



## Methodology

This report is the result of an analysis undertaken by The Reinvestment Fund for the Department of Housing and Urban Development. The purpose was to 1) analyze how markets treated with a concentration of NSP investment have changed over time compared to similar markets that have only minimally been touched by NSP investment and 2) create an easy-to-understand system for evaluating the performance of these areas against comparable markets.

**NSP Investment Cluster (NIC):** A NIC is a geographic area with a density of properties treated by NSP. Each NIC must contain at least two treated properties located within 1/4 mile of each other. Each NIC is made up of between 1 to 4 block groups.

**Comparable Markets:** The comparable markets used in this analysis are block groups with similar characteristics as the NIC. The following criteria were used to identify comparable markets: proximity to the NIC, NSP 1 score, 2010 owner occupancy rate, 2008 average home sale price, and home appreciation between 2006 and 2008.

**Performance Scores:** Scores of "A", "B", "C", "D" or "N/A" were assigned to each NIC to reflect how home sale prices and vacancy rates changed between 2008 and 2010 within the NIC as compared to similar markets that were essentially untouched by NSP investment. In order to "beat" a comparable, a NIC had to perform better than that comparable market. These grades are defined as follows:

Performance Scoring Definitions
"A" = a NIC beat <i>all</i> of its comparable markets for which there was home sale or vacancy data.
"B" = a NIC beat <i>some</i> of its comparable markets for which there was home sale or vacancy data.
"C" = a NIC beat <i>one</i> of its comparable markets for which there was home sale or vacancy data.
"D" = a NIC beat <i>none</i> of its comparable markets for which there was home sale or vacancy data.
"N/A" = there was not sufficient data for any comparable in order to calculate a Performance Score.

Other Grantees working in Palmdale, CA NICs: NONE