Aligning Vision and Investment Through Market-Informed Community Development

Dr. Dale E. Thomson

Associate Professor of Political Science
Director, Master of Public Administration & Public Policy Programs
Director, Institute for Local Government
Focus of Presentation

Given regional context, what can be done internally?

Key Outcomes of Regional Market

- Fiscal constraints → need for strategic allocation
- City cannot solve all internal problems → need to prioritize
- Competitive disadvantage for residents and investment → how to improve?

3 Important Aspects of Response

- Reorient community development to begin with role of
  - Regional Market
  - Neighborhood Submarkets
- Adopt strategies that embody market knowledge
- Accept on-going resource commitment and CDC capacity as essential

Efficiency-Based Strategic, Geographic Targeting as One Strategy
Recognize Role of Regional Market & Neighborhood Submarkets

Conventional Starting Point
• Where’s greatest need? How do we address it?
• Physical condition of neighborhood often primary focus

Revised Starting Point
• How is regional market functioning?
• How are the city’s submarkets faring & what can we do to
  • Help neighborhoods compete more effectively?
  • Help residents respond to consequences of failing submarkets?
  • Help residents partake in competition more freely?

Market-Informed, Not Market-Dictated
• Where can we enhance competitiveness of submarkets?
• Where should focus be consequences of non-competitive submarkets?

Market-Informed Strategy Not Exclusively Land-Based (People Integral)
Adopt Strategies that Embody Market Knowledge

Efficiency-Based Strategic, Geographic Targeting

- Small, geographically-defined areas of concentrated investment
- Strategic → targeting critical to accomplishing goals
- Efficiency-Based → increasing unit of outcome per dollar invested

Potential Effects

- Cost-Savings → lower cost per unit (condition or scale)
- Multiplier → public investment stimulates private
- Interaction → housing investment interacts with other interventions
- Focus → heightened attention and responsiveness
- Neighborhood Spillover → critical mass stimulates neighboring submarket

Middle Neighborhoods (not, necessarily, middle income)

- Middle of market continuum
- Relatively stable, but threatened with precipitous market decline

Not sole strategy, part of the mix
Nongovernmental funders initiate, government must follow
  • Can we increase local government commitment?

Knowledge of, and commitment to, technical aspects critical
  • Can we increase knowledge? Can it overcome bias against?

Area selection and intervention design must be transparent & objective
  • Can we keep political motivations at bay?

Valid, reliable, timely market data are key
  • What data do we need? Are they available? How do we share?

Alignment of target areas and strategies important
Efficiency-Based Strategic, Geographic Targeting Lessons & Questions

Nongovernmental funders initiate, government must follow
• Can we increase local government commitment?

Knowledge of, and commitment to, technical aspects critical
• Can we increase knowledge? Can it overcome bias against?

Area selection and intervention design must be transparent & objective
• Can we keep political motivations at bay?

Valid, reliable, timely market data are key
• What data do we need? Are they available? How do we share?

Alignment of target areas and strategies important
• Can interests & priorities of different resource providers be aligned?
• How do we maintain the collaborative network essential for this?
On-Going Commitment & CDC Capacity

Need for On-Going Commitment

• Market improvement takes time
• Even with improved outcomes & decreased scale of need
  • Competitive disadvantage of cities creates extra burden
  • Fragility of stability

CDCs as Focal Point for Commitment

• On-the-ground implementers for intensive work
• On-going monitoring and adaptation requires proximity & attentiveness
• Organized community builds
  • Awareness, responsiveness, implementation capacity
  • Sense of community (market appeal)
  • Resident confidence
  • Capacity to hold others accountable
  • Potential for organic responses

Both organizational and organizing capacity are key

• Not just housing assistance

On-going connection to city administrative machinery

UNIVERSITY OF MICHIGAN-DEARBORN