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## Turn blight into viability

BY CAROL HAZARD  
TIMES-DISPATCH STAFF WRITER  
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Property values in Neighborhoods In Bloom areas, such as Jackson Ward, have risen 10 percent a year more than they would have with no assistance, a study shows.  
CLEMENT BRITT/TIMES-DISPATCH

What happens if you throw money at something the right way?

You spread it on thick. You make improvements not to a house, but to entire neighborhood blocks that have fallen on tough times.

You demolish, build and refurbish. You spend \$14.8 million over five years to turn blight into an economically viable area.

The answer: It works. Property values rise, and new businesses open. You get \$14.7 million in tax revenue over 20 years.

Richmond's Neighborhoods In Bloom program, a community-development project, will be replicated in urban areas across the country, according to authors of a study released yesterday.

The study was sponsored by the Federal Reserve Bank of Richmond with support from the Richmond Local Initiatives Support Corp., a nonprofit community development organization.

Investing \$14.8 million and getting \$14.7 million back might not sound like a good business deal.

But it's excellent for a community development project that uses public funds, said George C. Galster, professor of urban affairs at Wayne State University in Detroit, Mich., an author of the study.

Most cities do not target their efforts, but rather spread federal funding thinly among many low-income neighborhoods.

"They fritter the money away and you don't see a big bank for your buck," Galster said.

Richmond got the bang, he said. It created an investment that stimulated self-sustaining economic activity.

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Neighborhoods In Bloom used city money from federal Community Development Block Grant and Home Investment Partnership funds.

Richmond LISC threw in more money for a total \$21 million investment. "Serious money, serious money," Galster said.

The program targeted seven areas in Richmond: Blackwell, Carver and Newtowne West, Church Hill, Highland Park, Jackson Ward, Oregon Hill and Barton Heights.

Property values of homes in those areas rose 10 percent more a year than they would have with no assistance, Galster said.

Houses within a mile of the areas increased 5 percent more a year.

The efforts sparked private investments and attracted businesses.

The \$14.7 million return in tax revenue is only for the specific areas, not for the beneficial spill-over, which will bring in more revenue.

"This is a sensible use of public money and fiscally prudent," Galster said.

The investment threshold to achieve good results was an average \$20,000 per block over the five-year period, Galster said.

Any less would not stimulate new investments in an area. Any more would not bring in that much more proportionately in revenue.

"Clearly, there is a break point where you start to see the effects," Galster said.

Any ideas? Staff writer Carol Hazard can be reached at (804) 775-8023 or { HYPERLINK  
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