Taking the Temperature of Urban Health:

Atlanta's Neighborhood Operating Impact

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Picture this scene: a mayor stands before a map of her city, colored in blues and greens, each shade representing some metric of progress or distress. But here's the uncomfortable truth: most of these maps are snapshots of where neighborhoods have been, not where they're going. They tell us about poverty rates from three years ago, or crime statistics that are already outdated by the time they're published. What they don't tell us is the story that matters most: is this neighborhood getting healthier or sicker right now?

Atlanta's Office of the Chief Policy Advisor has developed something more pragmatic: a way to take a neighborhood's vital signs in real time. It's called the Neighborhood Operating Impact, or NOI, and it represents a new way that cities might think about tracking the health of their neighborhoods.

The Insight Behind the Metric

The core insight is simple: neighborhoods that are thriving make fewer demands on city services while generating more revenue. A healthy neighborhood doesn't just feel better to walk through, it requires fewer police responses, generates rising property values, and creates a virtuous cycle of investment and stability. An ailing neighborhood does the opposite, consuming more resources while producing less revenue, caught in a downward spiral that's hard to escape.

This isn't about reducing human communities to balance sheets. Rather, it's about recognizing that the financial flows tell us something true about the social fabric. When property values rise sustainably in a neighborhood, it usually means people want to live there, that they feel safe, that schools are improving, and that hope is returning. When 911 calls decline year after year, it suggests not just less crime, but stronger social networks, more "eyes on the street" as Jane Jacobs would say, a community watching out for itself.

How It Works

The NOI is designed to track revenues and costs generated by each neighborhood (see Figure 1). Atlanta's pilot version incorporates property tax revenues and policing expenditures. These two components constitute the largest contributor to their respective category: property taxes comprise 35% of total general fund revenues while police costs represent 31% of total general fund expenditures).

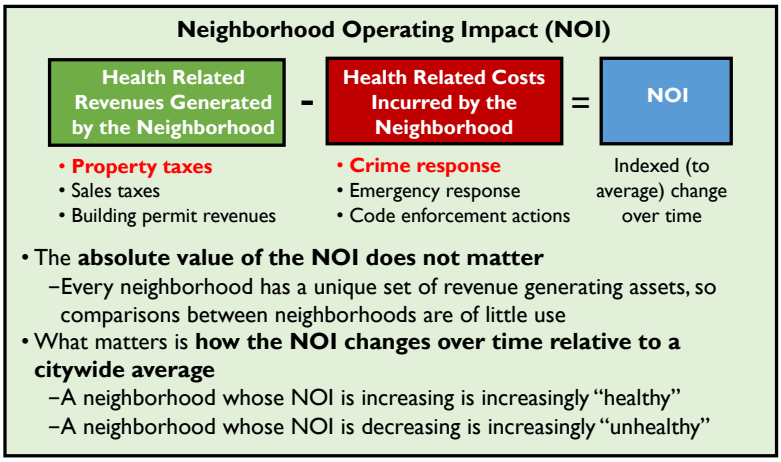

Figure 1: Atlanta's first version includes Property Tax Revenues and Police Expenditures

The key is to compare these measures over time relative to citywide averages. The absolute numbers don't matter much given large variations in

property types. Just because some neighborhoods host organizations that pay no property taxes, for example, doesn't mean that they can't be healthy and thriving places. What matters is the trajectory of revenues and costs over time. That trend will indicate the degree to which neighborhood conditions are changing. The question is whether a neighborhood's NOI improving or declining relative to the city as a whole.

Consider what happened in Cabbagetown and Reynoldstown, two historic Atlanta neighborhoods that underwent dramatic transformation in recent years (see Figure 2). In 2009, these neighborhoods were underwater, consuming far more in police resources than they generated in property taxes. By 2023, they had become significant net contributors. Property tax revenues increased over 400% while police expenditures declined by 75%. The numbers reflect what anyone who's walked those streets knows: these neighborhoods have been transformed.

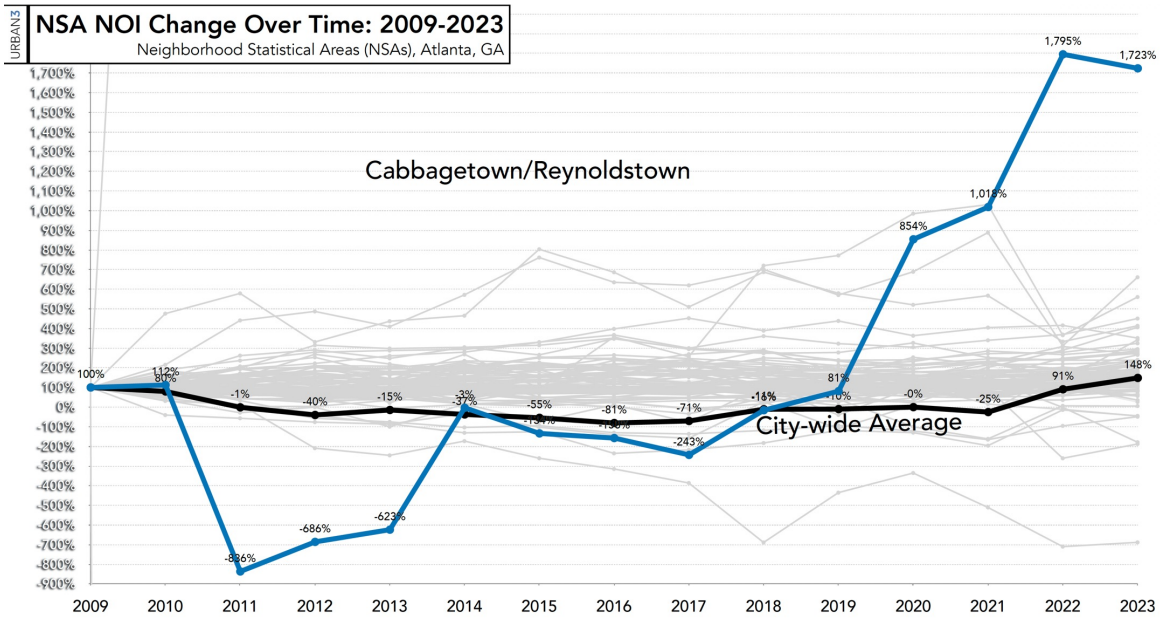

Figure 2: Change in the NOI for Cabbagetown/Reynoldstown reflects the transformation of those neighborhoods during this period

Or look at the Georgia Tech/Marietta Street corridor, which saw property tax revenues surge an astounding 649% since 2008. This wasn't just development, it was the transformation of an entire district from neglected to vital. Or consider the Fort McPherson and Venetian Hills neighborhood. After Tyler Perry invested in his new studio on the grounds of a closed army base, the tax digest more than tripled (see Figure 3).

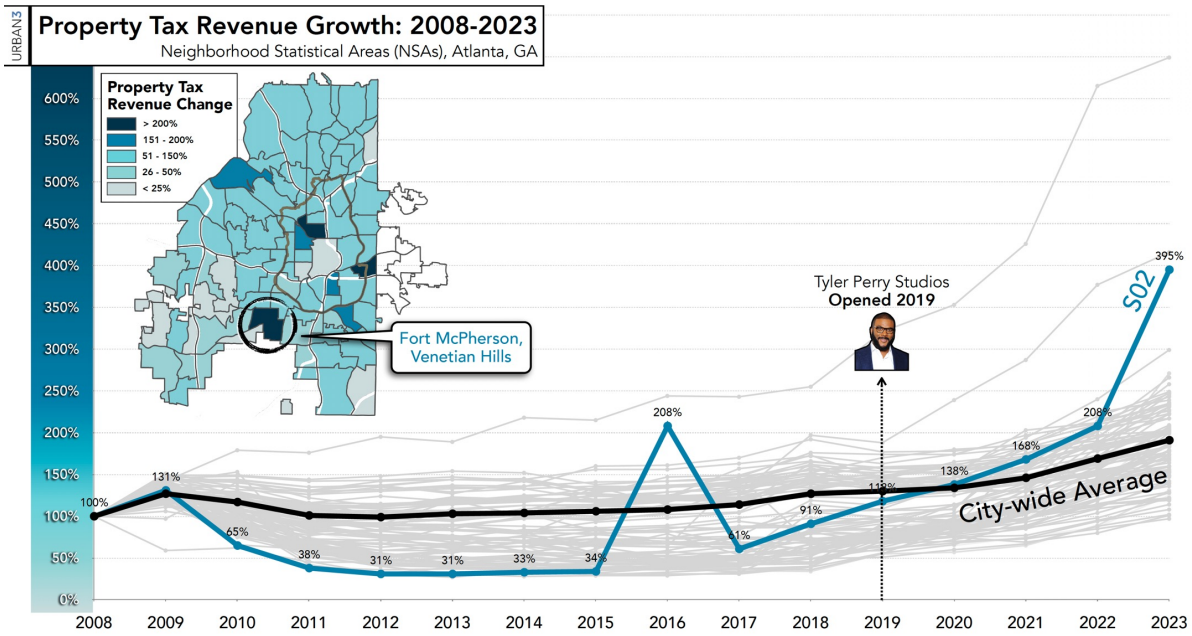

Figure 3:The opening of Tyler Perry Studios has catalyzed significant growth the tax digest in Fort McPherson/Venetian Hills neighborhood

But the NOI also reveals uncomfortable truths. Some neighborhoods show little change over 15 years, treading water while other neighborhoods have transformed. Some neighborhoods even show declining trajectories. The metric doesn't explain why - that requires deeper investigation - but it waves a red flag that demands attention.

Each neighborhood has an instructive story to tell. In Thomasville Heights, for example, a dramatic improvement performance was achieved when Forest Cove apartments, a troubled complex that had generated a large number police calls, was shuttered in 2022. Immediately, police expenditures plummeted (see Figure 4). It's a reminder that sometimes the most significant neighborhood interventions aren't new programs or community centers, but dealing decisively with concentrated sources of disorder.

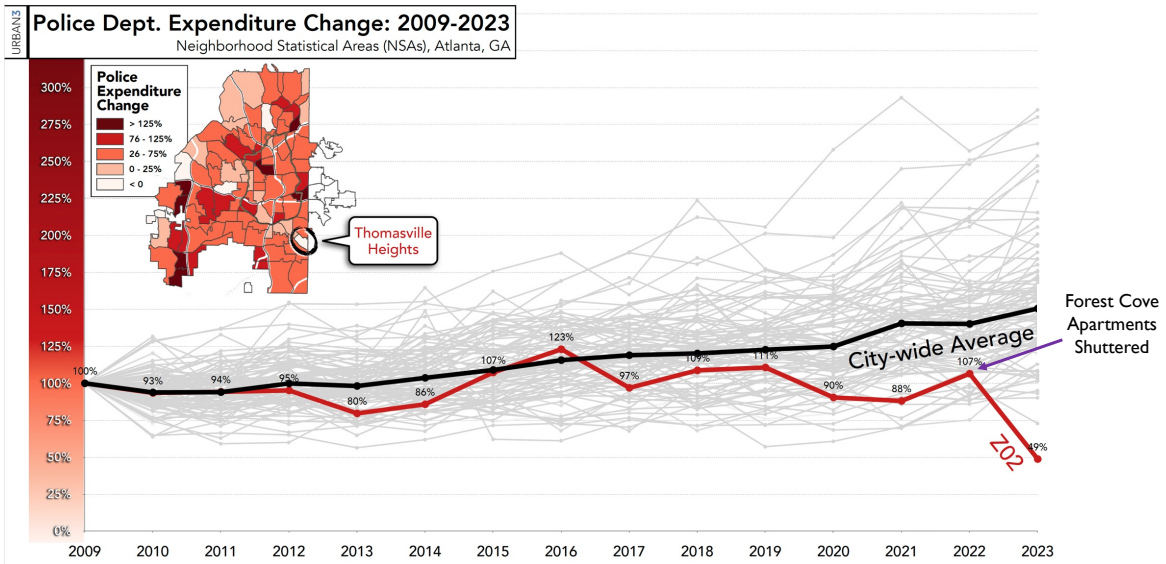

Figure 4:The shuttering of the troubled Forest Cove apartment complex has significantly reduced 911 calls to the ares

The Policy Question

This approach raises an important question about urban governance: should cities think of themselves as being in the "neighborhood business"? Ask most city officials what business they're in, and you'll get a list of services: police, fire, parks, schools, water, libraries, recreation, public works, sanitation, etc. This list is not technically wrong, but it misses the essential nature of what cities actually do: they create, maintain, and enhance neighborhoods.

The distinction matters profoundly. A city that sees itself merely as a service provider approaches its work transactionally, delivering discrete outputs like 911 call response, trash collection or street repairs. A city that understands itself as being in the neighborhood business recognizes that its true product is something far more complex and valuable: places where people want to live, work, and invest. This reframing might transform everything about how a city government manages itself, including how it is organized, how it deploys resources and how it evaluates its performance.

And were cities to pivot this way – from providing silo-based vertical services to being in the horizontal business of neighborhoods - wouldn't they want to systematically track the financial health of its neighborhoods?

The objection might be that neighborhoods aren't profit centers and people aren't widgets. But the alternative - governing by anecdote, intuition, and crisis response - doesn't serve residents any better. In fact, it often serves them worse, because it means resources flow to whoever yells loudest rather than to where they're needed most or can do the most good.

What's interesting about the approach Atlanta is testing is how it inverts the usual relationship between data and action. Typically, cities measure outcomes - poverty rates, graduation rates, crime statistics - and then argue about what to do. The NOI measures something more fundamental: whether the underlying health of a neighborhood is improving or declining. It's the difference between checking someone's symptoms and checking their vital signs.

The methodology is honest about its limitations. The current calculation uses only property taxes and police expenditures which is data that's reliable and goes back far enough to show trends. The team explicitly notes that other factors - sales taxes, fire response, code enforcement - could be added over time to provide a more nuanced assessment. This iterative approach, building sophistication gradually rather than trying to create the perfect measure from the start, is reflective of how public sector innovation actually works.

The Budgetary Implications

Here's where it gets really interesting: Atlanta wants to connect neighborhood health to budget decisions. The logic is straightforward but unconventional. As neighborhoods improve, they consume fewer city services. Those savings could be reinvested in neighborhood improvements or used to help struggling neighborhoods or, perhaps returned to taxpayers through a reduction in tax rates.

Consider what the data shows: citywide, 911 calls requiring officer response have declined 45% since 2014 (see Figure 5). That's a considerable change. Yet police expenditures have increased steadily during this period. The cost per call has therefore skyrocketed. This isn't necessarily bad - perhaps calls are more complex now, or perhaps the city is investing in higher-quality policing. But it raises questions that every mayor and city council should be asking: How are those savings being redeployed? Are they aligned with where problems persist? Are we tracking whether our investments are improving the health of our neighborhoods?

Figure 5: 911 calls requiring an officer response has declined by 45% since 2014

The Distribution Challenge

Perhaps the most significant finding is how concentrated both property wealth and police calls are. Just 27% of Atlanta's land area - contained in 35 of the city's 101 neighborhood statistical areas - accounts for 84% of the tax digest. Meanwhile, police calls cluster intensely in certain geographies, with downtown and a few troubled neighborhoods generating dramatically disproportionate demand for police services.

This distribution is simultaneously Atlanta's greatest challenge and greatest opportunity. The challenge is obvious: enormous inequality in neighborhood health and enormous variation in the city's return on investment across different areas. The opportunity is that targeted interventions in specific neighborhoods could potentially generate outsized returns and thereby improve residents' lives and the city's fiscal health.

For example, the share Atlanta's property taxes generated by the northern neighborhoods of the city – Buckhead and its environs – has declined from 38% to 31% since 2008. This decline can mostly be attributed to the rapid revitalization of the neighborhoods on the east side of the city, particularly those along the Memorial Drive corridor. Those neighborhoods benefited from public and philanthropic investments that ultimately catalyzed private investments in the East Lake, Edgewood and Summerhill neighborhoods, among others. The NOI can now be used to track the impacts of those investments in financial terms that may justify similar investments in neighborhoods that are currently distressed.

Important to acknowledge that some of the most improved NOI scores - Cabbagetown/Reynoldstown, Old Fourth Ward, and Fort McPherson - are in neighborhoods that are gentrifying, often dramatically and sometimes painfully. Little has been done in those neighborhoods to increase accessibility and avoid the displacement of legacy residents. Rising property values and declining crime sound great until you remember that for many original residents, those rising property values may mean displacement. The challenge is that these neighborhoods had no Neighborhood Partner Organizations (NPO) – such as those found in East Lake (East Lake Foundation), Grove Park (Grove Park Foundation) or English Avenue (Westside Future Fund) – focused on protecting legacy residents and ensuring future access to those neighborhoods for low income families. The Dickens Administration's recently announced Neighborhood Revitalization Initiative includes investments in NPOs to ensure that all the neighborhoods targeted for reinvestment have the strategies and capacity to protect against the negative impacts of gentrification. The

question isn't whether neighborhoods should improve, but how they can improve in ways that benefit the people already living there.

The Path Forward

The deeper implication of the NOI is about how cities think about their role. For too long, urban governance has oscillated between two inadequate models. One treats the city as a service provider responding to demands with the squeaky wheel usually getting the grease. The other treats the city as a social engineer, implementing grand plans that often ignore local realities.

The NOI suggests a third way: the city as a cultivator of neighborhoods, carefully monitoring vital signs, making targeted interventions, and tracking whether things are actually getting better. This requires humility (acknowledging that not every intervention works), patience (understanding that neighborhood health changes slowly), and courage (being willing to shift resources based on evidence rather than politics).

Atlanta is building the institutional capacity it needs for ongoing data collection and analysis, partnering with the Center for Urban Research, Neighborhood Nexus, Atlanta POV and others. A process is underway to determine how to incorporate NOI findings into budget decisions. The city will also use other metrics – particularly the Child Opportunity Index operated by Boston University - that will complement the NOI by including additional factors that drive the health of neighborhoods.

It is unclear at this point the degree to which this approach will ultimately be operationalized. It's one thing to measure neighborhood health, it's another to make hard choices about resource allocation based on those measurements. It means having difficult conversations about which neighborhoods are struggling and why. It means defending investments in some areas over others. It means admitting when policies aren't working and trying something different.

Atlanta's NOI offers a template that other cities could adapt. The specific metrics might vary: a city with less crime might focus more on economic vitality measures; a city with stable property values might look more at infrastructure or education indicators. But the core principle holds: cities need ways to track neighborhood health in real time, understand whether their interventions are working, and allocate resources accordingly.

This is the kind of boring, technical innovation that rarely makes headlines but could quietly transform urban governance. It's not sexy. It doesn't promise miracle cures. What it offers instead is something more valuable: a systematic way to know whether we're making progress, neighborhood by neighborhood, year by year.

In the end, what Atlanta has created is a tool for honesty - honesty about which neighborhoods are thriving and which are struggling, about where investments are paying off and where they're not, and about the real fiscal implications of neighborhood change. Residents ultimately care about the health of their neighborhoods, and the NOI provides a potential path for aligning municipal government governance and operations with that preeminent concern.