Right Sizing America’s Shrinking Cities
Results of the Policy Charrette and Model Action Plan  September 2007
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What is a shrinking city?

A shrinking city in one where substantial and sustained population loss (20 percent or greater) has occurred over a period of at least forty years, while the physical footprint of the city has remained the same. This results in a dysfunctional real estate market (much more supply than demand) and a surplus of underutilized public infrastructure. The remaining residents and businesses are burdened with higher taxes as the city tries to maintain its infrastructure for a significantly reduced population. In a shrinking city, population and economic growth are not anticipated in the foreseeable future, resulting in continued dysfunction in the market.

Shrinkage exhibits itself in vacant and abandoned properties. These sites become magnets for illicit activities including arson, vandalism, drug dealing, and prostitution. As both a “symptom and a disease” (Burchell & Listokin, 1981, p. 15), property abandonment challenges cities across the U.S. by undermining the vitality of residential and commercial areas (Accordino & Johnson, 2000). Vacant and abandoned properties also pose fiscal challenges of property maintenance and management while a dwindling tax base caused by the loss of residents and businesses makes it extremely difficult to address the increasing social and service needs of the remaining population (Glaeser & Gyourko, 2005; National Vacant Properties Campaign, 2005). Failure to address the challenges of vacant and abandoned properties swiftly leads many residents to relocate, creating an unsafe environment with a poor quality of life for those who remain. Cities with largest concentrations of vacant and abandoned properties in the US are concentrated in the Great Lakes region and include Buffalo, Cleveland, St. Louis, Youngstown, and Flint, Michigan.

In shrinking cities, vacant housing units are a key indicator of the gravity of the vacant property problem is the number of. Although the number of vacant housing units varies depending on the time of year and the calculation method used, one consistent measure is the US Census. The 65 older industrial cities identified in the Brookings Institution’s Restoring Prosperity report have higher residential vacancy rates (9.4%) than their 237 peers (6.7%). These cities also have nearly twice the rate of other vacant units as compared to their peers (28.4% versus 15.7%). This category includes units vacant for reasons other than being for sale or for rent, or being reserved for seasonal, recreational, or migrant worker use. Thus other vacant units include those that are abandoned and blighted. Cities such as Baltimore, Buffalo, Philadelphia, Detroit, St. Louis, and Pittsburgh have particularly high rates of other vacant units, and thus need effective strategies to address the pervasive nature of blight and abandonment.
The challenges of shrinking cities

The challenges shrinking cities face and potential solutions are gaining attention in the US and abroad. However, beyond using demolition to remove obsolete and unsafe buildings, cities often struggle to develop comprehensive measures to address vacancy and decline when solutions centered on growth fail. Right sizing is a concept whereby a city adjusts its development footprint to align with the needs of its current and future population levels. It is emerging as a means to address decline in shrinking cities by creating greater stability in neighborhoods and the real estate market. With challenges such as deteriorated buildings and infrastructure, inadequate information, potential relocation of existing residents, and a dearth of funding, right sizing is not a straightforward task.

Typical planning and development models do not effectively address the supply side of city and neighborhood revitalization; these strategies focus on the demand side—if you build it, they will come. However, an oversupply of vacant properties creates an intractable barrier that prevents communities from effectively addressing the demand side of the equation. Reducing the oversupply of vacant properties requires a holistic, citywide strategy, but there are significant challenges to rejuvenating and reclaiming cities in this way, such as:

• Lack of political commitment; the problems may be perceived as too great and potential solutions have serious policy and political consequences.
• Need to respectfully and equitably relocate remaining residents and businesses.
• Inadequate resources, lack of funding from federal and state government, as the problem will demand coordinated and targeted interventions.

Right Sizing Policy Charrette

In September 2007, the National Vacant Properties Campaign (NVPC) convened Reclaiming Vacant Properties: Strategies for Rebuilding America's Neighborhoods in Pittsburgh, the first national conference on vacant and abandoned properties. The three-day event gathered nearly 600 people from all over the country to exchange best practices and ideas for dealing with vacant and abandoned properties.

Following the closing session, a select group of conference attendees—policy makers, community development practitioners, academics, and national experts—assembled for a one-day policy charrette to discuss the concept of right sizing shrinking cities. Sponsored by NVPC and the Urban Design Center of Northeast Ohio, with assistance from the Surdna Foundation and the Carnegie Mellon Brownfields Center, the event was coordinated with the conference to capitalize upon the attendees' presence by offering them the opportunity to pool their collective knowledge and expertise in this groundbreaking discussion on right sizing.

The policy charrette provided a neutral environment for the participants to examine the planning, policy, and physical dimensions of right sizing shrinking cities. The charrette venue allowed participants to discuss what critical information is needed for right sizing, the barriers to be expected, and policy solutions. The goals were to better understand the issues and develop solutions that will be applicable in real world situations. Representatives from Youngstown, Pittsburgh, Cleveland, Buffalo, Louisville, New Orleans, Baltimore, and Philadelphia participated in the charrette and brought their experience to bear on a right sizing plan for the fictional city of Smallville. The outcome of the charrette is a preliminary action plan that outlines the issues and summarizes strategies for right sizing.
What do we mean by right sizing?

Many existing planning tools address the demands of growth. Transfer of development rights, density bonuses and other measures help cities and regions implement smart growth. However, there are few planning tools geared to the needs of shrinking cities. One emerging model is the concept of right sizing.

Right sizing is a holistic and equitable process to stabilize the most dysfunctional markets and distressed neighborhoods by adjusting the amount of land available for development; this process more closely aligns the built environment of a city with the needs of the existing and anticipated future population.

Right sizing includes a number of activities, some tested within the field of planning, others in need of careful evaluation and pilot testing. Urban greening programs that use vacant sites for agriculture, stormwater management, ecosystem restoration, the expansion of parks and green spaces, the generation of renewable energy, and other non-traditional urban land uses can form the basis of a right sizing. Within this armature of green infrastructure, right sizing allows for targeted investment strategies and relocation activities designed to create nodes of density and development within the existing urban footprint. Successful strategies in the most challenged cities are those that acknowledge and account for the presence of a weak to declining economic environment. Right sizing strategies will help stabilize these cities through interim and permanent interventions that convert vacant and abandoned properties from a liability into a community asset.

How is right sizing implemented?

Charrette participants had difficulty envisioning right sizing as it would take shape in neighborhoods and cities. Was the goal to relocate existing residents from highly depopulated areas and close off these neighborhoods, thereby establishing density in certain neighborhoods while returning others to green space? Or was it to allow right sizing to occur organically, creating larger lots within the city, gradually reducing services until such time demand returned?

Right sizing needs to be tailored to match local conditions. Whatever the scale of a right sizing program, it should be related to a larger comprehensive plan for the city and region. Collaborative city planning efforts should identify neighborhoods where right sizing activities will take place. Population loss and the subsequent blight and abandonment will determine the scale of the right sizing activities — how many neighborhoods will be affected, to what degree, and the types of methods used. In some locations, only one or two neighborhoods may be targeted. In more severely affected cities such as Buffalo or Youngstown, the scale of the right sizing activities may encompass many neighborhoods and influence the entire development pattern of the city.
Right sizing has regional implications. Municipal services such as water and sewer authorities as well as transportation departments will need to refocus their attention from new construction to better utilization of existing infrastructure. In some cases, decommissioning activities may be warranted. This may require a restructuring of revenue sources or fund disposition policy. Many shrinking cities are located within regions where the existing population is being shifted further out to new developments, leaving behind surplus housing and fueling vacancy and abandonment. Finding ways to strategically focus development or reinvest in already developed areas will require utilities and transportation services to be realigned in the right sizing process.

The practices and policies implemented must create a place for honest dialogue with the stakeholders but the challenge of identifying who, when, and how was a struggle for charrette participants.

Planning policies
New policies are needed to achieve the goals of right sizing. Right sizing will impact land use planning, economic and fiscal policy, the approach to political leadership, and civic engagement. Right sizing entails difficult decisions about the planning, design, and management of the built environment. Priorities must be established to direct limited human and financial resources may necessitate strategies such as:

- A development moratorium to give various agencies and organizations to strategically coordinate their efforts, providing more return on investment while simultaneously addressing the challenge of vacancy and abandonment in the region.
- Revised zoning ordinances that are more flexible in the land uses allowed within urban areas.
- Mothballing of properties to preserve strategically significant buildings.
- De-annexation, in which a city creates multiple, standalone political entities, releasing it from the duties of providing municipal services to these areas.

Economic and fiscal policy also plays a role in right sizing. On a daily basis, cities face challenging questions about where to invest limited financial resources. Developing strategic investment plans can concentrate economic development and community revitalization energies, in conjunction with land banking or other vacant property management policies outside of core development areas.

Political leadership is critical for developing and implementing a right sizing strategy. Elected officials should serve as a unifying force within the community, providing leadership to both city staff and community residents. Creating an environment where civic engagement is actively encouraged and supported is a crucial role elected officials can play to help address the concerns of the community through this process.
Data to support a right sizing process

Accurate data are vital to any right sizing process. It is uncommon for a municipality to have an up-to-date inventory of its vacant and abandoned properties. To assess the situation and identify the scope and focus of a right sizing program, information must be assembled, including:

• Current patterns of land use in the city and region.
• Concentrations of businesses and industries in the city and region; where are the areas of greatest economic strength?
• Locations of recent and planned development.
• Market conditions for the city and surrounding region.
• Existing organizations, leaders, and policies/programs.
• Locations of stable and transitional neighborhoods.
• Neighborhoods with the greatest levels of vacancy and abandonment.
• Demographic makeup of residents across neighborhoods and block groups, including age, race, gender, income, education, and employment.
• Environmental conditions will influence a right sizing strategy, including hydrology, wetlands, soil types, impervious surfaces, topography, urban heat islands, wildlife habitat, and environmental contamination.

Charrette participants identified the following key data sets for an informed right sizing process:

• Population density: What is the population density of the city and how is it distributed among neighborhoods? Are there certain neighborhoods that are significantly more or less dense than others? Where are these neighborhoods located? What are the trends?
• Relocation trends: Where are new residents locating and where are they coming from? Are existing residents being shifted around by the attraction of new homes or are new ones moving in to the region? At what rate?
• Categories of vacant land and structures: What are the types of vacant land and housing present? Are they suitable for immediate reuse? Does rehabilitation work need to be undertaken? Should the structures be demolished and the property redeveloped or maintained by a land bank? Cities and counties need to create better categorization techniques distinguishing vacant housing or other structure from vacant land. This information would capture the housing condition and the suitability for land/housing reuse. Brownfields are one category within which vacant land can fall, opening it up to funding streams for potential decontamination and reuse.
• Vacancy rates: Where are the highest concentrations of vacant housing, commercial, and industrial properties? What are these properties located in proximity to that may make them a candidate for reuse or long-term decommissioning?
• Ownership: What are the patterns of owner occupied and rental housing locations? Are there neighborhoods dominated by rental housing and in need of more diverse housing options?
• **Socioeconomic status of neighborhood residents:** What is the residential composition of the neighborhoods in relation to the occupants and their economic stability? It is likely the neighborhoods with the highest abandonment rates also contain the highest concentrations of socioeconomically challenged residents.

• **Demographics:** Age, race, family size and marital status information is useful for painting a picture of neighborhood composition in relation to city and county wide conditions.

• **Community preferences and engagement:** How open is the community to accepting new residents? Would residents of depopulated neighborhoods be accepting of an influx of immigrants to help stabilize conditions as opposed to relocation or other right sizing activities? How engaged are neighborhood residents in public policy issues?

• **Employment sector breakdown:** What are the industries employing the residents of the city and county and what are the types of jobs workers are doing? Is the area still heavily reliant on manufacturing jobs or is a diverse local employment market emerging?

• **Commuting patterns:** Where do people work in relation to where they live within the city and county? Do most residents live outside the city and commute in for jobs? Or are most jobs located outside the city and commuting patterns are suburb to suburb?

• **Market conditions in the city and surrounding region:** What organizations, leaders, and policies/programs are present?

Designing a right sizing process and identifying potential partners requires information about local market conditions and organizations. Community partners can bring diverse resources to the right sizing process. Capitalizing on existing programs or modifying them to specifically address right sizing challenges may be the initial point of departure for developing more complex and innovative strategies.

Charrette participants identified the following as important sources of information about market conditions:

• **Business and economic climate:** What is the business climate with the city? Of the city within the region? Of the region within its metropolitan context? How do Council of Governments, Municipal Planning Organizations, and/or academic studies rate economic trends?

• **Cluster analysis:** Are there any economic strengths of the city or region that should be capitalized upon during the right sizing process?

• **Business promotion:** Is there a chamber of commerce or other economic development organization promoting the city and/or region to try and attract new businesses or grow existing ones?

• **Labor market:** What is the condition of the existing labor market within the city? The county/region? What are the likely skill sets of the labor pool? Are there areas in need of improvement? Can right sizing activities such as demolition or deconstruction be utilized to create workforce development programs?

• **Community and economic development:** What are the existing policies, plans, and programs in place? What are the results? What has been tried in the past with and without success? What were the contributing factors to these results? What can be built upon for developing right sizing strategies?
• Existing documents: What are the existing documents guiding community and economic development? How recently were they updated and through what type of process?
• Water, sewer and transportation: Who controls the development and maintenance of essential infrastructure resources? How are decisions made regarding when, where, and how infrastructure investments take place (i.e. are decisions driven by demand or funding sources)? How can right sizing benefit or harm these authorities?
• Taxation: What is the tax structure within the city? County? How can right sizing strategies be expected to influence tax burdens?
• Suburban development: What types of demand are suburban residents placing on the region? Where do suburbanites work? Recreate? Shop? How could these patterns influence right sizing actions?

Collecting this and other data will help guide the right sizing process and lead to solutions that address location-specific challenges while building on local assets. Data sources include the US Census, neighborhood conditions surveys, market studies, US Geological Survey and local soil condition surveys, watershed and wetlands maps, NASA’s Landsat data, Light Detection and Ranging (LiDAR) data, topographical surveys, and aerial photographs. Data needs will be driven by the goals of a right sizing process and the information gathered will allow stakeholders to identify areas of strength and weaknesses during a collaborative planning process. Accurate data will help target right sizing efforts to areas where they can be most effective. In some cases, data will help identify areas for relocation and decommissioning, as well as areas where strategic public and private investments should be focused and redevelopment encouraged.

Establishing criteria for targeting neighborhoods

Neighborhood level data and assessment is useful for identifying conditions influencing stability and decline. Mapping information at the neighborhood scale is an important component of the analysis process. The level of detail to which some of this information can be gathered is contingent upon data availability and source. For example, the US Census may not parcel information to align consistently with neighborhood boundaries and some information is gathered only every ten years.

The policy charrette participants identified the following tasks pertinent to inventorying and assessing neighborhood conditions:
• Building stock: A block by block inventory and analysis of the building stock is a critical tool for understanding the assets and constraints of neighborhoods. This information should be gathered using a systematic method to ensure rating consistency among surveyors. Periodic updates will help establish trend lines and create an indication of the success of right sizing activities.
• Mapping: How are the different neighborhoods related to each other? Are stable neighborhoods all located in a certain area of the city or are they interspersed among transitional or declining neighborhoods? Can stable neighborhoods be capitalized to help bring strength to proximate declining areas?
• Civic infrastructure: How engaged are the residents of the neighborhood? Is there an active block club group, watch program, or neighborhood association? Are there active community development corporations working in the neighborhood and what role do they play? How do a majority of the residents perceive such organizations?

• Neighborhood trends: What are the historic trends of the neighborhood’s development? Has decline been ongoing or is it a recent trend? What is the rate of population change? What are the vacancy rates at periodic intervals?

• Boundaries: What are the political boundaries of each planning area? Some cities can be divided into districts, which may require cooperation between two or more areas as right sizing opportunities cross boundaries. Other neighborhoods may not be recognized as part of a larger planning area.

• Neighborhood context: How do neighborhoods relate contextually to the city or region? Are some historically significant in relation to past events or building stock? Are there natural constraints (i.e. steep slopes, floodplains) impacting the neighborhood? How can or should such conditions influence right sizing approaches in these neighborhoods and the city?

• Neighborhood assets: How are assets distributed throughout the neighborhoods of the city? What are the major transportation routes? Are there neighborhoods with strong schools, well maintained or loved parks or other civic institutions? Where are the natural assets of the city located (i.e. rivers, forested areas)? Where are the diverse neighborhoods residents gravitate toward? Where are the neighborhoods that attract residents of similar cultural backgrounds located? Are certain neighborhoods the center of strong job activity or market demand? How should the location of these assets influence right sizing activities in the city?
Unlike urban growth, which can be directed through thoughtfully designed and implemented strategies, right sizing is reactive to the conditions of blight, neglect, and abandonment. Once these patterns take hold, proactive measures must be taken to prevent their spread. Some factors to consider when developing a right sizing process include:

- **Identify areas to target based on vacancy levels**: Vacancy levels should guide strategic right sizing activities. Those areas with high concentrations of vacant and abandoned properties will require different strategies (i.e. acquisition, reuse, long-term management) than those with lower levels where prevention and rehabilitation may be more appropriate.

- **Develop strategies that improve residents’ quality of life**: The strategies developed for right sizing need to improve the lives of residents beyond maintaining the status quo. The process should create community assets in place of vacant lots where illegal dumping replaces blighted homes. Programs and partnerships should be developed to create parks, community gardens, or other green spaces that provide benefits to residents.

- **Permanent or interim right sizing**: Some areas may be suitable for redevelopment when the timing and appropriate proposal materialize. Others areas, such as floodplains or steep slopes, may not be suitable for redevelopment and require permanent right sizing solutions. In addition, market conditions may preclude immediate reuse of all of the vacant land. Different land holding and reuse strategies are required to adequately address these right sizing cases.

- **Acquisition strategy and vision**: Acquisition strategies will determine the time frame over which right sizing activities will take place. In some situations where large amounts of vacant properties exist, a wholesale tax lien sale and foreclosure process to a locally operated land bank may be advantageous. In other scenarios, a more prolonged approach to acquisition may be necessary, creating the need for interim stabilization methods.

- **Planned versus organic right sizing**: Planned right sizing, a proactive approach, uses specific acquisition methods and targets certain neighborhoods, producing results or improvements in neighborhood activities in a structured manner over a definable period of time. The reactive, organic method of right sizing is what many neighborhoods are currently experiencing. Actions are based on immediate needs and tend to not be strategic, leading to inefficient use of limited resources and the continued decline of the neighborhood.

- **Land banking**: One of the critical right sizing steps is the ability to acquire land for future use in such a way that maintains local control and establishes the ability to properly maintain it. Land banking is one tool for achieving this,
creating a system to acquire, manage, and dispose of vacant and abandoned properties. While not all states permit the use of this tool, models such as the Genesee Land Bank in Flint, Michigan, are bringing attention to this concept, leading to other states to consider passing legislation that would provide similar tools to their counties and cities.

- **Blight, nuisance, and public safety:** Right sizing strategies need to consider their ability to address blight, mitigate nuisance properties, and increase public safety. These activities directly improve the quality of life for residents in neighborhoods impacted by blight and abandonment while also working to keep the problems from spreading and negatively impacting adjacent communities.

### Roles and responsibilities for partners

Right sizing is not likely to be a career-making activity for politicians since it requires many difficult decisions, takes considerable time to implement, and leads to tangible results only after the combined efforts of numerous partners. But politicians can play an important role in the right sizing process by being advocates, uniting conflicting groups, and focusing attention on the issue as a way to improve the lives of community residents.

- **Mayor as a right sizing champion:** The mayor should be the chief supporter of a right sizing effort and must work with city staff to ensure the process is designed and implemented in the best possible way. The mayor helps to address departmental dysfunction by instituting measures allowing city staff to see how their role impacts right sizing and relates to other departments who are working to achieve the same goal. The mayor also should strive to unite the residents of the community around right sizing, promoting it as a way to improve upon the status quo and bring about a better quality of life.

- **Take the politics out of right sizing by creating bipartisan support within the community and at the state level.** The issues of neighborhood stability and maintaining a high quality of life cut across party lines. The measures to help attain right sizing need support from within the community and at the state level. While the methods to achieve right sizing goals may differ between parties, generating broad bipartisan support will help to elevate solutions to the issue within the public eye and produce the support necessary to begin developing and implementing right sizing strategies.

- **Consider experiences being felt in rural areas – depopulation versus growth pressures – and develop alliances between urban, suburban, and rural communities.** The conditions in cities contributing to vacancy and abandonment are often also influencing development challenges in rural or suburban areas. Residents within the city who have the most choice about where they want to live often move to suburban or exurban communities, leaving behind homes in the city while consuming valuable farmland and creating the need to maintain increasing amounts public infrastructure. Regional leadership should recognize the interrelationship between political jurisdictions and develop strategies imparting positive outcomes to all.

- **Right sizing should be tied climate change and other high priority political issues.** Climate change, energy policies, and the need to create jobs in sustainable industries are hot button issues on which political leaders currently are focused. How can right sizing be linked to these issues?
• Focus on people and their desired quality of life. Relating right sizing to or recasting it as a quality of life issue will resonate more soundly with the electorate. Demonstrating how right sizing will improve the quality of life for residents of blighted neighborhoods while stabilizing transitional neighborhoods will appeal to a larger audience and relate it to an element people care about greatly – their home.

Community engagement
Community engagement is an important component for the right sizing process. The goal of community engagement is to ensure everyone has access to a quality neighborhood environment by creating an equitable right sizing process. Policy makers and practitioners must find effective ways to engage and accommodate existing residents in depopulated neighborhoods. Homeowners, renters, and businesses will each be affected by the process and require an equal voice at the table. Ways this can be achieved include:

• Encourage and facilitate citizen-led engagement, developing partnerships to generate buy-in to the right sizing concept, process, and plan. Residents in neighborhoods with many vacant properties will have different views of how to accomplish right sizing than those where abandonment is just beginning. The need to accommodate different approaches is more likely to be successful when citizens and neighborhood groups are included in the planning and implementation process.

• Set realistic expectations for what right sizing can achieve and the timeframe within which to expect certain results. Take the process and eventual plan “on the road” to the different neighborhoods impacted by right sizing. Provide residents with background data and information about what is feasible and anticipated costs or savings. Provide facilitators to ensure unbiased information gathering and dissemination. While keeping an eye on the ultimate vision for reuse, develop intermediate goals and objectives for vacant land management.

• Work with community development corporations as a means of reaching out to the neighborhoods. Start by focusing on the areas previously overlooked and link neighborhood level activities to the bigger right sizing picture. Begin with a few areas as pilot projects to demonstrate city capacity, civic acceptance, and political will to accept right sizing.

• Address the “what’s in it for me” question by reaching out to those who are in opposition to right sizing. Demonstrate how everyone benefits from the process as a way to bridge the divide between those in favor and opposed to the concept – that right sizing is a way to improve upon the status quo and create better quality neighborhoods for everyone.

• Focus on the interests of residents. The activities likely to be a part of the process will influence the lives of neighborhood residents in numerous ways. Listening to resident’s interests – i.e. public safety, protecting home values, lowering taxes – can help to develop a right sizing method that can address these topics.

• Address difficult decisions about relocation versus reinvestment. Right sizing will likely require exploring and possibly implementing the relocation of willing residents into reinvestment areas of their choice. Including the residents of the neighborhoods where relocation will move people from and to is important for developing an equitable
process. Determining what sort of incentives can be made available and demonstrating the value in asking residents to move from what may be their life-long residence to another part of town, disrupting social networks, will need to be part of the process.

- Offer homeowners the right to ratify the right sizing plan. Ratifying the plan will demonstrate residents’ understanding of the plan as well as their level of involvement and commitment. Outreach may be necessary to provide information to community members who may not have been heavily involved in the process.

Collaborative dialogues on right sizing

The process used to create the Youngstown 2010 Citywide Plan illustrates the value of community engagement and marketing. As the country’s first comprehensive plan that lays out a right sizing framework premised on the goal of creating a successful, vibrant city with half the population of its steel making heyday, the plan was developed with a significant amount of civic engagement through neighborhood and citywide meetings. The media played a major role in explaining how the plan would influence the lives of city residents and encouraged participation. Due to the potentially contentious aspects right sizing, strategies must be in place to capture community input.

Media outlets can provide informative coverage of the right sizing process by highlighting the value of right sizing activities such as blight removal and urban greening. Tying blight to the harsh economics present in neighborhoods and cities affected by vacant properties could be valuable for creating support for urban greening programs. When citizens learn that a blighted vacant lot depreciates home values by nine percent but a lot improved by landscaping and other greening activities increases home values by 20 percent, they may be more likely to become supporters of or involved in the right sizing process. Linking blight amelioration to taxes (what does it cost the city to mitigate problem vacant properties versus greened lots or securely boarded buildings and how is that reflected in taxes) could also be persuasive in encouraging civic support and involvement.

Relocation considerations

Maintaining infrastructure in neighborhoods with only a few residents remaining may be viewed as inefficient. New tools need to be developed to support the preferences of residents while improving the ability of municipal governments to reduce costs and deliver services. Ideas surrounding relocation, homesteading, options for de-densification, and planning and land use are being explored but as of yet, few have been tested. Some, such as relocation, may evoke strong emotions tied to urban renewal programs of the 1960s. Ensuring early and honest civic engagement while pilot testing some of the ideas proposed here could lead to the generation of more widely applied strategies for accommodating existing residents in depopulating or depopulated neighborhoods.

Residents from blighted neighborhoods may be willing to relocated to more viable areas built around community assets. This could benefit both the residents and city government. However, the process is fraught with challenges that will need to be mitigated in order for the practice to be palatable. The following are issues should be considered in a relocation scenario:
• How can the relocation of residents from one neighborhood to another improve their living situation?
• Does it create more stress by disaggregating the social structure of the old neighborhood by spreading residents around the city?
• Can a “group move” program be developed to create an opportunity for existing neighborhood residents to stay together in their new neighborhood?
• What is the receptivity of the new neighborhood to the influx of “outsiders”?

Developing financial assistance programs may be valuable in the relocation process. Neighborhoods where relocation may be considered a viable solution, the home values are likely to be significantly depressed. Selling a home in this situation would not generate enough capital for the seller to purchase a new home in the targeted area. Financial assistance programs offering a means to bridge this gap will be necessary. Other incentive programs may include a “house swap” where owners trade homes and then receive financial assistance for rehabilitating the new home. Moving houses, either closer together around a neighborhood asset in an urban village format or to another neighborhood altogether, is another option to consider.

De-densification
De-densification is another right sizing option. The development of larger lots within an urban setting may at first appear counter to what the strategy of right sizing seeks to accomplish. However, taking these neighborhoods off-line from some of the services traditionally supplied by municipalities such as water and sewer may allow remaining residents to stay in their home and enjoy open space amenities previously only available at the urban fringe. Side-lot transfers and aggregating parcels for urban agriculture activities are two techniques currently being explored in some areas.

Homesteading
The development of a homesteading program coupled with a flexible zoning code or co-op approach could address some of the depopulation issues by encouraging new residents to relocate into the neighborhood or existing residents living in multifamily apartments to move into single-family dwellings. Homesteading parameters should be established (i.e. $10,000 of investment in the property entitles free and clear ownership). The receivership process could also be used to place responsible owners in homes.

The cooperative approach allows a concentration of residents to work together on improving the status quo – offering financial incentives and legal flexibility can help to facilitate these activities. Land pooling and flexible zoning approaches would be necessary to help mitigate some of the legal and financial hurdles present in neighborhoods with dramatic depopulation. Regulations prohibiting or severely restricting farming may need to be waived or reconfigured. Rules governing the habitability of a residence may need to be made more flexible to allow persons interested and committed to live in the home while rehabilitating it. Such an owner generates the occupancy necessary to prevent further deterioration of the property. Financial tools that may be beneficial to the homesteading and cooperative scenario include life estate or reverse mortgages, donations, purchase, and an annuity approach.
Other ideas from the charrette included:

- A “Live Where You Worship” initiative to encourage members of churches to relocate into the neighborhood.
- House salvage and recycling programs designed to engage neighborhood residents in improving their surroundings by becoming involved in the deconstruction of blighted homes.
- Group move programs to benefit seniors in the neighborhood that would develop a tax credit and senior housing, requiring a partnership with organizations who provide assistance for elderly residents.
- An investor approach involving existing residents and that allows community development corporations to pool funding to purchase and rehabilitate catalytic properties in neighborhoods (based on a model devised by Charlie Duff and Jubilee Baltimore in the city’s Mt. Vernon neighborhood).
- An ownership model where the municipality or community development corporation owns the property but allows the resident to remain in place.

Social challenges

Crime Public safety is an important issue influencing quality of life. Vacant and abandoned properties that will be addressed through right sizing are the source of many public safety concerns – arson, vandalism, drug dealing, prostitution, illegal dumping, and squatting. While a local organization with the authority to manage and address these properties is important, its capacity can be overwhelmed by the volume of the challenge making it important for expectations to be managed and partnerships to be developed. It is necessary to ensure a coordinated and aggressive approach to addressing public safety issues as a part of the right sizing process.

Social justice and equity A targeted investment approach is likely to raise some important questions about how the process is developed and which neighborhoods are chosen. Many areas that will likely be identified as opportune for right sizing activities can also be expected to contain a large minority population, raising issues of social justice and equity. Could targeted investment be perceived as a modified form of redlining and, if so, how should this be addressed? Education, civic engagement, and a transparent process from the outset can help to alleviate some of the probable challenges.
The practice of right sizing will borrow from existing strategies used to manage vacancy and population decline and develop new ones. The challenge of dealing with the weak real estate markets created by significant and sustained population decline will necessitate the development of strategies that do not rely on growth to improve the status quo. There are a number of policy areas from which right sizing can adopt strategies including:

- The enforcement and legislative arenas where the need to address blight immediately and understand how resources are being allocated require access to tools such as housing courts and development moratoria.
- The field of planning and land use provides strategies such as zoning overlays and incentives for achieving policy goals including relocation and rehabilitation.
- Land management systems to acquire, hold, manage, and dispose of property such as land banking and community land trusts.
- The emerging accomplishments of targeted investment to provide an increased return on investment for government and private expenditures.
- Marketing and civic engagement can tie blight removal to taxes and be utilized to facilitate community-based comprehensive planning for neighborhoods and cities and is important for securing resident buy-in.

There are also emerging ideas that could be piloted in neighborhoods and cities willing with an appetite for carefully implemented experimentation. These will seek to address the needs of existing residents in significantly depopulated areas as well as develop tools to accommodate locations where depopulation is beginning to occur.

Policy agenda

A broad policy agenda incorporates enforcement and legislative strategies. These arenas allow right sizing to be linked to important public policy issues such as the strategic use of limited resources and the need to be proactive about issues of population decline and blight. New policies agenda will incorporate such items as development moratoria, linking right sizing to smart growth, housing courts that address real property legal issues exclusively, and receivership programs. Not all localities will posses the legal authority to implement such strategies, making it necessary for reform to occur at the local or state level.

The need to address blight immediately, particularly the worst problems, requires tools and strategies for going after slumlords and other egregious offenders. Emerging enforcement strategies to be useful for implementing a broad policy agenda include:
Using legal measures such as code enforcement, housing court, and receivership are proven tactics in addressing problem properties. In addition, Toledo, Ohio, has demonstrated success in dealing with those particularly difficult landowners through the mayor’s “Dirty Dozen” code enforcement initiative.

Cities such as Buffalo and Cleveland are at the forefront of developing housing courts to exclusively handle cases dealing with real property issues. Code enforcement and receivership cases are specifically addressed by housing courts.

Receivership, although not a widely available tool, is useful for transferring property from a negligent and unresponsive owner to one with a plan for timely and prudent reuse of a property.

Policies to facilitate right sizing and address vacant and abandoned properties are likely to require changes to local, state, and federal legislation. At the federal level, developing a national urban agenda and providing right sizing with an equal footing as growth-oriented policies will be necessary. Equally ambitious is to establish a “fix it first” approach to allocating transportation funding. Perhaps the innovative approach applied by Michigan to incorporate vacant properties in the state’s definition for brownfields should be explored at the federal level.

At the state and local levels, tying smart growth to the redevelopment of urban centers and focusing on regional development patterns can help to develop a more comprehensive approach to right sizing. In some states, legislation authorizing land banking and receivership need to be introduced and approved at the state level in order for municipalities to be able to adopt and implement these right sizing tools.

Planning and land use

Zoning overlays, side lot transfers, and “development incentives” are planning and land use strategies that can be adapted to the needs of a right sizing community or neighborhood. These may need to be pilot tested at a smaller scale and with neighborhoods where residents have been engaged in designing the right sizing process before they are administered city wide. Other strategies, such as side lot transfers, may only require the development of a program within the municipality to create a formal process for their implementation.

Planning for right sizing should strive to capture some of the elements lost as neighborhoods depopulate, re-concentrating the population in urban villages to help promote a walkable environment. Right sizing may provide the opportunity to re-plat neighborhoods. Such an activity allows for the development of amenities that might previously have been missing such as recreation opportunities or defensible space.

A right sizing zoning overlay would be a useful tool for developing and testing some of the various strategies outlined within this document. The district would allow flexibility in interpreting the zoning code and potentially allow uses not normally considered within an urban environment (i.e. large scale urban agricultural activities). Relaxed zoning and building codes may be permitted (within reason) to encourage urban homesteading or allow creative adaptive reuse projects. Due to the exploratory nature of the right sizing zoning overlay, there would need to be some tools and procedures developed to evaluate the success of test programs. In addition, it is recommended the existing residents of the proposed zone are allowed to vote on its establishment and, should they wish not to participate, be given a fair opportunity for relocation.
Development incentives can be adapted to a right sizing community. While density bonuses in rapidly growing areas may be used to encourage smart growth, right sizing cities may develop incentives to facilitate smart decline through relocation, greening, and rehabilitation. The provision of incentives, monetary or otherwise, can help to increase the palatability of the more challenging right sizing tools and also, since the municipality will stand lose money or other resources should the program fail, make sure its implementation is not done haphazardly or with less than adequate planning and community engagement.

In some instances, it may be desirable to preserve buildings with significant historic value through a process known as 'mothballing'. The financial challenge of boarding, securing, and maintaining these properties requires a strategic approach to make the most of limited resources. Developing unique partnerships in the mothballing process within the right sizing overlay district may lead to more efficient and effective techniques that can be applied to other structures. In cases where structures are unable to be restored, creative demolition practices should be employed to salvage valuable resources and reuse as much of the building materials as possible.

Side lot programs require a program to be developed ensuring the process is as easy as possible for both interested buyers and city staff to navigate. The buyer should meet certain criteria (current on taxes, history of acceptable code compliance, and aware of any regulatory measure that must be met for development). City staff should be consulted in an effort to create a streamlined program for them to administer.

Land management

The management of vacant land is a key component to any right sizing strategy and should be overseen by a staff based task force or vacant land committee. Urban greening programs and the development of policies guiding interim and permanent reuse help to guide vacant land management. Land banks can be influential in creating disposition policies. Existing tools such as community land trusts may be valuable as well.

The development of a vacant property task force is valuable for guiding the management of vacant property through the right sizing process. Such initiatives can help to gather previously fragmented groups around the issues of vacant properties to begin the right sizing discussion. Cleveland developed a vacant property group responsible for implementing its vacant property management plan. The task force requires metrics to ensure it is making progress, should have staff and an institutional home, and operate with a framework that allows it to survive the political winds.

Land banking is an integral tool for the acquisition, management, holding, and disposition of vacant properties. In weak markets where an over abundance of low value properties are driving down the marketplace, land banks are invaluable. Their ability to take these properties and hold them until an appropriate time helps to create stability in the market. These entities, while the majority of their holdings will likely be within the city, operate best when operated county wide and cooperatively managed by city and county governments. Their funding structure may require innovative tax reform and legislative changes if they are modeled after the Genesee County Land Bank.

Urban greening programs, such as Philadelphia Green, are innovators in creating public, private, and nonprofit partnerships for managing vacant properties. The Pennsylvania Horticultural Society’s Philadelphia Green program is a model for a holistic approach to
greening vacant lots. Neighborhood resident support is a prerequisite for any project and the program engages numerous partners in the development and maintenance of projects including community gardens, urban agriculture plots, and storm water management sites.

Targeted investments

Targeted investment strategies focus public programs to improve a neighborhood and leverage private interest. Initiatives such as Richmond, Virginia’s Neighborhoods in Bloom demonstrate the power of a targeted approach to neighborhood investment. This is contrasted with the relative ineffectiveness of spreading resources too thinly across an entire city with the goal of appeasing every constituent. In the later situation, no one group or agency has enough time and resources to effectively accomplish what they set out to do.

Major challenges with targeted investment strategies include identifying what areas should be targeted. In a targeted approach, some areas will obviously be left out until later phases and interim stabilization or greening activities should be explored. The approach should be treated holistically, with the goals of stabilizing the neighborhood from both a community and a market perspective. In weak market cities, strategic investment in right sizing activities requires including an careful evaluation of economic conditions and deployment of strategic investments so as to not negatively impact existing areas of stability.

Participants in the policy charrette suggested a number of ways to identify strategic investment areas and ways to address the neighborhoods to be phased in later. For immediate targeted investments, a right sizing strategy should:

• Capitalize on existing infrastructure assets
• Develop a program that neighborhoods would apply to participate, demonstrating their readiness to explore and implement right sizing investment activities
• Focus on existing infrastructure (water and sewer) and transportation networks (air, rail, bus), coordinating how funding for these systems is directed in relation to right sizing activities and goals
• Be proactive, connecting with an overall plan or vision instead of being reactive and haphazard
• Use vacant lots as collateral for leveraging neighborhood investments

For neighborhoods where targeted investments will not immediately occur:

• Provide resources to green vacant lots as an interim stabilization strategy

The impact of vacant properties and the ability of targeted investment strategies to manage vacancy are likely to influence how bond rating houses evaluate municipalities. A better understanding of how this rating system works in relation to vacant properties could help develop how cities are able to manage them is important. This information could be used to guide targeted approaches and perhaps leverage bonds to help with activities such as green infrastructure creation.

Using vacant properties to address broader environmental challenges such as flooding, water quality, and climate change should also be considered in the targeted investment approach. In areas where rehabilitation is not a prudent option or a plethora of vacant land exists, tax credits could be used to encourage green infrastructure to be developed by promoting storm water remediation or infill measures and urban forest plantings to act as carbon sinks. The
development of these elements serves to improve the natural environment but also can become assets of the neighborhood, city, and region.

Other potential ways to encourage strategic right sizing investments include:

- Using the Wall Street Without Walls to model assist community development corporations in the strategic investment process
- Create a state tax credit to support right sizing activities that are based on targeted investments
- Engage local philanthropic groups to promote regional coordination in targeted right sizing activities
- Develop a program to provide ways for pension funds to be invested locally
- Establish pilot projects in green living and affordable housing to demonstrate to lenders the validity in a targeted approach and encourage their participation in taking these pilot programs to scale
- Evaluate the feasibility and impact of a housing trust fund to help rehabilitate housing in strategy investment areas Utilize (where able) transfer of development rights to redirect growth from exurban fringes to strategic investment areas
- Realign state level funding policies i.e. Can tax increment financing be restructured to facilitate community development, not just economic development?

Designing new uses and new places

Envisioning how right sizing will take shape in neighborhood and cities requires addressing the issues raised in the previous sections, and the input of residents and other stakeholders. Translating this information into a plan and developing implementation policies and strategies will pool resources from professionals in many fields including design, economics, and environmental policy. The vision for how right sizing will look within the physical environment of a neighborhood or city will depend on the extent of right sizing required, the resources available, existing environmental and man-made assets, and the dreams and desires of residents. Emerging design and planning tools can be useful for guiding the right sizing of cities, but will need to be retooled to work in low-growth urban environments. Design strategies to transform vacant and abandoned properties into community assets include:

- Revise the New Urbanist Transect to incorporate opportunities for less dense land uses to be developed within the urban context.
- Address environmental challenges on vacant and abandoned properties. These sites could be used to pilot new ways to attend to storm water issues, climate change, and the remediation of contaminated sites. Philadelphia is experimenting with the creation of bio-swales and other storm water management tools on vacant properties. Organizations in Pittsburgh are testing phytoremediation techniques on contaminated vacant lots that may also be used to produce energy through biomass. Carbon sequestration could be generated on vacant lots where urban forests are planted, potentially funded through the sale of carbon credits. Consideration should be made for how these projects may inform future investment patterns – are these considered interim solutions to be replaced with new development in the future?
- Focus on high visibility projects to showcase the success of right sizing techniques and generate interest and investment for implementing these strategies at a larger scale. These projects should strive to create a healthier neighborhood and provide opportunities to improve the health and lifestyle of neighborhood residents.
• Use vacant properties to link existing green space such as parks, trails, and other amenities. Right sizing plans should capitalize upon the opportunities to promote active lifestyles and provide access to recreation opportunities. Vacant sites can be used to expand parks, link green spaces with trails, and develop new recreation resources.

• Adapt existing building stock and other resources to meet the needs and demands of today’s market. Many of the neighborhoods where right sizing is likely to be needed exist within the context of an asset that is currently being built and sold for a premium in New Urbanist developments – a densely developed, mixed use, walkable urban villages. Missing within older neighborhoods is the ability of the building stock to meet the demands of today’s market, requiring creativity on the part of developers and financial assistance from governments. This may include the development of smaller owner-occupied units (whether single-family or multi-family). The provision of incentives for existing owners to retrofit their properties with more energy efficient appliances or heating and cooling systems could help make them more marketable to future owners while providing the present ones relief from energy costs. In addition, vacated rail lines could be converted into light rail corridors or rail trails, offering residents alternative modes of transportation.
Traveling policy charrette

As a next step, the policy charrette can travel to shrinking cities across the US, using the fictitious city of Smallville or locally relevant data as the basis for discussions. A traveling charrette will promote an exchange of ideas between national policy experts and local stakeholders responsible for designing and implementing a right sizing strategy. The transfer and adaptation of ideas from one shrinking city to another allows for further refinement and the genesis of new strategies. Other venues for testing right sizing ideas include the Mayor’s Institute on City Design.

Before the policy charrette arrives in a shrinking city, the groundwork needs to be laid to ensure a successful event. The host city will need to decide what type of information they wish to gain by conducting the charrette – do they want it to be theoretical to determine if right sizing is a strategy they wish to pursue or have they already decided and are seeking a testing arena for exploring right sizing tactics. Depending on the questions to be answered, the Saga of Smallville or a scenario based on the local situation may be employed. Involving public officials and neighborhood residents will change the dynamic of the policy charrette but also begin to address some of the more challenging issues of political and civic support for the process.

As the policy charrette travels to different cities, it will gather data on different right sizing techniques employed at the neighborhood and citywide scale. The data will be analyzed to determine the strategies that are most successful in achieving the goals they set out to attain. Seeking out and engaging neighborhoods and cities most receptive to or with a high tolerance for trying new strategies will also enable right sizing techniques developed through the charrette process to be tested in real world applications.

The other goal of taking the policy charrette on the road is to develop national attention to the needs of shrinking cities, and to link right sizing to smart growth. Currently, smart growth is most readily applied to booming areas where farms and forests are being converted into suburban homes, shopping centers, and office parks. These activities are also happening in regions containing shrinking cities, frequently spreading a declining population over a larger area. The ability to translate right sizing into a smart growth activities could allow it access to some of the incentives and funding streams to stabilize neighborhoods and real estate markets. Some next steps include:

• Outreach and education to communities to raise awareness of shrinking city problems and possible solutions
• Establish new networks to explore emerging issues, like the Cleveland + Pittsburgh + Youngstown Learning Network.

Conclusions and Next Steps
• Conduct additional research into shrinking city land use plans and zoning changes.
• Develop pilot projects to explore design alternatives and green infrastructure models.
• Develop direct technical assistance in designing and implementing right sizing actions
• Advocate for right sizing legislation to be introduced at the federal level.

1 A 2007 study of eight Ohio cities estimated that vacant properties cost $49 million in lost tax revenue and $15 million in city services (Community Research Partners, 2008). City services include code enforcement, demolition and boarding, yard maintenance, and fire and police calls. Lost tax revenue creates financial hardships, particularly for school districts that rely on property taxes for a bulk of their funding (Community Research Partners, 2008).

2 This report, released in May 2007, highlights the challenges and opportunities facing 65 older industrial cities (OIC) in light of the situations of their peers. These OICs each face challenges such as job loss, population decline, and concentrated poverty but also possess assets to build upon and regain US and global competitiveness. For additional information and to read the full report, visit www.brookings.edu/reports/2007/05metropolitanpolicy_vey.aspx

3 For more information on Jubilee Baltimore, see www.jubileebaltimore.org/index.cfm

4 Organizations such as Buffalo ReUse, a Piece of Cleveland, and The Green Project in New Orleans salvage materials from abandoned homes for reuse in other construction projects. For more information, see www.buffaloreuse.org, http://apieceofcleveland.com, and www.thegreenproject.org

5 For additional information about the Genesee County Land Bank, see www.thelandbank.org

6 For additional information on the Neighborhoods in Bloom program, see http://go.clientapp.com/vacantproperties/production/resources/ppts/Ripple%20Effect.pdf

7 For additional information about Wall Street Without Walls, see www.wallstreetwithoutwalls.com