limitations. First, it is oftentimes confused as a measure for "housing demand" but is not reflective of market conditions. The CHAS figures – the number of households living with housing problems – is not synonymous with the need for housing units. For example, Birmingham has more than 37,000 households who are cost burdened by housing prices, but the City does not have sufficient population growth to support an additional 37,000 units.

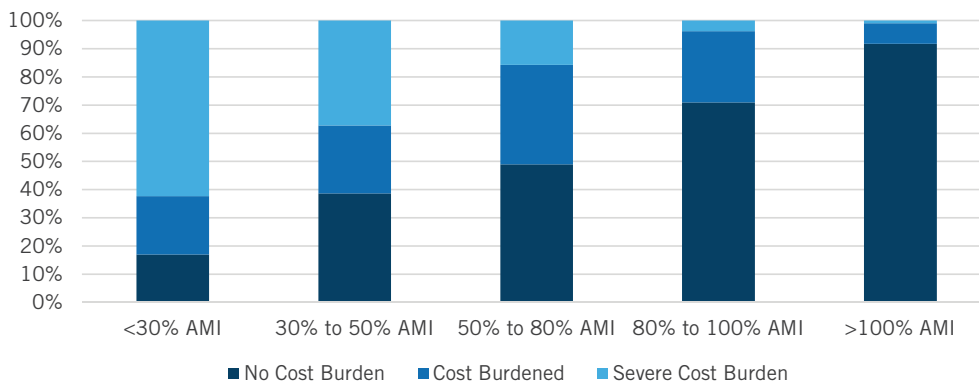
Also, CHAS data uses a limited definition of housing quality, which only identifies homes lacking kitchen and plumbing facilities to assess inadequate housing, and does not provide any more detail on existing external housing problems. Despite these limitations, CHAS is an industry standard and is used to provide an overview of housing needs.

From a national perspective, 42.3 million households across the nation face housing cost burdens (37%), and 20.6 million households face severe cost burdens (18%). Housing subsidy programs do not come close to addressing the need, with 10,000 public housing units lost each year, and poverty rates increasing. Compared with the nation, Birmingham has a much higher rate of cost burden, with 41% of households paying too much for housing and 21.3% paying more than half their income for housing. This indicates that despite Birmingham's relative affordability, there are concentrations of very low and extremely low income households who face extreme challenges in finding decent, affordable housing.

Housing Problems for Low and Very Low Income Households

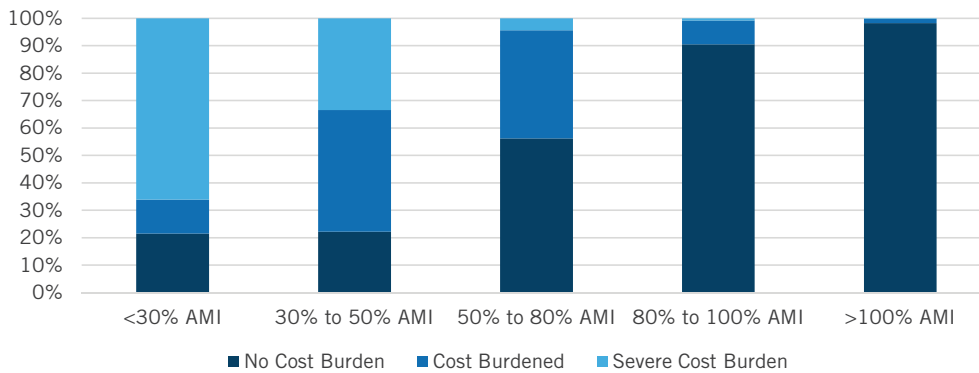
Low income renter and owner-occupied households face greater cost burdens in Birmingham than moderate and middle-income households. Predictably, the greatest need is among renters and owners earning less than 30% AMI. Cost burden affects almost every household in Birmingham, though, even among those earning between 50% and 80% AMI and own their home, almost half are paying too much for housing. Considering that the average sales price of a home in Birmingham is more than half the National average, it is especially alarming that there are so many cost burdened owner-occupied households.

Figure 39: Cost Burden - Owner Occupied Households



Source: HUD Comprehensive Affordability Strategy, 2007-11. GCR, Inc. 2014.

Figure 40: Cost Burden - Renter Occupied Households



Source: HUD Comprehensive Affordability Strategy, 2007-11. GCR, Inc. 2014.

Table 9: Income Ranges for HUD Income Categories, 2014

	30% AMI	50% AMI	80% AMI	100% AMI
Birmingham MSA	\$23,850	\$30,500	\$48,800	\$61,000
Alabama	\$16,250	\$27,050	\$43,300	\$54,100
USA	\$15,800	\$26,300	\$42,100	\$52,500

Source: US Department of Housing and Urban Development, 2014.

Housing Problems by Household Type

Understanding the ways that housing problems are experienced by different household types is key to prioritizing assistance. The CHAS data addresses housing problems by household type using the following definitions:

- **Small Family** – 2 to 4 related individuals with no member 62 years old or older.
- **Large Family** – 5 or more related individuals with no member 62 years old or older.
- **Elderly Family** – Family where at least one person is 62 years old.
- **Elderly Non-Family** – Individual or a group of non-related individuals over 62 years old.
- **Non-Family** – Individual or a group of non-related individuals with no member 62 years old or older.

Households in Birmingham tend to be made up of small families and single non-elderly householders. The trend away from large family households to more non-family / non-elderly households mirror National trends as empty-nesting Baby Boomers resettle into smaller homes and Millennials wait longer than their parents to get married and start families. As a result, there is more need for 1 and 2 bedroom apartments and smaller single-family homes in walkable neighborhoods with access to services.

That said, Birmingham still has a sizeable share of households with elderly households, accounting for a combined 31%. These households likely have a harder time accessing services and are more likely to be on a fixed-income and face a cost burden, especially as they age.

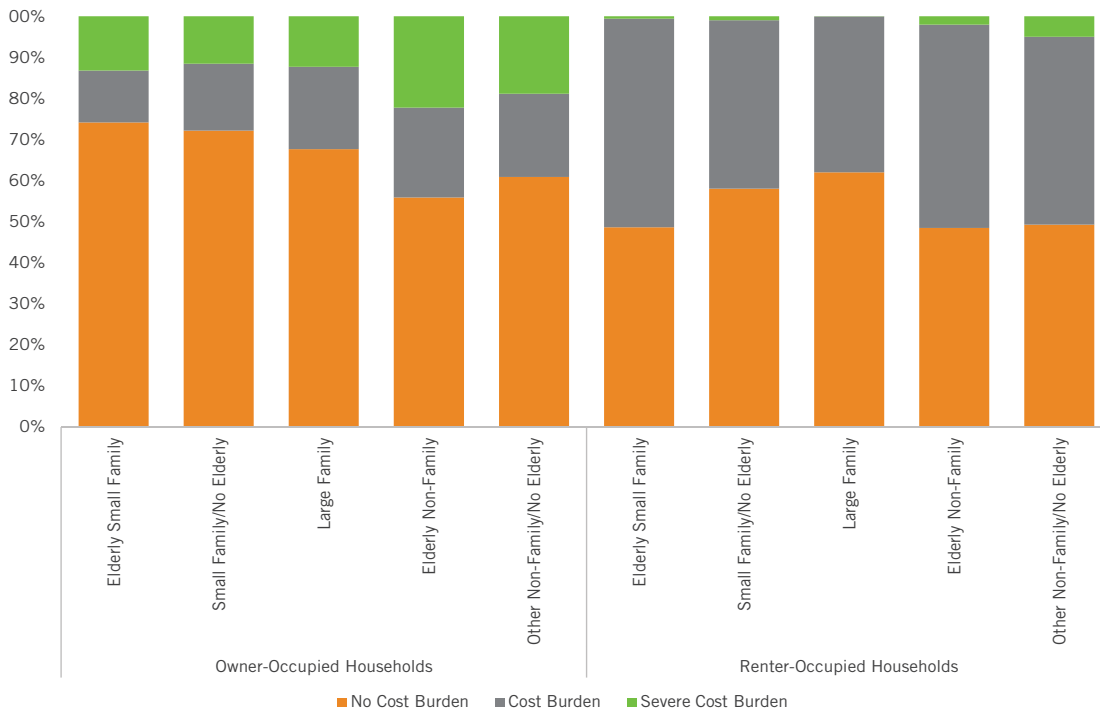
Table 10: Household Type Distribution by Tenure

	Elderly Family	Small Family/ No Elderly	Large Family	Elderly Non-Family	Other Non-Family/ No Elderly	Total
Renters	5,448	14,938	1,982	4,216	5,965	32,549
% All Households	7%	18%	2%	5%	7%	40%
Owners	7,359	20,793	2,952	7,649	10,024	48,777
% All Households	9%	26%	4%	9%	12%	60%
Renters & Owners	12,807	35,731	4,935	11,866	15,988	81,326
% All Households	16%	44%	6%	15%	20%	100%

Source: HUD Comprehensive Affordability Strategy, 2007-11. GCR, Inc. 2014.

The CHAS figures indicate that the household types with the most cost burdened households are Elderly Small Families, Elderly Non-Families and individuals who rent. When looking at Severe Cost Burden, renter households appear to have a relatively small share except non-elderly individuals. Owner Occupied households have much larger shares of Severe Cost Burden, especially among individual homeowners, elderly or not.

Figure 41: Cost Burden by Family Type



Source: HUD Comprehensive Affordability Strategy, 2007-11. GCR, Inc. 2014.

Housing Challenges Among Seniors

Nationally, households over 65 are projected to increase reflecting the aging Baby Boomer generation, which will create the need for additional housing opportunities for seniors. As highlighted in the Cost Burden by Household Type, elderly homeowners experience a higher rate of severe cost burden. Overall, nearly 8,000 Birmingham elderly households face a cost burden. Similar to National trends, Birmingham seniors will increasingly look for affordable opportunities to remain in their homes as they age for as long as possible.²⁰

Older households will increasingly need homes that feature “universal design” elements including wider doorways and lights and storage that are within easy reach. Many more households will require more extensive retrofits including the installation of ramps for no-step entry, accessible bathroom facilities and first floor bedrooms.

Table 11: Birmingham Senior Households by Income and Tenure

	<30% AMI	30% to 50% AMI	50% to 80% AMI	80% to 100% AMI	>100% AMI	Total
Renters	13,644	7,990	8,688	4,294	6,752	41,367
62-75 Years Old	1,061	672	248	15	24	2,020
75+ Years Old	569	398	91	42	39	1,139
Owners	5,046	5,917	8,703	5,444	23,610	48,720
62-75 Years Old	1,126	959	878	282	398	3,642
75+ Years Old	1,143	844	526	131	98	2,743
Total	18,690	13,907	17,391	9,737	30,362	90,087
62-75 Years Old	2,186	1,631	1,126	297	422	5,662
75+ Years Old	1,712	1,242	617	173	137	3,881

Source: HUD Comprehensive Affordability Survey, 2007-2011. GCR, Inc. 2014

Unsurprisingly, since many senior householders don't work but instead draw a pension, receive Social Security only, or live off of personal savings, the vast majority of seniors regardless of tenure earn less than 30% AMI. In fact, 70% of all Birmingham seniors earn less than 50% AMI. Those nearly 7,000 households will likely have a tougher time making retrofits and for homeowners, there will be little leftover each month for home repairs or upkeep.

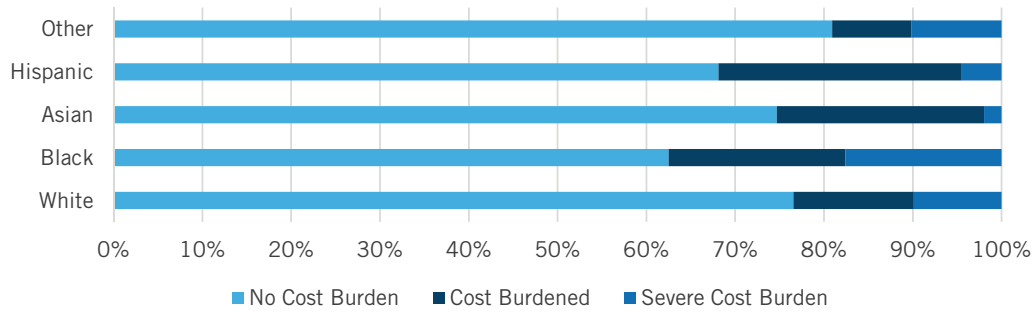
Though the majority of senior households are considered Low or Very Low Income and face housing problems, many more Low and Very Low Income small families and non-elderly individuals have trouble finding safe, decent affordable housing.

Housing Problems by Race and Ethnicity

In the next decade, nationwide, minorities will make up 36% of all US households and 46% of those aged 25-34 representing over half of the first-time homebuyer market.²¹ In Birmingham, the vast majority of households are African American (68%) with white households making up 27% of the City's households. With the majority of Birmingham's population made up of minority households, it's important to understand the racial disparities that exist in the housing market today.

The CHAS data illustrates extreme disparities by race in Birmingham. African American and Hispanic homeowners disproportionately face cost burden or severe cost burden, with 38% and 32% respectively. Compared to 24% cost burden or severe cost burden for their white, non-Hispanic neighbors. African American homeowners face severe cost burdens at an acutely disproportionate rate to all other races/ethnicities.

Figure 42: Cost Burdened Owners by Race/Ethnicity

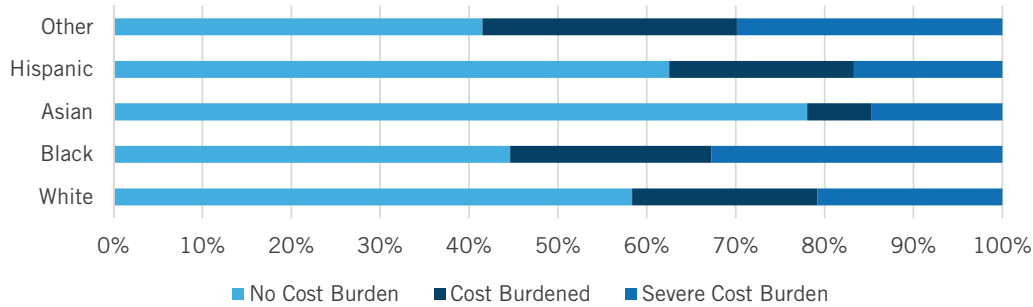


Source: HUD Comprehensive Affordability Strategy, 2007-11. GCR, Inc. 2014.

Looking to renter households, there are many similarities but a few striking differences. In general, more renter households face cost burden of some severity regardless of race. A much higher proportion of other race renter households face a cost burden, however in sheer numbers cost burdened other race renter households only represent 200 households. African American renter households face almost the same proportion of cost burden, but represents nearly 17,000 households. White, non-Hispanic households are next in proportion but only represent about 3,500 households.

African American renter households also face a much higher proportion of severe cost burden, amounting to almost 10,000 households, over 11% of *all* households in the city of Birmingham.

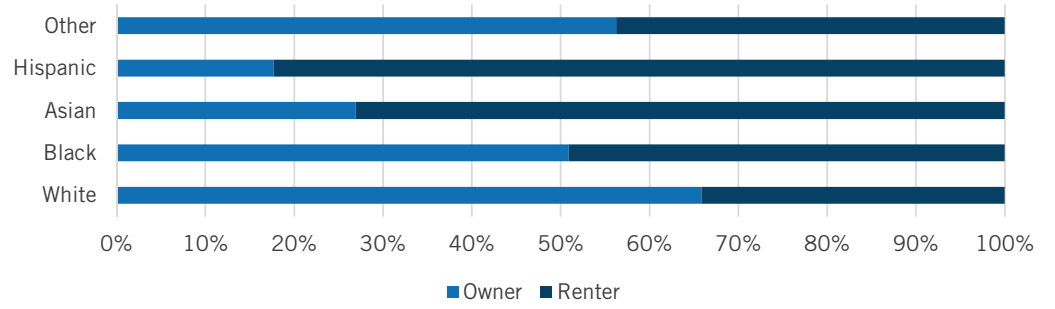
Figure 43: Cost Burdened Renters by Race/Ethnicity



Source: HUD Comprehensive Affordability Strategy, 2007-11. GCR, Inc. 2014.

This disparity is more substantial when analyzing which populations have the opportunity to own a home. Though the current renter/owner split in Birmingham is almost even, over 60% of white households own their home. Other race households have the next highest rate, but again only represent about 750 households in total. Hispanic households have the lowest rate of homeownership, possibly due to recent entry to the country or region, lack of English proficiency, or legal residency status.

Figure 44: Homeownership by Race/Ethnicity



Source: HUD Comprehensive Affordability Strategy, 2007-11. GCR, Inc. 2014.

9. AFFIRMATIVELY FURTHERING FAIR HOUSING

In June 2013, the Department of Housing and Urban Development proposed a new rule to Affirmatively Furthering Fair Housing. The rule requires state and local governments that receive CDBG, HOME, ESG, HOPWA, and public housing assistance are required to comply with Fair Housing regulations. The rule provides a structure and guidance including data and a template for completing assessments of fair housing.

The Assessment of Fair Housing will focus on four goals including improving integration and overcoming historic segregation; reducing racial and ethnic concentrations of poverty; reducing disparities for protected classes including race, color, religion, sex, familial status, national origin, disability in access to community assets which are defined as access to education, transit, employment, proximity to environmental hazards.

The new framework refines the process known as the Analysis of Impediments to Fair Housing Choice to affirmatively further fair housing, which is a legal requirement for jurisdictions receiving federal money. The process increases transparency by ensuring public participation in fair housing planning, for plans including: Consolidated Plans, PHA Plans and Capital Fund Plans.

The AFH process includes Data Delivery, Local Analysis, HUD review and response, and incorporation in to planning and action plans. The Assessment includes demographics, segregation and integration, racially/ethnically concentrated areas of poverty, neighborhood disparities in access to community assets, and housing needs across protected classes. HUD's data tool includes maps and data (from the 1990, 2000, and 2010 census), looking at race and ethnicity, persons with disabilities, households with children, and households with persons over 65.

This section uses the framework of the Affirmatively Furthering Fair Housing rule to provide insight into the Fair Housing challenges that face the City of Birmingham.

2010 Analysis of Impediments to Fair Housing Summary

The City of Birmingham conducted an Analysis of Impediments to Fair Housing in 2010 which examined barriers to fair housing in the City of Birmingham. The analysis focused on the following issues that impede Birmingham residents:

- Unlawful racial discrimination when seeking housing.
- Public transportation system
- Employment is decentralized, with many moving outside of the City.
- Challenges with the public school system, difficult to recruit businesses to relocate into the City because of low performing schools.
- Latino population facing inflated rents, and landlord tenant disputes over repairs and utility bills.
- Foreclosure on the rise, leading to vacant homes across the city, many of which are in need of demolition.
- While shelters for homeless individuals are available, employment and other structural issues still perpetuate homelessness in the City.
- Disability issues including denial of reasonable accommodations, lack of design and construction that meet American with Disabilities Act requirements.

In addition to overarching issues described above, the 2010 Analysis of Impediments also identified several areas in which the public sector created impediments to fair housing. For example, multifamily buildings were assessed at a higher ratio than single family dwellings, which leads to higher rents and higher costs for landlords to maintain their properties. Zoning also plays a role in segregating uses, and perpetuating racial and economic divisions. Specifically the zoning code legal definitions of families and group homes limit where and how many unrelated adults can live in one home. The zoning code also placed a burden on multifamily units by setting lot size requirements that are prohibitive.

The lending market is also identified as a major contributor to creating impediments to fair housing. With many local lenders bought by larger, national lenders, there has been an overall decline in mortgage lenders in the City, and at the time there was substantial growth of sub-prime loans in the area. Predatory lenders were also an issue, targeting specific populations including minority communities, elderly homeowners, and low income households and charging excessive fees or other tactics to exploit borrowers.

The Analysis of Impediments identified cost-burdened renter and homeowner households, households paying over 30% of their income towards housing costs, households with inadequate plumbing and kitchen facilities, and overcrowded households as areas of concern. The Analysis also identified specific impediments to fair housing, including:

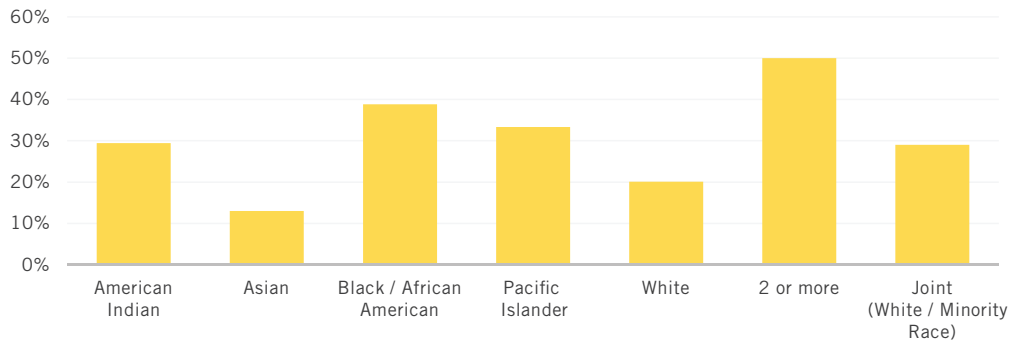
- *Lack of Fair Housing Laws in Birmingham.*
- *Protected Class Discrimination in Homebuyer Lending.*
- *Lack of Fair Housing Training.*
- *Lack of Accessible units for persons with disabilities.*
- *Lack of reliable public transportation.*
- *Declining property values.*

Many of these fair housing issues identified in 2010 persist within the City, and the following sections outline current fair housing issues using the AFFH framework.

Home Mortgage Disclosure Act Data

Low rates of minority homeownership can also be attributed to lack of available capital and lending for minorities or within minority communities. The Federal Financial Institutions Examination Council compiles data from financial institutions in compliance with the Housing Mortgage Disclosure Act of 1975.

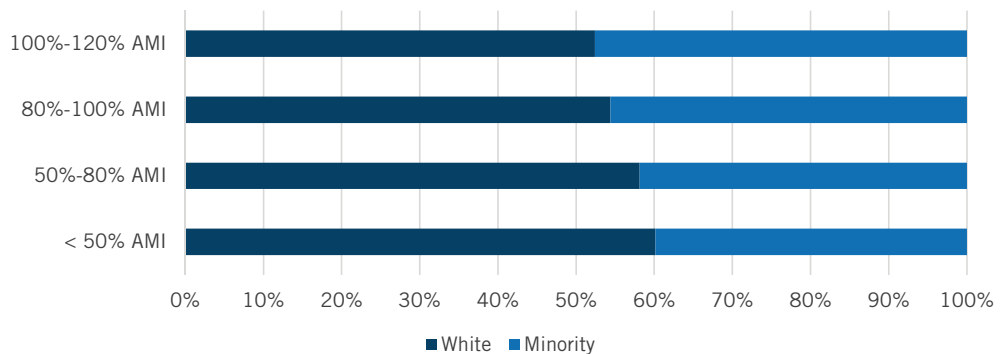
Figure 45: Mortgage Denial Rate by Race



Source: FFIEC Housing Mortgage Disclosure Act Filings, Birmingham Metropolitan Area, 2012.

These disclosures reveal the lending practices of financial institutions operating within metro areas and states. This data points to lending disparities between races in the Birmingham metro, with African American applicants facing a mortgage denial more than twice as often as white households. Mixed race and Interracial households also face disproportionately high rates of denial for home loans.

Figure 46: Mortgage Origination Distribution by Income and Race



Source: FFIEC Housing Mortgage Disclosure Act Filings, Birmingham Metropolitan Area, 2012.

Financial institutions serving the Birmingham Metro also favor white applicants regardless of income. Of applicants that earn less than 50% AMI, white applicants are 60% more likely to receive a mortgage than minority applicants. This disparity reduces as incomes increase, however, considering income is one of the most important requirements for a mortgage, it is important to determine why white households of similar income level are so much more likely to receive a mortgage.

Figure 47: Low Income Housing Tax Credit Development in Woodlawn



Source: GCR, Inc.

Qualified Census Tracts

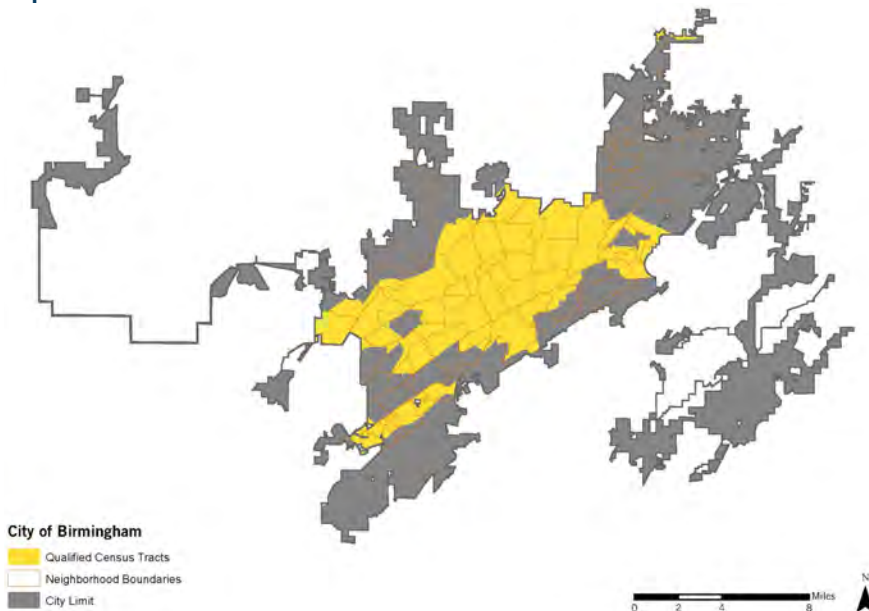
The Low Income Housing Tax Credit (LIHTC) program is the largest affordable housing program in the county. The program entices the private sector into the affordable housing development market by offering tax credits in exchange for investing in affordable housing. To qualify for the LIHTC, a development or site must fall into a Qualified Census Tract.

These Census Tracts change every

ten years with the Census, but must have a poverty rate of at least 25%, or have 50% of households with incomes below 60% Area Median Income. In addition to meeting one of these requirements, no more than 20% of the metropolitan area can live in Qualified Census Tracts.

Within the City of Birmingham, 35 Census Tracts are considered Qualified Census Tracts. A majority of these tracts are outside of downtown and are in the northern portion of the city. Even though having a large percentage of the City's Census Tracts qualify for LIHTC developments may appear like an impediment, the LIHTC program is a proven tool for the development of affordable rental housing, and must comply with access, design, another other requirements outlined in the State of Alabama's Qualified Allocation Plan. This presents an opportunity for developers to engage the private sector in developing quality affordable housing within the City of Birmingham.

Map 5: Qualified Census Tract Area



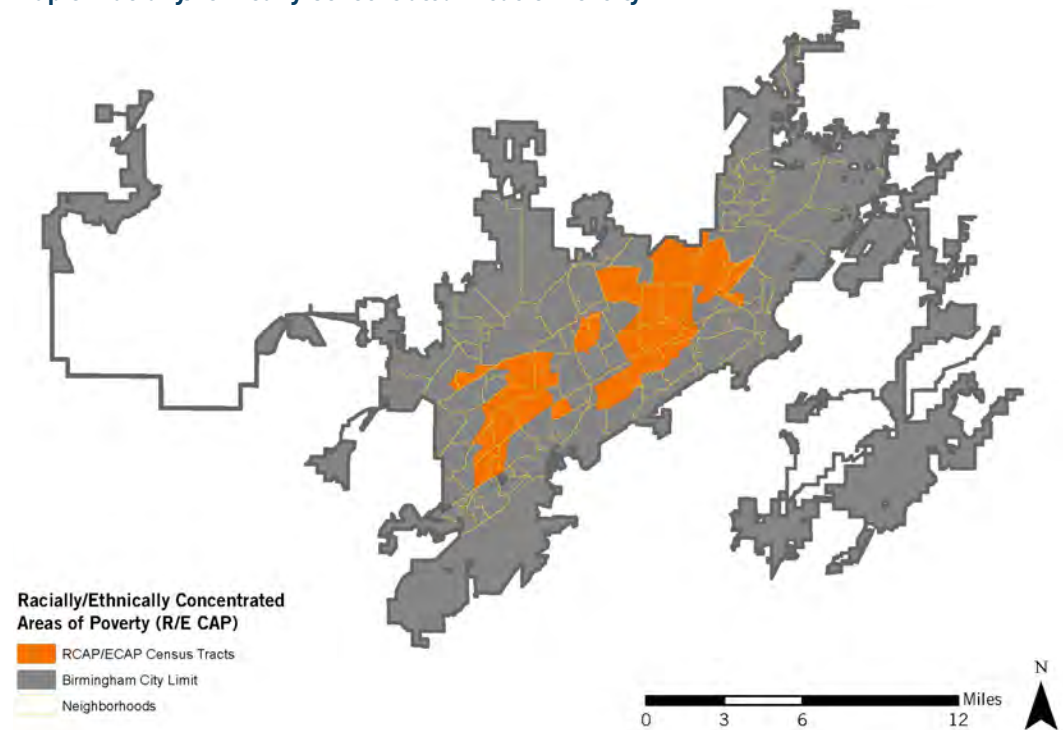
Source: Department of Housing and Urban Development, City of Birmingham

Racially Ethnically Concentrated Areas of Poverty

Racially Concentrated Areas of Poverty and Ethnically Concentrated Areas of poverty are defined by the Department of Housing and Urban Development as having a non-white population of 50% or more, and 40% or more of individuals living at or below the poverty line or is three times the average tract poverty rate for the metro/micro area, whichever is lower. Many of these tracts areas are close to the Downtown area, which may be targeted for increasing homeownership or other neighborhood stabilization activities.

Other more isolated areas may be targeted for transportation improvements to increase connectivity and job access.²² Many of the housing programs administered by the Department of Community Development including home repair programs can assist homeowners with improving their homes, and programs through the Housing Authority of the Birmingham District (HABD) such as Section 8 vouchers can allow qualified residents to move to neighborhoods with higher opportunity.

Map 6: Racially/Ethnically Concentrated Areas of Poverty



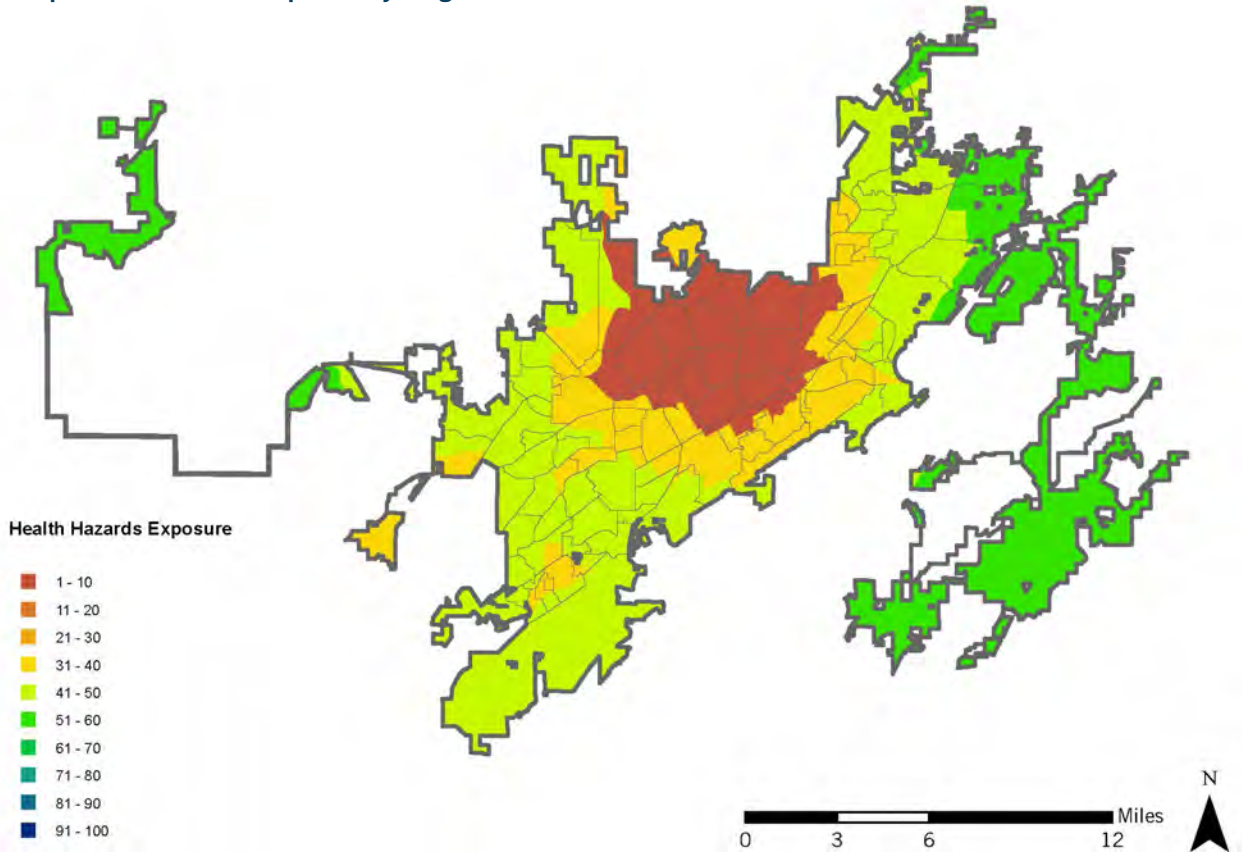
Source: Department of Housing and Urban Development, City of Birmingham

Environmental Hazards

Years of heavy industry and historically lax environmental regulations have left many formerly industrial cities within environmental hazards. The map below shows the elevated level of health hazards faced by City residents, particularly in North Birmingham. The Environmental Protection Agency began testing soil in North Birmingham beginning in 2011, and in September 2014 the agency elevated the Collegeville, Harriman Park, and

Fairmount areas to the Superfund site list. Listing the area as a Superfund site will enable the area to access funding to clean up contaminated area.²³ Environmental hazards also raise concerns over residents living in the area, especially low income residents who are not able to move or remediate their properties. Environmental hazards also increase costs for housing developers because property owners would be responsible for bringing the property up to minimum environmental standards for residential construction.

Map 7: Health Hazard Exposure by Neighborhood



Source: Department of Housing and Urban Development Affirmatively Furthering Fair Housing Tool

Households with Housing Problems

Of the nearly 420,000 occupied housing units in the Birmingham MSA, nearly 30,000, or 6.4%, have severe or moderate physical problems.²⁴ These problems include deficiencies in plumbing, heating, electrical, or general upkeep (leaky roof, pest control, peeling paint, etc.). The Department of Housing and Urban Development defines housing problems using the following criteria for identifying households with housing problems²⁵:

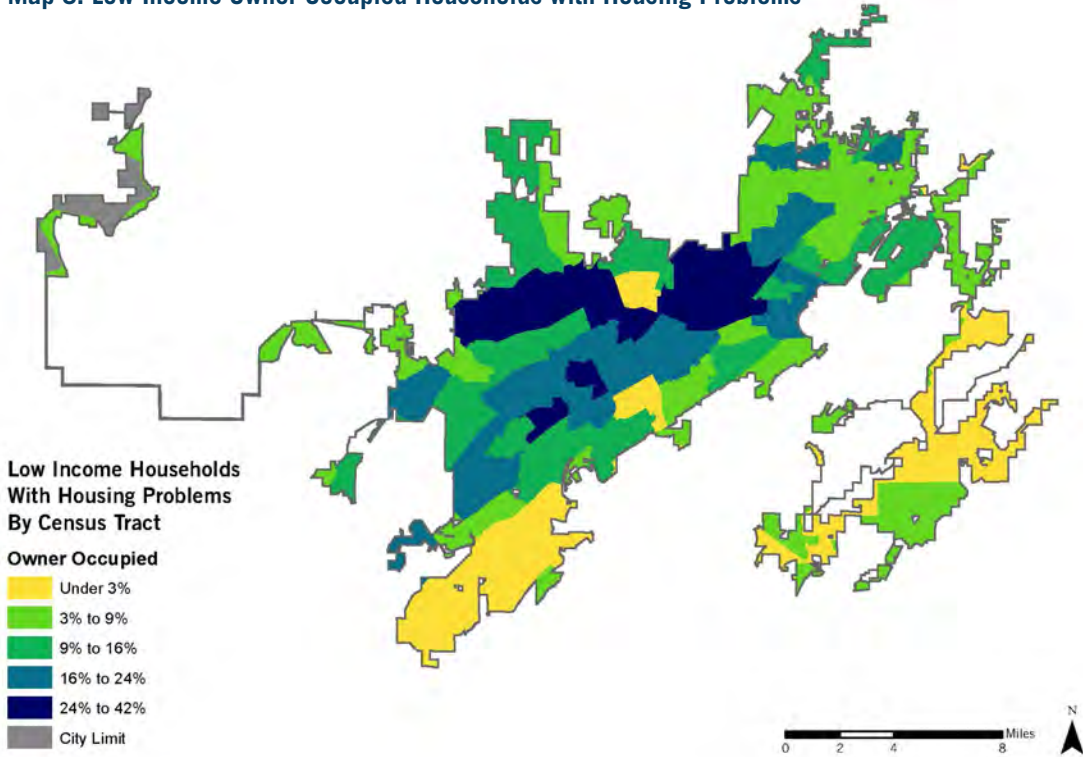
1. Household lacks complete kitchen facilities.
2. Household lacks complete plumbing facilities.
3. Household is overcrowded (over 1 person per room in the household).
4. Household is Cost Burdened (paying over 30% of household income towards housing costs).

Table 12

Neighborhoods Containing High Concentrations of Housing Problems ²⁶		
Owner Occupied	Renter Occupied	Both Owner & Renter
Acipco-Finley	Belview Heights	East Birmingham
Arlington - West End	Central Park	Inglenook
Hooper City	Collegeville	North Pratt
North Birmingham	Crestwood North	Smithfield Estates
Norwood	Echo Highlands	
Sandusky	Ensley Highlands	
Smithfield	Harriman Park	
	Killough Springs	
	Kingston	
	North Titusville	
	Oak Ridge Park	
	Oakwood Place	
	Tuxedo	

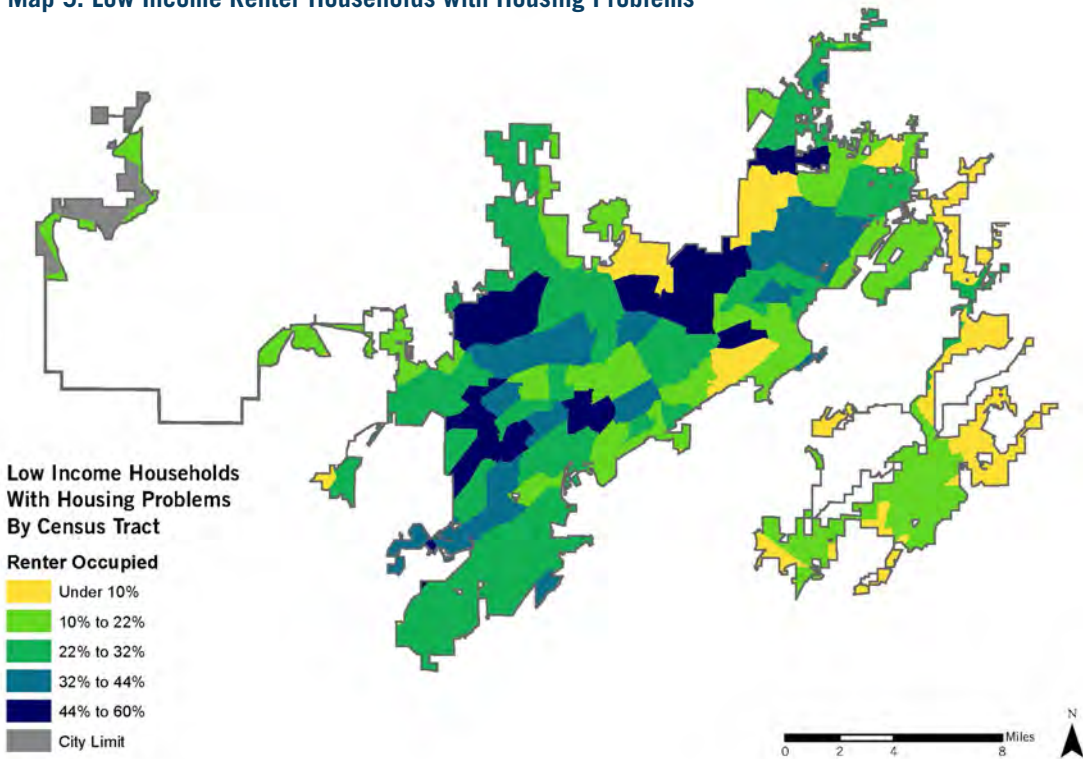
The maps below shows the concentration of housing problems across the City of Birmingham.

Map 8: Low Income Owner Occupied Households with Housing Problems



Source: HUD Comprehensive Affordability Survey, 2007-2011. GCR, Inc. 2014

Map 9: Low Income Renter Households with Housing Problems



Source: HUD Comprehensive Affordability Survey, 2007-2011. GCR, Inc. 2014

Vacancy

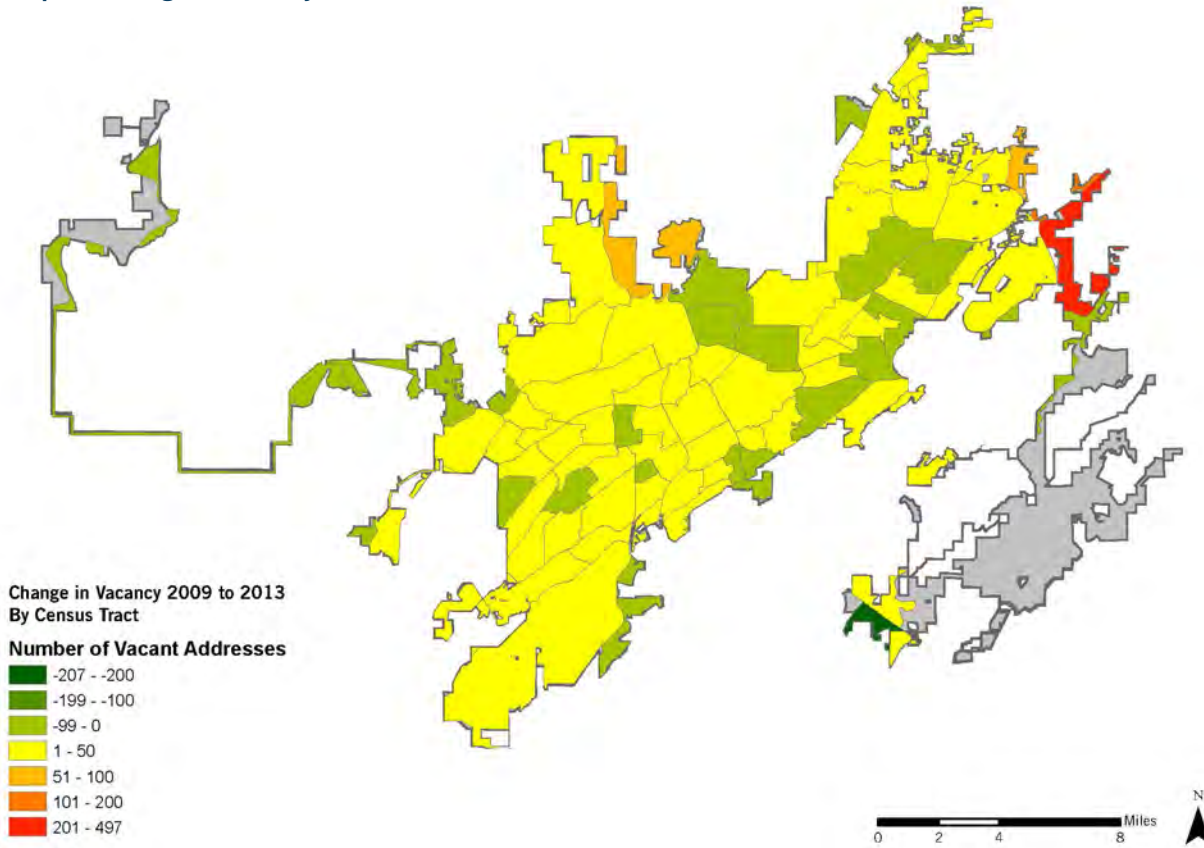
Using United States Postal Service Vacancy Data from 2008 to 2013 to see the change in neighborhood vacancy over a period of five years, a majority of the City has seen an increase in vacancy. Vacant addresses indicate a weak housing market where homeowners are either losing their homes to foreclosure, moving away from the neighborhood without passing the housing onto their families, or have gone into tax delinquency. While the City of Birmingham's Land Bank Authority will assist with managing these properties, not every neighborhood will have enough market demand to fill all of the vacant properties in the City.

In order to prioritize areas for revitalization and investment, the City Department of Community Development is developing a system for prioritization as a pilot program in the Pratt City area. This model will be valuable in demonstrating the value of a parcel by parcel plan for redevelopment in an area with access to Disaster Community Development Block Grant funding and the Birmingham Housing Authority's resources to clear title on vacant homes and land.

Using an asset-based planning approach, the City should prioritize program investments in home repair, and demolition in areas with other city investment to maximize impact. While funding should be prioritized to maximize impact for specific Community Development Department programs, other city investments such as parks, increased public transportation access, and job development may catalyze development in high vacancy areas that border higher growth neighborhoods. In areas of high vacancy that do not border higher growth areas, or areas already receiving public or private investments, the City's Code Enforcement department should prioritize securing vacant properties, maintaining vacant lots, and potentially tying large swaths of vacant land for passive vacant land strategies such as rain gardens, tree farms, or other water management strategies.

High vacancy areas create fair housing challenges due to limited services available in high vacancy neighborhoods. While relocation programs are challenging and controversial, making residents of high vacancy and low access neighborhoods aware of programs and housing opportunities available in areas of higher opportunity can give residents the option of moving if they choose.

Map 10: Change in Vacancy Status from 2009 to 2013



Source: United State Postal Service, City of Birmingham

The City of Birmingham continues to face impediments to fair housing across the City due to poverty, areas of concentrated of racial and ethnic poverty, households with housing problems, and vacancy. However, despite the extent of the challenges, there are upcoming opportunities to further address these challenges. Upcoming opportunities include the City of Birmingham's Land Bank Authority which can address vacant property and homes, the Community Development Department's ongoing home repair (volunteer and critical repair), and demolition programs. Also, through identifying Qualified Census Tracts, and understanding the requirements of the Low Income Housing Tax Credit Development process (more detail available in Section VII), the City can leverage its limited resources and attract public and private investment.

Housing discrimination, racial segregation and mortgage denial by race continues to be a structural issue for the City of Birmingham, and should be more fully studied through the next Analysis of Impediments to Fair Housing or the Affirmatively Furthering Fair Housing rule when it is implemented. However, knowing that the new rule will be incorporated into all planning processes funded by the Department of Housing and Urban Development is an additional opportunity for the City and housing stakeholders to educate the private, banking and lending sector on the law.

10. HOUSING AUTHORITY OF THE BIRMINGHAM DISTRICT

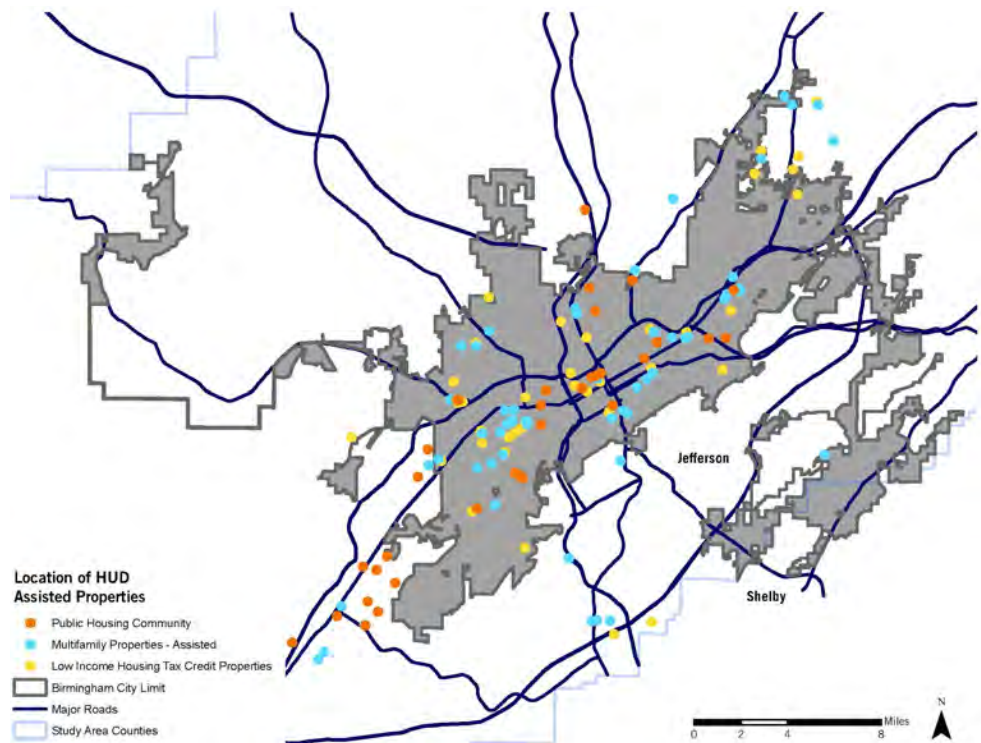
Figure 48: Tuxedo Development



Source: GCR, Inc.

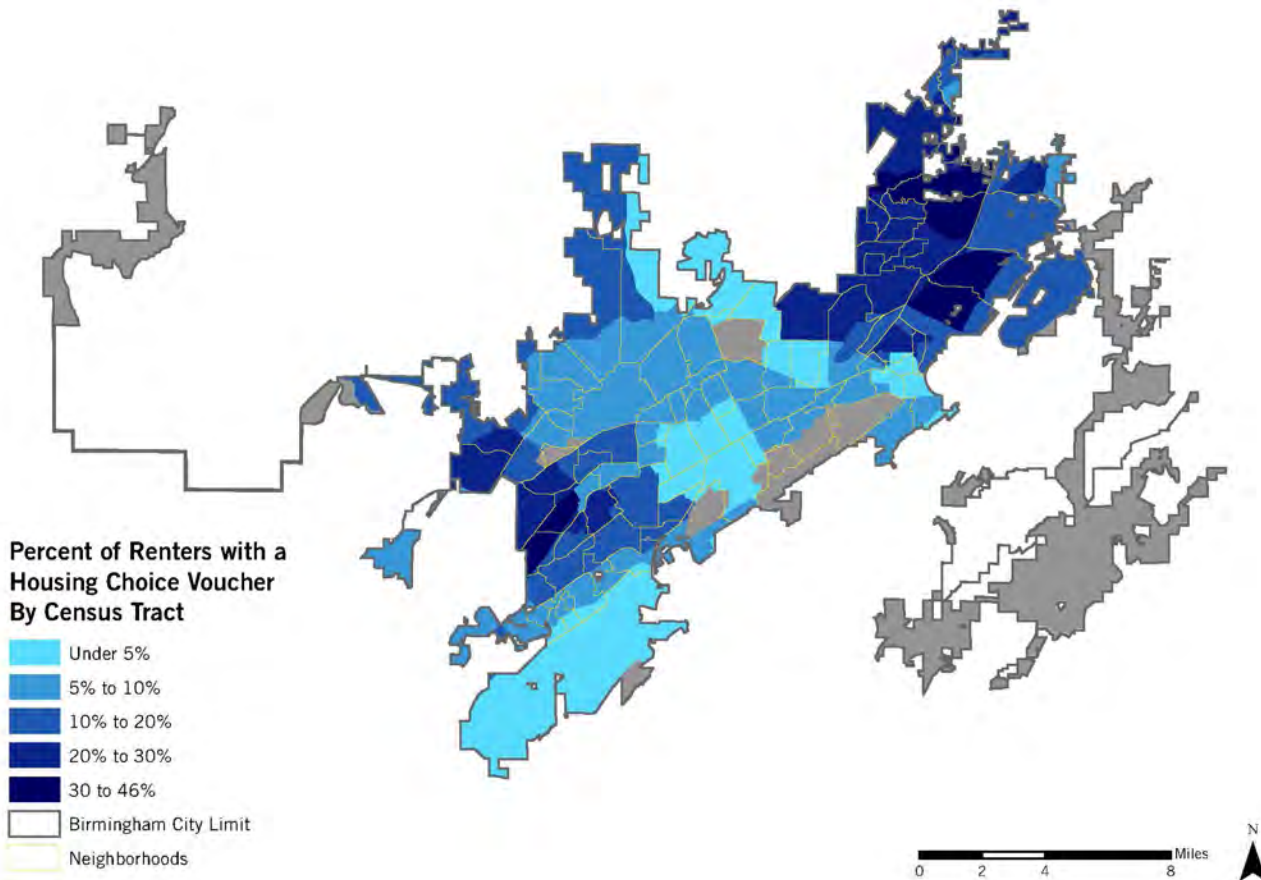
As of July 2014, the Housing Authority of the Birmingham District (HABD) had a total of 5,517 units of public housing and 5,188 of Housing Choice Vouchers (Section 8) across the City of Birmingham. This makes the housing authority one of the largest landlords in the City, and presents it with the opportunity to positively impact the lives of its residents, as well neighborhoods that contain HABD communities. The Housing Authority also has 27 units set aside for Tenants under protection, 62 for HOPE VI, and 255 for VASH. The maps below show the location of Public Housing Communities, as well as the concentration of Section 8 Vouchers within the City of Birmingham.

Map 11: Location of HUD Assisted Properties



Source: Department of Housing and Urban Development, City of Birmingham

Map 12: Concentration of Housing Choice Vouchers



Source: Department of Housing and Urban Development, City of Birmingham

The Housing Authority also runs a Family Self Sufficiency program, with 134 public housing residents and 46 Section 8 residents participating in the program. Across the City 43% of neighborhoods have some form of federal housing investment.²⁷ Central City, Arlington-West End, South East Lake, Mason City, Woodlawn, Fountain Heights, Tuxedo and Rising-West Princeton have the most HUD investment.

Family Self Sufficiency Program

The Family Self Sufficiency Program is operated by the Public Housing Authority for residents of Public Housing or Housing Choice Voucher participants. The goal of the program is to increase income and reduce reliance on welfare and rental subsidies.

For residents that qualify, any increase in the household's rent during the duration of the program, due to rising income, is placed into an escrow account. The program requires that participants fully comply with the lease through the Housing Authority, that all residents within the household do not access welfare for 12 months, and that the head of households seeks or maintains employment during the duration of the program. The participant has 5 years to meet these requirement, and upon completion can access the escrow funds and use it for any purpose.²⁸

Table 13

Housing Choice Vouchers in the City of Birmingham by Neighborhood		
No Housing Choice Vouchers	High Concentration of Housing Choice Vouchers	
Redmont Park	Wylam	Inglenook
Highland Park	Belview Heights	North East Lake
Crestwood South	Ensley Highlands	South East Lake
Collegeville	Central Park	Roebuck
Tuxedo	Oakwood Place	Killough Springs
	Roebuck Springs	Sprint Lake

Source: Department of Housing and Urban Development

Limited funding is always an issue for housing authorities, and HABD is no exception. The Housing Authority plans to apply for a HOPEVI Revitalization Grant, Choice Neighborhoods Grant focused on Elyton Village, Southtown Court, Marks Village, Loveman Village or Morton Simpson, National Housing Trust Fund (Elyton Village, Marks Village, Loveman Village, Morton Simpson), as well as engaging in mixed-finance development using its existing funds.

Table 14: HABD Financial Resource 2014

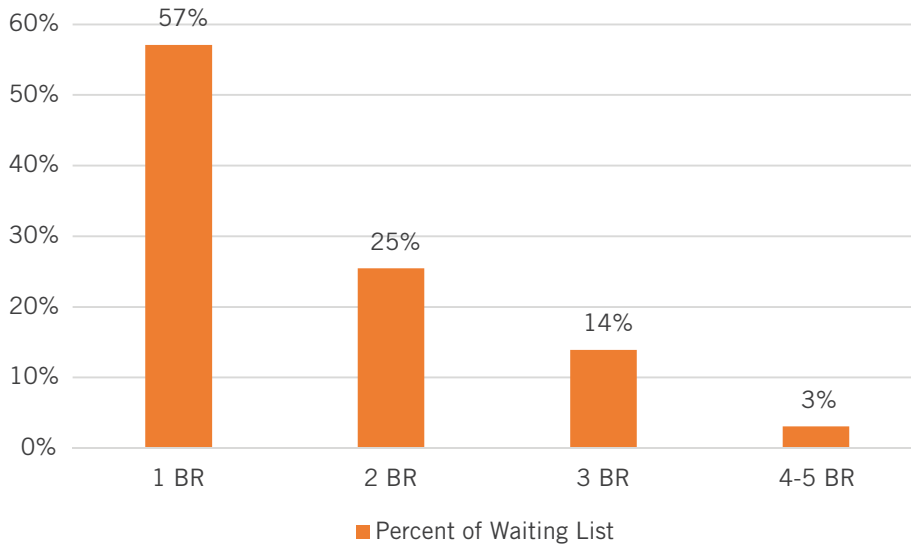
Federal Grants (FY 2014)	Amount
Public Housing Operating Fund	\$24,174,186
Public Housing Capital Fund	\$7,292,234
Annual Contributions for Section 8 Tenant-Based Assistance	\$34,550,346
Resident Opportunity and Self-Sufficiency Grants	\$42,275
Public Housing Rental Income	\$2,492,307
Other Income	\$385,373
Total Resources	\$68,936,721

Source: Housing Authority of the Birmingham District Annual Plan 2014

In addition to pursuing addition funding, the HABD is planning on demolishing²⁹ or disposing³⁰ of portions of 8 properties impacting a total of 94 units during 2014 and 2015.

While the Housing Authority of Birmingham District is a major providers of affordable homes for low income Birmingham residents, the demand for an affordable place to live is still unmet in the City of Birmingham. As of July 2014, 2,988 families are on the waiting list for Section 8 tenant-based assistance (including 2,134 families with children, 84 elderly families, and 308 families with disabilities), and 2,208 families are on the waiting list for Public Housing units (942 families with children, 80 elderly families, and 446 families with disabilities). The waiting list is still open, and HABD plans to issue over 400 vouchers during 2014 and 2015, it also plans on opening the YMCA Project-Based Section 8 waiting list and Project-Based HUD-VASH Vouchers.

Figure 49: Public Housing Waitlist by Bedroom Size



Source: Housing Authority of the Birmingham District Annual Plan 2014

Table 15: Housing Property Physical Inspection Scores, Out of 100

Community	Inspection Score	Inspection Date
Cooper Green Homes	99	08/10/2010
Park Place II	99	08/06/2010
Park Place III	98	08/11/2010
Tuxedo Terrace/HOPE VI Phase I	97	08/10/2010
Glenbrook at Oxmoor HOPE VI Phase I	96	07/28/2010
Park Place	96	08/10/2010
Russell B Harris Homes	95	08/23/2010
Freedom Manor	81	07/30/2010
Joseph H Loveman Village	67	10/27/2010
Tom Brown Village	62	08/23/2010
Smithfield Courts	60	11/01/2010
Southtown	60	08/23/2010
North Birmingham Homes	58	08/19/2010
Ralph Kimbrough Homes	57	08/25/2010
Charles P Marks Village	55	10/22/2010
Morton Simpson Village	53	08/18/2010
Elyton Village	42	08/30/2010
Collegeville Center	38	08/23/2010
Roosevelt City	33	10/28/2010

Source: Department of Housing and Urban Development, Physical Inspection Scores, 2011

Upcoming Programs

The HABD partners with the Department of Veterans Affairs to implement the Housing First model to serve homeless veterans. HABD is partnering with Family Endeavors, a nonprofit organization, who was awarded \$2,000,000 to assist homeless veterans across the State of Alabama (including the City of Birmingham), the program is expected to assist nearly 1,000 veteran families.

Faces challenges with lead abatement, once the units are abated, 250 additional units would be available for public housing families.

Goals for Public Housing:

1. Uniform physical living conditions- abatement of environmental hazards like lead abatement, addressing accessibility issues, energy efficiency, full computer internet access- 560 units at no cost for a year (partnership with the City of Birmingham and One Economy)
2. Promote pleasant and enjoyable experiencing within Public Housing Communities: social service programs and strong resident organizations
3. Improve the overall economic sufficiency and economic opportunities in Public Housing Communities: Section 3 centers within Community Centers

Disability access is a concern for existing public housing facilities, while new construction sites including Park Place, Oxmoor Valley, and Tuxedo Court have at least 5% accessible apartments, only a total of 131 units out of 4,776 (2.7%) public housing units are accessible.³¹

Figure 50: Park Place, HOPE VI



Source: GCR, Inc.

Summary of Population Characteristics³³

- 88% of the public housing stock have 1 to 3 bedrooms.
- 24% of residents have moved in the past year, 29% have lived in public housing for 2 to 5 years, and 19% have lived in Public housing longer than 10 years.
- The population is very young, 49% of residents are under 18.
- Only 7% is over 62 years old.
- 49% of public housing households are non-elderly with children.
- 54% of public housing households are female headed households with children.
- 50% of households pay between \$100 and \$350 (total tenant payment)
- 80% of households are considered extremely low income (earning under 30% Area Median Income)

Rental Assistance Demonstration Program

In 2014, the Housing Authority of the Birmingham District successfully applied to the Department of Housing and Urban Development's Rental Assistance Demonstration Program (RAD). This program will enable HABD to convert some of its public housing units to Project Based Rental Assistance and access private resources to repair and preserve Public Housing Communities within the City of Birmingham. Because of the award, the HABD will contribute a portion of its operating reserves and capital funds (\$5,000,000 total) to leverage private funding for demolishing the existing Loveman Village and beginning new construction.³²

Table 16: Public Housing Summary by Community

Name	Number of Units	Percent Total Units	Average Annual Income	With Any SSI/SS/Pension
Elyton Village	474	9%	\$11,105	49%
Southtown	451	9%	\$6,608	30%
Carles P Marks Village	496	10%	\$9,086	25%
Joseph H Loveman Village	498	10%	\$8,613	25%
Smithfield Court	454	9%	\$9,526	69%
Tom Brown Village	244	5%	\$11,116	48%
Morton Simpson Village	497	10%	\$8,058	30%
Collegeville Center	390	8%	\$6,663	33%
Russell B Harris Homes	188	4%	\$14,283	42%
North Birmingham Homes	285	6%	\$7,343	32%
Cooper Green Homes	227	4%	\$10,845	31%
Ralph Kimbrough Homes	230	4%	\$9,120	42%
Freedom Manor	101	2%	\$12,194	98%
Roosevelt City	126	2%	\$9,169	38%
Park Place	87	2%	\$11,713	56%
Park Place II	85	2%	\$14,268	38%
Park Place III	67	1%	\$13,456	98%
Tuxedo Terrace Phase I	56	1%	\$9,710	49%
Tuxedo Terrace II	54	1%	\$13,377	24%
Glenbrook at Oxmoor	50	1%	\$14,578	31%
Mason City I	7	0%	\$24,033	33%
Mason City III	10	0%	\$26,072	11%
Mason City IV	2	0%	\$22,868	100%
All Public Housing	5,121		\$13,984	55%

Source: Department of Housing and Urban Development, Resident Characteristics Report 2014

Table 17: Age Distribution of Public Housing Communities

Public Housing Community	Under 17	18-50	51-61	62-82	83+
Elyton Village	36%	43%	12%	8%	1%
Southtown	45%	43%	7%	4%	1%
Carles P Marks Village	51%	41%	6%	2%	0%
Joseph H Loveman Village	57%	39%	3%	1%	0%
Smithfield Court	22%	32%	20%	22%	3%
Tom Brown Village	59%	34%	4%	2%	0%
Morton Simpson Village	51%	39%	6%	3%	0%
Collegeville Center	57%	35%	5%	2%	0%
Russell B Harris Homes	49%	38%	7%	5%	0%
North Birmingham Homes	56%	35%	5%	4%	0%
Cooper Green Homes	55%	39%	4%	2%	0%
Ralph Kimbrough Homes	53%	36%	6%	4%	0%
Freedom Manor	0%	0%	29%	55%	16%
Roosevelt City	51%	42%	4%	3%	0%
Park Place	42%	34%	11%	12%	1%
Park Place II	44%	41%	8%	5%	1%
Park Place III	1%	1%	0%	82%	15%
Tuxedo Terrace Phase I	44%	38%	9%	9%	1%
Tuxedo Terrace II	60%	37%	1%	1%	1%
Glenbrook at Oxmoor	37%	49%	9%	4%	0%
Mason City I	40%	40%	0%	20%	0%
Mason City III	52%	45%	3%	0%	0%
Mason City IV	50%	0%	50%	0%	0%
All	37%	35%	11%	14%	2%

Source: Department of Housing and Urban Development, Resident Characteristics Report 2014

Table 18: Distribution of Annual Income by Public Housing Community

Community	Extremely Low Income	Very Low Income	Low Income	Above Low Income	Unavailable Income
Elyton Village	76%	16%	6%	2%	0%
Southtown	88%	11%	1%	0%	0%
Carles P Marks Village	85%	11%	3%	1%	0%
Joseph H Loveman Village	87%	10%	2%	0%	0%
Smithfield Court	83%	13%	4%	0%	0%
Tom Brown Village	84%	12%	4%	1%	0%
Morton Simpson Village	89%	9%	2%	0%	0%
Collegeville Center	91%	8%	1%	0%	0%
Russell B Harris Homes	65%	25%	10%	1%	0%
North Birmingham Homes	89%	10%	0%	0%	0%
Cooper Green Homes	76%	16%	7%	1%	0%
Ralph Kimbrough Homes	85%	11%	4%	0%	0%
Freedom Manor	74%	16%	9%	1%	0%
Roosevelt City	83%	14%	3%	0%	0%
Park Place	74%	19%	8%	0%	0%
Park Place II	60%	30%	9%	1%	0%
Park Place III	58%	38%	5%	0%	0%
Tuxedo Terrace Phase I	76%	22%	2%	0%	0%
Tuxedo Terrace II	61%	12%	6%	0%	20%
Glenbrook at Oxmoor	56%	29%	15%	0%	0%
Mason City I	0%	67%	33%	0%	0%
Mason City III	11%	56%	33%	0%	0%
Mason City IV	0%	100%	0%	0%	0%
Total	67%	20%	8%	3%	2%

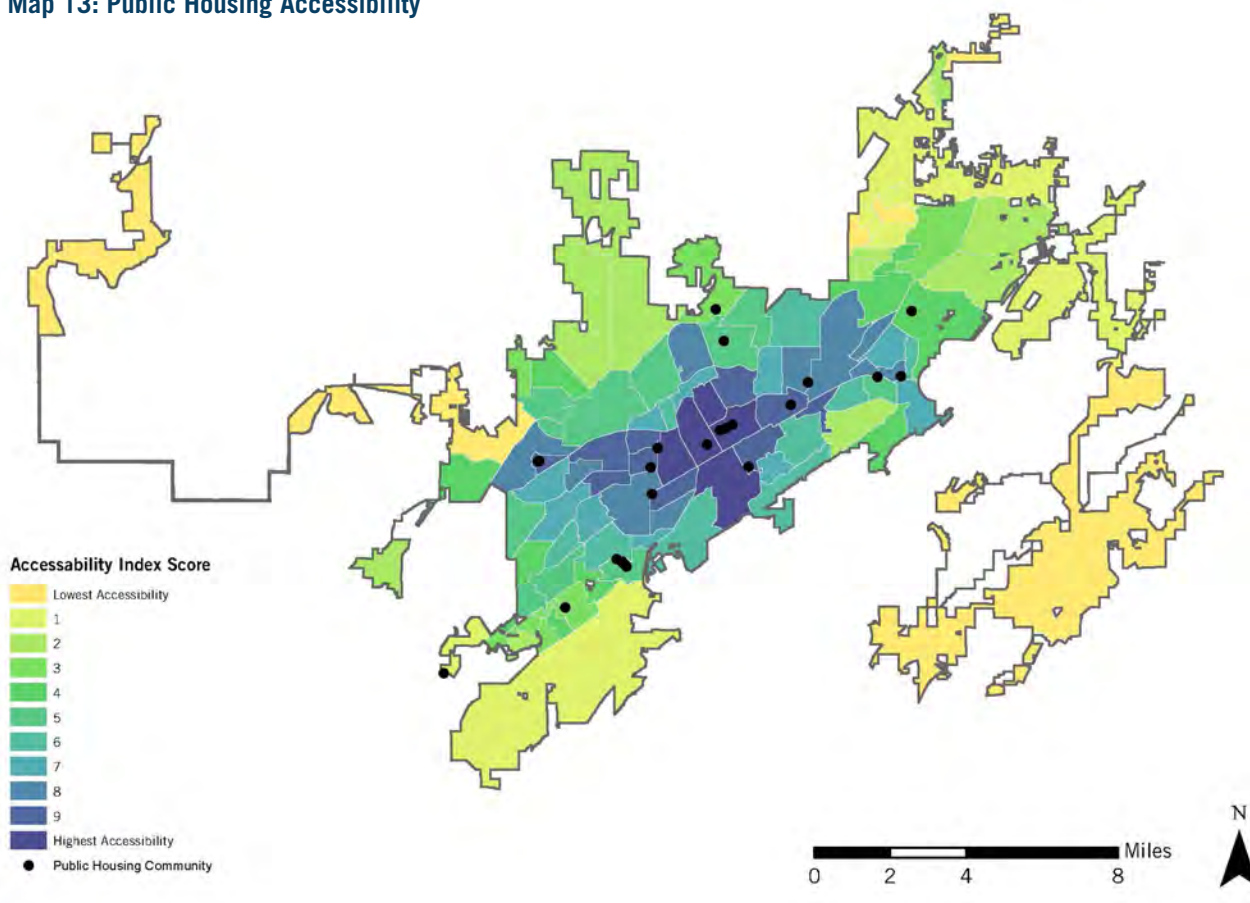
Source: Department of Housing and Urban Development, Resident Characteristics Report 2014

Accessibility of Public Housing

Public Housing continues to face significant challenges including public stigma, racial and economic isolation, and limited funds for property management or maintenance. However, with innovative programs like the Rental Assistance Demonstration (RAD), and existing Capital Funds, along with success stories in Birmingham (Tuxedo Terrace, Park Place) public housing is changing its perception.

Capital improvements, workforce training, and good management can have a major impact on the lives of public housing residents, but location has often played a role in isolating public housing communities. The figure below overlays the location of public housing with Accessibility Index (described in Section 12) to show that many of the Public Housing sites are in highly accessible neighborhoods.

Map 13: Public Housing Accessibility



13 out of 24 Public Housing communities are in Highly Accessible neighborhoods (Scores of over 8).³⁴ These include: Park Place 1 & 2, Tuxedo Terrace I & 2, Freedom Manor, Joseph Loveman Village, Charles Marks Village, Southtown, Smithfield Court, and Morton Simpson Village. Only Roosevelt City is within a low accessibility area.

11. SPECIAL NEEDS ASSESSMENT

Housing the City's most vulnerable plays a critical part in the overall health of the City of Birmingham. This section examines the needs of special needs populations within the City of Birmingham using census data, a review current publications, and stakeholder interviews in the following sectors: residential developers, nonprofit organizations, service providers, and state and local agencies who work with special needs populations.

This section uses the Federal definition of special needs which includes frail and non-frail elderly, persons with physical disabilities, homeless persons and persons at risk of becoming homeless, persons with mental or behavioral disabilities, persons with HIV/AIDS, or persons with alcohol or drug addictions.³⁵

This portion of the report will focus on data related to the following populations:

1. Elderly
2. Low income, single parent households
3. Migrant worker & Limited English Proficiency households
4. Transportation disadvantaged households
5. Homeless
6. Disabled

Elderly

The nation's elderly population is expected to more than double in size from 2005 through 2050, as the baby boom generation enters the traditional retirement years.³⁶ During this same period, the number of working-age Americans and children is expected to grow more slowly than the elderly population, causing it to shrink as a share of the total population. This demographic shift will very likely be paralleled in the City of Birmingham and the Birmingham region as there is already a noticeably high proportion of elderly citizens living in the region. In 2012, there were an estimated 853,701 individuals age 65 and older residing in Jefferson and Shelby Counties.

Seniors face increasing housing needs as they age. This includes mounting affordability issues with utility and repair costs and physical mobility challenges as disability rates increase. Aging in place, the ability to live in one's own home and community safely, independently, and comfortably, regardless of age, income, or ability level,³⁷ also becomes more important as individuals age.

Many of the current services offered for seniors in the City of Birmingham are provided by the Jefferson County Council on Aging which provides the following services:³⁸

Meals on Wheels: Meals on Wheels is a senior nutrition program providing hot meals (typically consisting of a meat, two vegetables, some type of salad, bread, juice, milk and a dessert) and frozen foods to clients in the Birmingham region. During the 2011 fiscal year, the program delivered a total of 252,256 meals to homebound clients;

Ombudsman Services: Ombudsman staff are responsible for ensuring that residents in long-term care facilities are provided with quality care by the administration and

staff of those facilities. During the most recently reported fiscal year, these facilities consisted of 33 nursing homes, 19 assisted living facilities, 12 specialty care units and 56 boarding homes;

Medicaid Waiver Program: Individuals are considered to be eligible for this program as long as their family income does not exceed 300% of the federal poverty level and the individual has a disability that would make him/her eligible for nursing home care. In 2011, the most recent year for which data is available, the Medicaid Waiver program continued to provide a variety of services designed to keep each client in their natural home environment providing services such as: case management, respite care, homemaker services, adult day care, personal care services, companion services, and home delivered frozen meals; and

Senior Rx Program: This program assists seniors in obtaining prescription medications and nutritional supplements at virtually no cost. Eligibility is based on an individual's age (each person must be 55 or older), income, and chronic medical diagnosis.

The programs operated by the Jefferson County Council on Aging are funded either totally or partially by the Jefferson County Office of Senior Citizens Services (OSCS).

Other programs for seniors in the City of Birmingham are:

Alabama Food Assistance Program/Supplemental Nutrition Assistance Program (SNAP):

Designed to assist seniors, age 60 and older who are not currently receiving food assistance;

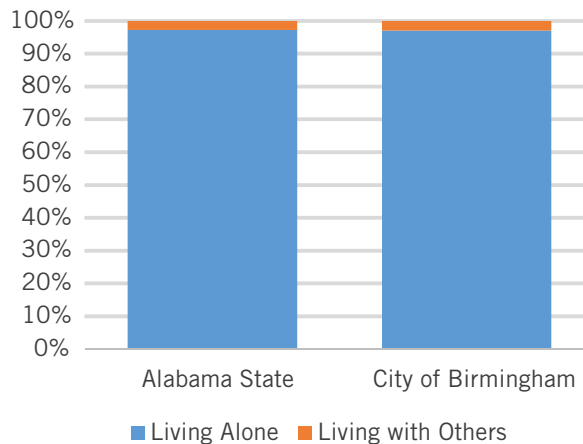
Senior Centers: Office of Senior Citizens Services Senior Centers are located throughout Jefferson County and offer a range of services, recreational activities and a nutritious lunch five days a week to County residents age 60 and older, and their spouses (regardless of the age of the spouse). Program activities vary from center to center, but recreational activities may include shopping, quilting, arts and crafts, ceramics, dine-around, one-day and overnight trips and other various outings;

Collat Jewish Family Services: A United Way agency providing all area seniors with counseling, emotional support, transportation, monthly support groups, financial planning assistance, support with obtaining in-home care, and case management services for non-dementia clients to private clients and their families and through the Jefferson County OSCS; and the

Alabama Max Senior Access Pass for Seniors Program: This program is coordinated by the Birmingham-Jefferson County Transit Authority and provided pass cards to senior citizens age 62 and older who provide proof of Medicare enrollment and photo identification.³⁹

The vast majority of older Americans want to remain in their homes for as long as possible, but lack awareness of home and community-based services that make independent living possible.⁴⁰ As shown in Figure 24, an overwhelming majority of Birmingham's seniors live alone (97%), while only 3% live with others. The senior household rates for the City of Birmingham is on par with senior households across the state.

Figure 51: Households Over 65 Years



Source: ACS U.S. Census American Community Survey 2008-2012

Although families are often the most important provider of informal resources for many older individuals, the high number of independently living seniors suggests that more formal services will be necessary to support this population.

Services may include:

Adult Day Services: Adult Day Service centers provide social and health services to adults who need supervised care in a safe place outside the home during the day.

Daily Money Management Programs (DMMs): Provide personal financial assistance to seniors who can no longer handle certain facets of money management. The kinds of services that DMMs provide most often are: paying bills, maintaining financial records, preparing budgets, balancing checkbooks, and negotiating with creditors.⁴¹

Home Modifications: In order to remain in their home, it may be necessary for some seniors to have their hallways widened, ramps installed, and kitchens/bathrooms redesigned.⁴²

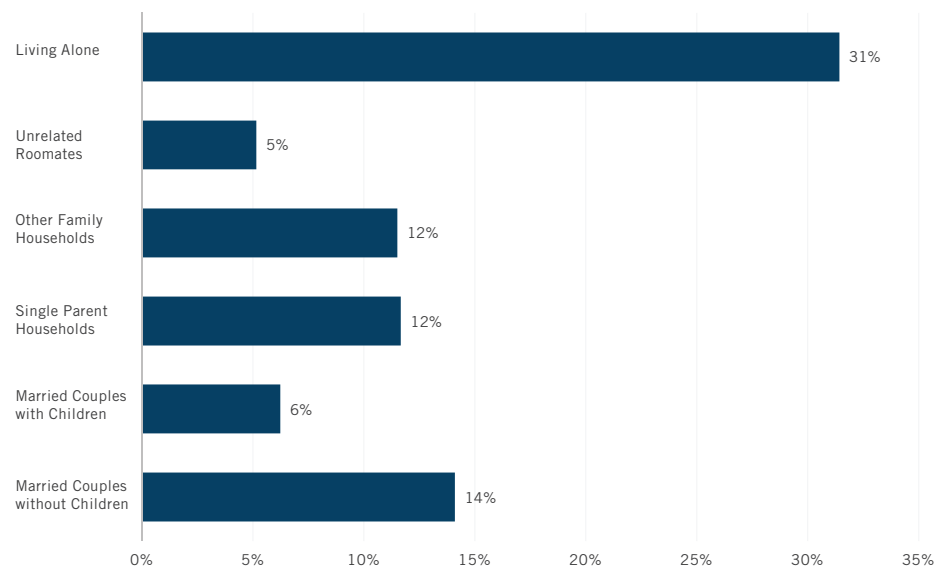
Low-Income Single Parent Households

A large percentage of American families have low incomes, which lead to a host of difficulties and disadvantages for the heads of households and their children. One of the most persistent problems impacting low-income, single parent households is poverty.

As shown in Figure 25, only 20% of households in Birmingham are married couple families, while 12% are single parent households. Most of the single family homes in Birmingham are female headed households with no husband present (45.5%) and of those households (62.2%) have children under 18 years of age.

Alabama is the nation's seventh poorest state with over 300,000 children living in poverty.⁴³ 18.6% of all Jefferson County Residents live in poverty while 8.7% of all Shelby County residents fall below the federal poverty line (Shelby County is also the only county in Alabama where the percent of those living poverty is below 10 percent).

Figure 52: City of Birmingham Household Compositions



Source: U.S. Census American Community Survey 2008-2012

Poverty has a significant impact on families headed by working single mothers as mother-only families are more likely to be poor as a result of the lower earnings received by women (gender wage gap), inadequate public assistance and child care subsidies, and lack of enforced child support from nonresidential fathers. In Alabama, the poverty rate for female headed households with related children is 47.6% more than twice the poverty rate for all state households with related children (22.1%).

Single-parent families are almost twice as likely to have low incomes compared to all families with children, and almost three times as likely to have low incomes compared to married-couple families with children. Seventy percent of single parents are in the workforce, but only about 40 percent work full time.⁴⁴ At the same time, these families face growing transportation and child care expenses.

Limited English Proficiency

4.9% of all Birmingham households report speaking a language other than English at home. Of this group, approximately half (2.4%) speak English less than “very well” and are classified as “Limited English Proficient,” a language barrier that affects their employability and wage-earning potential.

Limited English proficient (LEP) persons are those individuals who are unable to communicate effectively in English because English is not their primary language and they have not developed fluency in the English language.⁴⁵ Members of this population may face several challenges including an inability to read/understand documents written in English, trouble being understood due to their foreign accent, and difficulty accessing employment and training services necessary to enter into or advance within the local labor market.⁴⁶

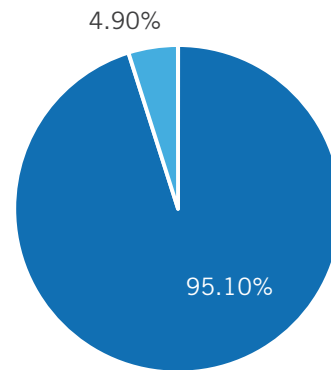
Since 2000, Birmingham has seen an influx of Hispanics and Latinos who have settled in the eastern section of the city.⁴⁷ In fact, the Hispanic population is the fastest growing ethnic group in the state⁴⁸ and the largest concentration of Hispanics, 24,770, is in Jefferson County, accounting for 3.8 percent of Jefferson County’s total population.⁴⁹ The Woodlawn neighborhood has the highest Latino/Hispanic population. According to the Analysis of Impediments to Fair Housing in Birmingham from 2010, these new residents face many fair housing issues including: inflated rents, lack of needed repairs, landlord tenant disputes (re: inflated utility bills, lack of needed repairs, and other tenants).⁵⁰

Transportation Disadvantaged

Transportation disadvantaged individuals are unable to transport themselves or to purchase transportation due to their age, income, health, or physical limitations. According to an October 2014 report released by Alabama State University’s Center for Leadership and Public Policy, Alabama’s transportation system forces residents to rely too heavily on automobiles while providing no state money for public transportation.⁵¹

Access to transportation by low-income individuals and families has become restricted as the majority of low-income households reside in rural areas and central cities, while basic

Figure 53: Languages Spoken At Home

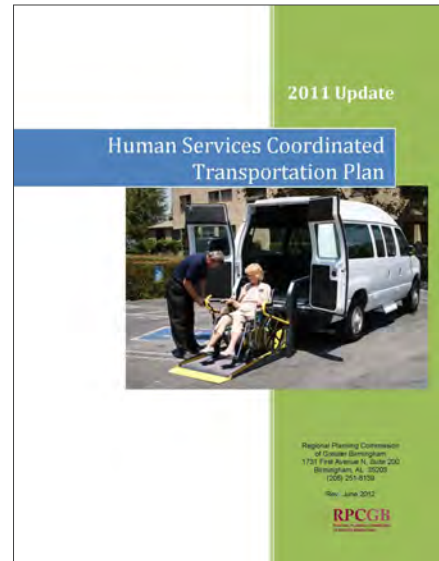


■ English Only ■ Language Other than English

Figure 3: Source 2011-2013 American Community Survey 3-Year Estimates

amenities are increasingly located in the suburbs. With new jobs emerging further and further away from central cities, many low-income workers often have difficulty accessing jobs, training and other services such as childcare because of inadequate transportation.⁵²

The development of a local is required under the Safe Accountable Flexible Efficient Transportation Equity Act - A Legacy for Users (SAFETEA-LU) requires the development of a locally coordinated human services transportation plan.⁵³ To comply with this requirement, The Regional Planning Commission of Greater Birmingham published its most recent Human Services Coordinated Transportation Plan Update in 2011. This plan identifies various goals and policies necessary to accomplish the regional vision for public transportation.⁵⁴ Additionally, the Plan identified needs for transportation disadvantaged individuals and proposes strategies to meet those needs.



Source: Regional Planning Commission of Greater Birmingham, 2011

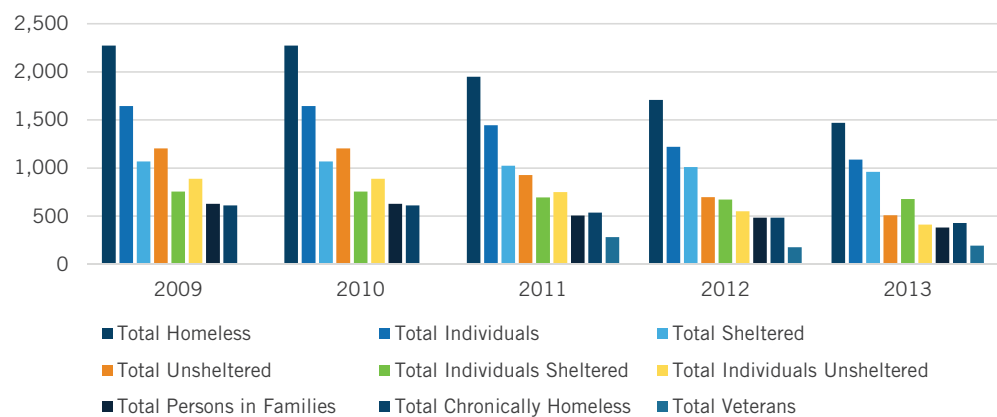
Homeless

HUD defines homelessness as the condition facing an individual who is sleeping in a place not meant for human habitation or in an emergency shelter; or a person in transitional housing for homeless persons who originally came from an emergency shelter or living on the street.

Birmingham Plan to End Chronic Homelessness:

Since 2007, the City of Birmingham has seen a 39% drop in the number of chronically homeless individuals in the greater Birmingham area. This reduction is notable given that this population is often the hardest to house and the least likely to seek services. Homeless individuals who suffer from chronic substance abuse, have also experienced a decline (62%) within the City.

Figure 54: Homeless Count by Year for Greater Birmingham Continuum of Care



Source: HUD Continuum of Care Homeless Assistance Programs Inventory Chart Reports: 2009 – 2014

Figure 55: YMCA Downtown



Source: GCR, Inc.

persons to 414 individuals. This decline can be attributed to federal stimulus funds providing stable housing for the homeless.⁵⁵ While these reductions are notable, there is also cause for concern as most of the stimulus funding has been depleted.

Comparison of State and Local Trends

Figure 28 compares the number of beds available within shelters at the State level with those available in the City of Birmingham and Jefferson, St Clair, & Shelby Counties as reported by Continuum of Care Programs from 2009 to 2013. Each year, Birmingham's share of beds is approximately 36% to 37% of the total number of beds in the state, indicating that the City has over 1/3 of the total shelter beds available in the state. However, in 2013, Birmingham's total share of state beds rose to 40% while the State's total number of beds declined. While this may seem to indicate that the city has a disproportionately high percent of the state's homeless population, local advocates argue this actually speaks to the effective work being done by service providers in the city.⁵⁶

Homeless Management Information System (HMIS) - Point in Time Counts

Figure 54 highlights Point-In-Time (PIT) estimated for Total Homeless, Total Sheltered, Total Unsheltered, & Total Chronically Homeless populations in the City of Birmingham from 2009 to 2014.

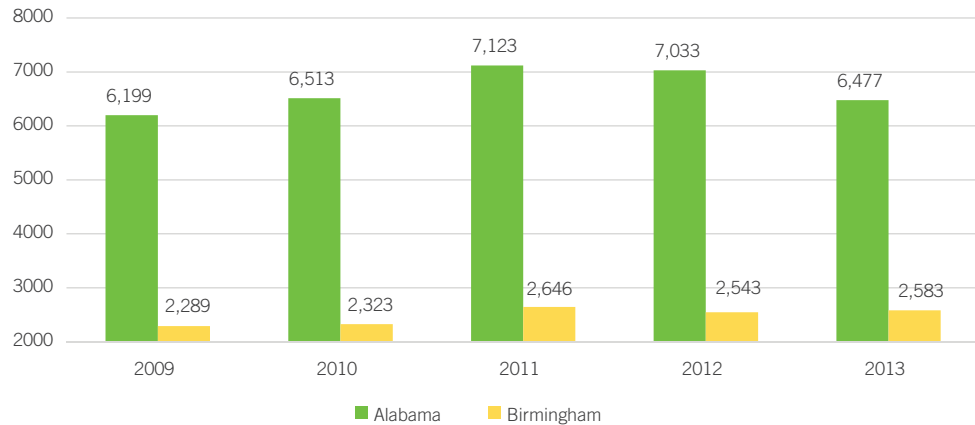
Birmingham's homeless population has seen a 42% decrease from 2009 to 2014, dropping from 2,273 down to 1,329 individuals experiencing homelessness. Within this overall number, the number of chronically homeless decreased from 611 in 2009 to 313 in 2014.

The greatest reductions among homeless populations took place among the total number of unsheltered individuals. This population decreased 66% between 2009 and 2014, going from 1,204 persons

PromisAL:

PromisAL is a database that captures information about the services that are being used by clients of local service providers. This database is also used to collect data providing the "sheltered" count during Point in Time.

Figure 56: Beds Available in Alabama and Birmingham (2009 to 2013)

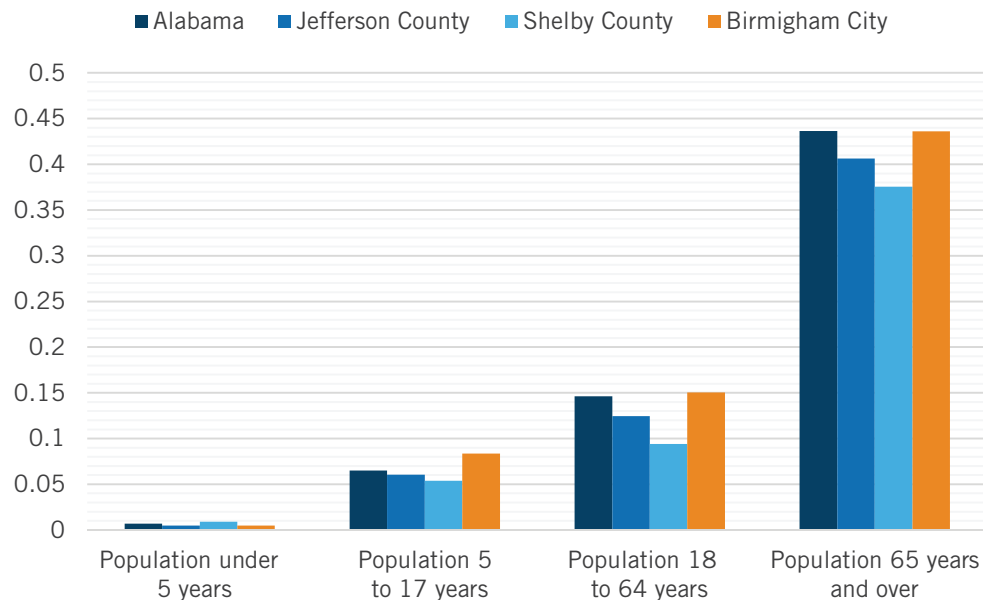


Source: HUD Continuum of Care Homeless Assistance Programs Inventory Chart Reports: 2009 – 2013

Disability Status

The Americans with Disabilities Act (ADA) defines a person with a disability as an individual who possesses a physical or mental impairment that substantially limits one or more elements of major life activity.⁵⁷ Birmingham has a slightly higher rate of disability over the State, but the rates of disability are very close. As shown in Figure 29, there is a very high rate of disability in senior population with 44% of individuals age 65 and older having a disability.

Figure 57: Population with a Disability by Age



Source: U.S. Census American Community Survey 2008-12

Organizations providing services for disabled individuals in the Birmingham Region include:

Easter Seals of Greater Birmingham: Easter Seals of the Birmingham Area works to create solutions that change the lives of children and adults with disabilities or other special needs. Specifically, the organization seeks to improve the health, welfare, education, rehabilitation, employment, and recreational opportunities of clients. Programming priority is given to consumers in Blount, Jefferson, Shelby, Walker, and St. Clair Counties.

ARC of Jefferson County: Supports full inclusion of individuals with intellectual and developmental disabilities living in Jefferson and Blount Counties.

Disability Rights and Resources (DRR): DRR works to provide services to Jefferson, Walker, Shelby, St. Clair and Blount Counties via offices are located in Birmingham, Jasper, Oneonta and Alabaster, Ala. The organization's information and referral phone service is available to all callers, regardless of residence. DRR encourages all persons with disabilities to support one another in reaching their own independent living goals while also promoting equal access and disability rights through advocacy and public awareness activities.

While many social barriers have been removed since the ADA's passage in 1990, there is still work to be done to allow individuals with disabilities to live with dignity and independence.⁵⁸



Case Study: Aletheia House

Aletheia House is one of Alabama's largest providers of substance abuse treatment, substance abuse/HIV prevention, employment services and affordable housing. The community-based organization has been providing services in Birmingham and the surrounding region since it was founded in 1972.

Originally a project targeting homeless youth, Aletheia house now serves a wide range of clients and has been recognized for its programs both nationally and within the region. The organization's many honors include the Maxwell Award of Excellence from the Fannie Mae Foundation, the John J. Gunther Award

from the U.S. Department of Housing and Urban Development, the Certificate of Special Recognition from the Federal Housing Commissioner, and the Partnership Excellence Award from the Federal Home Loan Bank.

Aletheia House's Affordable Housing Program offers high-quality, drug-free short- and long-term residential options for individuals and families, including those who have been homeless, have poor credit and/or criminal histories.⁵⁹

ALETHEIA HOUSE
A Special Kind of Caring

Services include:

- Single Family Housing for pregnant women/women with dependent children (HUD funded; Resident payment is 30% of an individual's income);
- Housing for Men with histories of chronic substance abuse (HUD funded; Resident payment is 30% of an individual's income);
- Housing for Homeless Veterans;
- First Step Housing (Beds for men paid by client fees); and
- First Step Housing (15 beds for women paid by client fees).

Figure 58: The Cottages



Source: Aletheia House

12. CREATING LIVABLE COMMUNITIES: NEIGHBORHOOD ACCESS

In 2009, The US Department of Housing and Urban Development (HUD) teamed with the US Department of Transportation (DOT) and the US Environmental Protection Agency (EPA) to create six Federal Livability Principals that guide investments in communities through their Sustainable Communities Partnership.

While housing plays a central role in creating a healthy and vibrant neighborhood, it is only one factor in creating vibrant, healthy and equitable neighborhoods. There are many other amenities that foster livability within neighborhoods including: affordable transportation options to access jobs, school, healthcare, shopping and other key destinations.

The Federal Livability Principals provide a roadmap for communities to invest in projects that are financially efficient and sustainable, through coordinating and leveraging with other programs. Using the Livability Principles, our analysis builds off of the six principles to show how the indicators can play out at a neighborhood scale. The six principles include:

1. Provide more transportation choices.
2. Promote equitable, affordable housing.
3. Enhance economic competitiveness.
4. Support existing communities.
5. Coordinate and leverage federal policies and investment.
6. Value communities and neighborhoods.

Neighborhood Access Methodology

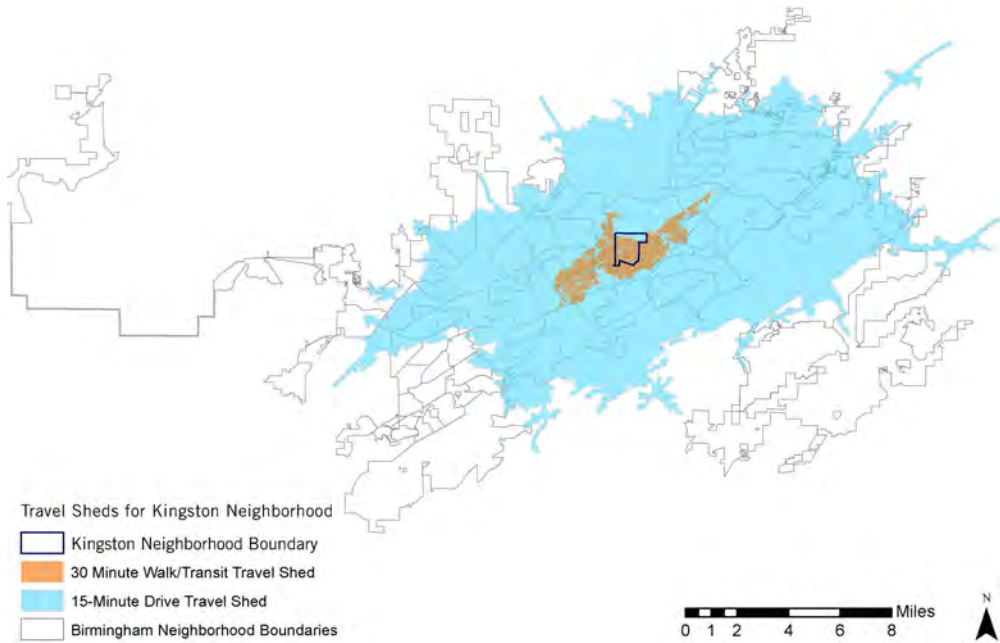
In order to determine how easily residents of a particular neighborhood could reach amenities, employment and services, GCR performed an analysis of Birmingham's road and public transit network. The analysis examined the type of services Birmingham residents can reach within a 15-minute drive or a 30-minute trip without the use of a car.⁶⁰

GIS software and road network data from the US Census Bureau were used to determine the area that is accessible from a given neighborhood (known as the neighborhood travel shed) when using an automobile as the mode of transport. The road network information includes speed limit information and the analysis assumes that the traveler will follow posted speed limits, and does not account for delays including congestion, traffic signals, parking, and vehicle acceleration. 15-minute trips give a very good representation of what areas of the city offer the best access.⁶¹

The final outcome from this analysis is two travel sheds for every neighborhood (See Map 14 for an example from the Kingston neighborhood) showing areas and services that can be accessed in 30 minutes by transit and walking, and 15 minutes in an automobile. 15 minutes was chosen as an appropriate time length because it's possible to drive nearly across the whole city in a half hour and 15 minutes is a quantity of time that makes it possible to see some distinction between the neighborhoods, whereas a longer time

period would allow access to whole city from most neighborhood and diminish the relative advantage of any neighborhood. A 30-minute transit shed was chosen because that is the amount of time necessary to reach a substantial number of destinations using transit. Map 13 demonstrates that while the transit/walk travel shed is much smaller, it importantly includes downtown and the high density of destinations present there.

Map 14: Example Travel Sheds for Kingston Neighborhood of Birmingham

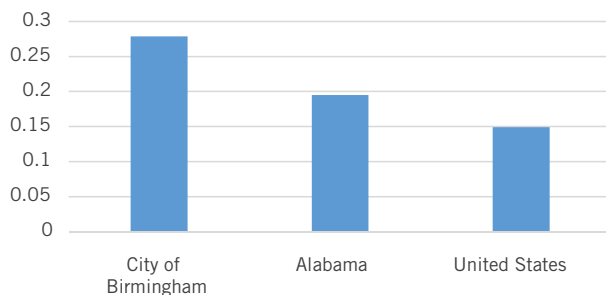


Source: City of Birmingham; Birmingham Jefferson County Transit Authority; Analysis by GCR, Inc.

Poverty Rates by Neighborhood

Poverty is a key indicator to determine a neighborhood’s need for affordable housing and transportation. Americans typically spend about 30% of their income on housing and 15% on transportation, but these numbers vary tremendously by neighborhood. While some neighborhoods may be more affordable to find a home, other neighborhood characteristics allow residents to save money, including transportation options (ability to walk, bike or choose to take public transportation). However, people living in poverty are limited by their income, and have to make difficult choices when balancing housing affordability with other factors.

Figure 59: Percent of individuals in poverty over last 12 months

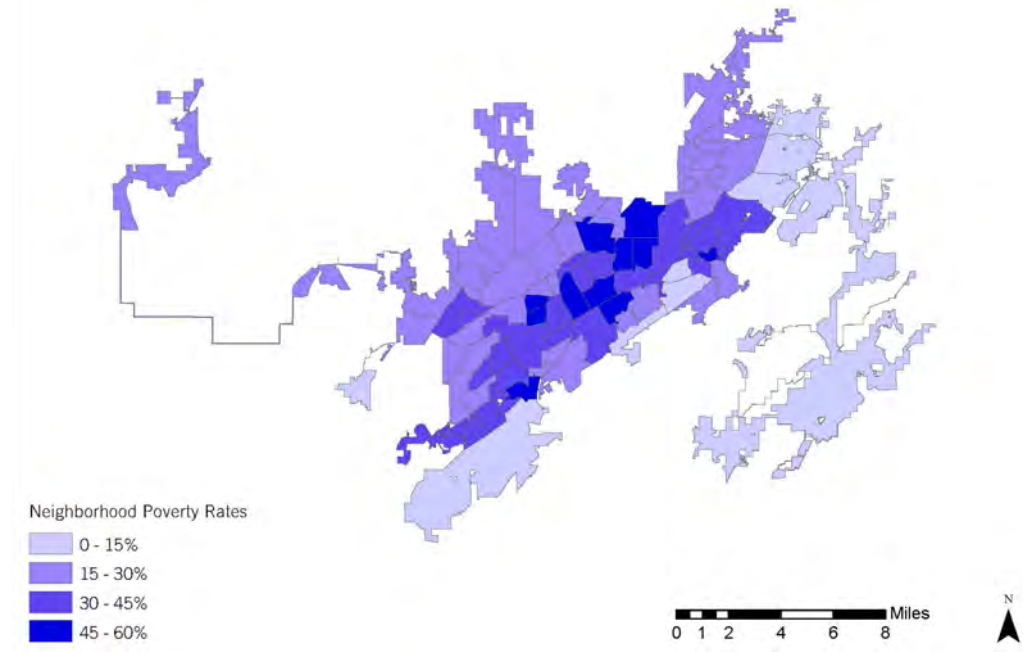


Source: US Census Bureau: American Community Survey: 2008-2012

At 27.9%, the poverty rate in Birmingham is nearly double the national rate (See **Figure 59**). The map below shows the poverty rate across the City of Birmingham by neighborhood. In the Southside and Collegeville neighborhoods over half of the residents lived in poverty according to 2012 Census data and a series of neighborhoods face similar conditions along the corridor running through the core of the City.

Households with low incomes have fewer affordable housing options, as they are limited based on price. To address these concentrated areas of poverty, other amenities may impact neighborhood livability, including access to public transportation, jobs, job training or other services that can increase resident mobility.

Map 15: Percent of individuals living in poverty over the last 12 months



Source: US Census Bureau: American Community Survey: 2008-2012; Analysis by GCR, Inc.

Vacant Land and Houses

Vacant homes and land can be seen in many of Birmingham's neighborhoods. While neglect, tax foreclosure, natural disasters and other factors can create a blighted home or area, economic disinvestment is the prominent force creating and sustaining blight across the City of Birmingham.

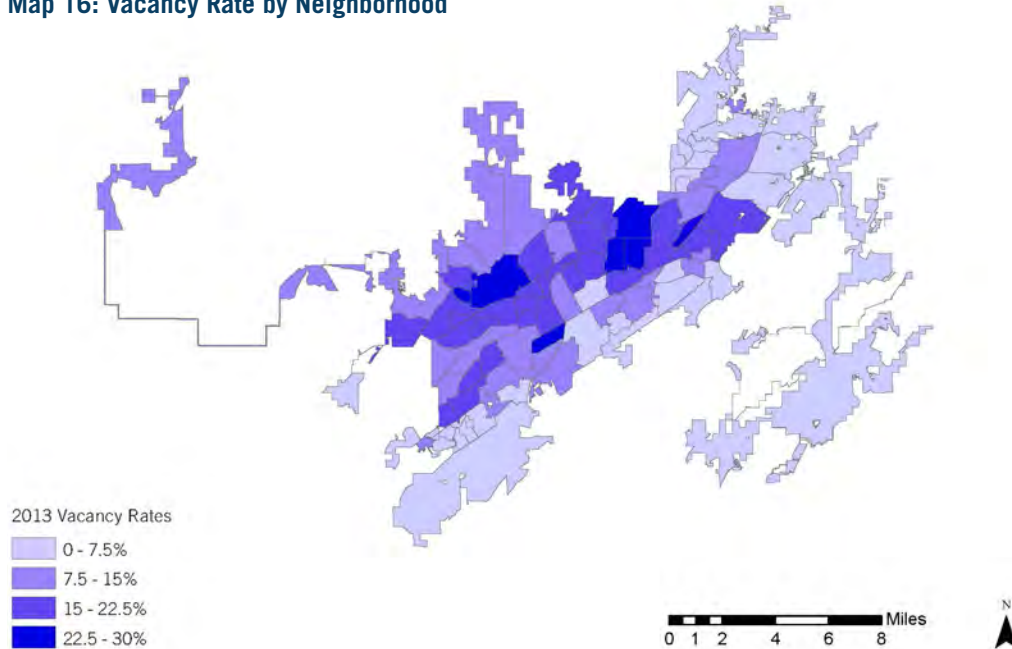
With the loss of the city's manufacturing base, many homeowners faced increasing home repair costs as their homes aged, and without steady incomes, many were unable to repair their homes. With white flight out of the City, properties across the city were abandoned, creating a large supply of vacant properties, with low demand for housing in many areas across the City.

The US Postal Service (USPS) maintains a database of addresses that have not collected their mail for over 90 days as indicated by their delivery staff.⁶² This data set is a reliable indicator for vacant and unmaintained properties.

In 2013 the USPS observed that 14,633 addresses out of 123,752 were not occupied,

indicating a vacancy rate of 11.8% citywide. The highest vacancy rates follow a similar pattern to the poverty rates observed across the city (See Map 16 and Map 17). Wahouma, Kingston and Inglenook all have vacancy rates of 29%, the highest in the city, while peripheral neighborhoods have the lowest rates in the city.

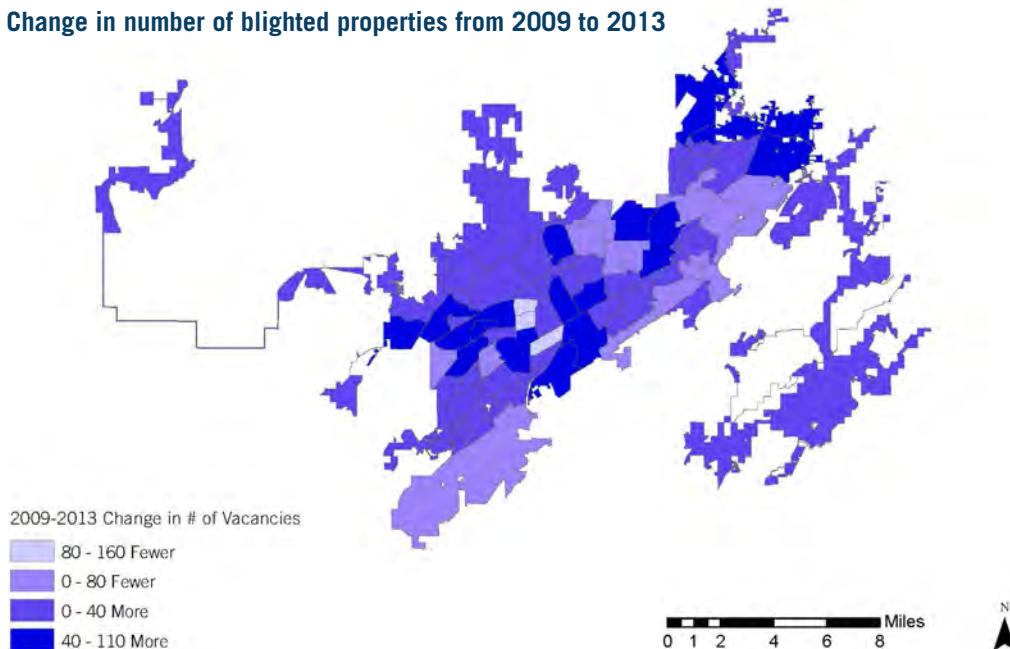
Map 16: Vacancy Rate by Neighborhood



Source: US Postal Service; Analysis by GCR, Inc

Between 2009 and 2013 the city's overall vacancy rate increased slightly from 11.5% to the 11.8%, but most striking are the decline in vacant addresses within North Titusville, Graymont and College Hills. During the same period Inglenook and Spring Lake each added 100 vacant properties (See Map 17).

Map 17: Change in number of blighted properties from 2009 to 2013



Source: US Postal Service; Analysis by GCR, Inc

Case Study: Land Banking

Land Banking has become a popular strategy that cities and counties have employed to address vacant properties. Local enabling legislation is different, but the basic framework of land banks remains the same. Land Banking by definition refers to organizations that have the ability to clear title to tax delinquent property as well as gather and hold land, but land banks also work within the community to rehabilitate, demolish, sell, remediate and help plan for the reuse of the properties in their portfolio.

Cuyahoga County Land Reutilization Corporation

The Cuyahoga Land Bank, located in Cuyahoga County, Ohio was authorized in 2009 by the Ohio state legislature to address the rising number of foreclosed properties in the county. They have agreements in place to partner with more than half of the municipalities in the county, including the City of Cleveland. The land bank uses a number of strategies to maintain and return blighted and vacant properties to commerce. Ohio's enabling legislation empowers land banks to organize as a corporation that is empowered to foreclose on tax-delinquent properties, bypassing the often long and inefficient auction system. Once the land bank takes control of the property they can choose to either rehabilitate then resell the property to a homeowner or business owner or demolish the structure and sell the land to a responsible, pre-vetted developer for redevelopment. The land bank has also been successful in taking multiple contiguous parcels and assembling them to be more attractive to developers.

The land bank is funded by penalties and interest on delinquent real estate taxes as well as grants, the sale of portfolio properties, and donations and fund recoupment from banks.

Ohio's enabling legislation is also unique but effective in that it includes a "title cleaning" mechanism by which any other interests in a property are extinguished upon transfer of the property to the land bank. This is crucial as it ensures that a property has a marketable title so the land bank can dispose of the property, rather than holding long term and exhausting resources on expensive title cleaning work.

Genesee County Land Bank Authority

The Genesee County Land Bank Authority was established in 2004 to acquire, develop and sell vacant and abandoned properties in Flint Michigan and the surrounding community. Genesee County Land Bank attributes some of their success to their authority over the entire county, spanning municipalities which diversifies the properties available. The land bank often receives suburban properties that have value and can immediately be sold to a developer or homeowner to continue funding work in more challenging communities. Additionally, the land bank has taken on more innovative programming than many other similar land banks, such as the "Clean and Green" program which provides stipends to community groups in exchange for maintenance of clusters of vacant land owned by the land bank. They also offer a "side lot" program that allows homeowners to buy adjacent vacant lots for as little as \$64 in exchange for their agreement to maintain the lot and pay property taxes for it.

Genesee County's funding mechanism is especially unique. The land bank receives 50% of the tax revenue on properties they sell for up to 5 years after the sale date. This encourages the land bank to not just sell the properties but also to sell them to reliable buyers who will pay taxes on the property.

Neighborhood Assets

Birmingham has 20 public libraries and 64 of Birmingham's 99 neighborhoods can reach a library within 30 minutes without a car. Hospitals are less evenly distributed throughout the city; it's only possible to reach a hospital within 30 minutes without a car from 29 neighborhoods. In addition to its traditional role as a place to read, check out books, and community gathering place, libraries have transitioned into playing a role as a hub for technology access. In communities with limited access to computers or the internet, library computer labs can create opportunity for residents to apply for jobs and connect to current internet-based technology and information.

Hospitals also play a dual role in City life. They are the lifeline for medical and emergency care, but are also major employers and can have an incredible impact on the area around the hospital. For example, hospitals have a range of employees from doctors to janitors, who earn a variety of incomes.

Figure 60: Pratt City Library



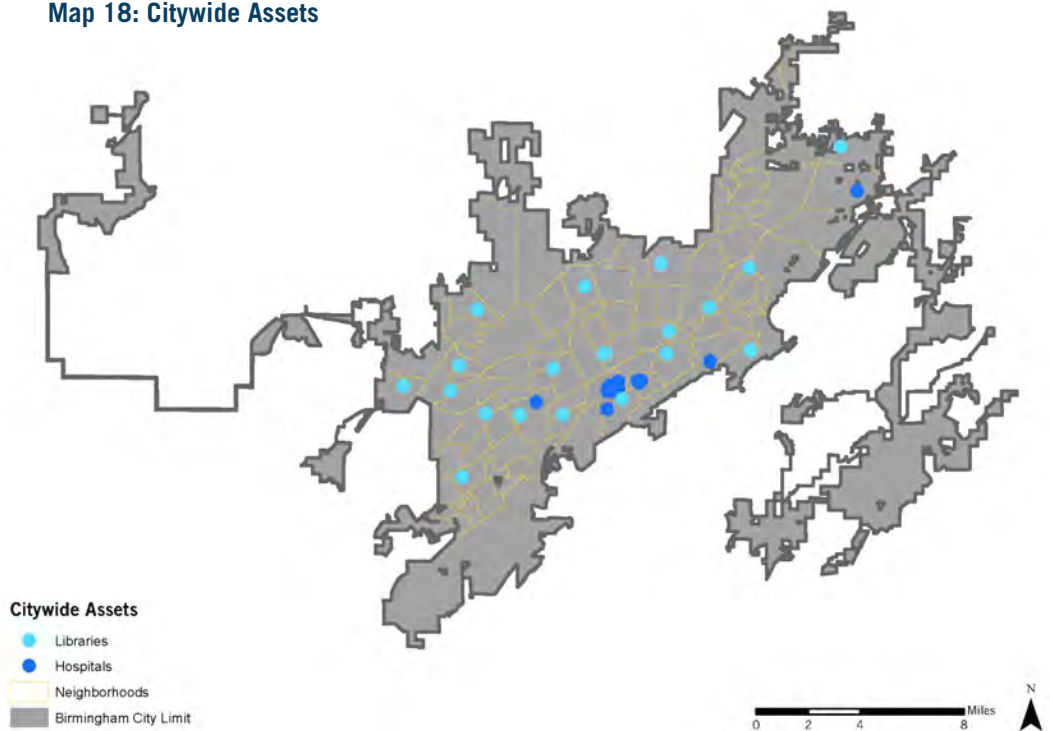
Source: GCR, Inc.

Figure 61: University of Alabama at Birmingham Hospital



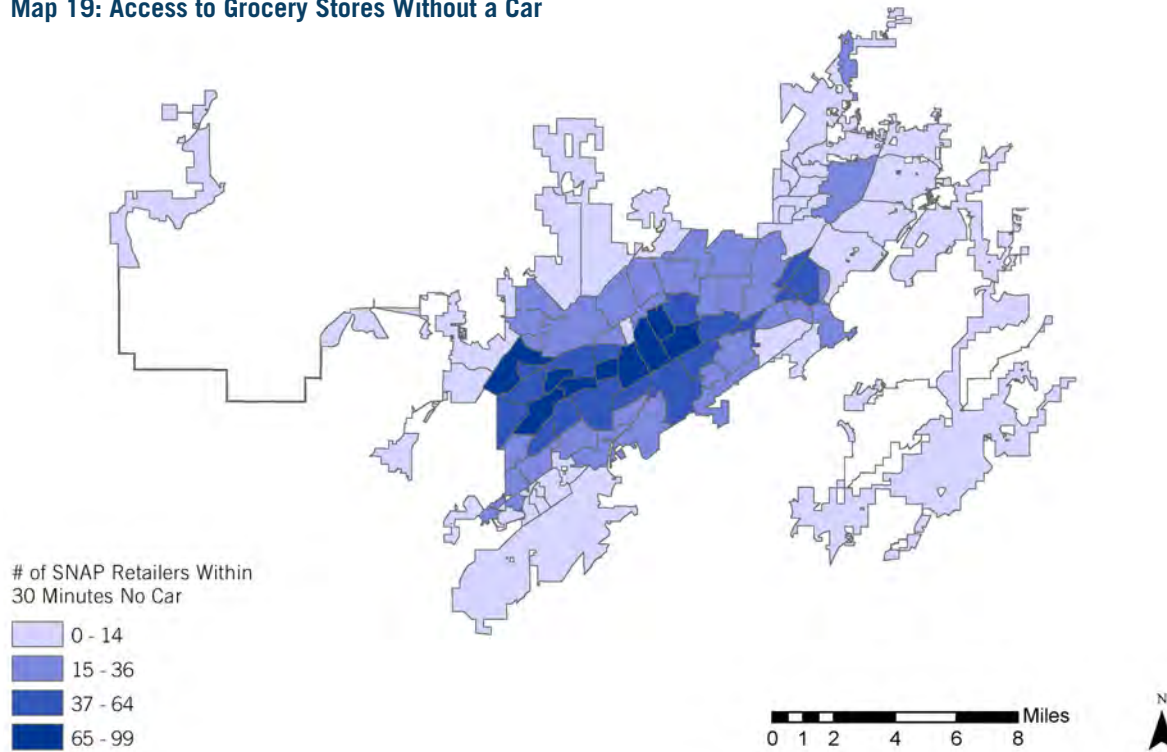
Source: University of Alabama at Birmingham

Map 18: Citywide Assets



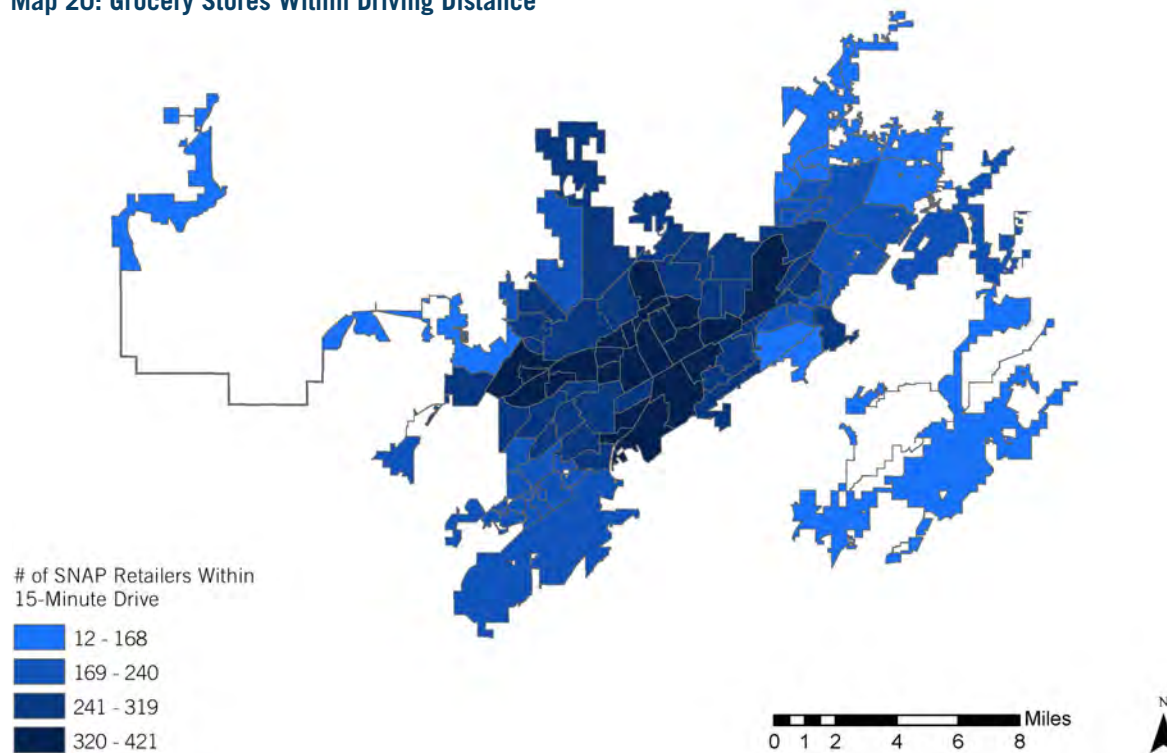
Source: City of Birmingham; United States Department of Agriculture: Food and Nutrition Service; Analysis by GCR, Inc.

Map 19: Access to Grocery Stores Without a Car



Source: City of Birmingham, United State Department of Agriculture Food and Nutrition Science

Map 20: Grocery Stores Within Driving Distance



Source: City of Birmingham, United State Department of Agriculture Food and Nutrition Science

Grocery Stores

Access to safe, health and affordable food is critical for personal and neighborhood health. Most residents spend a large portion of their income on food and providing more options for residents can save money, add convenience and immeasurably improve residents' quality of life.

In 2014, the City of Birmingham was selected as an IBM Smarter Cities Grantee, focused on improving access to health food options across Birmingham. Section 4 provides additional detail about the initiative and its programs. To provide insight into health food access at the neighborhood level, we used a database of Supplemental Nutrition Assistance Program (SNAP) retailers to determine which neighborhoods had the greatest number of food retailers.

Map 19 indicates how many SNAP retailers can be reached within 30 minutes without a car from each neighborhood and Map 20 shows SNAP Retailors within a 15 minute Drive. The limitation of only observing SNAP retailers is that it not consider the availability of fresh and healthy foods or the affordability of food. The IBM Smarter Cities Challenge recently reported that over 88,000 Birmingham residents live in areas without access to fresh foods. According to their research, these neighborhoods tend to have higher rates of obesity, diabetes, asthma and heart disease and have a lower life expectancy.⁶³

Public Transportation in Birmingham

Figure 62: Birmingham-Jefferson County Transit Authority Bus



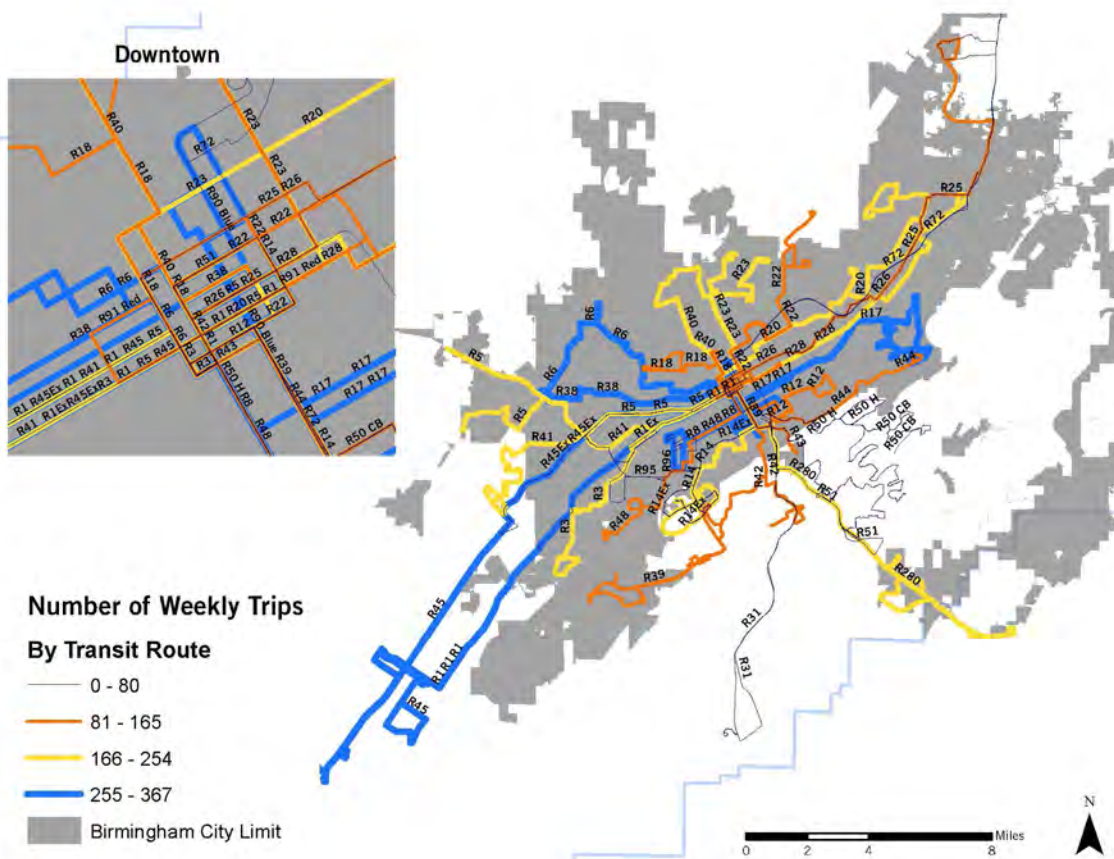
Source: Birmingham-Jefferson County Transit Authority

American public transportation systems are designed with the assumption that people will have access to a car. However, in cities with high concentrations of poverty, many people

completely depend on public transportation. According to the US Department of Transportation, the average annual cost of vehicle ownership is about \$9,000. For low-income individuals this cost may be simply unaffordable and for many more residents, this is money could instead be spent on housing, health care, grocery shopping or other discretionary spending.

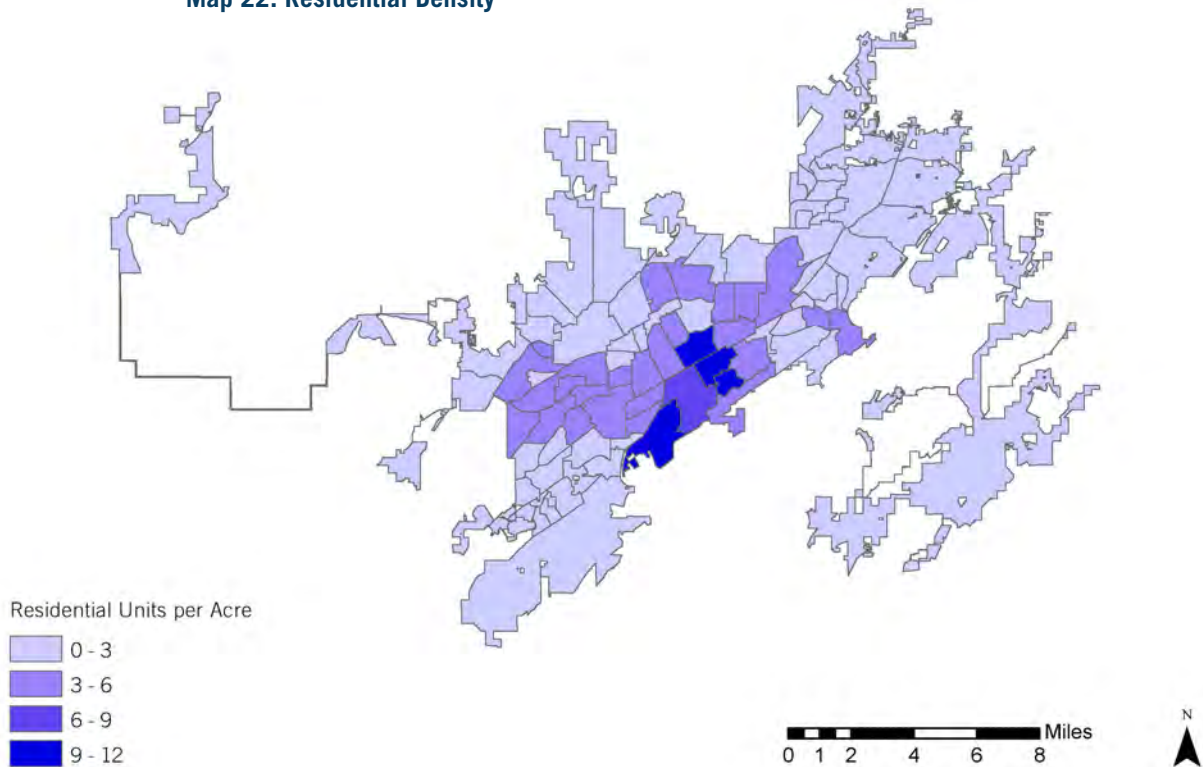
The Public Transit system in Birmingham is a hub and spoke system that is heavily oriented to bringing people to job centers downtown and allowing people to reach other transit lines by transfer. This is the most effective strategy in a city with very limited resources dedicated to transit and where a schedule that allows for timed transfers is not possible. A majority of bus routes come every 30 to 60 minutes, but there are certain routes that only make a few trips each day during peak commute times.

Map 21: Transit Service in City of Birmingham



Source: Birmingham Jefferson County Transit Authority GTFS Data, Downloaded October 2014 from gtfs-data-exchange.com; Analysis by GCR, Inc.

Based on the hub and spoke system, it is possible to reach most parts of the city from downtown in just one bus trip. However, if a destination is outside of downtown, it is difficult to reach major employment centers outside of downtown. For example, traveling from Oakwood Place to Oxmoor would take 10 minutes by car, but on public transit it will take 1-½ to 2 hours because it's necessary to go toward downtown and make a transfer that might require 30 minutes rather than take a direct route.

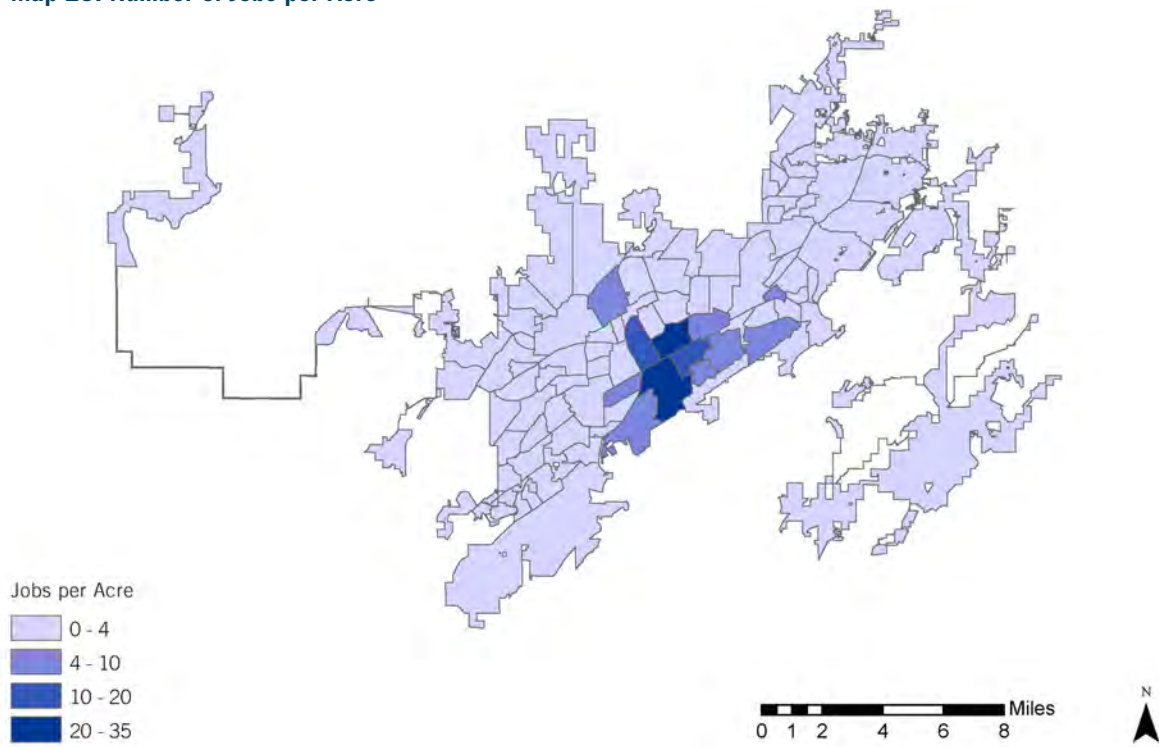
Map 22: Residential Density

Source: HUD Location Affordability Index, 2011; City of Birmingham; Analysis by GCR, Inc.

The built environment and development patterns in Birmingham present a number of challenges and opportunities for the development of high quality transit. Reports from the Transportation Research Board indicate that at least three housing units per acre and/or four jobs per acre is necessary to support even minimal fixed-route transit service with 60-minute frequencies. On the other hand, frequent bus service is typically characterized as having around 600 trips per week (trips roughly every 10 minutes on weekdays; 20 minutes on weekends; 16-hour daily service span) and requires a corridor with more than about 10 units per acre.⁶⁴

Despite challenges with meeting the necessary density, Birmingham is showing signs of increased transportation demand. For example, downtown Birmingham is a very strong employment center and with additional housing build downtown it would be able to support a higher frequency bus route. City and regional leadership has also demonstrated a desire to improve transit with investment into a downtown transfer station, as well as study options for Bus Rapid Transit (BRT) route on different corridors including US Route 11.

Map 23: Number of Jobs per Acre



Source: US Census Bureau. LODES Data. Longitudinal Employer Household Dynamics Program, 2011. Analysis by GCR, Inc.

Figure 63: Railroad Park

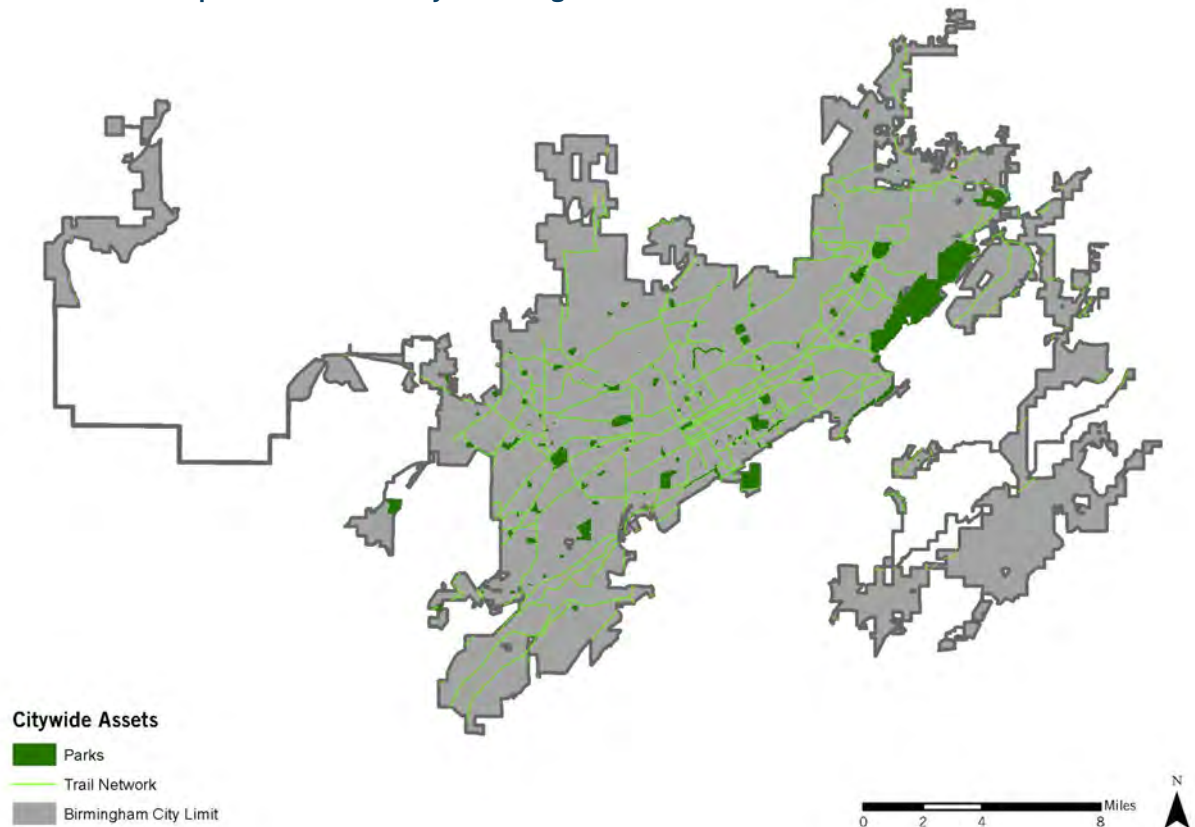


Source: GCR, Inc.

Parks

The City of Birmingham has over 100 parks that are scattered all throughout the city, and the City has seen the role public investment in parks can lead to neighborhood revitalization that can spur private investment. Railroad Park and Avondale Park are two examples, where investments made by the city and as a result they have become community gathering places that attract events and help improve the quality of life in the city and neighborhoods.

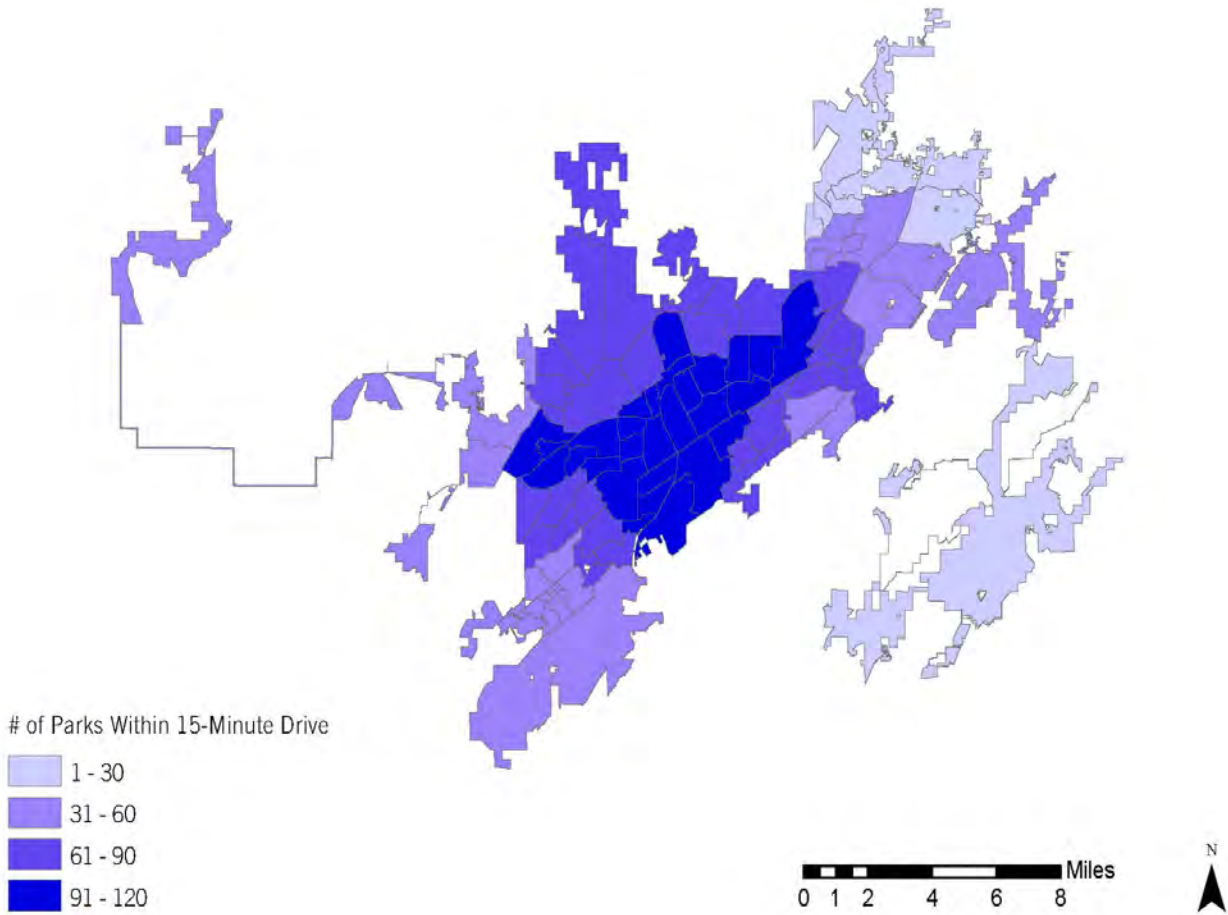
Map 24: Parks in the City of Birmingham⁶⁵



Source: City of Birmingham, Freshwater Land Trust

A majority of residents can reach at least one park in 30 minutes without a car. Without a car the central area of the city has the highest level of access, with 40 parks within 30 minutes without access to a car. Parks are of tremendous benefit to a neighborhood as they encourage residents to exercise and provide an affordable option for recreation and access to natural landscapes that are often inaccessible without an automobile.

66Map 25: Number of city parks accessible from each neighborhood within a 15-minute drive



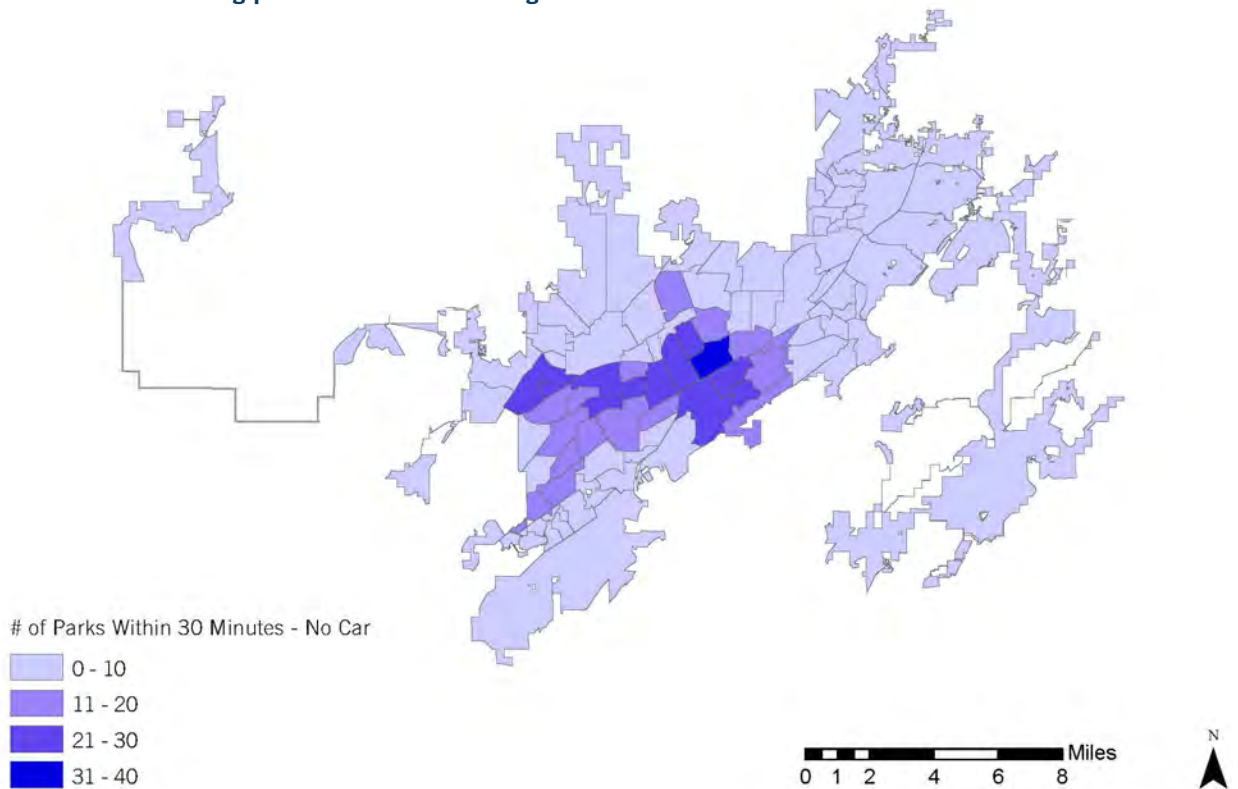
Source: City of Birmingham; Analysis by GCR, Inc.

Schools

Between 2000 and 2010, Birmingham lost 13% of its population, with an additional 1% decline estimated between 2010 and 2013. This reduction in population led to reduced enrollment in Birmingham Public Schools and a diminished tax base to fund schools.

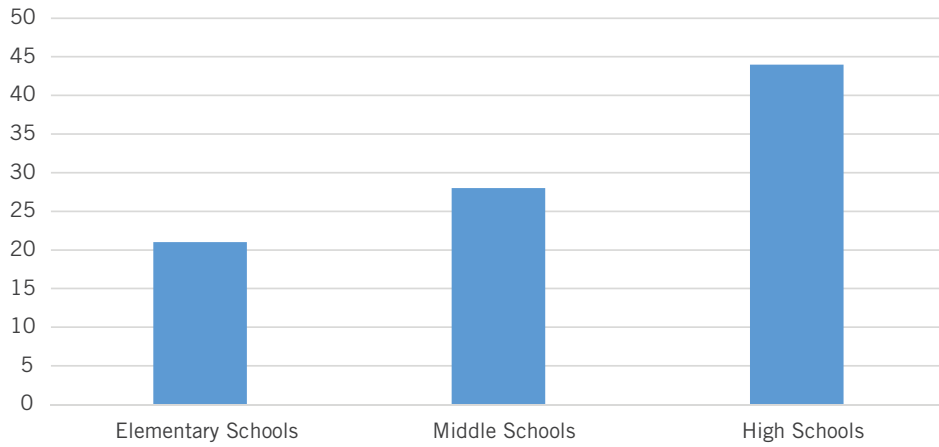
While our analysis of school location and access does not examine school quality, school quality, tax base and funding for capital improvements can play a major role in neighborhood revitalization. Schools in Birmingham are very well distributed across the city and residents of all but 21 neighborhoods can reach an elementary school in 30 minutes using transit and walking. Fountain Heights, Smithfield and Central City have the best access to schools with over 12 schools falling within their 30-minute carless travel shed.

Map 26: Number of public schools accessible from each neighborhood within 30 minutes using public transit and walking



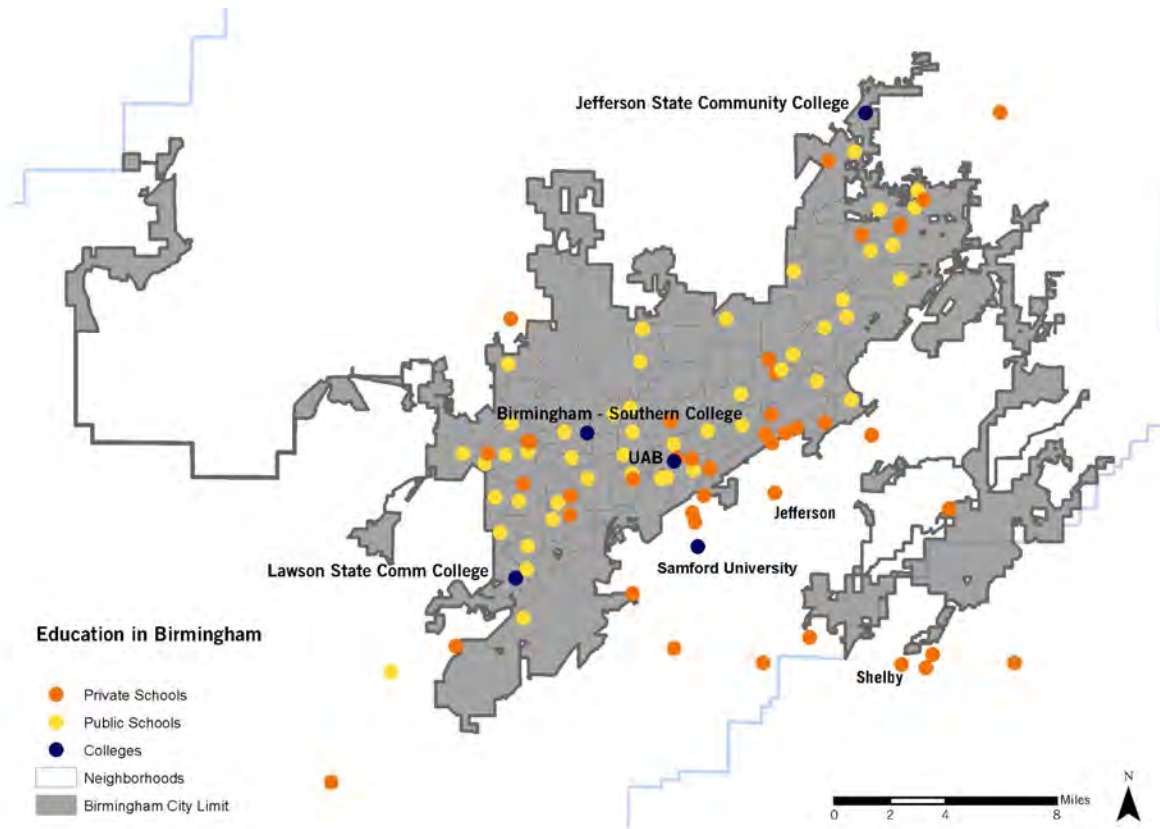
Source: City of Birmingham; Birmingham Jefferson County Transit Authority; Analysis by GCR, Inc.

Figure 64: Number of Neighborhoods without 30 - Minute Access to Schools



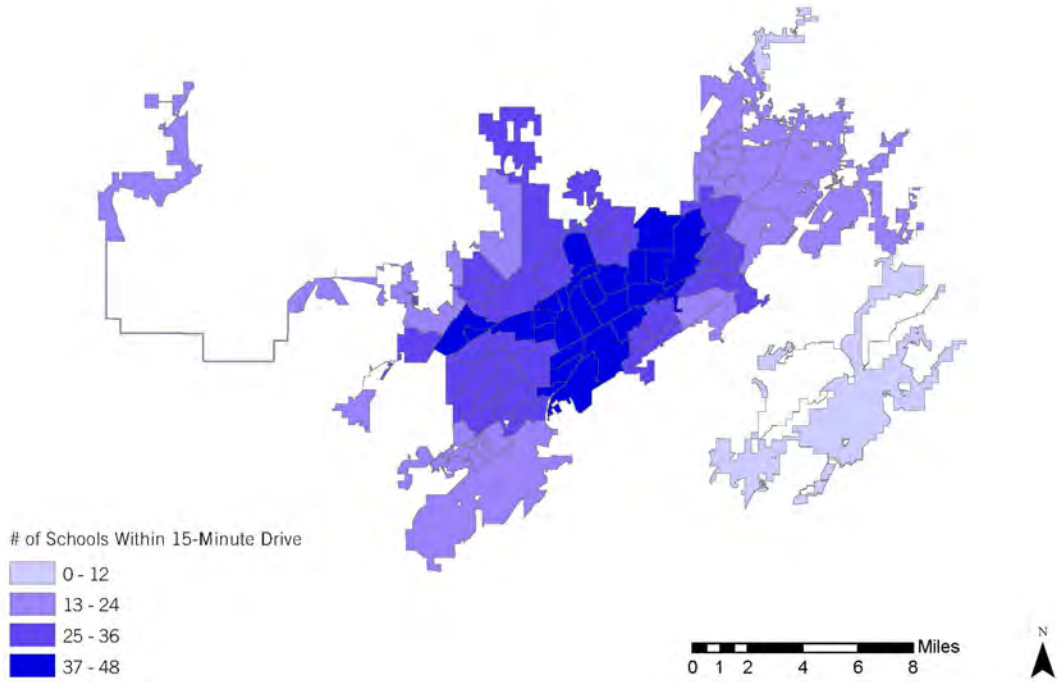
Source: City of Birmingham; Birmingham Jefferson County Transit Authority; Analysis by GCR, Inc.

Map 27: Birmingham Public and Private Schools



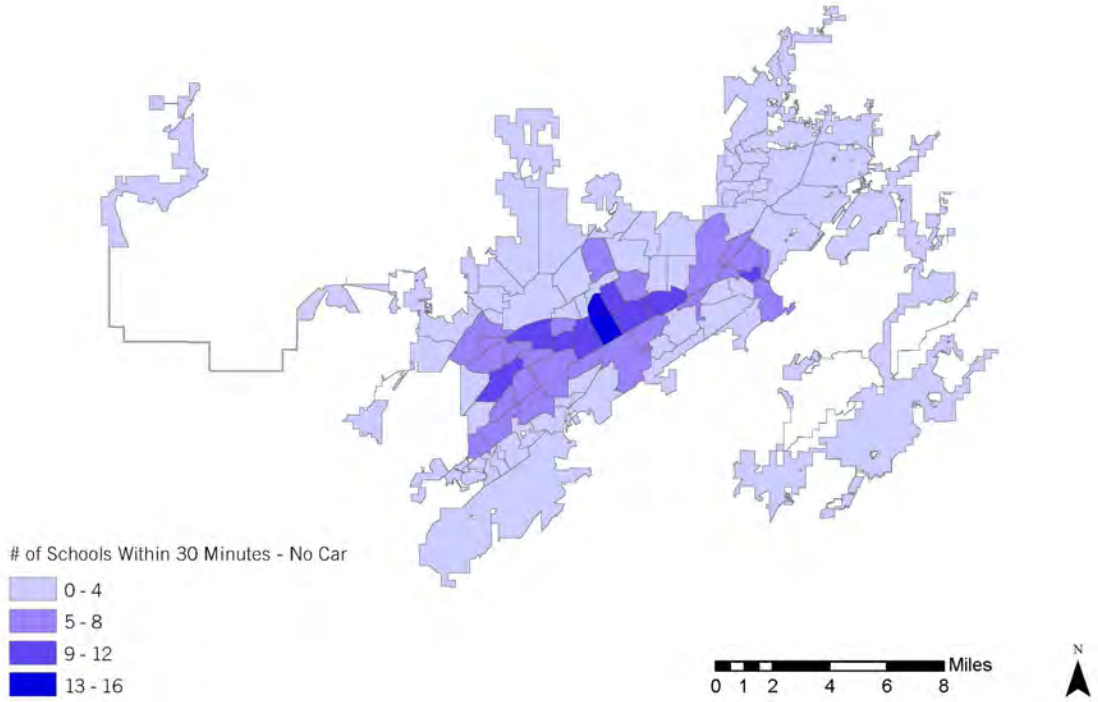
Source: City of Birmingham, Public Schools; National Center for Education Statistics, Private Schools

Map 28: Number of public schools accessible from each neighborhood within a 15-minute drive



Source: City of Birmingham; Analysis by GCR, Inc.

Map 29: Number of public schools accessible from each neighborhood within 30 minutes using public transit and walking



Source: City of Birmingham; Birmingham Jefferson County Transit Authority; Analysis by GCR, Inc.

Figure 65: University of Alabama at Birmingham



Source: University of Alabama at Birmingham

Local Institutions

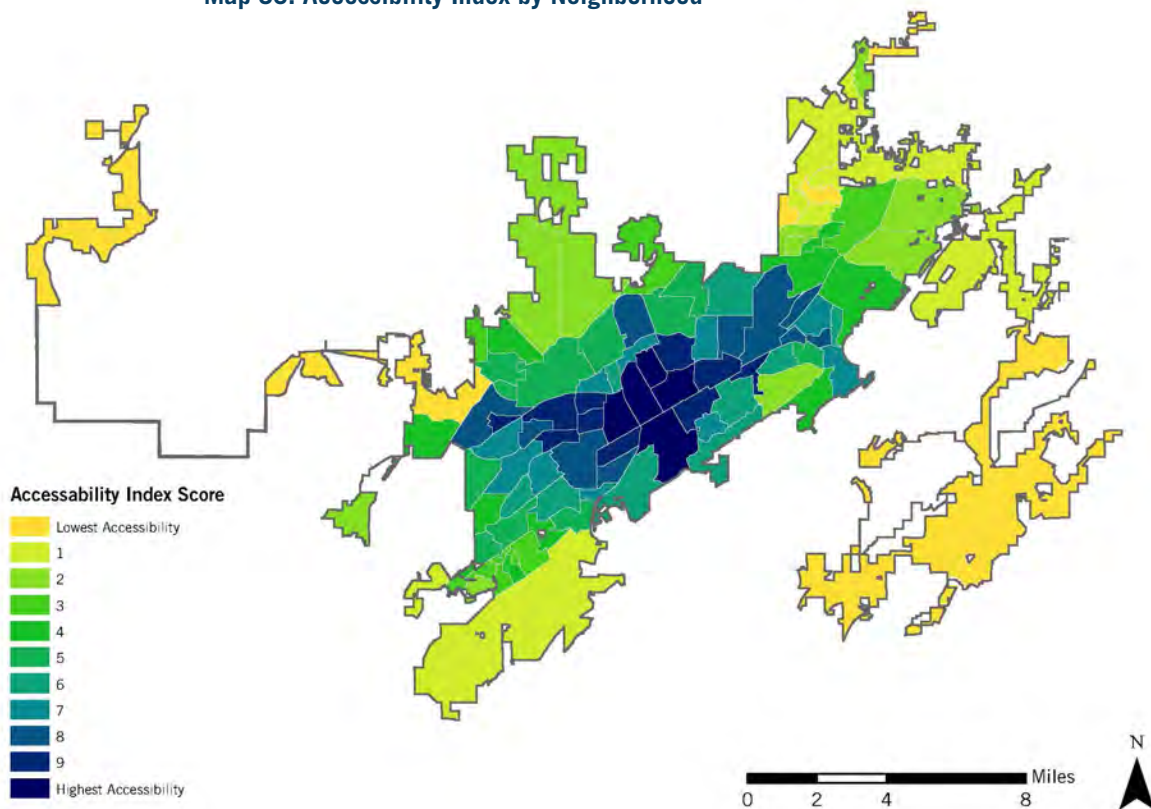
Universities are important to cities as a major employer, real estate developer and as an attractor of an educated work force and students. The University of Alabama-Birmingham is the largest institute of higher learning and largest employer in the city and it serves as an anchor to downtown, the most accessible part of the city.

Map 25 shows all of the major universities and colleges in Birmingham and makes it clear that the community colleges are in less accessible parts of the city. Jefferson State Community College in particular is located far outside the accessible city center and is only served by one bus that passes hourly.

The University of Alabama at Birmingham (UAB) in particular plays a major role in shaping Birmingham's future. As its largest employer, it has a mix of undergraduates, graduate students and professional degree programs, which all bring talent, and a tax base to the city. With Railroad Park serving as a connection between UAB and Downtown, it will continue to play a major role in shaping the surrounding neighborhoods as well as the City overall.

Livability Index Score

Map 30: Accessibility Index by Neighborhood



Source: GCR Inc, City of Birmingham

To demonstrate the overall livability of neighborhoods across the City of Birmingham, a livability index has been created based on the level of accessibility for each neighborhood. Birmingham's 99 neighborhoods were evenly distributed on a range from 0 to 10 based on the percentile they land in for access to a series of different features. For example, if a neighborhood has access to the largest number of jobs of any neighborhood, it gets 100% for that component. If it's 23rd of 99, it's roughly 77%. If it's last place, it's 0% for that particular category. Here is how access to each feature is weighted:

- Schools: 25%
- Jobs: 25%
- Workforce: 25%
- Parks: 6.25%
- Hospitals: 6.25%
- Snap retailers: 6.25%
- Libraries: 6.25%
- Access by car and transit are weighed evenly.

Below is a table that provides an example of how the score was assessed for different neighborhoods, using the Graymont neighborhood as an example.

Table 19: The Graymont Neighborhood

	15-Minute Driving Access		30-Minute Transit/Walking Access	
	Count	Percentile Ranking	Count	Percentile Ranking
Jobs Score (25%)	218,980	86%	57,798	91%
Workforce (25%)	97,399	86%	13,177	97%
Schools (25%)	40	86%	11	96%
Parks (6.25%)	104	94%	26	95%
SNAP Retailers (6.25%)	368	91%	84	96%
Hospitals (6.25%)	21	40%	7	84%
Libraries (6.25%)	19	88%	7	96%
Percentile By Mode	86%		95%	
Ranking of Combined Mode Percentiles	93%			
Rounded Score:	9			

Case Study: Neighborhood Choice

Richmond, VA – Jackson Ward Neighborhoods in Bloom Program

Many cities in the United States have seen decline in urban neighborhoods as residents have demonstrated a preference for neighborhoods outside of the city. In 1999 the city of Richmond, VA began to pursue a strategy known as Neighborhoods in Bloom to attract homebuyers into the city by concentrating their resources into six neighborhoods, including the historic Jackson Ward. Leaders in Richmond had been working to revitalize the Jackson Ward neighborhood for decades with only limited success. During the 1970s the neighborhood was listed on the National Register of Historic Places and as a National Historic Landmark District, which allowed for the use of historic tax credits in the restoration of homes. As part of a push to improve the neighborhood, it was selected as the site for construction of the Greater Richmond Convention Center.

The Jackson Ward Neighborhoods in Bloom Program is a new strategy designed to support the rehabilitation of properties, increase homeownership, alleviate blight and provide financial incentives for the rehabilitation of housing in target areas. The purpose of this program is to create a simple incentive for the renovation of owner-occupied properties that would increase the marketability of properties in the Jackson Ward Neighborhoods in Bloom Area, increase homeownership within the impact blocks, assist in bridging the financial gap in the “after rehabilitation” loan-to-value ratio of many neighborhood homes and help revitalize the Jackson Ward Neighborhood. The program consists of seven-year, forgivable loans of up to \$35,000, if a homebuyer invests \$70,000 of their own money. They are not required to make payments on the loan, and, if they live in the house for seven years, the entire loan is forgiven. The program is funded by CDBG and HOME funds.⁶⁷

Neighborhood Choice Among Baby Boomers

In 2011 the oldest members of the Baby Boom generation turned 65 thereby marking the start of one of the most important demographic shifts in the United States and it is imperative that city leaders understand its implications. This is an especially poignant issue for Birmingham as the population over 65 diminished by 19% between 2000 and 2010, the 7th lowest growth rate of any city within the top 50 metro areas. This dramatic change occurred at a time when the metro region’s population over 65 grew by 9%.⁶⁸

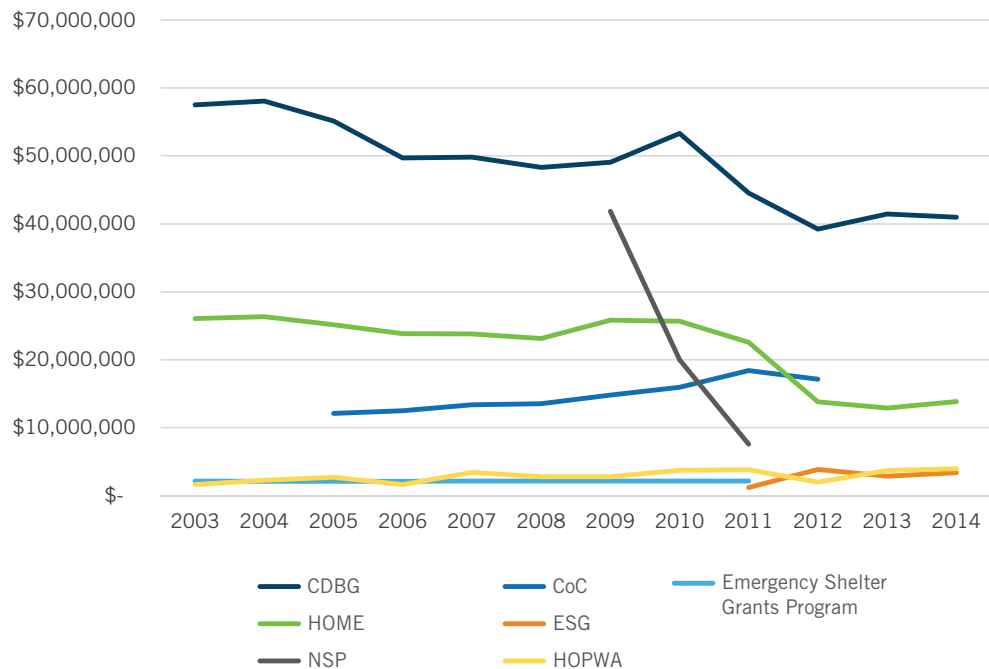
While previous generations have sought out warmer temperatures and retirement communities, many of the baby boomers may instead select urban, walkable communities as they move into retirement. However, research⁶⁹ The Oxford-Lafayette County Economic Development Foundation, Inc. started the Retiree Attraction Program in 1993 to attempt to lure seniors into their community through marketing and highlighting some of the offerings the city has for seniors including free classes at Ole Miss for those 65 and older, affordable cost of living, and high quality medical facilities. Since the program began it has attracted over 590 retiree households to the town of 14,000.⁷⁰

13. IMPLEMENTATION: PUBLIC AND PRIVATE INVESTMENT

Downtown investment began to change the perception of Birmingham from outside the City. With 99 neighborhoods within the city limits, and limited resources at the City, State and Federal Government, the City needs to strategically invest its precious and limited resources in a way that provides leverage to build off previous investments and elicits future investment. This report is not meant to pick winners and losers, rather it is meant to guide future investment based on market demands, housing needs, and existing assets.

Using a solution and asset-based framework, difficult decisions will still have to be made. The State of Alabama does not dedicate any non-federal money towards housing, and the federal funds that are available are declining. Figure 1 shows the overall decline in Community Development Block Grant Funds (CDBG) and HOME Investment Partnership (HOME) funds at the State level.

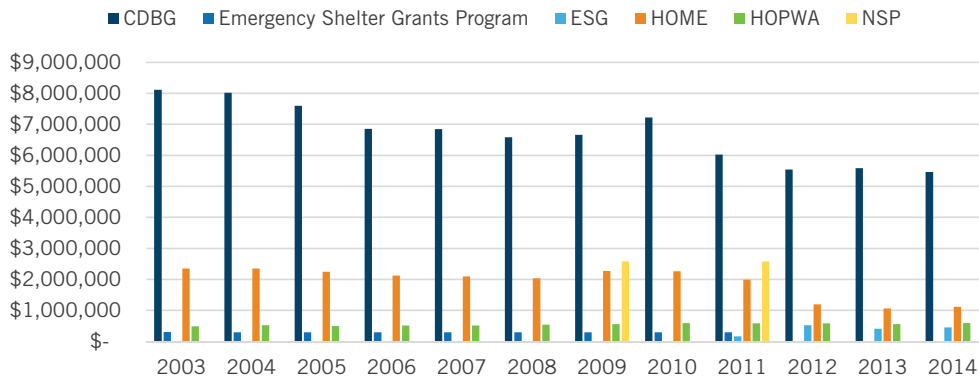
Figure 68: State of Alabama HUD Allocations



Source: Department of Housing and Urban Development

The City of Birmingham has seen injections of federal money in the wake of the 2011 tornadoes in the form of Community Development Block Grants for Disaster Recovery, through the Neighborhood Stabilization Program and the Emergency Solutions Grant programs, but like the State of Alabama, a majority of funding for the City of Birmingham’s Community Development Department comes through direct federal allocations and program income. Figure 2 shows the overall decline in HOME funds since 2003.

Figure 69: City of Birmingham HUD Allocations



Source: Department of Housing and Urban Development

This section is divided into four areas: looking at what resources have been spent through the Birmingham Community Development Department, examining resources and programs available at the state level in Alabama, competitive federal grant programs, and next steps for the City to build off of the findings of this study.

From private investment in the form of Regions Field and downtown lofts, to public investment in parks (Railroad Park) and housing, Birmingham is building momentum. The city's vacancy and poverty rate citywide, and limited access to quality public transit, schools, and other amenities remain a challenge the city must address to create more livable neighborhoods outside of downtown and to attract families and new residents to the City.

I. Local Programs

In 2014, the City of Birmingham's Community Development Department received \$5.4 million in CDBG funding and \$1.1 million in HOME Investment Partnership Funding in 2014. This section focuses on the distribution of these funds across the City of Birmingham.⁷² It is important to note that these programs are income restricted, so areas within the city that have households over 80% Area Median Income are often not qualified for CDBG and HOME funded developments.⁷³

Birmingham Community Development Department

The following programs are administered through the Community Development Department, but are not the primary focus of this plan.

Emergency Solutions Grant (ESG)

The ESG Program provides assistance to the homeless and families at risk of homelessness. Funds can be used to operate shelters, provide emergency housing to those at risk of homelessness, provide services to shelter residents, and provide outreach to households currently living on the street. The City of Birmingham distributes ESG funds to organizations to provide Street Outreach, Emergency Shelter, Homeless Prevention, Rapid Re-Housing, and HMIS support. In 2014, the City received \$453,937.00 for ESG.

Housing Opportunities for Persons with AIDS (HOPWA)

The HOPWA Program is intended to provide long-term housing combined with medical and social services to low income individuals living with HIV or AIDS. It is a HUD-funded program allocated to the City of Birmingham which works with AIDS Alabama Inc. to run services for the funding source. In 2014, the City received \$589,189.00 for the HOPWA program.

Neighborhood Stabilization Program (NSP)

The NSP Program was developed under the Obama administration to assist communities recovering from the housing market crisis in the late 2000s. Its intent was to stabilize communities impacted by foreclosure and abandonment. The funds could be used to finance new development, acquire property for land banking, demolish blight, and redevelop existing structures. The City did not receive an allocation of NSP funds in 2014.

Community Development Block Grants (CDBG)

The CDBG Program is the most versatile of HUD's programs, and can be used for neighborhood development, economic development, community infrastructure and housing. This can include grants, loans, planning, community engagement, and operational support to non-profit social service providers. Communities are required to develop plans (the Consolidated Plan) that outline how they will use the funds while meeting the Low and Moderate Income Benefit requirement and fair housing guidelines. CDBG funds are the largest source of funding for the Department of Community Development, and the following programs demonstrate the flexibility of the funding source to support low and moderate income Birmingham residents.

Section 108 Loan Guarantee Program

Figure 70: Powell School



Source: GCR Inc.

Figure 71: Pizitz Building



The Section 108 Loan Guarantee Program was enacted by congress in 1974 and serves as HUD's loan guarantee provision of the Community Development Block Grant program. The program allows communities and states to leverage CDBG funds in the form of federally guaranteed loans for large physical economic development and revitalization projects. Through Section 108, HUD guarantees a private sector loan backed by the full faith and credit of the United States, making private financing in less desirable markets more attractive for private financing organizations. CDBG grantees can borrow up to five times its annual approved CDBG entitlement amount in the form of Section 108 loan guarantees. The local government may relend the funds to private entities that undertake eligible CDBG activities or use the funds to implement eligible activities directly.

Since Section 108-funded projects are under the CDBG funding mechanism, projects must meet one of the program's three National Objectives⁷⁴.

- Principally benefit Low and Moderate Income people.
- Assist in the elimination or prevention of slum and blight conditions.
- Meet other community development needs that have a particular urgency and are of very recent origin.

Section 108 funds are often used to construct public facilities and housing developments, providing a vital funding mechanism to projects that typically wouldn't qualify for conventional private financing.

Deferred Payment Loan Program

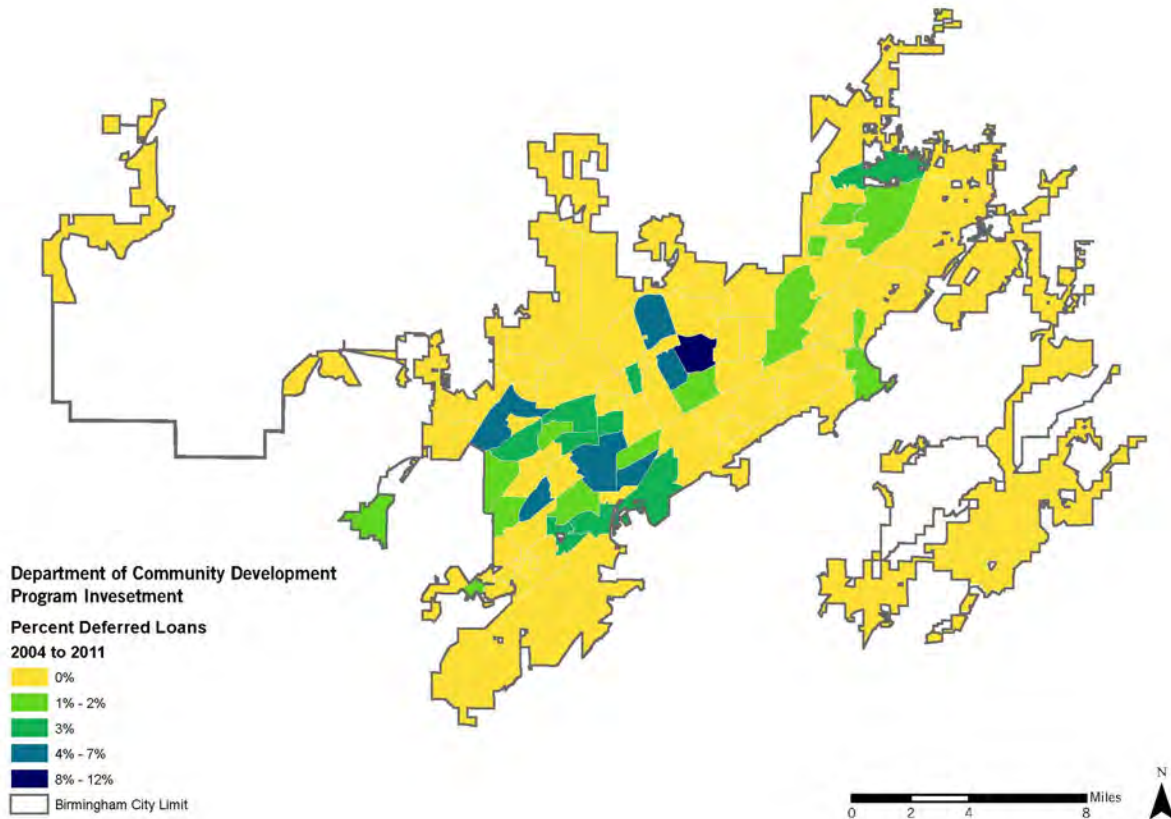
The program provides loans to elderly (62 or older) and disabled low to moderate income homeowners for home repairs. The Program provides up to \$15,000 to qualified homeowners.

The City of Birmingham's Community Development Department uses part of its CDBG allocation to pay back loans that have been used to construct housing developments.

Table 20: Neighborhoods with Most Deferred Payment Loan Awards

Neighborhood	Number of Awards
Norwood	7
Ensley	4
North Birmingham	3
Arlington-West End	3
South Titusville	3
Germania Park	3

Map 31: Deferred Loan Investment by Neighborhood



Source: City of Birmingham, GCR Inc.

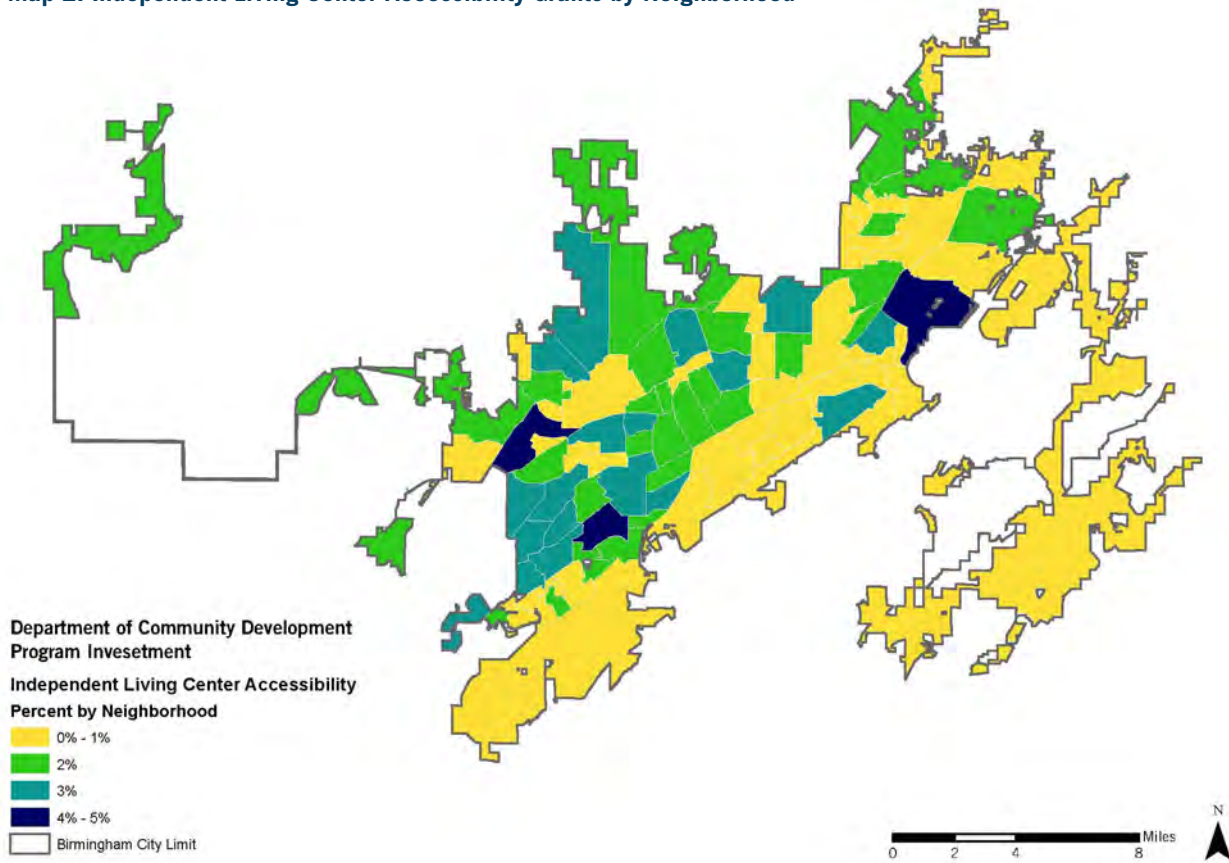
Independent Living Resources of Greater Birmingham

This repair program is funded using Community Development Block Grant funds and is administered by the Independent Living Resources (ILC) of Greater Birmingham to provide assistance to qualified disabled residential tenants and homeowners to modify their residence. The maximum grant amount per award is \$3,000 per household.

Table 21: Neighborhoods with Most ILC Awards

Neighborhood	Number of Awards
West End Manor	19
Ensley	18
South East Lake	14
Inglenook	12

Map 2: Independent Living Center Accessibility Grants by Neighborhood



Source: City of Birmingham, GCR Inc.

HOME Program

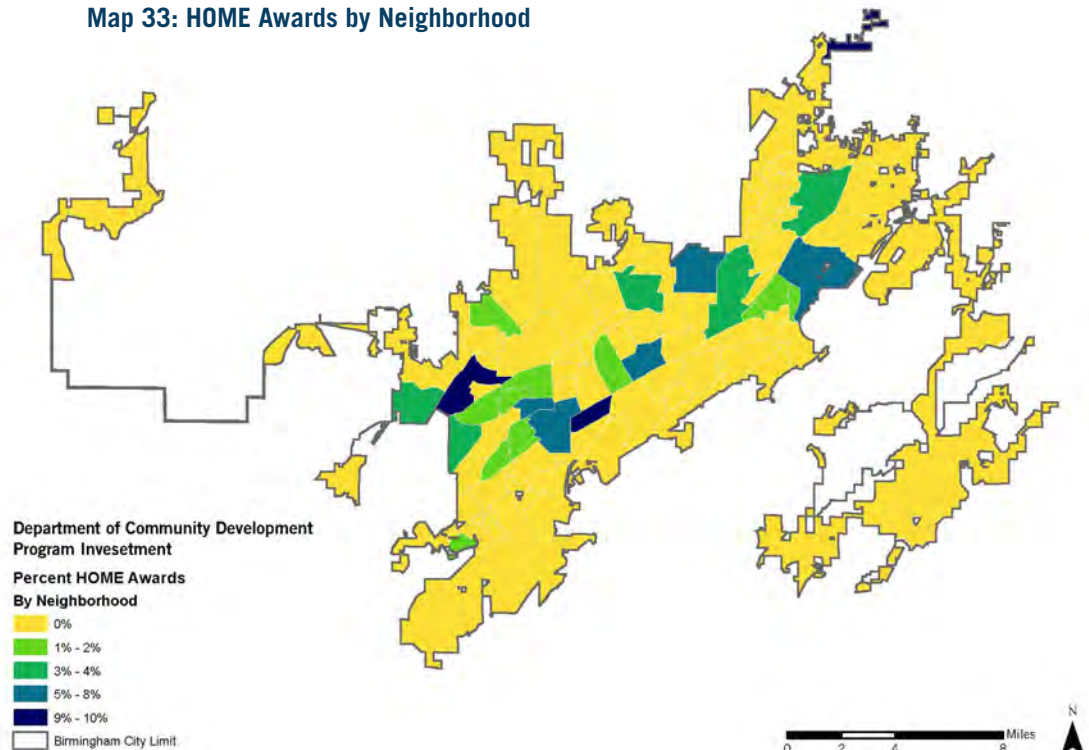
The HOME Investment Partnerships Program provides formula grants to either directly fund the purchase, rehabilitation and/or construction of affordable housing for ownership or rental, or provide direct rental assistance to low income renters in need of affordable housing. The allocation is based on the jurisdiction’s housing supply, poverty rates and affordable housing need. The City of Birmingham’s Community Development Department uses 15% of its HOME Funds for Community Housing Development Organizations (CHDO), and the rest it spends on acquisition and rehabilitation of substandard or aging multifamily housing units.

In 2013, the City invested in both Multi Family and Single Family Developments. Two prominent developments are the Pratt City Senior Housing facility which used 2.5 million to construct 42 units of senior housing, and the Cherry Ridge Village Senior Housing complex which used \$560,000 to produce 56 units. Single Family programs included 25 units developed by Habitat for Humanity of Greater Birmingham, and the Development of duplexes and single family homes by Bethel-Ensley Action Task, Inc. (BEAT).

Table 22: Neighborhoods with Highest Number of HOME Awards

Neighborhood	Number of Awards
North Titusville	23
Apple Valley	22
Ensley	20
South East Lake	17
Inglenook	15

Map 33: HOME Awards by Neighborhood



Source: City of Birmingham, GCR

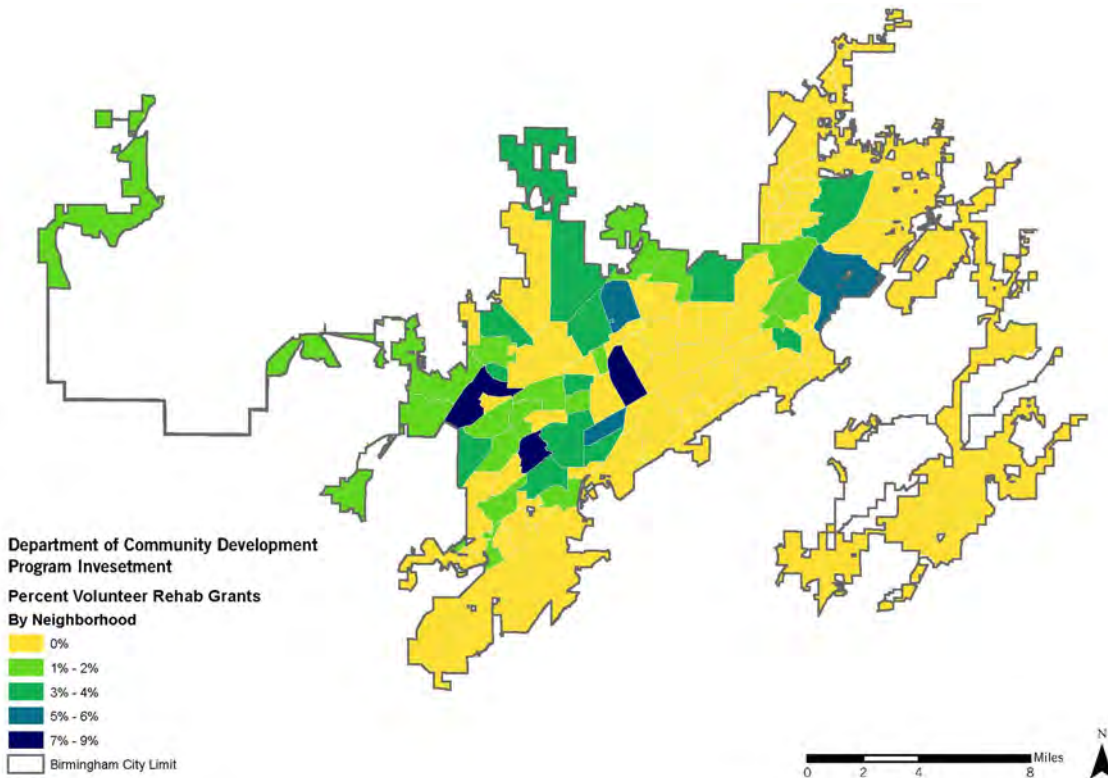
Volunteer Rehabilitation Program

The Department of Community Development administers the Volunteer Rehabilitation Program targeting incomes from 30% Area Median Income (AMI) to 80% AMI. Repairs through this program focus on exterior repairs.

Table 23: Neighborhoods with the Highest Number of Volunteer Rehabilitation Grants

Neighborhood	Number of Awards
Oakwood Place	48
Ensley	42
Fountain Heights	39
North Titusville	29
North Birmingham	27

Map 34: Volunteer Rehabilitation Grants by Neighborhood



Source: City of Birmingham, GCR Inc.

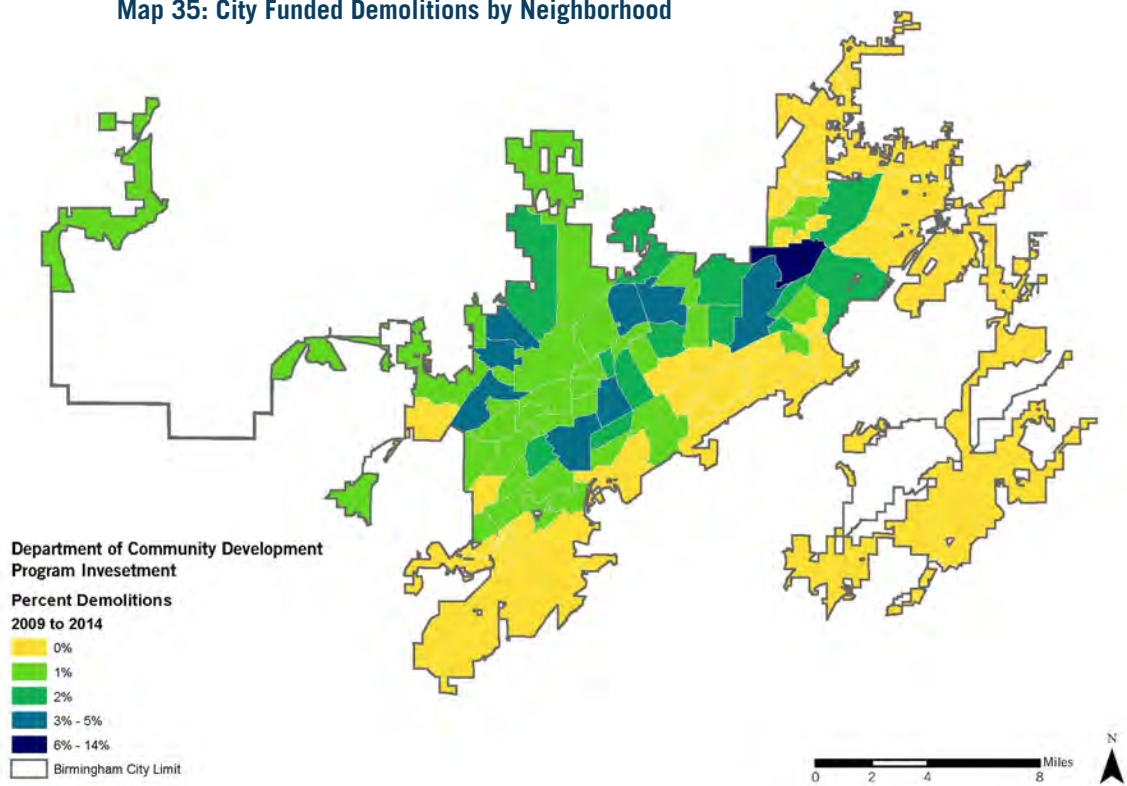
Demolition Permits Issued by the City of Birmingham

With extensive vacancy across the City, due to economic factors and population shifts, maintaining vacant houses is a challenge. Demolition of properties is a last resort, if the property is beyond repair and there is no market interest for repairing, demolition can positively impact a community by removing a blighted structure. The City funds demolitions through multiple funding sources including Community Development Block Grants, Neighborhood Stabilization and allocations from the general fund.

Table 24: Neighborhoods with the Highest Number of Demolitions

Neighborhood	Number of Demolitions
North East Lake	338
North Pratt	134
Ensley	118
Woodlawn	98
Smithfield	94

Map 35: City Funded Demolitions by Neighborhood



Source: City of Birmingham, GCR Inc.

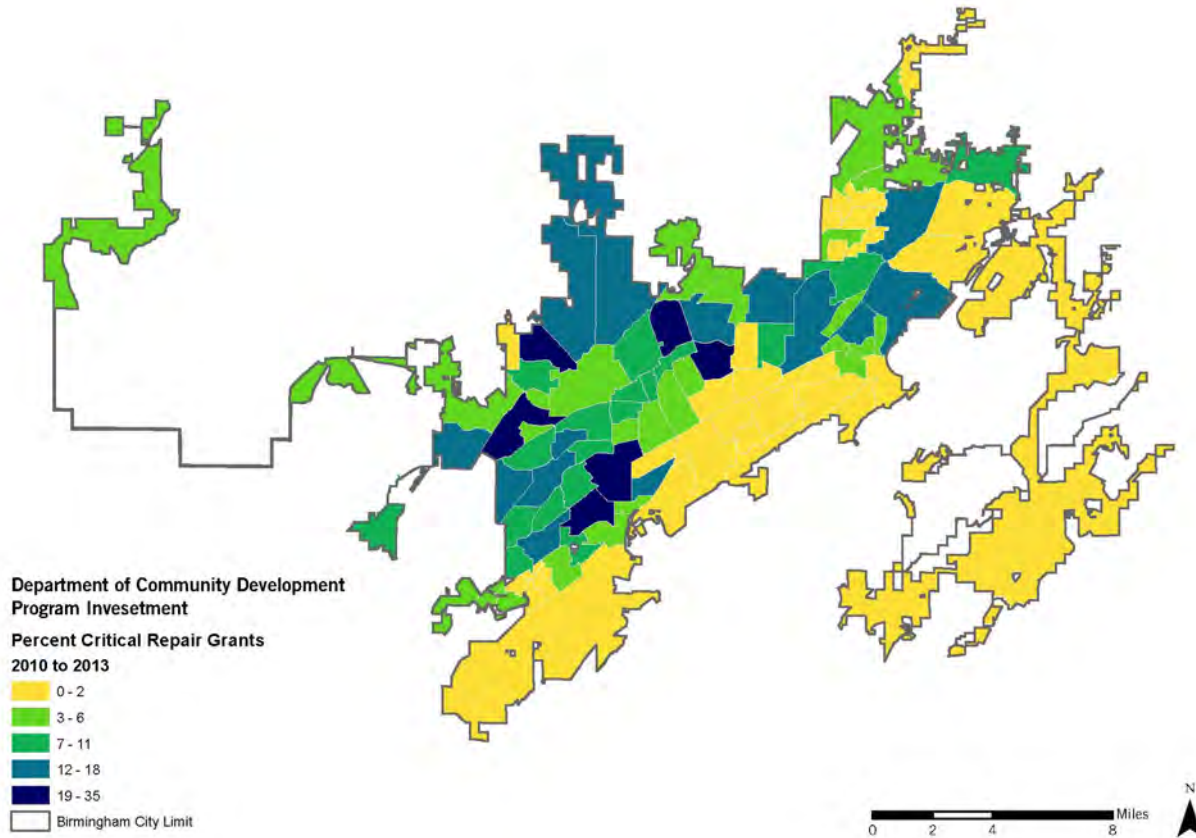
Critical Repair Grant Program

The Department’s major program is to provide critical housing repair assistance. This program awards grants up to \$15,000 to assist low to moderate income homeowners to make major repairs (including roofs, HVAC, foundation, sewer and water).

Table 25: Neighborhoods with the Highest Number of Critical Repair Grants (2010-2013)

Neighborhood	Number of Awards
West End Manor	82
Arlington-West End	72
Ensley	64
North Birmingham	26
North Pratt	26

Map 36: Critical Repair Grants by Neighborhood



Source: City of Birmingham, GCR Inc.

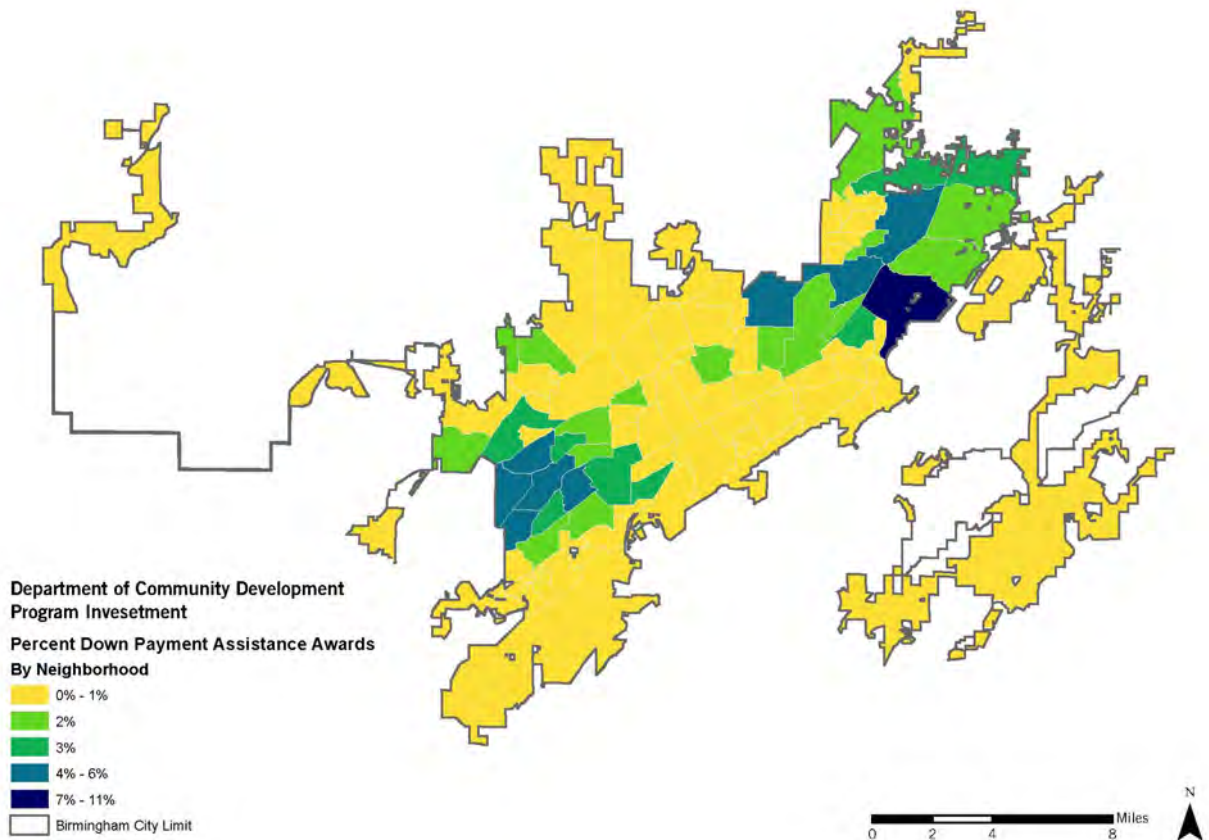
Down Payment Assistance

Provides assistance to homeowners for payment assistance and closing costs for low and moderate income home buyers for purchasing single family residential properties. The program was discontinued in recent years.

Table 26: Neighborhoods with Highest Number of Down Payment Assistance Awards

Neighborhood	Number of Awards
South East Lake	107
Roebuck	62
Ensley Highlands	51

Map 37: Down Payment Assistance Awards by Neighborhood

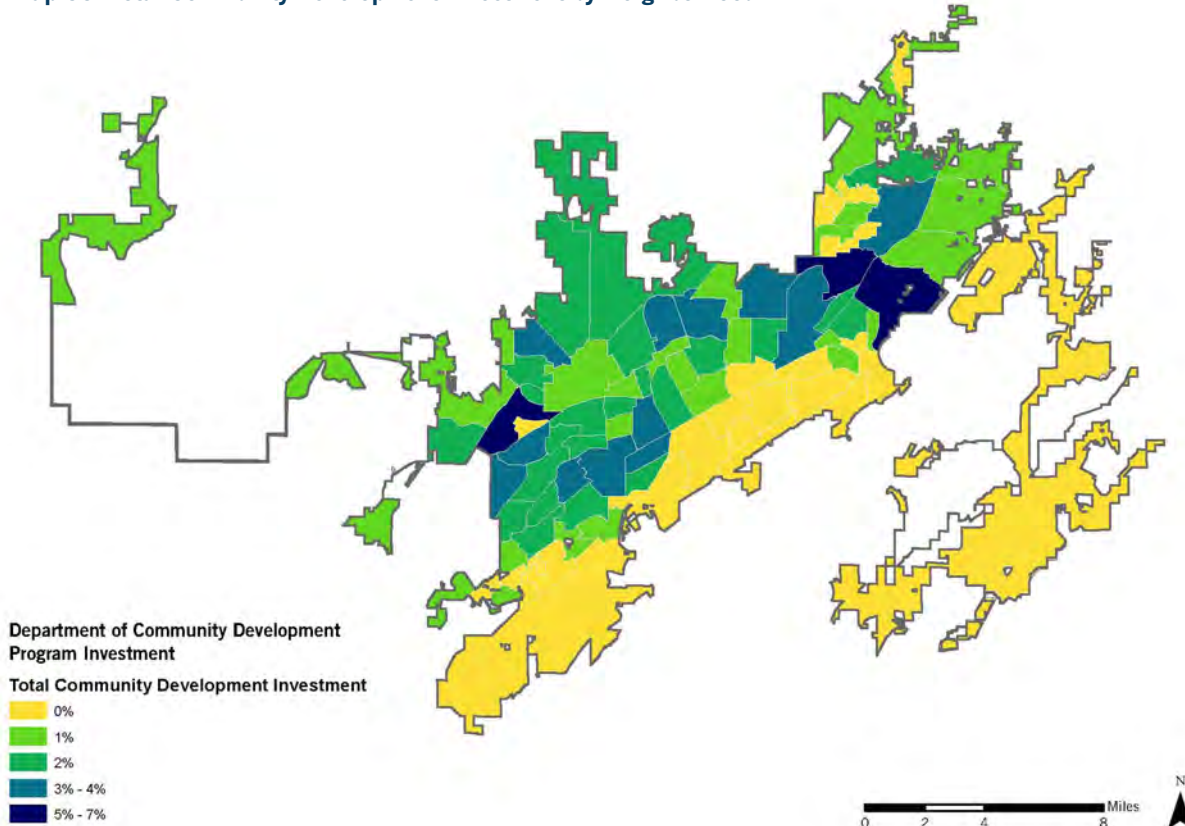


Source: City of Birmingham, GCR Inc.

Total Investment by the Department of Community Development

This combines the total investment through the Community Development Department including all programs listed above. North East Lake, South East Lake and Ensley have received the highest total number of program investments outlined in the previous section. This is stark contrast between the Southern edges of the City, where many neighborhoods are not qualified as low income areas.

Map 38: Total Community Development Investment by Neighborhood



Source: City of Birmingham, GCR Inc.

Private Investment

Multiple Listing Service

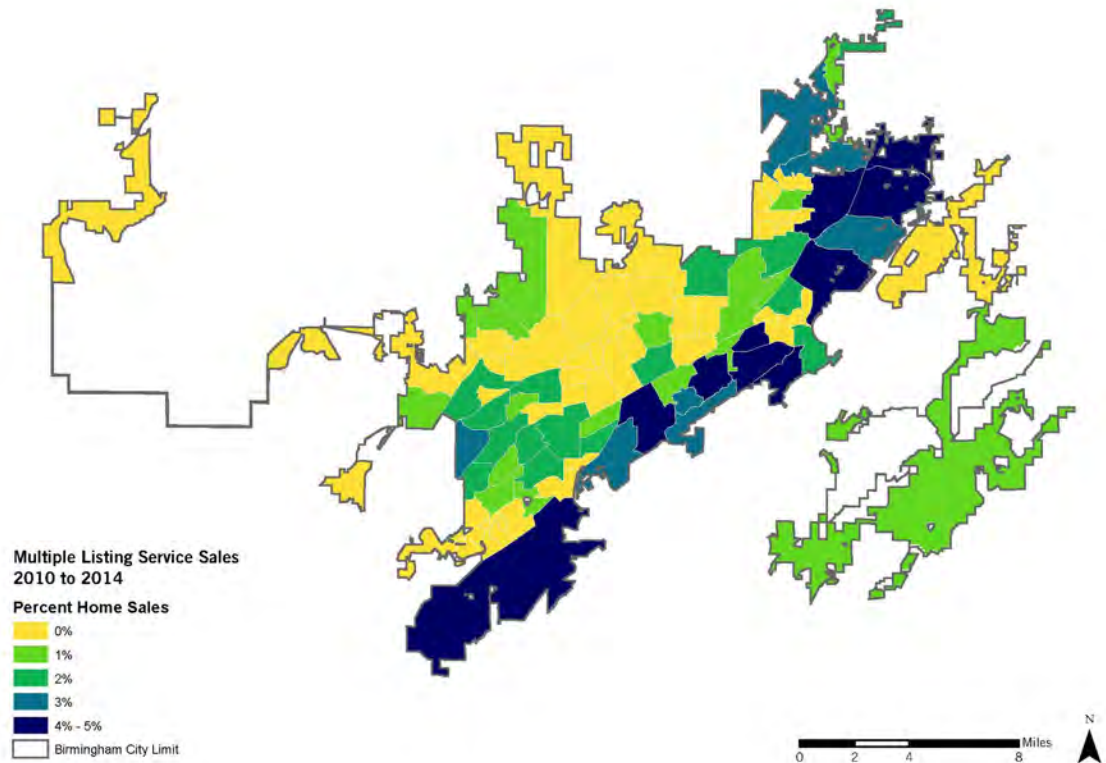
The map below shows the Multiple Listing Service (MLS) data for home sales between 2010 and 2014 provided by the Birmingham Association of Realtors. The sales data shows that a majority of neighborhoods along the Southern portion of the City, as well as Eastern portion are seeing the highest levels of investment. This investment is an inverse of where investment by the Community Development Department is occurring.

While some neighborhoods along the Southern portion of the City do not fall into Low and Moderate Income Census Tracts, many including Echo Highlands, Roebuck, South East Lake, Forest Park and Five Points South intersect with Low and Moderate Income Census Tracts.

Table 27: Neighborhoods with the Highest Number of MLS Listings

Neighborhood	Number of MLS Listings (2010-2014)
South East Lake	364
Crestline	285
Roebuck	284
Huffman	274
Spring Lake	271

Map 39: Multiple Listing Service Sales by Neighborhood



Source: Birmingham Association of Realtors, City of Birmingham, GCR Inc.

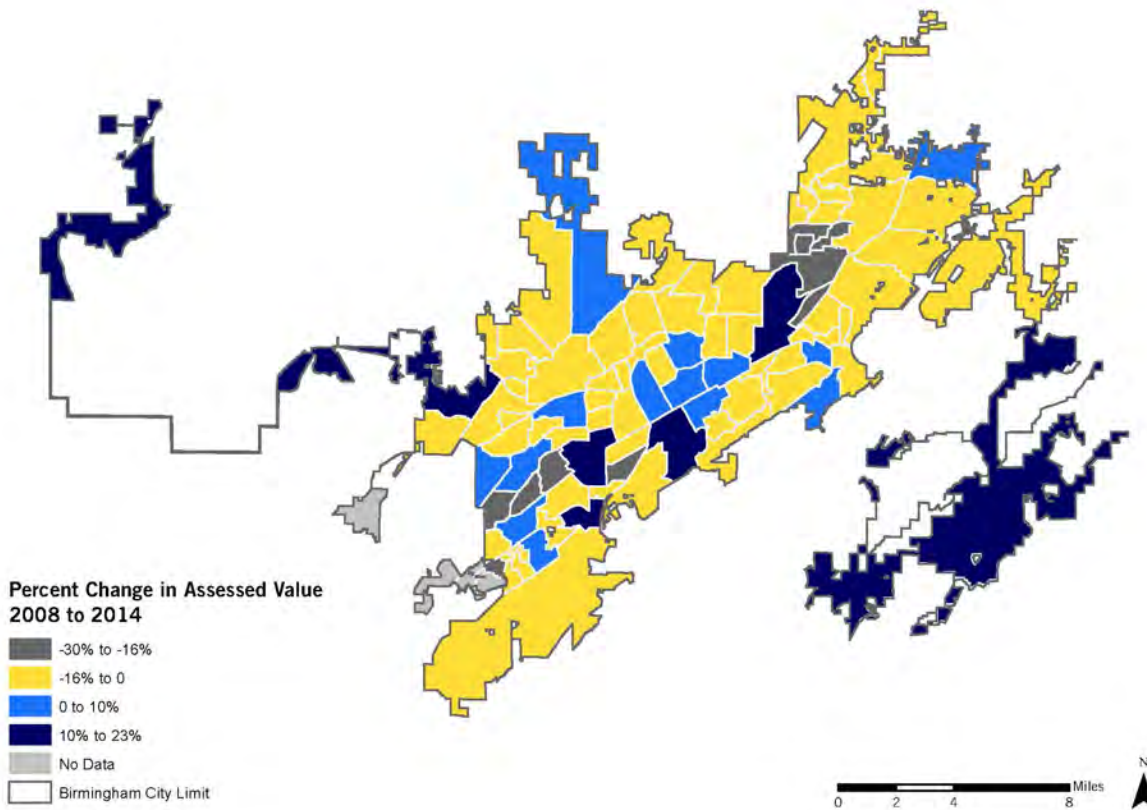
Changes in Assessed Value

Looking at the Jefferson County Assessor data from 2008 to 2014, our assessment examines the change in average assessed value by neighborhood. Examining this data over time shows the neighborhoods that have seen the most improvement in land value which could include private or public investment, but indicates that land is becoming more expensive. The map below demonstrates what neighborhoods have seen the most change in assessed value and those that have seen the largest decrease.

Table 28: Change in Assessed Value by Neighborhood

Total Average Neighborhood Change	Neighborhood Names
Highest Increase in Value	Woodlawn, Overton, Sherman Heights, Five Points South, Arlington – West End, Mason City
Highest Decline in Value	Zion City, Brownsville Heights, Airport Highlands, North East Lake, Wahouma, Oakwood Place, Germania Park, Green Acres

Map 40: Average Change in Assessed Value



Source: Jefferson County Tax Assessor, City of Birmingham, GCR Inc.

Housing Demand vs. Affordable Housing Need

Housing demand is not equivalent to affordable housing need, it is an analysis of supply and demand; a calculation of how many households there will be in the future, minus how many housing units are available on the market. As a component of this, our analysis looks at household growth by income, including an estimated demand for affordable units, or housing that can be developed using federal, state and local housing subsidies.

Affordable housing need, on the other hand, focuses on the households already living in the community who pay over a third of their income for housing, or people that live in unsafe or overcrowded households. Oftentimes areas with limited housing demand still have substantial affordable housing needs.

Methodology

There are a variety of moving parts within any given housing market that will affect the demand for housing, some predictable and some not. We can categorize these moving parts into two areas. First, there are the known factors, essentially information that can be reasonably gathered and assessed based on current conditions. This includes housing unit counts, housing prices, vacancy rates, property condition, market rents and other general housing supply statistics. Most of this information is readily available through the U.S. Census, HUD, State agencies and real estate experts.

And then there are the unknown factors, generally referring to the things that will happen in the future that can be projected or forecasted using known information. This includes household growth over time, future construction, the income distribution and family size of future households, etc. While we cannot state definitively what this will look like, we can make reasonable assumptions based on past trends and expected future investment.

To develop these assumptions, we have used demographic information from the ACS 2012 5-Year Survey; household projections provided by the Regional Planning Commission of Greater Birmingham, household types, tenure and income distribution provided by HUD CHAS data; building permits from the City of Birmingham.

The demand model uses the Framework Areas established in the comprehensive planning process as its lowest level of geography, and also provides a summary at the City-level. The Framework Areas were selected to improve the accuracy of the calculations. With limited development within the City, the neighborhood-level geography used throughout the report would skew the results.

Indicators

The following are key indicators and assumptions used to develop the model:

- Total Units and Vacancy Rates (for both owned homes and rental homes) – to determine if there is currently too much or too little housing. We incorporate the natural vacancy rate into the analysis, or what we like to call the appropriate “wiggly room” for a market to be stable. This means having enough stock available so that when people want to move, they have a reasonable supply to pick from, but not so much that units stay vacant for long periods of time and cause owners to

drop prices. When there isn't enough wiggle room, prices usually inflate given the heightened competition. Alternatively, if the vacancy rate exceeds what is typical for the market, prices tend to drop. For purposes of this study, we assume the national vacancy rates, which is 6.8% for rentals and 5.7% for homeownership. Demand is adjusted up or down, depending on the current vacancy rates of rental housing and for-sale homes in each area.

- Household Growth Rates (broken down by renter and owner) – this is used to estimate how units will be needed over a five-year period. This study assumes all new households will require a housing unit rather than “double up”, meaning two households living in one house. Household growth refers to a) migration patterns, or households moving in and out of the state and b) natural growth, or the increase in households due to births, age and households getting smaller.
- Obsolescence Rate – this figure is used to estimate how many homes are removed from the market over the forecasted period of time based age (declining conditions) or demolition. The model assumes that three units per 1,000 leave the market any given year.
- Future Construction – future demand is reduced by the number of new units approved for construction but have not yet entered the market. This is based on building permit activity over the past two years provided by the City of Birmingham.
- Affordability Ranges and Tenure – to determine how many households are within the market at each price point, the model uses current income distribution by tenure and assumes in-migrating households will resemble the income mix of the existing population.
- Unit size – to estimate the unit sizes needed for future housing demand, the model uses household type within the HUD CHAS data as a guide, and assumes non-family households are typically individuals; small families are couples with under 2 children; and large families are parents with children.

Housing Demand by Income and Tenure (2015 – 2020)

The model divides demand into four income categories for rental housing and homeownership. For rental housing, this includes a demand model for extremely low income (under 30% AMI), very low income (30% to 50% AMI), low income (50% to 80% AMI) and market rate units (over 80% AMI). The purpose for these categories is to assist housing developers and the City determine which programs are most effective within these income tiers.

For example, the Low Income Housing Tax Credit Program generally targets households earning between 50% and 60% AMI, whereas the Housing Choice Voucher Program caters more to households earning less than 50% AMI. By providing demand by income brackets, housing providers will have a clearer idea of price points for new homes, and what public funds, if any, would be needed to offset construction costs.

The income classification for future demand is distinct from affordable housing needs. Households with the greatest needs in Birmingham are predominantly extremely low income households (earning under 30% AMI) and moderate to market rate households (80% AMI and above).

Rental Housing Demand by Income (Five Year)

The greatest renter demand across the City of Birmingham is overwhelmingly for very low income renters earning under 30% Area Median Income with households earning over 80% Area Median Income also showing a high demand. Framework area 1 and Framework Area 8 show the highest total demand, while Framework Area 2 and Framework Area 6 show negative growth over the next five years.

Table 29: Rental Housing Demand 2015-2020

	<30% AMI	30% to 50% AMI	50%-80% AMI	80%+ AMI	Total
Birmingham City	2,040	1,110	1,362	1,588	6,101
Framework 1	807	364	372	309	1,852
Framework 2	-120	-68	-29	-47	-264
Framework 3	225	78	137	183	623
Framework 4	349	165	179	204	897
Framework 5	226	79	95	110	510
Framework 6	-65	-56	-61	-91	-273
Framework 7	309	179	194	239	922
Framework 8	309	369	474	682	1,834

Source: GCR

Homeownership Demand by Income (Five Year)

The demand for homeownership has higher total numbers at the City level than for renters due to stronger housing preferences for homeownership within the City of Birmingham. Similar to renters, demand for very low income households is the highest citywide, followed by 80% Area Median Income Households.

Table 30: Homeownership Demand 2015-2020

	<30% AMI	30% to 50% AMI	50%-80% AMI	80%+ AMI	Total
Birmingham City	7,751	851	930	2,207	11,740
Framework 1	1,672	175	227	564	2,638
Framework 2	273	40	46	70	429
Framework 3	598	72	98	173	941
Framework 4	738	125	91	243	1,197
Framework 5	380	65	87	121	652
Framework 6	1,810	202	141	416	2,569
Framework 7	1,038	106	119	268	1,530
Framework 8	1,242	66	122	352	1,783

Source: GCR Inc.

Rental Housing Demand by Unit Size (Five Year)

Over the next five years, the City of Birmingham will see a demand for smaller rental housing units. This matches national trends with seniors and millennials who prefer smaller household sizes in walkable locations, and who are less likely to be homeowners. Framework Area 1 and Framework Area 8 show the highest level of demand, while Framework Area 2 and Framework Area 6 show negative demand of the next five years.

Table 31: Rental Housing Demand by Unit Size 2015-2020

	Studio/1 BR	2 BR	3 BR
Birmingham City	2,105	2,317	1,425
Framework 1	604	659	403
Framework 2	-76	-86	-45
Framework 3	228	217	118
Framework 4	275	336	205
Framework 5	143	175	143
Framework 6	-126	-77	-42
Framework 7	317	329	193
Framework 8	741	764	450

Source: GCR Inc.

Homeownership Demand by Unit Size (Five Year)

Single family homeownership is by far the most dominant housing type in the City of Birmingham. The positive demand shown for homeownership units echoes this demand. The City overall will see additional demand for 2 bedroom homeownership opportunities. The highest demand for homeownership is found in Framework Area 1 and Framework Area 6.

Table 32: Homeownership Demand by Unit Size 2015-2020

	Studio/1 BR	2 BR	3 BR
Birmingham City	2,641	3,881	2,432
Framework 1	617	867	649
Framework 2	100	127	84
Framework 3	236	367	225
Framework 4	259	415	261
Framework 5	139	212	119
Framework 6	618	836	459
Framework 7	331	486	279
Framework 8	339	571	355

Source: GCR Inc.

Investment by Neighborhood Type

The City of Birmingham’s neighborhoods have different challenges and opportunities, so there is not a one size fits all solution to improving a neighborhood. To assess existing resources, and understand the impact of public and private investment in neighborhood change, this section examines a set of indicators to assess neighborhood strength and opportunities for private and public investment. Table 33 lists Investments by Neighborhood Type.

Table 33: Investment by Neighborhood Type

Low Middle High

Neighborhood	Private Investment			Housing Need			Public Investment			Vacancy			Access
	1. Multiple Listing Service Sales	2. Building Permits	3. Change in Assessed Value	4. Number of Households with Housing Problems	5. Number of Cost Burdened Renters (Low Income)	6. Number of Cost Burdened Homeowners (Low Income)	7. HUD Multifamily Loans, Public Housing	8. Number of Low Income Housing Tax Credit Developments	9. Total Community Development Department Investment (Not Including Demolition)	10. Demolitions	11. Vacant Households (By Parcel)	12. Vacant Land (By Parcel)	13. Composite Score (Out of 10)
Acipco-Finley	75	17	-7%	122	30	24	0	0	34	21	20	188	5.1
Airport Highlands	9	0	-26%	1	1	2	0	0	2	7	115	204	1.8
Apple Valley	29	52	-14%	164	113	50	1	1	26	1	0	50	0.4
Arlington - West End	271	49	23%	887	320	60	5	3	96	74	85	299	7.8
Belview Heights	170	125	1%	429	125	232	2	1	93	11	10	86	5.4
Bridlewood	4	23	-15%	54	38	4	0	1	20	0	0	27	0.9
Brown Springs	206	10	-7%	44	12	18	0	1	14	6	25	136	5.8
Brownsville Heights	45	4	-19%	9	9	20	0	0	7	25	53	275	2
Brummitt Heights	7	3	-10%	5	5	11	0	0	2	0	5	197	0.3
Bush Hills	274	51	1%	260	99	136	0	0	39	23	11	79	9.4
Central City	284	46	2%	176	191	0	4	5	22	1	1	26	9.8
Central Park	1	67	1%	531	162	152	1	2	72	24	16	86	7.3
Central Pratt	5	45	-13%	167	22	21	2	0	25	70	80	405	4.7
College Hills	1	30	-6%	154	187	51	0	0	40	11	15	53	8.9
Collegeville	24	27	-13%	350	60	115	1	0	35	73	107	376	4.9
Crestline	58	148	7%	163	36	79	0	1	0	3	0	25	3.7
Crestwood North	11	104	-9%	172	70	0	0	0	1	1	2	50	6.1
Crestwood South	12	126	-9%	141	42	56	0	0	9	1	1	33	2.2
Dolomite	10	13	N/A	74	16	42	0	0	19	15	25	307	1.5
Druid Hills	169	23	-12%	233	131	77	0	0	15	20	29	258	9.7
East Avondale	0	28	0%	54	23	3	0	1	5	6	9	137	8.7
East Birmingham	74	11	-10%	48	13	7	0	0	2	25	26	158	6.6
East Brownville	5	9	N/A	53	27	62	0	0	11	7	12	101	1.7
East Lake	92	63	-15%	316	110	113	0	0	62	23	26	118	6.5
East Thomas	40	16	-3%	107	70	31	0	0	20	14	5	69	6.9
Eastwood	46	55	-10%	168	69	51	0	0	6	2	1	35	6.6
Echo Highlands	13	116	-4%	206	183	31	0	2	18	2	2	158	1.2
Enon Ridge	127	17	-3%	60	39	17	0	0	22	36	25	156	6
Ensley	19	66	-4%	418	261	243	1	1	135	118	100	421	8.4
Ensley Highlands	13	92	-4%	615	167	135	0	0	76	27	23	91	6.8
Evergreen	14	12	-10%	131	75	40	0	1	14	16	22	278	6.9
Fairmont	33	10	-4%	62	6	37	1	0	12	45	34	681	2.9
Fairview	364	42	-3%	255	116	41	0	0	44	11	20	74	8.3
Five Points South	6	121	10%	832	587	30	1	1	3	13	15	152	9.5
Forest Park	11	304	-6%	326	195	45	3	0	4	5	8	88	6.3
Fountain Heights	29	17	2%	214	204	70	1	3	52	31	47	365	9.8
Garden Highlands	5	12	7%	30	15	35	0	0	8	3	6	208	2.8
Gate City	8	21	-8%	61	44	10	1	0	7	5	4	53	7.7
Germania Park	31	44	-26%	310	93	62	1	0	53	21	12	87	6.2
Glen Iris	3	80	0%	962	907	39	0	0	9	4	3	75	6.3
Grasselli Heights	10	20	-20%	42	21	49	0	0	8	8	11	149	3.3
Graymont	18	22	-7%	122	134	52	1	1	19	14	3	52	9.3
Green Acres	303	45	-24%	266	66	77	0	0	67	6	6	40	4.3
Harriman Park	99	7	-8%	13	1	8	0	0	10	18	25	154	4.6
Highland Park	7	101	-4%	460	368	37	3	0	1	2	2	16	7.3
Hillman	19	10	N/A	25	13	30	0	0	12	1	1	45	4
Hillman Park	25	4	N/A	14	7	17	0	0	4	2	4	26	2.7
Hooper City	0	20	6%	106	33	25	0	0	34	19	16	637	2.4
Huffman	5	73	-10%	261	220	143	0	0	18	2	3	87	1.9
Industrial Center	8	0	-13%	21	11	25	1	1	0	1	0	88	3.2
Inglenook	138	70	-8%	596	80	115	0	0	93	44	44	300	5.9
Jones Valley	265	40	6%	204	44	55	1	0	42	19	25	180	5.2
Killough Springs	15	74	-7%	266	20	95	0	0	38	10	2	69	1.4
Kingston	285	23	-12%	392	81	68	2	1	26	42	31	161	7.9
Liberty Highlands	1	9	-10%	18	4	10	0	0	2	1	37	324	1
Maple Grove	267	1	-6%	5	5	11	0	0	2	0	5	142	0.4
Mason City	1	37	15%	59	1	49	5	0	16	12	9	185	4.8
North Avondale	27	12	6%	141	62	3	1	0	3	5	8	62	9
North Birmingham	5	36	-11%	277	84	53	2	1	71	69	34	225	8.1
North East Lake	23	29	-26%	157	33	69	0	0	54	338	384	61	4.4
North Pratt	71	157	-16%	342	24	13	0	1	64	134	104	314	4.2
North Titusville	182	36	-12%	497	128	41	1	0	61	48	49	262	8.6
Norwood	251	83	3%	318	42	70	0	0	46	37	31	231	9.1
Oak Ridge	77	3	-12%	2	1	3	0	0	2	2	6	94	2.2
Oak Ridge Park	7	12	2%	149	89	14	1	0	25	14	12	118	5.4
Oakwood Place	2	47	-26%	449	180	46	1	2	103	35	30	135	7.2
Overton	219	87	23%	161	62	9	1	0	1	0	8	154	0.1
Oxmoor	61	164	-5%	229	89	55	0	1	2	3	6	439	0.6
Penfield Park	121	11	-8%	18	19	41	0	0	9	13	13	190	1.2
Pine Knoll Vista	55	4	0%	5	5	12	0	0	1	2	2	54	0.6
Powderly	32	30	-14%	161	35	115	1	0	20	22	29	208	3.9
Redmont Park	84	184	-5%	172	128	15	0	0	0	5	7	137	5.7
Riley	16	26	-5%	97	24	36	0	0	25	12	32	233	4.5
Rising - West Princeton	126	18	-10%	115	71	38	2	2	32	23	29	134	8.5
Roebuck	212	67	-2%	209	49	253	0	0	102	49	60	157	3.4
Roebuck Springs	84	62	-7%	132	41	115	0	0	18	7	3	75	2.4
Roosevelt	182	26	N/A	184	47	82	1	0	18	1	31	358	0.6
Sandusky	89	17	-8%	94	10	15	0	0	8	12	8	262	2.6
Sherman Heights	1	6	15%	26	7	21	0	0	12	12	12	218	0.2
Smithfield	56	8	-9%	184	213	12	1	0	13	94	73	319	9.6
Smithfield Estates	84	240	-8%	375	39	49	1	0	28	33	75	74	2
South East Lake	15	123	-12%	656	159	320	6	1	176	52	30	160	3.7
South Pratt	90	10	-15%	48	9	10	0	0	24	26	29	102	4.9
South Titusville	54	37	-24%	316	153	102	0	0	63	26	18	77	8.1
South Woodlawn	31	16	-1%	67	54	10	0	0	10	30	30	136	7.6
Southside	8	8	1%	70	44	3	1	0	1	2	1	50	9.1
Spring Lake	35	63	2%	316	97	194	0	0	32	4	5	91	1.1
Sun Valley	239	11	-11%	115	42	36	0	0	1	0	3	14	1.6
Tarpley City	15	6	-15%	12	6	14	0	0	9	3	9	104	3.1
Thomas	1	11	-3%	110	22	23	0	0	7	14	16	177	5.2
Tuxedo	6	24	-4%	100	31	37	2	2	4	11	25	70	8.8
Wahouma	4	35	-19%	199	99	36	0	0	20	31	12	116	7.5
West Brownville	6	7	N/A	22	7	20	0	0	11	1	8	86	3
West End Manor	6	91	-13%	340	72	118	1	1	77	20	13	90	5.6
West Goldwire	5	7	0%	22	11	26	0	0	4	0	0	9	3.5
Woodland Park	2	15	-15%	73	38	34	0	0	13	3	4	90	6.9
Woodlawn	1	57	15%	433	259	68	3	1	39	98	94	292	8
Wylam	2	61	-15%	317	62	182	0	0	47	10	25	296	4.1
Zion City	10	3	-29%	25	4	12	0	0	10	4	189	142	3.6

Market Rate Investment

Using a combination of Multiple Listing Service information provided by the Greater Birmingham Realtors Association, Building Permits from the City of Birmingham and the Change in average Assessed Value, the following outlines strategies for areas with High, Medium and Low market rate investments.

Public Investment

Investment through public programs is often overlooked as a catalyst for neighborhood change. While public investment does not guarantee neighborhood success, it can build off of private investment or spur private investment. The indicators used to demonstrate Public Investment are HUD properties (Multifamily Loans, Public Housing), Low Income Housing Tax Credit developments, and the combined number of City of Birmingham Community Development programs including: Deferred Loan Investment, Independent Living Center Grants, Volunteer Rehabilitation Grants, Critical Repair Grants, and Down Payment Assistance Grants.

Vacancy

Using total number of city-funded demolitions, number of vacant homes and number of vacant lots by neighborhood, Vacancy examines how many vacant properties are within a neighborhood. While the City struggles overall with the high number of vacant lots and homes, vacancy can also be an asset. If there is high vacancy in a neighborhood with high or medium Access, vacant land can be used for a catalytic development. For areas with high vacancy and no market demand, more passive uses for vacant land including water retention, community gardens, or park space can be utilized. For vacant homes, demolition should be targeted in areas with lower vacancy and high Public Investment or Private Investment.

Access

The Access Index discussed in Section 12 combines the different Accessibility factors into the following categories: Jobs, Workforce, Schools, Parks, SNAP Retailers, Hospitals, Libraries, Transportation Choice (Driving, Public Transit). High Access Areas are closer to existing jobs and amenities that create high quality of life environments. By building affordable housing and supporting existing affordable housing within these areas, it will ensure that low income Birmingham residents can live in neighborhoods with amenities and access to the factors listed above.

Housing Needs

A majority of the City of Birmingham's Community Development Department's resources have to be used towards programs and housing that serve low and very low income Birmingham Residents. To assess housing needs, this section examines the number of cost burdened owners and renters, who pay over one third of their income towards housing costs, and number of households with housing problems. Cost burden is a symptom of either housing costs being too high or household earnings being too low. In the City of Birmingham, with many people living in poverty, and earning low wages, the City may support cost burdened households with home repairs that make their homes more efficient, with building new units that have lower rents.

Using the indicators outlined above, the following table outlines recommendations based on Neighborhood type.

Table 34: Investment by Neighborhood Type

Neighborhood Type	Strategy	Indicators
High Growth	Support development of affordable and supportive housing, active code enforcement, and target demolitions.	High Access, Low Vacancy, High Private Investment
Transitional	Balance market rate housing with subsidized housing, rehabilitate vacant units, and provide resources for home rehabilitation.	Existing Public Investment, Middle Vacancy, Middle Housing Need, Middle Access
Distressed	Preserve Housing Stock, Encourage transformational projects, Build off of neighborhood assets.	High Vacancy, Low Private Investment, Low Access, Middle Housing Need, Low Access, Existing Public Investment
High Vacancy	Land Banking, Demolish Blight, Partner with Neighborhood Anchors, Invest in Access and Social Programs.	High Vacancy, Low Access, Low Private Investment, High Housing Need

II. State Programs in Alabama

The State of Alabama has two agencies that manage housing programs: the Alabama Department of Economic and Community Affairs (ADECA), and the Alabama Housing Finance Authority (AHFA). While ADECA's programs generally are not open to the City of Birmingham because it is an entitlement community for Community Development Block Grant, HOME, ESG and HOPWA funds, the agency provides insight into how the state invests in housing programs.

Alabama Department of Economic and Community Affairs

ADECA's budget is approximately 96% federally funded, and in addition to administering the programs listed above, the department also administers Recovery and Neighborhood Stabilization Funds, the Enterprise Zone Program and Fair Housing Outreach grant. In addition to housing programs, the agency also administers the Weatherization and Low Income Home Energy Assistance Programs, as well as economic development activities using CDBG funding.⁷⁵

While predominantly passing through federal funding to non-entitlement communities

(small cities and rural areas), ADECCA is slated to administer the Alabama Housing Trust Fund if funding becomes available. Also, its leadership structure sets it apart from the Agency head who is appointed by the Governor.

Alabama Housing Trust Fund

The State of Alabama passed HB 110 in May 2012, which established the Housing Trust Fund and Housing Trust Fund Advisory Committee, to provide housing for individuals and families below 60% Area Median Income. The committee will be housed within the Alabama Department of Economic and Community Affairs. The goals of the trust fund include: flexible source of funding for affordable housing, achieve economic stability, revitalize blighted neighborhoods, economic growth, and add to the supply of affordable homes in both rural and urban areas.

Advisory Committee (16 members)⁷⁶:

- Alabama House of Representatives, Speaker of the House
- Alabama Senate, President Pro Tempore
- Lieutenant Governor
- Alabama Association of Habitat Affiliates
- Low Income Housing Coalition of Alabama
- Community Action Association of Alabama
- Alabama Alliance to End Homelessness
- Alabama Department of Mental Health
- Alabama Association of Realtors
- Governor's Statewide Interagency Council on Homelessness
- Home Builders Association of Alabama
- Independent Living Resources of Greater Birmingham, Independent Living Center of Mobil, Montgomery Center for Independent Living
- Alabama Bankers Association
- Individual whose income does not exceed 60% AMI appointed by the Governor
- Alabama Manufactured Housing Association

The Alabama Housing Trust Fund is intended to supplement the federal funding available through the State of Alabama (the HOME Investment Partnership Program, and the Low Income Housing Tax Credit Program).⁷⁷

Alabama Housing Finance Authority

The Alabama Housing Finance Authority is governed by a Board of Directors, with the governor appointing one board member from each congressional district; the lieutenant governor and speaker of the house appoint two members; and the state finance director, treasurer and superintendent of banks serve as well.⁷⁸ The AHFA focuses on homeownership programs, but also issues multifamily bonds for housing development, administers federal funds including Hardest Hit Funds for foreclosure prevention, as well as HOME and Low Income Housing Tax Credits through the Qualified Allocation Plan. The agency only funds housing over 24 units. The following AHFA programs could be marketed to or adopted at the City level for homeownership programs:

Step Up Mortgage Program

Started in 2000, the program assists homeowners with meeting costs for down payment, closing costs and prepaid items. AHFA offers down payment assistance in the form of 10 year second mortgages, and 30 year fixed rate first mortgages for households earning \$97,300 or less.

Habitat for Humanity Loan Purchase Program

Habitat Affiliates to receive the loan amount up front, and the AHFA receives payments for the entire life of the loan, enabling Habitat Affiliates to build additional homes. Over 500 Habitat homes have used this statewide since 1992.

Mortgage Credit Certificates

Can be paired with Step Up program funds, provides a tax credit to reduce federal taxes for qualified homebuyers by a percentage of the annual mortgage paid per year. Range of 20% to 50% Mortgage Credit Certificates based on Income.

Both multifamily programs administered by AHFA are competitive opportunities, but with local experience in the City of Birmingham including Aletheia Housing and the Woodlawn Foundation, as well as other private developers, the City can leverage its federal resources through mixed income financing with the Low Income Housing Tax Credit and HOME financing available through AHFA.

HOME and Housing Credits

The State of Alabama bundles Low Income Housing Tax Credits with HOME program funds. The Funds are used to build new or renovate existing housing for low income families. The Funds have created 582 developments, 26,698 units, and total funding of \$430,436,420 over its lifespan in Alabama. While an additional 19 developments, with 1,005 units and \$64 million in funding have gone toward projects using other funding.

Multifamily Bonds

38 developments with 5,305 units and \$212 million in funding statewide. These bonds offer developers below market interest rates in exchange for preserving affordable units within a development. Bonds may also be issued to fund additional production of affordable rental housing.

Low Income Housing Tax Credit Program

The LIHTC Program is a tax incentive administered by the U.S. Treasury to encourage the private development of affordable rental housing. Begun in 1986 as part of the U.S. tax reform, the program functions as a “rebate” corporations and other investors can claim on taxation of future earnings. In simple terms, it is a funding source derived from the private market in exchange for tax rebates, allowing the funding stream to be independent from congressional funding. This provides protection from annual budget cuts, resulting in it being the number one funding source for affordable rental housing in the past two decades. The program faced significant challenges between 2007 and 2010 as a result of the Great Recession, but has since recovered and remains the primary tool for developing new rental housing.

The program is administered by the State's housing finance agency, the Alabama Housing Finance Authority. Each year, the agency submits a Qualified Allocation Plan (QAP) that outlines the state's housing priorities for the LIHTC program. Developers apply for 9% tax credits through a competitive process, and are scored based on the criteria and priorities established in the QAP.

Annual allocations are based on state population and are determined by the U.S. Treasury, but funds available in any given year are dependent on the annual allocation plus any turnover from the previous year.

One of the biggest challenges with the LIHTC Program is that it typically provides housing to families earning between 50% and 60% of AMI. However, this additional subsidy is limited. The LIHTC program also requires very specialized knowledge about housing development and previous experience with the LIHTC program is essential.

Alabama Qualified Allocation Plan (QAP)

The Alabama Housing Finance Authority (AHFA) develops an annual Qualified Allocation Plan in accordance with Section 42 of the Internal Revenue Code of 1986 for allocation of Low Income Housing Tax Credits. The LIHTC program provides developers with a dollar-for-dollar reduction in federal tax liability in exchange for providing housing at a reduced rate to low income individuals and families. The QAP works to develop selection criteria, an evaluation process and compliance monitoring procedures for the allocation of LIHTC to proposed projects that apply. AHFA establishes annual priorities for investing credits, the 2014 priorities were:⁷⁹

- Projects that add to or significantly upgrade the existing low-income housing stock;
- Projects which, without Housing Credits, would not likely set aside units for low-income tenants;
- Projects which use additional assistance through federal, state, or local subsidies; and
- A balanced distribution of the Housing Credits throughout the state in terms of geographical regions, counties, urban and rural areas.

Each year these priorities can change depending on AHFA's focus for the application cycle. Along with the priorities, AHFA also sets mandatory criteria for applications for credits, as well as minimum standards for project using the credits. These standards include minimum unit sizes, construction standards, energy efficiency standards, and requirements for market studies and financing commitments.

III. Federal Programs

The Department of Housing and Urban Development has shifted resources towards competitive applications, while also continuing its ongoing support of housing programs through CDBG and HOME programs. This section provides additional detail about the Sustainable Communities and Choice Neighborhood Programs. Two major initiatives, the Promise Neighborhoods Initiative, which focuses on school-based community redevelopment through a cradle-to-college model, and the National Disaster Resilience Competition

(NDRC) are not discussed in detail in this section. The City of Birmingham submitted an application to the Promise Neighborhoods Initiative in November 2014, and as of this publication is working on an application to the NDRC competition.

For each of these competitive grant applications, the Department of Housing and Urban Development stresses sustained community engagement and cross-issue partnerships. The next section examines how the Advisory Committee convened for the Housing Study can continue to be a source of discussion and demonstrate a level of commitment required by current HUD programs.

Sustainable Communities

The Sustainable Communities program was established in 2009 as an Interagency Partnership between HUD, the Department of Transportation (DOT) and the Environmental Protection Agency (EPA). Its mission is to coordinate investments in such a manner that housing, jobs, infrastructure and public transportation would be developed in a coordinated fashion to create equitable, healthy and self-sufficient communities. This historic partnership has funded 132 grantees in 87 regions and 56 localities in 47 states.⁸⁰

The Sustainable Communities program is designed to create multijurisdictional partnerships that can integrate plans for both rural and urban areas. To accomplish this, plans rely on strong alliances of residents and regional groups to implement a long-term vision, build greater transparency into planning efforts, and implement livability principles through new programs and changes to local zoning and land use.

The Federal Sustainable Communities program consists of six livability principles that guide the work⁸¹:

- **Provide more transportation choices.** Develop safe, reliable and economical transportation choices in order to decrease household transportation costs, reduce our nations' dependence on foreign oil, improve air quality, reduce greenhouse gas emissions and promote public health.
- **Promote equitable, affordable housing.** Expand location and energy efficient housing choices for people of all ages, incomes, races and ethnicities to increase mobility and lower the combined cost of housing and transportation.
- **Increase economic competitiveness.** Enhance economic competitiveness through reliable and timely access to employment centers, educational opportunities, services and other basic needs by workers as well as expanded business access to markets.
- **Support existing communities.** Target federal funding toward existing communities to increase community revitalization, the efficiency of public works investments and safeguard rural landscapes.
- **Leverage federal investment.** Cooperatively align federal policies and funding to remove barriers, leverage funding and increase the accountability and effectiveness of all levels of government to plan for future growth.
- **Value communities and neighborhoods.** Enhance the unique characteristics of all communities by investing in healthy, safe and walkable neighborhoods – rural, urban or suburban.

Funding has not been identified in the federal budget for additional Sustainable Communities programs, but the spirit of the Livability Principles is seen throughout additional HUD

programs. GCR also incorporated these principles into a companion web tool for the City of Birmingham's Department of Community Development.

Figure 72: Woodlawn Neighborhood



Source: GCR Inc.

Woodlawn Case Study

The City of Woodlawn was annexed by the City of Birmingham in 1910. Fast forward to the 1960s and 1970s and the Woodlawn neighborhood faced problems similar to the rest of Birmingham due to disinvestment, white flight, and job loss. The neighborhood was further challenged by the construction of Highway 20 and 59 through portions of the neighborhood, which exacerbated other structural issues.

The Woodlawn Foundation and Woodlawn United uses the Purpose Built Communities framework to neighborhood revitalization which focuses on: community wellness, cradle-to-education pipeline, and mixed income housing development.

With a budget of over \$1 million in 2013, the scale and level of financial support from public, private, corporate and individual donors, Woodlawn United is an example of how the right combination of staff, resources, and location combined with a comprehensive neighborhood revitalization framework can positively impact a neighborhood.

Woodlawn United and Woodlawn Foundation have a long list of successes that have positively impacted the area, including:

- Social Venture: A Partnership between REV Birmingham and Woodlawn Foundation that houses 12,000 square feet of permanent and shared office space.
- National Mortgage Settlement: Received \$500,000 from the Attorney General allocated Mortgage Settlement to create a homeowner rehabilitation program, hiring 6 full and part time employees to run the program.
- Measuring its Success: Partnered with the University of Alabama at Birmingham's Center for Educational Accountability to measure the success of Woodlawn residents over time

- The Park at Wood Station: Partnering with Hollyhand Development, the Woodlawn Foundation will develop 64 units of affordable town homes using the Low Income Housing Tax Credit Program through the State of Alabama.
- Education: Partnering with JR1 Foundation to provide services to 100 children ages 0-3.
- Woodlawn Innovation Network: A pilot program that will allow high school students to take up to 60 hours of college credit.

Choice Neighborhoods

HUD's Choice Neighborhoods Initiative seeks to change the way municipalities deal with troubled public housing, by supporting redevelopment of public housing and supporting the surrounding neighborhood through integrating housing, schools, and neighborhood revitalization.

- Housing: Replace distressed public and assisted housing with high-quality mixed-income housing that is well-managed and responsive to the needs of the surrounding neighborhood.
- People: Improve educational outcomes and intergeneration mobility for youth and supports delivered directly to youth and their families.
- Neighborhood: Create the conditions necessary for public and private reinvestment in distressed neighborhoods to offer the kinds of amenities and asset, including safety, good schools, and commercial activity, that are important to families' choices about their community.

CNI offers two types of grants: Planning Grants and Implementation Grants. The Planning Grants cover the cost of comprehensive neighborhood revitalization plans intended to achieve the program's goals around housing, People and Neighborhoods. These plans are called Transformation Plans and act as a guiding document for revitalizing public housing while also transforming the surrounding community. In order to apply for an Implementation Grant the community must complete a Transformation Plan as defined by the CNI Notice of Available Funding. The Implementation Grants are designed to implement the community's plan to redevelop the neighborhood.

Choice Neighborhoods Initiative Planning Grants are nationally competitive grant process. The application will also require specialization from staff or a consultant that has experience applying to federal grant programs, with specific experience with HUD programs. Once a CNI Planning Grant is awarded, upon completion, the community can apply for a CNI Implementation Grant, which provides access to millions of dollars for implementing goals outlined in the CNI planning grant.

The application process requires MOU's from the Public Housing Authority, and commitments from other players including governmental agencies, local businesses, neighborhood organizations, and other community stakeholders. A Cooperative Endeavor Agreement is also required for submittals. The application process itself would cost between \$20,000 and \$60,000 to prepare and requires specialization with HUD grant programs.

In 2013, the program received \$114 million, \$90 million in 2014, and \$120 is proposed for the 2015 Federal budget. In 2013, nine grantees were awarded a total of \$3,874,000

for planning grants, and six received implementation grant awards (up to \$30 million). The next round of funding has not been announced, but the City of Birmingham and the Housing Authority of the Birmingham District may use the group established for the Housing Study to explore applying for the next round of funding when available. The City of Birmingham, through the Housing Authority of the Birmingham District as the coordinating agency has applied twice to the Choice Neighborhood program, most recently in 2014 for a Planning Grant.

IV. Next Steps

Build and Sustain a Citywide Housing Group

Through the course of the City of Birmingham's Housing Study process, a group of committed organizations have met over the six month planning process. Out of this process, the group has contributed to the design of the plan and provided feedback on the current state of housing in the City of Birmingham. The Study Advisory Committee has committed to continuing the process beyond the timeframe of the Study to continue to build off of the data and ideas within this Study, and move to address issues of financing affordable housing development process in the City of Birmingham.

In addition to meeting monthly to discuss topics identified by the group, the Advisory Committee can be the basis for meeting requirements of Federal funding applications such as Sustainable Communities, Choice Neighborhoods Initiative, Promise Neighborhood, National Disaster Resilience Competition, and future funding opportunities.

An ongoing group dedicated to discussing and creating funding for affordable housing is critical for bringing together public, private and nonprofit resources. For the continuation of the Advisory Committee, the following structure is provided by the Center for Community Change⁸²:

- **Identify a Lead Organization**
Create or identify a person or organization that is responsible for setting the meeting time, topic, and facilitating meetings.
- **Craft a Mission Statement**
Clear statement of what you hope to achieve. Enables parties to build consensus, and outline why you are meeting as a group. It should also include the income level of target populations.
- **Create a Timeline**
Develop a broad picture of what you want to accomplish and by when. This will give the group an idea of what they are committing to.
- **Develop Initial Tasks**
Delegate tasks for getting things done, provide research for getting other people involved, and what resources are available.
- **Create a Meeting Schedule**
When and where you need to meet and which initial tasks should be done.

Case Study: Sioux Falls Housing Trust Fund Task Force (Sioux Falls, SD)

A working committee of over 13 government agencies, nonprofits, and businesses to promote and establish a housing trust fund for the City of Sioux Falls. This body of people came together after a summit on ending family homelessness. After the creation of a plan and establishing an affordable housing task force. Out of this, the Task Force selected a housing trust fund as their first goal. The Taskforce is convened by the Minnehaha County Homeless Advisory Board, it meets in government office space, and the County covers administrative costs. However, a drawback of being within a government entity is that it can be politically difficult to push for particular issues. The entity is looking to pursue appointed Task Force Members, which would change the approach.⁸³

Address Barriers and Access to Affordable Housing Development

Through research and interviews conducted for this study, stakeholders identified the need for the following areas to be investigated further:

- American Disabilities Act Accessible Units: Create a publically accessible central database of ADA accessible apartments and homes funded using CDBG, HOME, ESG, and other housing programs.
- Multifamily Development Permitting Process: Review the current process for affordable housing developments to receive building permits, including customer satisfaction, and time it takes to complete the process. Explore additional opportunities to streamline permitting process for affordable housing developments.
- Demonstration Projects: Work with the Department of Planning, Engineering and Permits, as well as the Birmingham Land Bank Authority to conduct demonstration projects looking at smaller square footage currently allowed by the zoning code to provide alternative housing types.

Leverage Housing Financing

Leverage the Low Income Housing Tax Credit Program

The City of Birmingham can use its existing resources through federal programs to leverage funding with other resources available at the State level and with other area organizations. To leverage Low Income Housing Tax Credit and HOME funds at the State level through ADECCA, the City can develop a request for proposal to solicit developers in a target area. Through the design of an RFP process the City can craft an RFP that addresses the needs of City residents. In addition to leveraging CDBG and HOME Funds, the Birmingham Land Bank Authority can be paired to assemble land for development.

Market the Section 108 Loan Guarantee Program

With the City's previous success with the Section 108 Loan Guarantee Program, the City can continue to utilize this source of funding for large revitalization projects. In order to

market the program, the City can utilize business groups to market it to developers, potential partners include REV Birmingham and the Birmingham Business Alliance.

Develop a Housing Trust Fund at the City Level

Housing Trust Funds are established by state or local government to receive ongoing funding to support affordable housing development. 46 states have housing trust funds, and there are 700 total housing trust funds across the country which collect \$750 million per year towards housing funding. 73 cities across the country have housing trust funds, and on average for every \$1 invested in City Housing Trust Funds \$6.50 is leveraged.⁸⁴

Trust Funds are most effective when there is a dedicated funding source. The City of Birmingham could create a Trust Fund under the current RISE Initiative to complement the Land Bank, as well as other RISE Initiatives. What separates a Trust Fund from the Land Bank is that it would be dedicated to producing funding for affordable housing development. The Land Bank may be used to assist with land assembly.

Housing trust funds are designed and implemented locally, meaning that there are no federal guidelines to meet and the City can target populations and projects that they would like to see done including veterans, the elderly, homeless children, and families.

Sample Funding Sources Affordable Housing Trust Funds⁸⁵

- Sale of government owned land
- Building permit fees
- Impact fee on commercial construction
- Real estate transfer fees
- Demolition Fees
- Code enforcement fees

Case Study: Low Country Trust, Charleston, South Carolina

The Low Country Housing Trust (now called the South Carolina Loan Fund) is a regional group established to provide a dedicated ongoing source of funding for production and preservation of affordable housing. The goals of the Trust include increasing housing production, supporting innovative approaches to funding affordable housing, promoting public/private partnerships, and serve as a catalyst for other communities in the state.

LHT raises and pools funds from public and private sources and loans them to developers who address community needs and have capacity to produce or rehabilitate affordable housing. The organization also provides technical assistance through loan, incentive and development programs. They also work to eliminate regulatory barriers to housing production. The Fund Partners with the following groups:

- Financial Institutions- Assist with reaching underserved markets, working with for profit and nonprofit developers, assisting financial institutions to extend their outreach.
- Foundations and Religious Institutions – Focus philanthropy to stabilize communities targeting specific community needs.
- Government Entities- Effectively leverages public funds (for every \$1 spent, \$4 are leveraged)
- Individuals and Businesses- Provide giving and investment opportunities that create social impact and financial returns.⁸⁶

The LHT is also a Community Development Finance Institution, which attracts capital from private and public sources, which works with financial institutions and private foundations to channel private investment into distressed communities. The coupling of the Trust Fund with a CDFI certification provides greater access to resources to develop affordable housing. Since its inception in 2004 the South Carolina Community Loan Fund has provided \$19.2 million in loans, which resulted in \$163 million in community development projects.⁸⁷

The Trust provides the following Loan and Incentive Programs⁸⁸:

- Gap Financing Loans
- Bridge Loans
- Permanent Loans
- Home Buyer Assistance Loans
- Energy Efficiency Incentives
- Healthy Food Financing

Case Study: Polk County Housing Trust Fund, Iowa

Established in 1995, the Polk County Housing Trust Fund has three activities: craft the community strategic plan for affordable housing and lead its implementation, help the community understand the needs and benefits of affordable housing, and allocating community funds to increase and preserve inventory of affordable housing units in the County.⁸⁹

The Housing Trust Fund provides housing to individuals and families earning under 80% Area Median Income.

Research and Planning: maintains an inventory of affordable housing, creates a region-wide plan for affordable housing, as well as transportation, job centers, access to retail and medical services, proximity to schools.

Education and Advocacy: Recognize affordable housing as a community asset and not a neighborhood liability. Provides tours of affordable housing properties, and hosts Affordable Housing Week. Running a “Can I Be Your Neighbor Campaign” which markets the importance of affordable homes.

The Trust Fund receives \$2 million annually, which is allocated to local developers and service providers, guided by community data and measures progress. The Trust Fund generally not the only funder for these developments, but is used as flexible gap financing. Types of projects funded include: new single family construction, emergency repairs, lead abatement, legal aid, foreclosure prevention.

The Trust Fund receives \$1.5 million annually from Polk County, \$550,640 from the State of Iowa’s Trust Fund. The Trust Fund also receives donations from private businesses and foundations to cover costs.⁹⁰ The State Housing trust Fund requires a local match to receive funds, which can be met through public or private funds.⁹¹

Employer Assisted Housing

To establish an employer-assisted housing program, the City should convene major employers within the City to discuss best practices and determine potential barriers to retaining workers. By convening area employers, the City can assess the interest in incentivizing workers to live and work in the area. The City should partner with area employers to create a matching program where the City can match funds from local employers to create a housing incentive program for area workers.

The employer-assisted housing working group then must define a boundary for the program. By assessing the interest of area employers for reducing employer turnover and reducing commute times, the City can decide on the amount of subsidy it is willing to match.

The program should include incentives for existing residents as well as attracting new residents by offering a forgivable home repair loan and a rental subsidy over the course of the year, and offers incentives to residents who relocate within the specified area- including down payment assistance towards purchasing a home, or paying part of a security deposit and first month's rent on an apartment.

Strategies can fit an employer's personnel objectives and budget, the cost to employer varies based on the amount of assistance offered to employees, the cost of administering the program and using a HUD-certified housing counseling agency. Offering employer assisted housing would make City of Birmingham employers more competitive, attract more workers, and decrease employee turnover.

Tracking demographic information about participants is important to the success of any employer-assisted housing program. Also, setting up goals for the program and setting potential metrics to achieve will assist with showing the impact of an investment in Employer-Assisted Housing.

Case Study: Live Downtown, Detroit, MI

The Live Downtown Program began in 2011 as a way to incentivize workers to live in Downtown Detroit. The program is managed by the Downtown Detroit Partnership and participating employers include: Blue Cross Blue Shield of Michigan, Compuware, DTE Energy, Quicken Loans, and Strategic Staffing Solutions. The program provides incentives for both homeowners and renters.

For employees that live within the specified Live Downtown District, new homeowners can receive up to \$20,000 in a forgivable loan towards their primary residence, while homeowners already living in the area can receive up to \$5,000 for matching funds that can go towards home improvements. For renters, new renters can received up to \$2,500 for the first and \$1,000 for a second year, while existing renters can receive up to \$1,000 when their lease is renewed. For the 16,000 employees that are eligible for the program, 500 have taken advantage of the program.⁹²

Case Study: Aurora Medical Centers: Milwaukee, WI ⁹³

The Aurora Medical Centers began their Employee Homeownership Program in 1993, with the goal of supporting homeownership in the neighborhoods surrounding the hospital to create a safer neighborhood and build wealth for its employees. The program started with a single hospital, but expanded to 13 hospitals in the Milwaukee area.

To qualify for the program, an employee had to be a part-time or full-time employee who has worked for the Medical Center for at least a year. Employees that qualify are eligible for a five-year, zero-percent forgivable loan of up to \$3,000. The loan is forgiving if the employee remains employed with the Medical System, stays in the same home, and does not sell the home.

The loan can purchase a new or existing home anywhere within the City of Milwaukee. Between 2000 and 2007, 208 employees participated in the program, with a majority of participants under the age of 45. Over the study period, employees that participated in the program had a 5.3% turnover rate, compared to a 14.5% turnover rate of employees that did not participate in the program.⁹⁴

Place-Based Approach to Community Development Investments

Given the limited resources of any community, a place-based approach to community revitalization will maximize impact by coordinating and targeting existing resources. By strategically investing across the City of Birmingham, using different approaches for different neighborhood types, the City can cater its strategies to fit the needs of neighborhoods, corridors, and shifting housing and commercial market opportunities. Using this framework, the City can assess its program investments by how much a project will leverage existing investment.

Table 35

Neighborhood Type	Strategy
High Growth	Support development of affordable and supportive housing, active code enforcement, and target demolitions.
Transitional	Balance market rate housing with subsidized housing, rehabilitate vacant units, and provide resources for home rehabilitation.
Distressed	Preserve Housing Stock, Encourage transformational projects, Build off of neighborhood assets.
High Vacancy	Land Banking, Demolish Blight, Partner with Neighborhood Anchors, Invest in Access and Social Programs.

Case Study: Burlington, Vermont

Due to limited CDBG Funding, the demand for funds for Public Services Grantees continues, but the total amount of funding continues to shrink. To address this the City took a multiyear solution to reducing the total number of grantees, but increasing the amount available per grantee. Grantees who had received funding for years saw the CDBG funds as support from the Mayor and City, did not see it as a competitive process. In order to change the process, the city initiated a CDBG Process Revision group with included advisory board members and grantees to discuss how to use funding in a smarter way including assessing impact, efficiency, streamlining and monitoring. The process also discussed clear outcomes from the funding. In a survey of its grantees, 85% agreed that an agency could only apply for one grant, and 62% agreed that money should be divided by priority areas.

The final Process led to streamlining of the entire Public Service Grantee process. Organizations could only submit 1 public service application, which would include a description of how they would collaborate and cluster the type of funding available into the following categories:

- Housing, Homelessness & Hunger- 2 year grant
- Childcare, Early Childhood Education and Youth- 2 year grant
- Small Percentage of one year grants- Health Access⁹⁵

Table 36: Implementation Timeline

Objective	Recommendation	Action	Timeframe	Responsible Entity	Partners	Cost Estimate	Funding Source(s)
1	Build and Maintain a Citywide Housing Group	Develop Mission Statement, Goals, Timeline, Tasks and Meeting Schedule	Immediate	Community Development Department, Housing Plan Advisory Committee		\$	In kind funding through the City, Financial Contributions and In Kind sources through partner groups.
1	Build and Maintain a Citywide Housing Group	Expand Group Convened by Housing Study, Draft Memorandum of Understanding	Immediate	Community Development Department, Housing Plan Advisory Committee		\$	In kind funding through the City, Financial Contributions and In Kind sources through partner groups.
1	Build and Maintain a Citywide Housing Group	Apply for HUD Funding, provide technical assistance, ongoing learning opportunities	Short Term	Community Development Department, Housing Plan Advisory Committee		\$\$	City Staff Time
2	Address Barriers and Access to Affordable Housing Development	Inventory ADA accessible properties for development's funded with City Funds	Short Term	Community Development, Code Enforcement		\$	City Staff Time
2	Address Barriers and Access to Affordable Housing Development	Build Capacity of nonprofit housing developers through training on LIHTC, HOME, other housing financing available	Short Term	Community Development	Community Foundation of Greater Birmingham, Regions Bank, Wells Fargo, Department of Housing and Urban Development	\$\$	Department of Housing and Urban Development, CHDO Funds, ADECCA
2	Address Barriers and Access to Affordable Housing Development	Review City Permitting Process for Affordable Housing Development	Short Term	Planning, Engineering and Permitting		\$\$	General Fund
2	Address Barriers and Access to Affordable Housing Development	Demonstration Project with using innovative building design for Affordable Housing	Mid Term	Community Development Department, Planning, Engineering and Permitting, University of Alabama at Birmingham Smart Cities Research Center		\$\$\$	Disaster CDBG Funds, in kind donations, land through the Birmingham Land Bank Authority
3	Leverage Existing Funding, Pursue Alternative Funding Sources For Housing Development	Create a program to leverage city money with the Low Income Housing Tax Credit/ HOME Programs at the State Level	Short Term	Community Development Department		\$\$\$	Community Development Block Grant, HOME funds from the City, or Disaster CDBG Funds
3	Leverage Existing Funding, Pursue Alternative Funding Sources For Housing Development	Partner with an organization to publicize 108 loan program	Immediate	Community Development Department	REV Birmingham	\$\$	General Fund, Community Development Block Grant Funds (Economic Development)
3	Leverage Existing Funding, Pursue Alternative Funding Sources For Housing Development	Develop a Housing Trust Fund for the City of Birmingham and work to implement the State Housing Trust Fund	Mid Term	Community Development Department, Housing Study Advisory Committee	Center for Community Change, Low Income Housing Coalition of Alabama	\$\$\$	Staff time donation, Financial Partners, Dedicated Revenue source from the City of Birmingham
4	Utilize a Place-Based Approach to Community Development Department Investments	Prioritize funding based on neighborhood type	Short Term	Community Development Department		\$	City Staff Time
5	Develop an Employer-Assisted Housing Program	Convene Employers to Discuss Employer-Assisted Housing Models	Immediate	Community Development Department	Birmingham Business Alliance, REV Birmingham, Major Employers	\$	City Staff Time
5	Develop an Employer-Assisted Housing Program	Identify Steering Committee, target areas, create a matching program using City Funds	Short Term	Community Development Department	Birmingham Business Alliance, REV Birmingham, Major Employers	\$\$	City Staff Time, CDBG

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other than the interstate highways and other limited access roadways. The other assumption is that a pedestrian would walk three miles per hour, which is widely considered an average walking pace. Lastly the transit network was included and the assumption was made that the individual would begin their trip any time between 8 and 9 o'clock AM on a weekday. Many bus lines in Birmingham leave every 40 or 60 minutes, so our methodology replicated the travel of an individual that knows the bus schedule and only begins their 30-minute trip a few minutes before they need to catch their bus. To do this, six travel sheds were generated for each neighborhood, replicating the possible trips for an individual departing every 10 minutes between 8 and 9 o'clock AM. The six travel sheds were then combined to represent all the places an individual could reach if they were able to decide when they chose to depart. As indicated above, the travel times are calculated based on the actual Birmingham Jefferson County Transit Authority's (BJCTA) schedules and allows for transfers to connecting routes, but that is rarely possible within the 30-minute travel window. Additionally, if a traveler could reach a particular stop within 15 minutes, the travel shed would also include the area that the person could reach in a 15-minute walk from that transit stop.

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