

City of Jackson Economic Stabilization Program

Where are we?

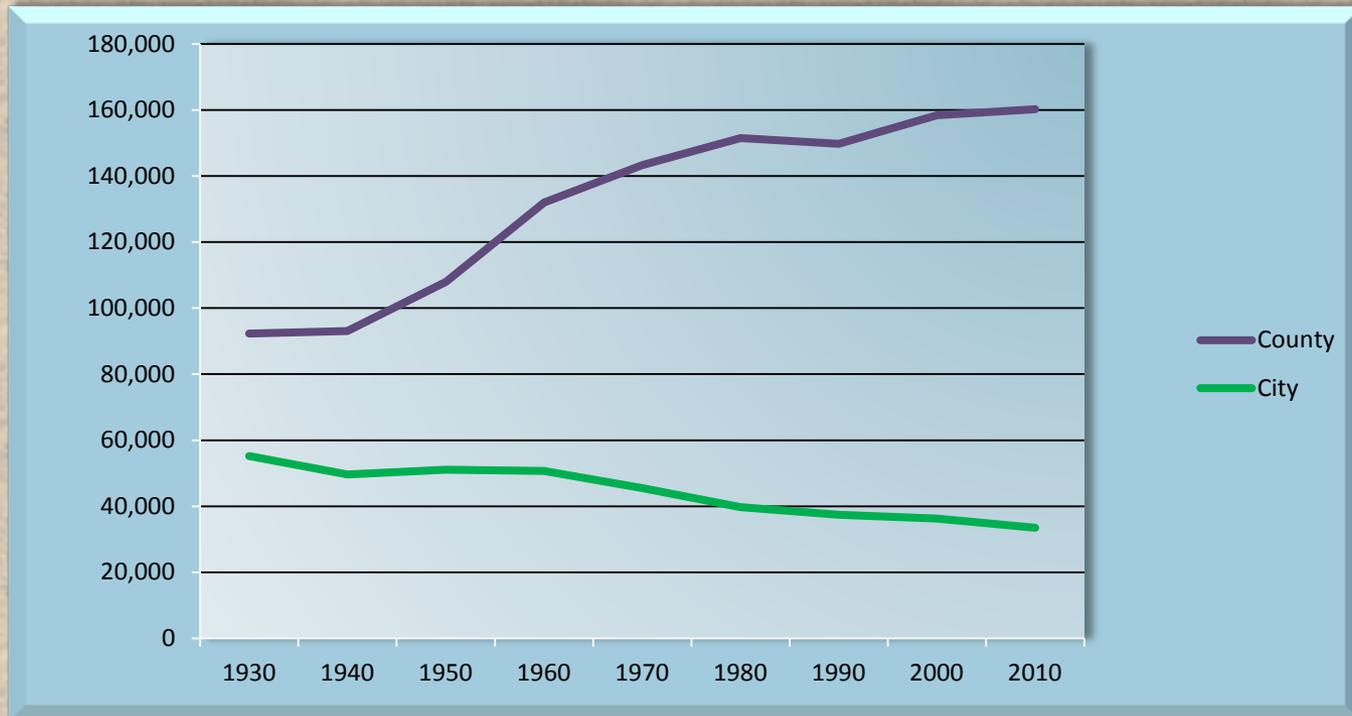
➤ Annual jobless rates improving:

Annual Jobless Rates				
Year	Jackson, City	Jackson, County	Michigan	USA
2009	18.6%	13.1%	13.3%	9.3%
2010	17.9%	12.6%	12.5%	9.6%
2011	14.3%	9.9%	10.4%	8.9%
2012	11.8%	8.2%	8.9%	8.1%

- **55.6% of Jackson families are Low to Moderate Income Eligible**
- **31.5% of Population Below the Federal Poverty Rate** (2011 American Community Survey), **up from 27% in 2009.**
- **Housing Values are down over 39.6% since 2007 and projected to reduce an additional 5.3% in 2013.**
- **We have experienced significant reductions in residential Property Tax Revenue (20.8%) since 2009, mitigated only by increase in millage rate over the period. Similarly, non-residential dropped 12%.**
- **Over 48% Non-Owner Occupied Housing**

Population Trends City/County of Jackson

	1930	1940	1950	1960	1970	1980	1990	2000	2010
County	92,304	93,108	107,925	131,994	143,274	151,495	149,756	158,422	160,248
City	55,187	49,656	51,088	50,720	45,484	39,739	37,446	36,316	33,534
% of County Residents Living in City	59.8%	53.3%	47.3%	38.4%	31.7%	26.2%	25.0%	22.9%	20.9%



Residential Values History & Projected



	Residential Assessed Value
2007	\$476,916,050
2008	\$449,366,000
2009	\$406,447,250
2010	\$368,414,750
2011	\$325,644,950
2012	\$288,106,050
Proj 2013	\$272,961,750

Food for Thought

Supply and Demand

.....is the fundamental model of a market economy.

.....high demand increases prices until such time that supply is reduced to meet the demand and equilibrium is achieved

If it seems crazy...it probably is

“The Government should pay people to dig holes then fill them in”

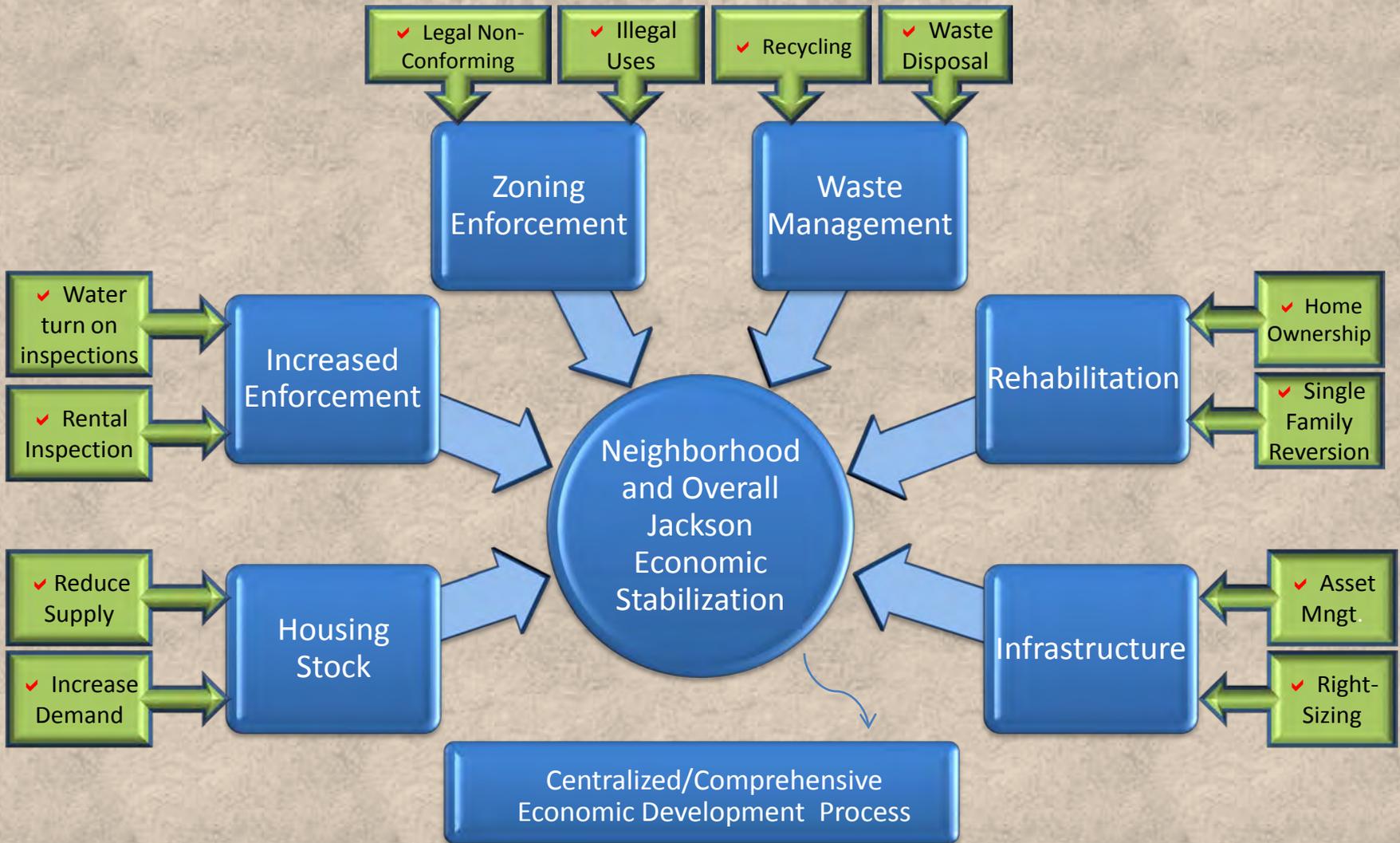
John Maynard Keynes

Economic Stability

How Do We Get There From Here?

- By utilizing macro economic theories that encourage growth by eliminating barriers to the efficient production and effective supply of goods and....
- By utilizing micro economic interventions such as reducing the time in which necessary regulatory efforts take place, property values will begin to rise, thus restarting Jackson's economic engine.
- In other words, by decreasing the regulatory burden, reducing red tape, and reducing the review/approval timeframe, and reducing the excess supply of housing we can build industrial and commercial stability and facilitate stronger home equity positions.

Strategic Initiative 2012



Neighborhood Economic Stabilization Property Evaluation Field Form

Neighborhood Economic Stabilization Property Evaluation

Address	PIN	Area	# of Units	Vacant?
Date		Inspector(s)		
Item				Comments
1) Adjoining Properties				
2) Parking on Street				
3) Sidewalk				
Good				
Repair		square feet		
Replace (over 4 sections damaged)		square feet		
4) Driveway				
Repair/replace (includes tearout)		square feet		
New installation over existing gravel		square feet		
Remove or repair curb cut		linear feet		
5) Exterior Stairs & Rails				
Replace with precast		number (ea)		
Replace with treated wood		number (ea)		
Railings		linear feet		
6) Front or Rear Porch / Deck				
Floors & posts settled (rebuild)		square feet		
Replace support posts only		number (ea)		
Reconstruct open porch / deck		square feet		
Demolish/remove porch / deck		square feet		
7) Windows (circle one):				
Wood or aluminum single pane, Vinyl or wood double pane				
Standard window replacement		number (ea)		
Basement windows		number (ea)		
8) Doors		number (ea)		
9) Roof				
Re-roof		square		
Re-roof with structural repairs		square		
10) Chimney				
Repair/replace above roof	\$700	flat rate		
Replace exterior chimney	\$3,000	flat rate		
11) Gutters	\$800	flat rate		
12) Soffit / Fascia				
Install new vinyl/aluminum fascia		square		
Install new vinyl/aluminum with structural repairs		square		
13) Siding (circle one):				
Asbestos Wood Vinyl Aluminum Brick Asphalt				
Asbestos abatement	\$3,200	flat rate		
Number of squares		square		
14) Foundation (circle one):				
Stone Porous cinder-block Masonry Poured				
Replace wall section		# sections		
Tuckpoint	\$250	flat rate		
Jack up home, replace foundation due to unsafe condition	\$25,000	flat rate		

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Neighborhood Economic Stabilization Property Evaluation Field Form

Item		Comments
15) Grade	cubic yards	
16) Fences (replace)	linear feet	
17) Trees/Shrubs		
Trim bushes/branches around home	\$200 flat rate	
Remove small - medium trees	number (ea)	
Remove large tree (overhang house/utilities, or dead)	number (ea)	
18) Outbuildings		
Demolish	square feet	
Reconstruct garage	square feet	
Re-roof garage	square	
Re-side garage	square	
Repair structural (walls or foundation)	square feet	
Replace service doors or windows	number (ea)	
Replace overhead door		
9' x 7'	number (ea)	
16' x 7'	number (ea)	
Repair/replace electric to garage	\$800 flat rate	
19) Interior (choose appropriate classification)		
Class 1 - Good condition <i>Little to no repairs needed</i>	no cost	
Class 2 - Fair condition <i>Paint, flooring, minor repair</i>	square feet	
Class 3 - Moderate repairs <i>Repairs to areas of home, missing kitchen, drywall, plumbing fixtures, electric, structural repairs</i>	square feet	
Class 4 - Interior gutted <i>Repair to code compliance</i>	square feet	
Class 5 - Multi-unit <i>Repair to code compliance</i>	square feet	
20) Interior Basement Inspection (if access)		
Structural repairs to support structure	square feet	
Foundation:		
Tuckpoint foundation	\$250 flat rate	
Repair wall sections	# sections	
Unsafe foundation	\$25,000 flat rate	
Install or repair basement floor	square feet	
Repair/replace plumbing system	\$6,500 flat rate	
Replace furnace	\$4,200 flat rate	
Replace water heater	\$600 flat rate	
Electrical:		
Replace service	\$1,200 flat rate	
Rewire to code	\$8,000 flat rate	
21) Additional Items:		
22) <input type="checkbox"/> Condemned <input type="checkbox"/> Not Condemnable		

231 Randolph

Sample – Completed NES Evaluation (Pg 1)

Neighborhood Economic Stabilization Property Evaluation

Property Information:

231 Randolph St Address	4-142400000 PIN	26 Area	1 # of Units	Yes Vacant?
1930 Yr Built	R-1 Zoning	44x132 Lot Dimension	0.13 Acreage	5,662.8 Total Lot Sq Footage
September 12, 2012 Date of Evaluation		Harrison/Pickett/Taylor Inspector(s)		



Rehabilitation Estimate

Item	Measure	Multiplier	Estimate	Comments
1) Adjoining Properties				
2) Parking on Street				
3) Sidewalk Repair	200 square feet	@ \$3.00 /sq ft	\$600.00	
4) Driveway Repair/replace (includes tearout)	540 square feet	@ \$3.75 /sq ft	\$2,025.00	
5) Exterior Stairs & Rails Replace with precast Railings	1 number (ea) 7 linear feet	@ \$700.00 each @ \$12.00 / linear ft	\$700.00 \$84.00	
6) Front or Rear Porch / Deck Floors & posts settled (rebuild)	212 square feet	@ \$14.00 /sq ft	\$2,968.00	128 sf front, 84 sf rear
7) Windows: Wood single pane Standard window replacement Basement windows	17 number (ea) 4 number (ea)	@ \$350.00 each @ \$200.00 each	\$5,950.00 \$800.00	
8) Doors	4 number (ea)	@ \$500.00 each	\$2,000.00	
9) Roof Re-roof with structural repairs	18 square	@ \$350.00 / sq plus \$1,000	\$7,300.00	
10) Chimney Repair/replace above roof	\$700 flat rate	@ \$700.00 flat rate	\$700.00	
11) Gutters	\$800 flat rate	@ \$800.00 flat rate	\$800.00	
12) Soffit / Fascia Install new vinyl/aluminum with structural repairs	4 square	@ \$350.00 /sq plus \$1,000	\$2,400.00	
13) Siding: Aluminum Number of squares	21 square	@ \$350.00 /square	\$7,350.00	

231 Randolph

Sample – Completed NES Evaluation (Pg 2)

Item	Measure	Multiplier	Estimate	Comments
14) Foundation: Porous cinder-block Jack up home, replace foundation due to unsafe condition	\$25,000 flat rate	@ \$25,000.00 flat rate	\$25,000.00	
15) Grade	20 cubic yards	@ \$37.00 /cu yd	\$740.00	
16) Fences (replace)	60 linear feet	@ \$25.00 /linear ft	\$1,500.00	
17) Trees/Shrubs Trim bushes/branches around home	\$200 flat rate	@ \$200.00 flat rate	\$1,000.00	plus \$500 to remove excessive growth
18) Outbuildings Demolish	220 square feet	@ \$4.75 /sq ft	\$1,045.00	shed
19) Interior:				
Class 4 - Interior gutted <i>Repair to code compliance</i>	1188 square feet	@ \$50.00 /sq ft	\$59,400.00	
20) Interior Basement Inspection				No access
21) Additional Items: Remove concrete slab in rear yard	480 square feet	@ \$2.00 /sq ft	\$960.00	
<i>Exterior Subtotal:</i>			\$63,922.00	
<i>Interior Subtotal:</i>			\$59,400.00	
Total Rehabilitation Estimate:			\$123,322.00	

Demolition Estimate

Item	Measure	Multiplier	Estimate	Comments
1) House	1188 square feet	@ \$9.00 /sq ft	\$10,692.00	
2) Accessory Structures	0 square feet	@ \$9.00 /sq ft	\$0.00	
3) Curb and gutter	linear feet	@ \$25.00 /linear foot	\$0.00	
4) Grade/land balance	\$500 flat rate	@ \$500.00 flat rate	\$500.00	
Total Demolition Estimate:			\$11,192.00	

Typical Vacant Structure (City of Jackson)



March 15, 2013

Department of Neighborhood &
Economic Operations

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Typical Vacant Structure (City of Jackson)



March 15, 2013

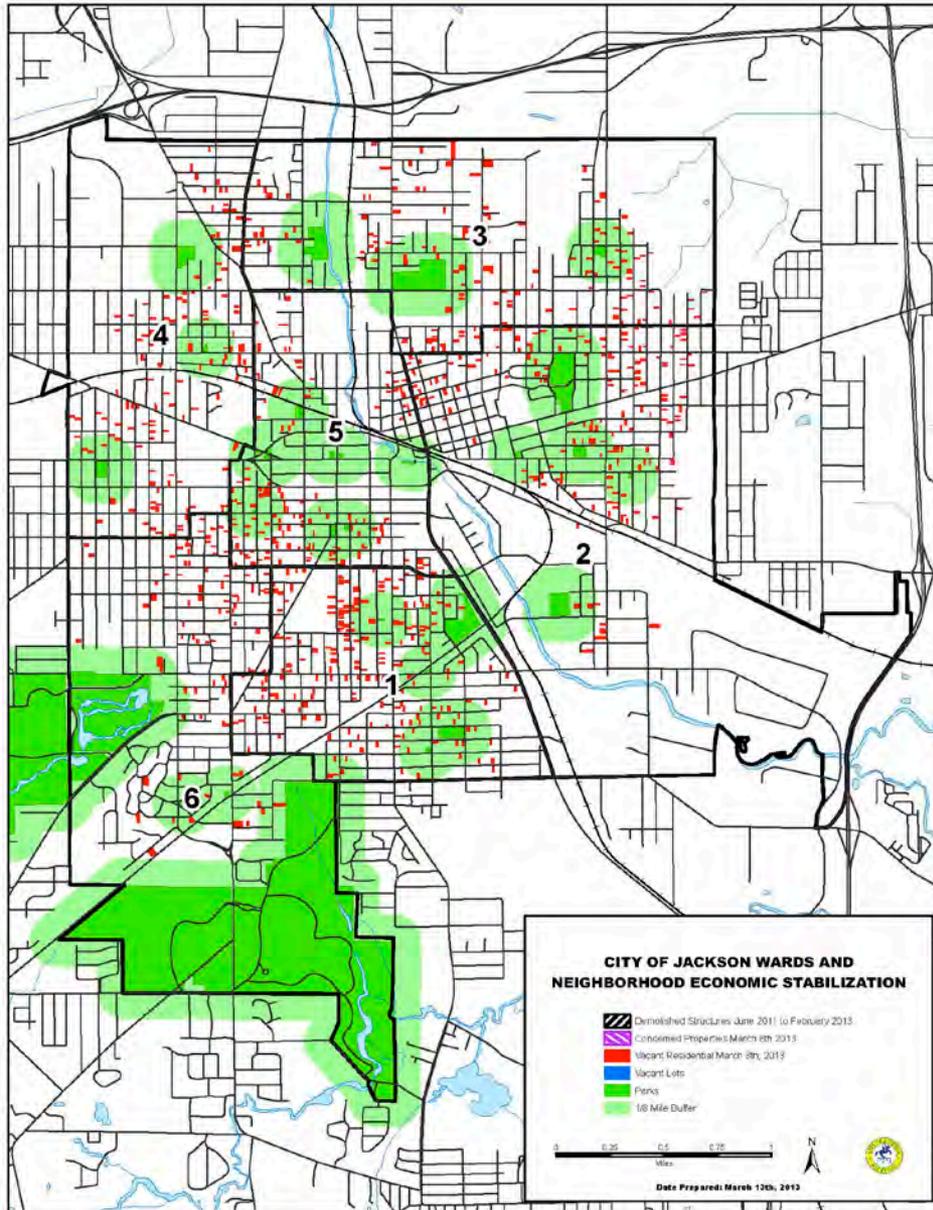
Department of Neighborhood &
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Typical Vacant Structure (City of Jackson)

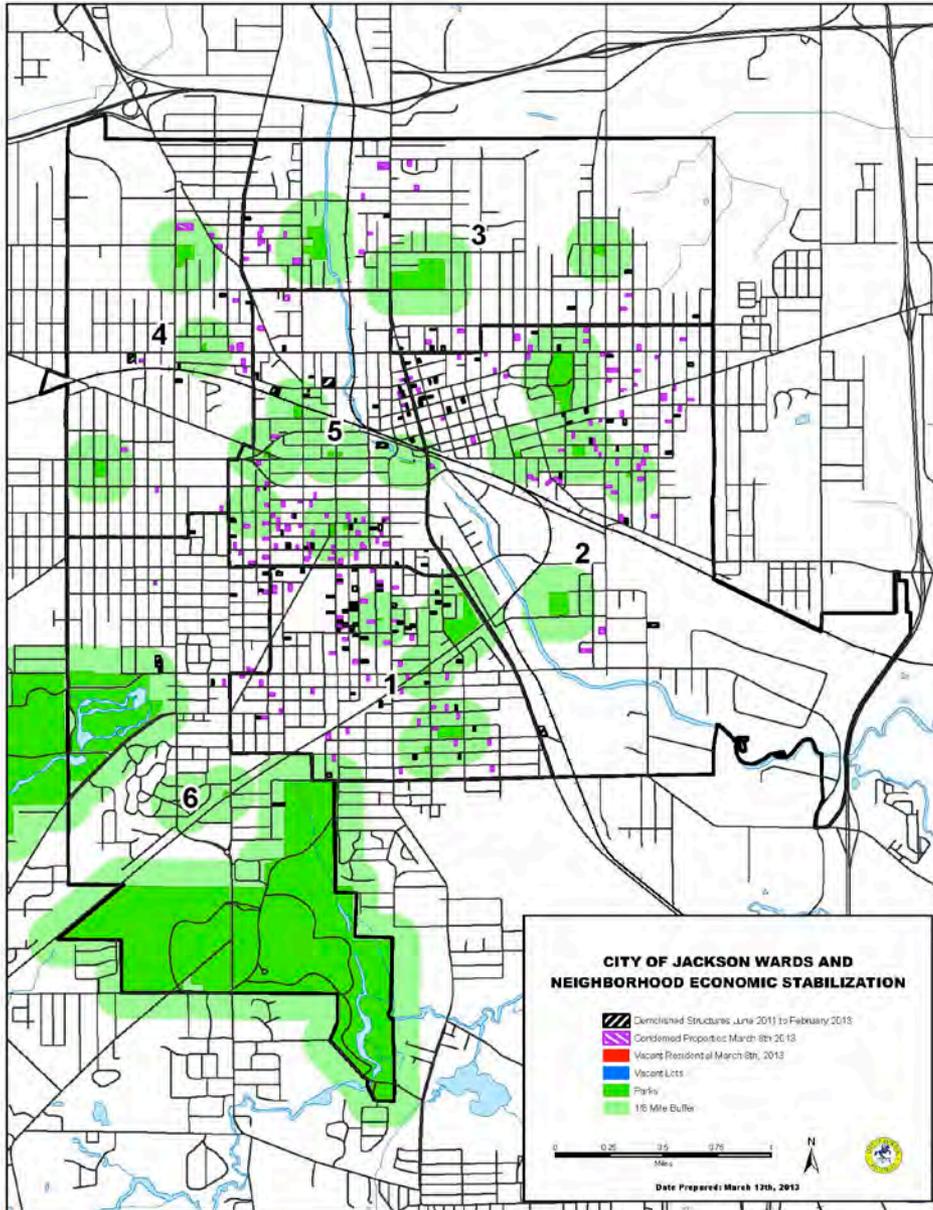


Vacant Residential Structures/Units by Ward



Ward	Structures	Units	Avg Rehab
1	201	247	\$74,135
2	173	238	\$74,880
3	140	145	\$42,189
4	128	147	\$45,021
5	138	270	\$125,516
6	105	116	\$43,095
Total	885	1163	\$69,190

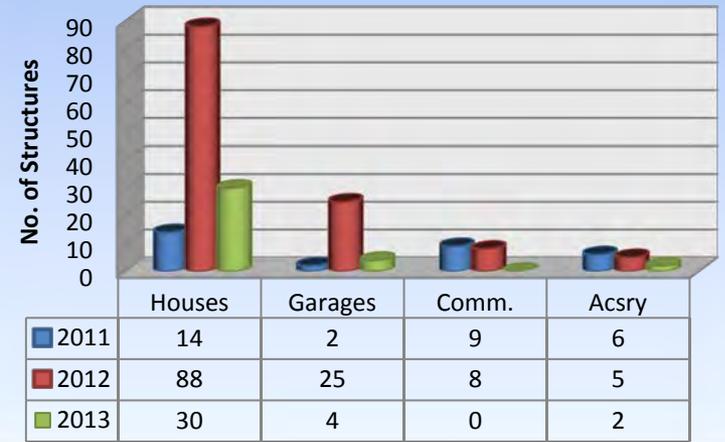
Condemned or Demolished Properties by Ward



March 15, 2013

Department of Neighborhood & Economic Operations

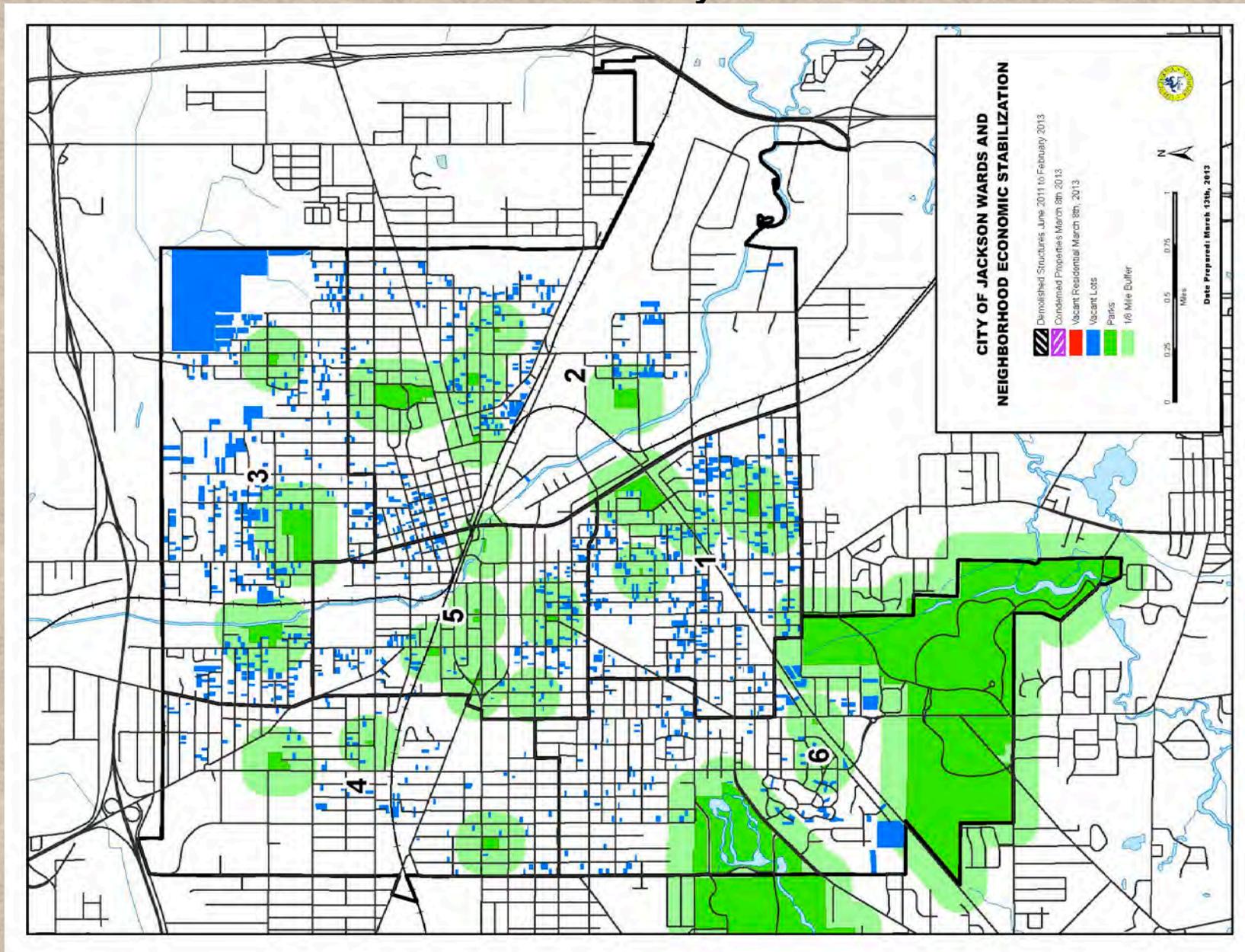
Structures Demolished by Year



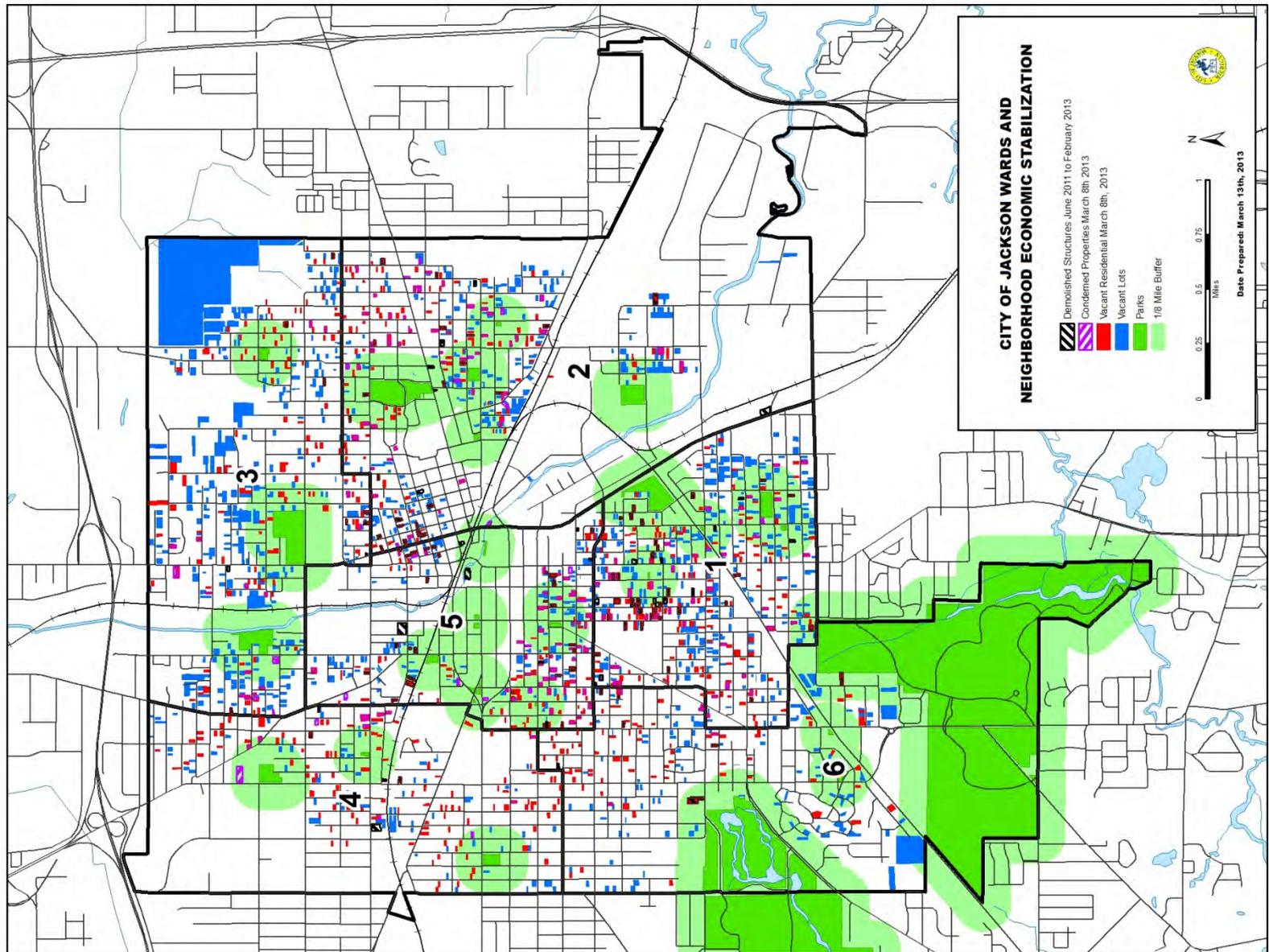
Demolition Permits Issued



Vacant Lots by Ward



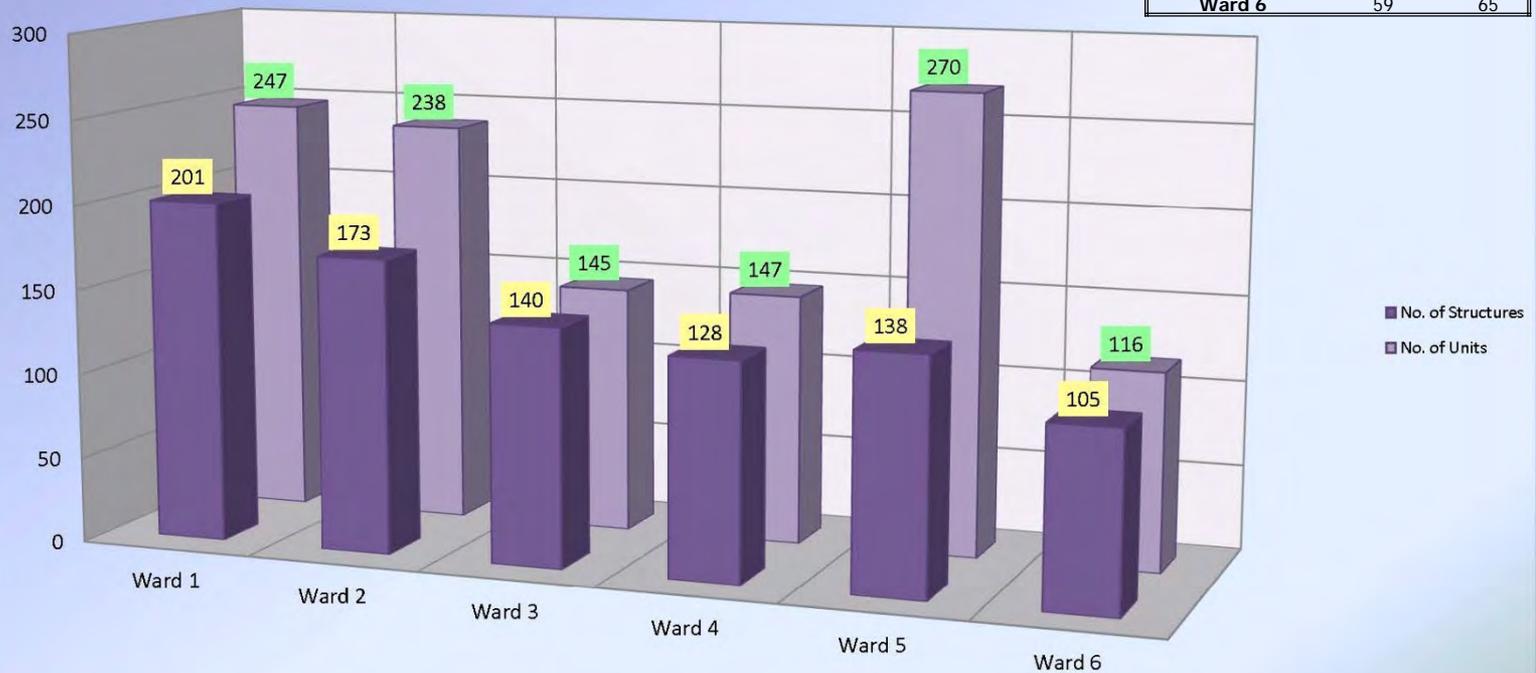
Vacant/Condemned/Demolished Structures & Vacant Lots by Ward



Inspected Vacant Structures vs. Vacant Units by Ward

Inspected Vacant Structures vs Vacant Units
By Ward March 6, 2013

October 2011	Structures	Units
Ward 1	107	136
Ward 2	81	97
Ward 3	77	80
Ward 4	72	79
Ward 5	66	126
Ward 6	59	65



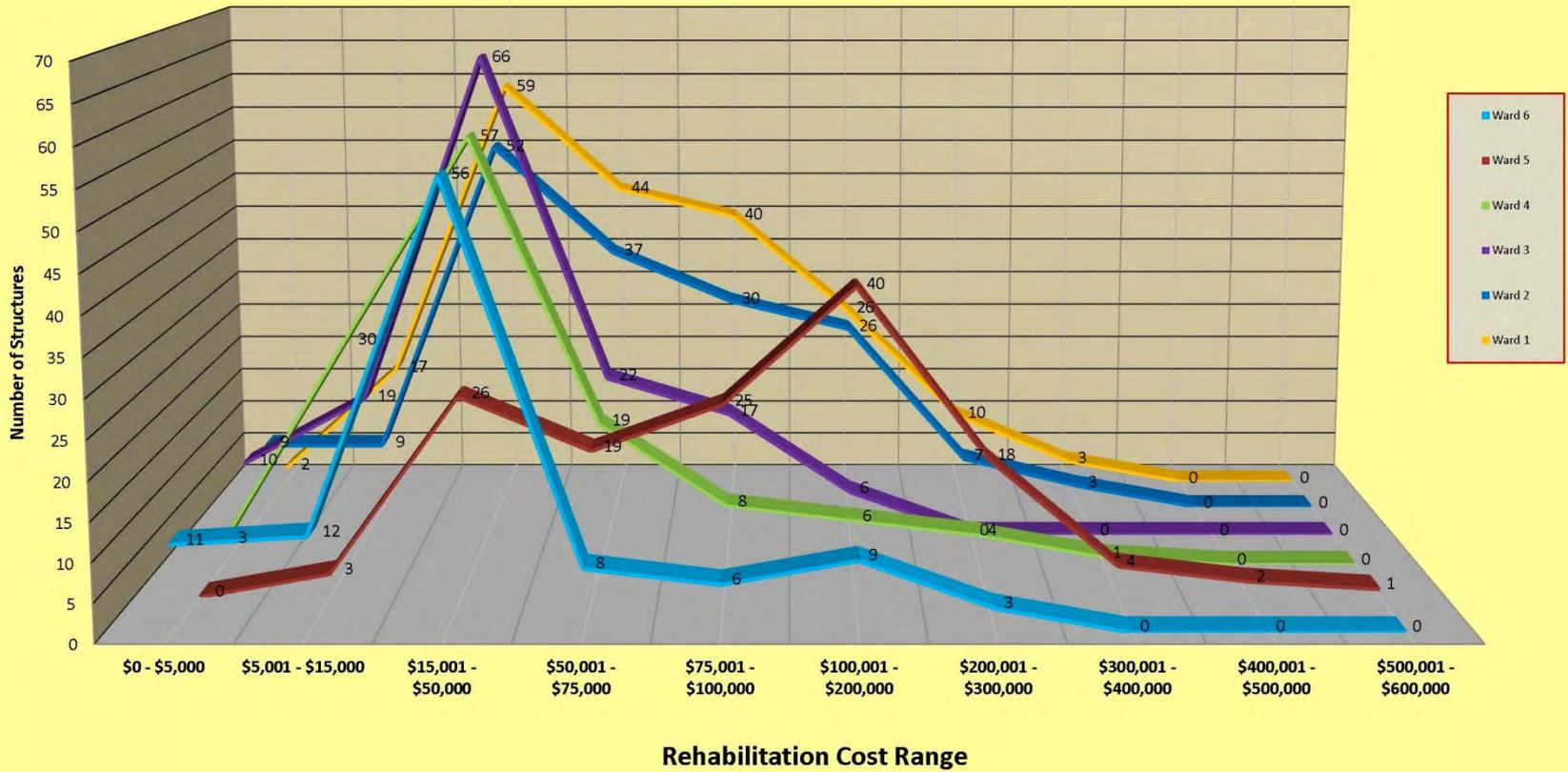
**Estimated Rehabilitation
Categories by Ward**

March 6, 2013

Rehab Estimate	Ward 1		Ward 2		Ward 3		Ward 4		Ward 5		Ward 6		Total	
	No.	Amount	No.	Amount	No.	Amount	No.	Amount	No.	Amount	No.	Amount	No.	Amount
\$0 - \$5,000	2	\$8,146	9	\$19,209	10	\$14,559	3	\$1,603	0	\$0	11	\$10,904	35	\$54,421
\$5,001 - \$15,000	17	\$170,971	9	\$111,280	19	\$207,687	30	\$315,647	3	\$38,306	12	\$115,765	90	\$959,656
\$15,001 - \$50,000	59	\$1,841,183	52	\$1,709,352	66	\$2,062,111	57	\$1,554,758	26	\$918,206	56	\$1,563,909	316	\$9,649,519
\$50,001 - \$75,000	44	\$2,791,677	37	\$2,302,392	22	\$1,435,649	19	\$1,216,387	19	\$1,233,287	8	\$530,337	149	\$9,509,729
\$75,001 - \$100,000	40	\$3,389,720	30	\$2,571,751	17	\$1,439,261	8	\$665,973	25	\$2,136,631	6	\$505,387	126	\$10,708,723
\$100,001 - \$200,000	26	\$3,417,502	26	\$3,436,502	6	\$747,240	6	\$720,783	40	\$5,725,746	9	\$1,049,385	113	\$15,097,158
\$200,001 - \$300,000	10	\$2,306,005	7	\$1,760,156	0	\$0	4	\$970,659	18	\$4,430,611	3	\$749,280	42	\$10,216,711
\$300,001 - \$400,000	3	\$975,963	3	\$1,043,605	0	\$0	1	\$316,858	4	\$1,333,749	0	\$0	11	\$3,670,175
\$400,001 - \$500,000	0	\$0	0	\$0	0	\$0	0	\$0	2	\$861,478	0	\$0	2	\$861,478
\$500,001 - \$600,000	0	\$0	0	\$0	0	\$0	0	\$0	1	\$505,209	0	\$0	1	\$505,209
Totals:	201	\$14,901,167	173	\$12,954,247	140	\$5,906,507	128	\$5,762,668	138	\$17,183,223	105	\$4,524,967	885	\$61,232,779

Avg Cost to Rehab	\$74,135	\$74,880	\$42,189	\$45,021	\$124,516	\$43,095	\$69,190
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Estimated Rehabilitation Categories by Ward



Dust Suppression Measures During Demolition



Corner Williams & Rockwell

Before

After



1015 Adrian Ave

Before

After



Potential Financing

- Community Development Block Grant (CDBG...). Potential Section 108 Loan secured by CDBG if and only if HUD official believe that this can legally be accomplished
- Federal Neighborhood Stabilization Program (NSP)
- Brownfield (JBRA) revolving fund
- LTGO or GO Bonds issued by the City