

# TOLEDO AT THE TIPPING POINT

Strategies for  
Reclaiming Vacant  
Properties and  
Revitalizing  
Neighborhoods

*A Final Assessment  
Report by  
The National Vacant  
Properties Campaign  
Study Team*

*Joseph Schilling  
Frank Ford  
Dan Kildee  
Kermit Lind  
Johathan Logan*

*August 1, 2008*



**LISC**  
Toledo  
*Sustainable Communities of Choice*

## About this Report

In the fall of 2006, the National Vacant Properties Campaign (NVPC) convened a study team of national experts and practitioners to review Toledo's existing vacant property policies and suggest new approaches. The assessment process began with background research and review of important city reports and plans. Then, from November 1 through 3, 2006, the NVPC team met with city and county officials, inspectors, community development groups, and financial institutions. They toured several neighborhoods gathering information and insights about current challenges as well as accounts of successful revitalization.

This work was funded by a grant from the U.S. Department of Housing and Urban Development, under the auspices of the Vacant Properties Initiative of the national and Toledo offices of the Local Initiatives Support Corporation. The City of Toledo provided supplemental funding to expand and enhance the technical assistance effort.

## About the National Vacant Properties Campaign

In 2002, with financial assistance from the Fannie Mae and Ford Foundations and U.S. EPA, a coalition of national organizations came together to launch the National Vacant Properties Campaign (NVPC). Housed at Smart Growth America, the Campaign brings together practitioners, experts and policy-makers to forge a network that supports vacant property policy reforms.

The NVPC has worked with dozens of communities to design innovative policies and effective programs to prevent and reclaim vacant properties. The Campaign's efforts range from helping write tax foreclosure legislation in Indiana to creating a regional policy framework in Buffalo. With generous support from the Surdna Foundation and matching local funds, the Campaign has now worked with local officials and community development organizations in nearly fifteen cities. For 2008 the Campaign will be providing grant-based and fee-for-service assistance to communities such as Youngstown, OH, St Louis, MO, Atlanta, GA, and Syracuse, NY.

In September 2007 over 600 policymakers and practitioners came to Pittsburgh to participate in the Campaign's first national conference on vacant property reclamation and neighborhood revitalization. The next national conference will be held in Louisville, KY, June 1st-3rd, 2009. For more information visit [www.vacantproperties.org](http://www.vacantproperties.org).

## Acknowledgements

Our work in Toledo would not have been possible without the initial invitation and continuous support of our local hosts: Hugh Grefe, Adam Martinez, and Kathleen Kovacs from the Toledo office of the Local Initiatives Support Corporation (LISC Toledo).

We also owe our gratitude to the local officials and individual we interviewed from the City of Toledo, Lucas County, the University of Toledo and the community development organizations for their openness and responsiveness to our team of outside investigators.

The authors are indebted to Jonathan Logan, a graduate researcher at the Metropolitan Institute at Virginia Tech, for his coordination of the study visit, background research, and careful review of several drafts of this report.

The ongoing partnership between the national LISC office and National Vacant Properties Campaign staff was indispensable to the realization of this assessment report. In particular, we would like to thank Jennifer Leonard, Director of NVPC, and Lisa Levy, Program Director of LISC's Vacant Properties Initiative, and Don Chen, formerly the Executive Director of Smart Growth America. Their professional and personal support of our work has been invaluable.





## Table of Contents

I. Introduction.....	5
I. 1 Toledo Vacant Properties in Context.....	5
I. 2 Toledo's Existing Vacant Property Efforts.....	7
I. 3 Leadership and Strategic Partnerships.....	9
I. 4 Preview of Next Steps - Vacant Properties Action Plan 2008	10
II. Scope of Study.....	11
II. 1 What are Vacant Properties.....	11
II. 2 The Incidence and Costs of Vacant Properties in Ohio.....	12
II. 3 The Vacant Properties Revitalization Cycle.....	13
III. SWOT Analysis of Toledo's Vacant Property Program and Policies	15
III. 1 Strategic Planning and SWOT.....	15
III. 2 SWOT Analysis of Prevention Strategies.....	15
III. 3 SWOT ANALYSIS - Acquisition and Reuse: Land Banking and CDC Revitalization.....	20
IV. Vacant Property Strategies & Next Steps.....	24
Sample Neighborhood Map.....	24
V. Promising Vacant Property Strategies and Tools.....	25
IV. Conclusion - Vacant Property Action Plan.....	31
Appendix A - Vacancy in Ohio's Top Ten Most Populated Cities	32
Toledo Brownfield Map.....	32
Appendix B - Biographies of NVPC Assessment Team Members	33
Appendix C - Vacant Property Registration Ordinance Comparison of Vacant Building Registration Ordinances.....	37
Appendix D - Comparison Charts.....	38-43
References.....	44
End Notes.....	45



## I. Introduction

Vacant and abandoned properties are a pervasive problem that knows no borders. They infest the Rustbelt cities of Buffalo, Cleveland, and Pittsburgh. Even booming cities in the West and the Sunbelt, such as Las Vegas, San Diego, and Tucson, have pockets of vacant properties scattered throughout their older, declining neighborhoods. Vacant properties now have a foothold in many first-tier suburban communities as housing stock ages and residents move out to the exurbs. The foreclosure crisis of 2008 is exacerbating the problem of vacant properties throughout the country—neither Rust Belt nor Sun Belt communities are immune.

Toledo's vacant property problem is poised at the proverbial tipping point. The city currently has moderate levels of abandonment and vacancy when compared with other cities studied by the National Vacant Properties Campaign (NVPC), but powerful market forces could bring on a vacant properties crisis. To date, city and county programs have helped to moderate blight and property neglect. City of Toledo and Lucas County officials exhibit a strong interest in working together to make vacant property prevention and reclamation a top policy priority. But in the coming months, these assets will be challenged by a sharply increasing number of foreclosures and a weak housing market. Without aggressive action and political commitment, the number of vacant properties could quickly increase beyond the reach of local programs. Today's manageable level of abandonment affords Toledo the opportunity to devise a cohesive city-county vacant properties action plan to control and prevent the contagious blight of vacant properties.

This report surveys existing city and county programs and policies that prevent, abate, acquire, and reuse vacant properties. Using a SWOT analysis – a survey of the strengths, weaknesses, opportunities and threats – it provides policymakers, city and county staff, community developers, and business leaders with a snapshot of the relative strengths of these local initiatives. It concludes with short and long-term action steps Toledo can take to improve current programs and policies. In recognition of its limited scope, the report also identifies areas for additional research and investigation.

### I.1 Toledo's Vacant Properties in Context

Toledo, like most cities, does not have a comprehensive inventory of vacant properties, so it must rely U.S. Census data for vacancy statistics. Unfortunately, Census data categories are not refined enough to identify actual abandonment and chronic vacancies from temporary market-driven or seasonal vacancies. The Census does have an "Other Vacant" category that is an indicator of the magnitude of long-term or chronic vacancy problems. The danger sign for a city is a high percentage of overall vacancies combined with a high percentage of Other Vacant units. According to these statistics, Toledo has moderate levels of abandonment and vacant properties; the number of Other Vacant housing units in the city dropped from nearly 4,900 in 1990 to just over 2,500 in 2000.

**Table 1: Population, Housing and Vacancy in Toledo**

		1990	2000	Percent Change
Population		332,943	313,587	-5.8%
Housing Units	Total	142,125	139,880	-1.6%
	Occupied	130,883	128,915	-1.5%
	Vacant	11,242	10,965	-2.5%
	Other Vacant	4,898	2,520	-48.6%
	Percent Vacant	7.9%	7.8%	
Proportion of "Vacant" that is "Other Vacant"		43.6%	23.0%	

Source: 1990 and 2000 US Census

Between 1990 and 2000, Toledo exhibited relatively constant rates of owner occupancy, which stabilized its neighborhoods and countered housing vacancy and blight. However, a weak housing market and rising foreclosure rates are contributing to an estimated decline in Toledo's owner occupancy rates. According to the U.S. Census, owner occupancy rates declined slightly from 60.7 percent in 1990 to 59.8 percent in 2000, but are estimated to have continued to decline at a faster rate more recently - to 57.6 percent in 2006.

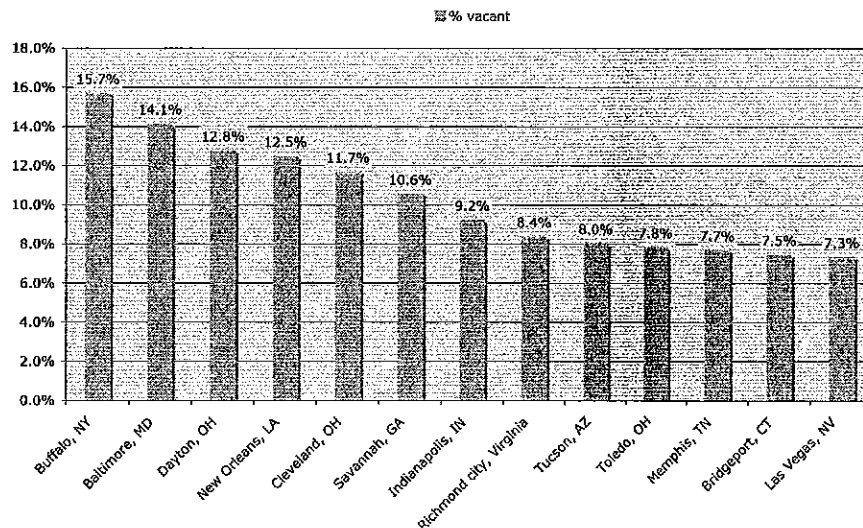
The city has its share of chronic vacant properties, but Toledo does not have the concentration of blight found in other cities assessed by the National Vacant Properties Campaign (NVPC). When compared with the vacancy rates found in other Ohio cities, such as Cleveland, Dayton, and Cincinnati, Toledo ranks somewhere in the middle. When comparing the Other Vacant rates, Toledo ranks in the top third, significantly below Youngstown, Cleveland, Dayton and Cincinnati and on par with Columbus, as illustrated in Table 2.

**Table 2: Vacancy Characteristics of Ohio's Ten Most Populated Cities in 2000**

City	Percent of Housing Units Vacant	Percent of Vacant Housing Units that are "Other Vacant"
Cleveland	11.7	32.9
Dayton	12.8	32.8
Toledo	7.8	29.0
Lorain	6.4	26.0
Cincinnati	10.8	25.6
Canton	8.5	24.1
Akron	7.4	22.9
Columbus	7.8	21.1
Youngstown	13.4	20.8
Parma	3.5	19.9

*Source: 2000 US Census*

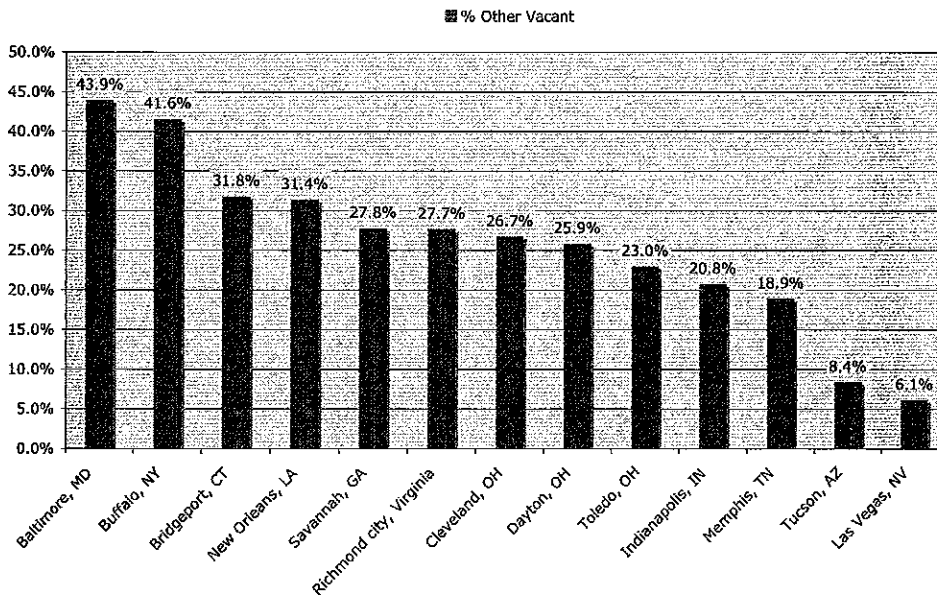
**Vacancy Rates of Cities Over 100,000 Assisted by NVPC**



*Source: 2000 US Census*



Other Vacancy Rates of Cities Over 100,000 Assisted by



Source: 2000 US Census

Additional data on vacancy rates for other Ohio cities can be found in the appendices.

## I.2 Toledo's Existing Vacant Property Efforts

The City of Toledo and Lucas County have many programs and policies that seek to prevent, acquire, and reuse vacant properties. For example:

- The city's aggressive stance towards the demolition of blighted buildings, having demolished approximately 300 properties per year over the past 10 years;
- Toledo's code enforcement initiatives, such as the Worst to First Program that addresses the most serious and visible residential code cases, along with Dirty Dozen program addressing commercial blight;
- Toledo's Housing Court—one of four communities in the state of Ohio with a special court devoted exclusively to housing cases;
- Lucas County's Auditor's Real Estate Information System (AREIS), an online and publicly accessible property data system;
- The County Treasurer's selective sale of marketable delinquent tax liens;
- Nonprofit development projects and community capacity building efforts led primarily by Toledo LISC and the City of Toledo.
- Development of an ordinance requiring vacant properties to be registered and secured to specific standards (Recommendation from the Toledo Housing Task Force Report (2007) and pending before the Toledo City Council as of June 2008).

## Recent Housing and Economic Indicators Signal Danger Ahead

Despite having these programs in place, recent housing and economic indicators signal changes that could easily tip Toledo into a vacant property crisis. A rapid rise in home foreclosures often leads to an increase in long-term vacant houses—a precursor to potential abandonment. The alarming increase in the rate of mortgage foreclosure and the weakening of the housing market suggests that Toledo's problems with vacancy and abandonment could become significantly worse in the coming years. A 2008 study by RealtyTrac Inc. found the Toledo metro area ranked 19th in foreclosure filings in 2007 among the top 100 U.S. metropolitan areas, an increase from 30th in 2006. Other



Ohio metro areas in the top 20 include Cleveland (4th), Akron (12th), and Dayton (15th). Foreclosure filings in Lucas County have increased by more than 210 percent between 1995 and 2006. (See Table 3.)

**Table 3: Lucas County Foreclosure Filings 1995-2006**

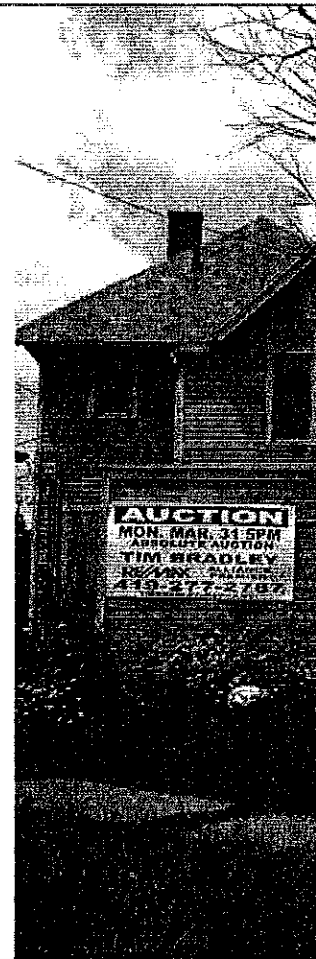
Year	Number of Foreclosure Filings	Percent Increase from 1995
1995	1165	-
2005	2903	149.2
2006	3618	210.6

*Source: Policy Matters Ohio*

### Foreclosure Crisis

The perfect storm of an unstable housing market, slowing economy and rising interest rates were tracked in the Toledo Blade throughout 2007 and into 2008. Mortgage filings declined, housing prices fell while available units increased. The Toledo metro area's decline in housing sales was among the largest in the state. The area's foreclosure rate increased between 2006 and 2007, moving Toledo from 30th to 19th among the top 100 US metropolitan areas. A report by RealtyTrac indicates the area has been increasing its national ranking since 2006, climbing from 46th in that summer to 26th in late summer 2007. The percentage of metro Toledo properties in foreclosure is also higher than other Ohio metro areas.

National real estate market analysis indicates no respite in sight. In March 2008 the Mortgage Bankers Association (MBA) indicated delinquency rates for mortgage loans are at a 23-year high, up 87 basis points from the first quarter of 2007. According to MBA, the rate of foreclosure starts and the percentage of loans in the process of foreclosure are at an all-time high. The Federal Reserve reported in March 2008 that for the first time since record keeping began in 1945, home equity has dropped below 50 percent, marking the first time homeowners' debt exceeds the value of their home. This creates a scenario where vacancy and abandonment will likely increase as borrowers and lending institutions walk away from properties when the foreclosure process begins because the home is worth less than the outstanding mortgage and encumbrances.



As the housing market weakens and foreclosures increase, it creates fertile ground for an insidious type of real estate speculation called "flipping" that can further fuel abandonment. Flipping once referred to the legitimate act of purchasing dilapidated property, renovating, and selling it at a profit, but today's "flippers" often do cheap cosmetic fixups for curb appeal and look for easy marks in unwitting buyers. Some flippers make no improvements whatsoever before selling to a new investor, who in turn mortgages the property for more than its value with the help of fraudulent brokers and appraisers. In either case, the result is usually a dilapidated and/or foreclosed and abandoned property.

According to local nonprofit development groups, the large majority of occupants in new homes come from other neighborhoods in the city—a good indicator of a faltering residential market because new residents are not moving in from outside the region, but reshuffling within it.

While car manufacturing companies such as Jeep have stabilized Toledo's economy for decades, nationwide the auto industry continues to struggle. If the local industry were to downsize their Toledo operations, it could trigger a serious downturn in the local economy and hence a potential catalyst for more foreclosures and property abandonment.

Leading financial institutions within the region have also sounded a warning. When trying to assess the recent rise in foreclosure filing, Dana Jackson, Chief Economist for Comerica Bank observed, "Detroit and Toledo are in a period of weakness, and that weakness in the overall economy extends into the housing markets." Toledo seems poised at the proverbial tipping point of vacancy and abandonment. Today's manageable level of property neglect and abandonment affords Toledo the opportunity to take immediate steps to control and prevent the contagious blight of vacant properties.

### I.3 Leadership and Strategic Partnerships

City of Toledo and Lucas County officials have a growing interest in addressing blight and vacant properties. Within Toledo a relatively high level of cooperation and collaboration seems to exist among different groups and government leaders. While such partnerships always require substantial energy and commitment to maintain, the leadership they provide is critical to ensure that vacant property revitalization remains a high political and policy priority. The challenge arises in transforming interest into a commitment for joint action.

**The Mayor** sets the tone and direction for tackling vacant properties by creating a unified vision and guiding the implementation of municipal programs and policies. The mayor can convene businesses, community organizations, and other nongovernmental partners to fulfill the community's vision. As a liaison between local and state politics, the mayor can also advocate for changes in state-level policies affecting vacant properties. Toledo's Mayor, Carleton S. Finkbeiner, continues to make neighborhood revitalization a top policy priority for his administration. In the fall of 2006, he convened a special Housing Task force to examine existing city efforts and devise new housing strategies. He has also championed the strengthening of housing inspections and code enforcement programs.

#### Toledo Housing Task Force

In August 2006 the Mayor established the Toledo Housing Task Force to investigate the housing challenges facing the city and develop policies and an action plan to address these issues. The group was charged with capitalizing upon Toledo's strengths, including its diversity, to transform it into a city people would choose to call home. Task Force membership included representatives from city agencies, the banking industry, the University of Toledo, and non-profit organizations. The Task Force articulated a vision of Toledo that includes "an abundance of healthy, complete neighborhoods that are diverse and include a mix of uses and amenities that strengthen the fabric and desirability of the neighborhood and encourage continual renewal and private investment." To achieve this vision, their report outlines five goals along with objectives to achieve these goals. Among the objectives are strategies for addressing vacant properties, including establishing a vacant property registration ordinance, creating standards for securing a vacant structure, and creating quarterly foreclosure workshops to minimize the time a home is vacant.


Source: Our Future Is In Our Hands: Toledo Housing Task Force Report and Recommendations (2007).

Available at <http://uac.utoledo.edu/Publications/ToI-HSG-TF-2007.pdf>

**The Toledo Department of Neighborhoods'** role in managing code enforcement, housing, and neighborhood clean-up programs makes it an obvious partner to lead any local vacant property initiative. The Department also serves as the principal point of contact for citizen outreach on neighborhood revitalization.

**The Housing Court** serves as a major venue for many of the city's more complex housing code cases. As a specialized court dedicated exclusively to hear housing related matters, the court plays a critical role in preventing and containing the blight caused by substandard housing and dilapidated buildings.





**The Lucas County Commissioners**, like the Mayor, can lead the way in making vacant property revitalization a top policy priority within the region. They can leverage their political capital to engage residents throughout the county in a coordinated fight against vacant properties and facilitate collaboration across important county agencies and with city leaders.

**The Lucas County Treasurer, Clerk of Court, Sheriff, Auditor and County Administrator** all play influential roles regarding the acquisition and reuse of vacant properties within the region. The Treasurer's Department administers the sale of tax liens and the tax foreclosure process. The Clerk of the Court tracks mortgage foreclosures while the Sheriff administers the mortgage and tax foreclosure sales. The County Administrator serves the policy objectives of the Lucas County Board of Commissioners while managing essential county services and overseeing the county's annual budget. Together these independent county officials have a huge impact on the vacant property landscape in the city and county.

**The Community Development sector** can initiate projects and implement programs that will serve as catalysts for neighborhood revitalization. LISC Toledo can act as a unifying voice for the community development sector and help community and civic leaders formulate a clear agenda for addressing vacant properties and blight. Through *ReBuild Ohio*, LISC can connect local leaders and residents to other Ohio communities experiencing similar problems and shape state policy reforms.

**Local Prime Lending Institutions** can help influence the mortgage foreclosure process through internal connections with their respective national offices. They can also partner with nonprofits to support foreclosure prevention programs and lend a helping hand with victims of predatory lending. In addition, their ability to monitor market trends allows them to warn other partners of future vacant property problems as a result of impending mortgage foreclosure problems.

**The University of Toledo** can offer research expertise in collecting critical data (e.g., foreclosure rates and other real property indicators) that can provide a benchmark for revitalization and facilitate the targeting of resources and programs to the right neighborhoods. They could also potentially serve as the data manager or intermediary for a comprehensive regional real property information system. The law school could expand its existing clinical programs to assist nonprofits in the use of receivership and land assembly.

#### **1.4 Preview of Next Steps—Vacant Properties Action Plan 2008**

Given the interest of these critical institutions and leaders, the time is ripe for the City of Toledo and Lucas County to launch a series of policy and programmatic actions aimed at preventing and reclaiming vacant properties, making neighborhood revitalization a top priority before conditions get worse. Toledo's task is to design a cohesive and coordinated *Vacant Properties (VP) Action Plan* and then build the necessary political and community consensus to implement it. Based on its brief visit and review of existing programs, the NVPC team suggests that during the next year the City of Toledo and Lucas County take the following short and long-term actions:

**Establish a City-County VP Coordinating Council** that would serve as a forum for sharing information and coordinating actions and resources among the key organizations and stakeholders engaged with vacant property prevention and revitalization. The VP Coordinating Council would be charged with devising a comprehensive *VP Action Plan* to include a menu of policies and programs that: 1) prevent/abate vacant properties; and 2) strategically acquire and reuse vacant properties. As part of this effort the Coordinating Council should explore alternative resources to implement some of the proposed new strategies. Given its level and type of blight and decay, the city of Toledo should establish criteria for targeting its VP Action Plan to certain neighborhoods.

**Organize three to four Technical Working Groups** of practitioners and community leaders in such areas as 1) VP Inventory and Real Property Information Systems; 2) VP Prevention and Abatement Strategies; and 3) VP Demolition, Scattered Site Acquisition/Land Assembly, and Reuse Strategies.

**Convene a Vacant Properties Policy Charrette** to set the strategic direction for the VP Coordinating Council and its Technical Working Groups. Using this report as the starting point, the participants would explore and test new vacant property strategies and tools, such as:

- Expanding the city's suite of code enforcement programs by adopting and implementing vacant properties registration ordinance.
- Partnering with the University of Toledo to conduct critical housing, economic, and demographic research, thereby laying the data foundation for development of a comprehensive, regional real property information system.
- Expanding the scope and role of the Fair Housing Center to address predatory lending, flipping, and other fraudulent and destructive real estate practices.
- Developing a full-fledged community-based receivership program with the Housing Court, nonprofit groups, the local bar and law school to leverage the special nuisance abatement powers set forth under Ohio's housing receivership statute.
- Enhancing the civil and criminal litigation efforts of the city law office and the capacity of the Housing Court to adjudicate code enforcement and civil receivership cases.
- Creating a more robust and coordinated city-county land banking program and tax lien foreclosure process modeled after the County Land Bank Authority in Genesee County Michigan.
- Holding a Community Forum/Town Hall Meeting to formally announce the VP Coordinating Council and launch the City-County VP Action Plan.

## II. Scope of Study

During the planning for the NVPC visit, city officials and nonprofit leaders shared their expectations about the NVPC study. Several individuals interviewed felt it was essential for Toledo to learn about new strategies so that it can stay ahead of regional and state-wide trends with respect to rising foreclosures and increasing abandonment. City officials stressed they wanted to identify new ways they could enhance coordination among city agencies and with Lucas County programs. Everyone recognized the important value that nonprofits bring to the table and hoped the NVPC study would help them improve collaboration with nonprofits.

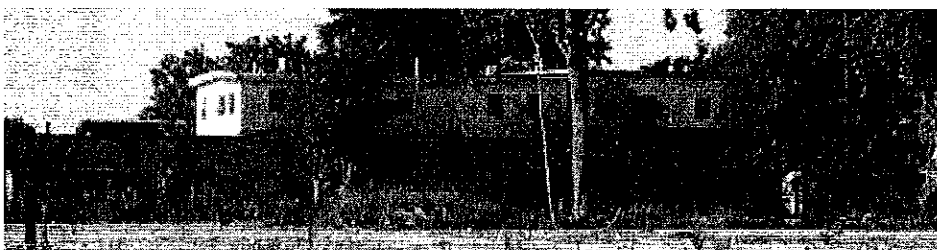
### **II.1 What Are Vacant Properties?**


The National Vacant Properties Campaign (NVPC) defines vacant properties as residential, commercial, and industrial buildings and vacant lots that either:

- Threaten public safety (e.g., meet the definition of a public nuisance); and/or
- Have been subject to the neglect of fundamental responsibilities of property ownership (e.g., failure to pay taxes or utility bills, defaults on loans and other financial obligations that result in liens against the property).

A recent report on vacant and abandoned properties in eight Ohio cities defines vacant property as "a chronically vacant and uninhabitable property for which the owner is taking no active steps to return the property to the market." State laws and uniform building codes further refine what defines an abandoned building in particular jurisdictions, such as vacancy of over one year, deficiencies deemed beyond repair and serious public safety hazards.

Problem properties include abandoned, boarded-up buildings; lots with trash and debris; vacant or under-performing commercial properties known as greyfields (such as shopping malls and strip commercial properties); and neglected industrial properties with environmental contamination known as brownfields. This vacant property continuum also includes deteriorating vacant single-family homes, apartments with significant housing code violations, and long-term vacant housing as indicators of future abandonment.





As many urban communities have learned, the failure to contain the blight and decay that grows from vacant properties compounds neighborhood deterioration. According to the tenets of the Broken Window Theory, a broken window left unrepaired operates as a metaphor for block and neighborhood stability and invites increasing neglect. Thus, ignoring one vacant house on a block can lead to others and one blighted block can trigger the demise of an entire neighborhood. Vacant properties are magnets for criminals and become havens for rodents, trash and debris. Not only do they pose threats to public safety, but they generate serious socio-economic costs and drain municipal budgets.

## II.2 The Incidence and Costs of Vacant Properties in Ohio

In February 2008, ReBuild Ohio and Community Research Partners (CRP) released *\$60 Million and Counting: The cost of vacant and abandoned properties to eight Ohio cities*. The CRP report identifies the causes and challenges of vacant properties in addition to estimating their fiscal impacts in Dayton, Ironton, Lima, Springfield, Toledo, Zanesville and three neighborhoods each in Cleveland and Columbus. It also provides an inventory of the programs these cities are employing to address vacant properties.

*II.2.i The Causes and Number of Vacant and Abandoned Properties.* CRP identified multiple causes of vacancy and abandonment in the national literature and in research in Ohio. In addition to housing stock deterioration, CRP cited the following causes:

**Job loss:** Ohio lost over 275,000 manufacturing jobs between 1999 and 2005 and 40 percent of this loss occurred in the counties where the eight study cities were located. Toledo lost 8,868 manufacturing jobs during this time period, only 1,393 of which were replaced in other employment sectors.

**Population loss:** Between 1970 and 2000, the study cities lost 13.2 percent of their population while Ohio's population increased by 6.6 percent. Toledo lost 18.3 percent of its population and is estimated to have lost an additional 4.8 percent between 2000 and 2006.

**Tax delinquency:** Indicating inability to maintain a property or neglect of financial obligations, the tax delinquency rates of the study cities except Columbus were two to three times that of all Ohio cities in 2005. Toledo had a delinquency rate of \$136.70 per \$1,000 during this time period.

**Mortgage foreclosure:** The counties containing the study cities experienced a 358 percent increase in foreclosure filings between 1995 and 2006 and comprised 42.6 percent of the 79,072 foreclosures filed in Ohio during 2006. Lucas County was ranked 4th in Ohio with 3,618—a 211 percent increase from 1995.

**Subprime lending:** Foreclosures have been linked to subprime lending, which was above the 16 percent state average for home purchase loans in five of the eight counties containing study cities. Six of those counties were above the statewide average of 23 percent for refinance loans. Lucas County had an 11 percent subprime home purchase loan rate and a 23 percent subprime refinance loan rate.

The CRP report estimates there are over 25,000 vacant and abandoned properties in the eight study cities. A variety of inventorying techniques were utilized to arrive at this estimate, with citywide vacant property surveys being the most accurate and County Auditor data being the least. Although the most readily available, US Census and Postal Service records over count the number of vacant and abandoned properties, according to CRP. However, cities with limited funds and staffing are unable to undertake the more accurate -- but time consuming and costly -- process of completing a citywide survey. Although less comprehensive, code enforcement data, which includes citations, board-ups and maintenance records, may provide a more accurate snapshot of vacancy problems. Toledo provided preliminary data based on code enforcement information indicating 427 dangerous vacant and abandoned buildings in 2006 and 877 vacant lots in 2007.

*II.2.ii The Costs of Vacant and Abandoned Properties.* CRP conservatively estimates vacant and abandoned properties cost the eight Ohio cities \$64 million annually—over \$49 million in lost tax revenues stemming from demolitions and tax delinquencies and nearly \$15 million attributed to providing city services related to code enforcement, maintenance, and fire and police services. Preliminary data for Toledo estimates the city incurred \$3.8 million in costs associated with staffing, demolition, grass and trash maintenance in 2006.

## II.3 The Vacant Property Revitalization Cycle

This assessment of Toledo's vacant properties focuses on two fundamental strategies:

- 1) prevention and abatement; and
- 2) acquisition, management, and reuse of vacant properties.

The challenge for many communities is figuring how to design and manage programs that address each of these fronts in the battle against blight. An additional challenge is engaging public agencies and private entities over the sustained period necessary to achieve results. The Vacant Property Revitalization Cycle (see Figure 2) illustrates the relationship among programs that address different facets of decay and revitalization at different stages of neighborhood stability and decline.

NVPC field work has found that effective vacant property programs target strategies and tools to neighborhoods and properties, selecting the right remedy for the right place. Many of these programs are then coordinated across different local government departments. These coordinated programs offer a range of appropriate remedies to address all types of problem properties.

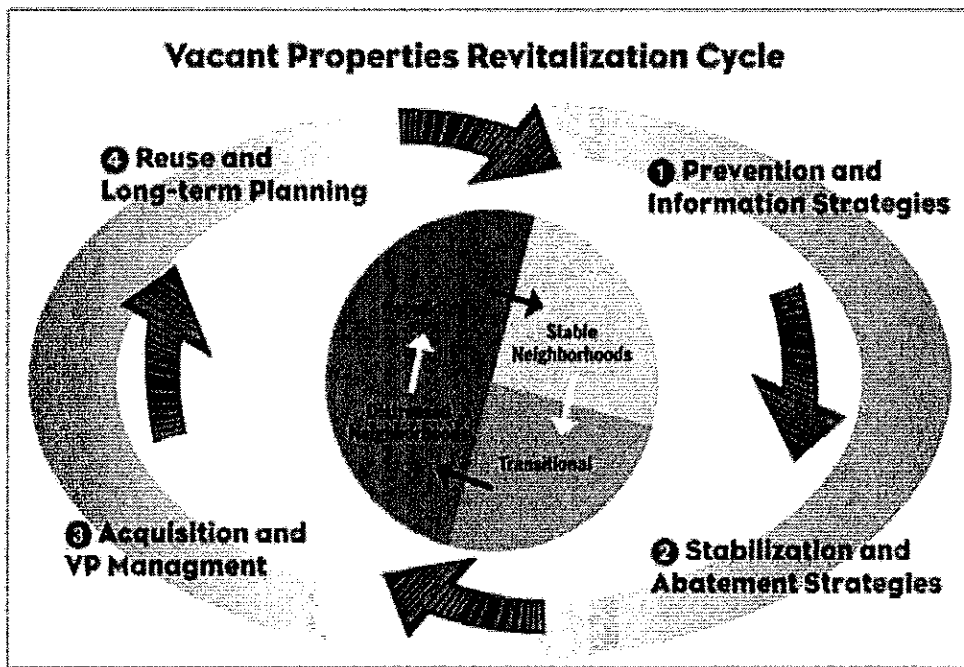
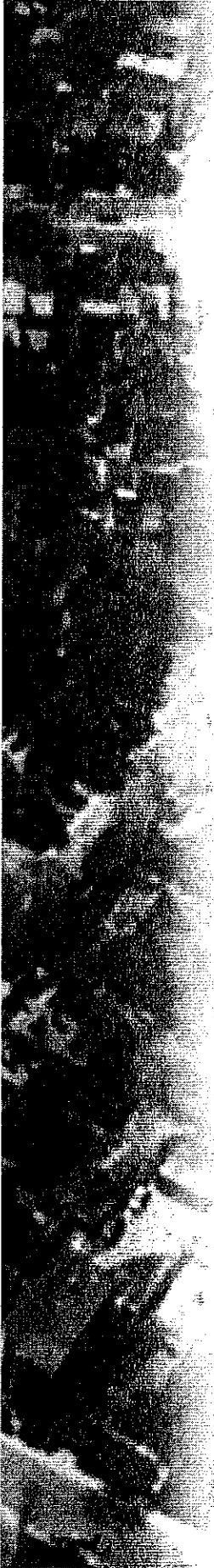


Figure 1 Vacant Properties Revitalization Cycle  
(Source: Metropolitan Institute of Virginia Tech)

**II.3.i Prevention and Abatement.** Effective vacant property programs contain a variety of strategies to prevent troubled properties from becoming vacant and to abate properties that may contain dilapidated and abandoned buildings. These programs may include code enforcement measures such as vacant property registration ordinances or routine rental inspection programs as well as stronger prevention and enforcement actions such as foreclosure prevention and education, civil injunctions and prosecution of fraudulent lending. University-managed regional real property information systems can establish early warning systems that can guide the allocation of resources and strategies.

When it comes to code enforcement approaches in relatively stable neighborhoods, routine housing inspections and aggressive code enforcement programs are often sufficient. In neighborhoods with nuisance properties presenting more imminent threats to public health and safety, local officials must respond with stronger remedies, such as criminal prosecution or nuisance abatement. These code enforcement actions require more detailed and comprehensive property inspections and investigations.





Rapid increases in mortgage foreclosure can trigger serious housing abandonment. State and local governments have a range of foreclosure prevention tools such as hotlines, lending institution working groups, foreclosure counseling, emergency loans, and controlling fraud that allow them to work with residents, lenders and housing advocates. Prevention can be as simple as educating borrowers about the potential pitfalls of certain mortgage agreements, renegotiating loan terms, and policing for predatory or fraudulent brokers or lenders. Working both sides of the

mortgage foreclosure problem will address the practices that often lead to foreclosure notices and the reactions individuals frequently take after receiving a foreclosure notice. Lending institutions and government agencies can play critical roles in both scenarios.

Each preventative measure requires local government officials to follow different legal procedures and may require them to work across multiple departments within each jurisdiction. Certain measures may require coordination among city, county and town officials. Vulnerable to bureaucracy, overlapping agendas, and conflicting requirements, these systems can break down at crucial junctures, causing many communities to fail to prevent or contain the blight caused by vacant properties. In fact, such system failures can make the conditions substantially worse.

**II.3.ii Acquisition and Management.** Prevention approaches may not succeed in every neighborhood or with certain problem properties—the level and nature of the blight and abandonment may be too firmly entrenched. When owners and lending institutions completely walk away from their properties, public agencies and their nonprofit partners must step in to demolish and clean the properties, clear legal titles, and facilitate their reuse. If they fail to act, these truly abandoned buildings and vacant lots will dramatically accelerate the rate of blight and decay. Land banks are an effective program for reclaiming vacant properties especially in those cities with hundreds of tax delinquent parcels.





### III. SWOT Analysis of Toledo's Vacant Property Programs and Policies

Pursuant to the November study visit and follow-up interviews, the study team organized its overall impressions and observations through the familiar strategic planning framework of a SWOT analysis, identifying the strengths, weaknesses, opportunities, and threats of the relevant city, county, and nonprofit initiatives highlighted during the study visit. The study team organized its analysis of these programs in two parts based on the vacant property revitalization cycle: 1) Prevention Strategies; and 2) Acquisitions and Re-use Strategies.

#### III.1 Strategic Planning and SWOT

Strategic planning can play a critical role in helping an organization focus and then address facets of a complex issue, such as vacant property revitalization. The strategic plan is the roadmap for achieving a vision that needs the support of wise decisions and leadership. Action planning assists in targeting these efforts to specific activities or places in light of a strategic plan. Strategic and action planning is significantly more successful when strong leadership commits the appropriate time and resources.

A component of developing a strategic plan and an action plan is the evaluation of internal capacity and external dynamics. A common method for completing this assessment is to perform a SWOT analysis, evaluating the organization's strengths, weaknesses, opportunities, and threats. Strengths and weaknesses assess internal capacity, such as the organizational process or the fiscal constraints of the environment within which the organization is working, and they are typically elements over which the organization has the most control. Resource, process, and performance measures are useful for evaluating and addressing strengths and weaknesses.

External dynamics, the source of opportunities and threats, are most influential with regard to the issues being addressed, though an organization may have little control over them. While threats are more likely to receive attention because of their perceived interference, it is equally important to recognize and capitalize on opportunities. To complete its SWOT analysis, the NVPC study team considered the following questions about Toledo's existing vacant property policies and programs:

**Table 3: SWOT Analysis Questions**

<b>Strengths</b> What are your advantages? What do you do well?	<b>Weaknesses</b> What can you improve? What is done poorly? What areas are not covered?
<b>Opportunities</b> What are the opportunities you are facing? What are the opportunities you might choose to pursue? What trends can you take advantage of?	<b>Threats</b> What obstacles do you face? Are the requirements needed to address issues changing? What is holding you back?

**Source:** *SWOT Analysis, The Quality Portal*

#### III.2 SWOT Analysis of Prevention Strategies

Toledo has a relatively solid code enforcement foundation, with an active community development/nonprofit sector guided by the Toledo LISC Office and an able Housing Court, one of the few in the state. Toledo's next step is to devise new ways to build on these strengths and expand and enhance existing vacant properties strategies and tools. Prevention and abatement requires code enforcement actions, foreclosure education and tools to identify potential hotspots where vacancy is likely to occur. Programs and strategies designed to prevent and abate vacant and abandoned properties are more successful when city and county level agencies develop partnerships, and a long-term commitment maintains the effectiveness of these activities in spite of changes in political will. Without prevention and abatement policies and programs, the challenges of vacant and abandoned properties will overwhelm acquisition and management activities.



### III.2.i Code Enforcement, Receivership, and Foreclosure Prevention

#### Strengths

- The city has an excellent code enforcement department with strong management and a myriad of programs and new initiatives, such as the administrative ticketing program, the Worst to First list, and its demolition program. The city has some experience using receivership and land banking, but the NVPC team needs more specific information and examples of those cases—what worked, what did not work, and why.
- The county's relatively new Foreclosure Prevention Task Force holds great promise as a good approach to prevent rising mortgage failures and foreclosure. At the outset, the Task Force looks like a very impressive program with all of the right county offices engaged. Since this is a relatively new program, it needs to have broad support and needs to reach full development.
- The Fair Housing Center and Neighborhood Works also offer homeowners counseling and assistance and provide some guidance to victims of predatory lending.
- Toledo has an active and engaged Housing Court judge with a designated prosecutor. The court deploys a bench warrant system that places holds on DMV licenses as well as city permits to motivate citation/enforcement evaders.
- The Toledo Housing Task Force report outlines strategies for the city to inventory, stabilize and prevent vacant and abandoned properties. The report recommends the creation of a vacant property registration ordinance requiring specific security measures for vacant properties as well as holding quarterly foreclosure workshops to develop strategies and programs designed to minimize the period of time a property remains vacant.

#### Weaknesses — Concerns and Possible Areas for Improvement:

During its meetings with the CDC community, the study team observed that an underlying tension seems to exist regarding the Housing Department's aggressive demolition policies. Some CDC members worry about the lack of emphasis on repair and rehabilitation as a prevention strategy. The NVPC team identified three areas for the city to evaluate relative to its demolition policies and programs:

- Toledo's demolition program leaves foundations buried, a practice that increases redevelopment costs incurred by the CDCs or private developers; this practice could become a larger barrier to redevelopment.
- In terms of priorities, demolition and enforcement seems to overshadow prevention. For instance, code inspectors seem focused on enforcement strategies at the expense of prevention strategies. This could become a problem if the number of potential vacant properties increases significantly.
- Insufficient city funding is available to assist the legitimate cases - people who do not have sufficient resources to maintain their property such as individuals on fixed incomes - in the code enforcement or foreclosure prevention process.

Toledo's code enforcement inspections do not include interiors of vacant and abandoned properties. In Cleveland the lack of interior inspection has become a critical barrier to the acquisition and reuse of vacant houses, especially when potential developers try to assess the true rehabilitation costs, market viability, and value of the property.

No one knows the precise total of properties in the vacant property pipeline. While using the County's AREIS system, for example, the following indicators could assist the Housing Department in allocating resources between prevention/abatement and enforcement/demolition strategies:

- Potential vacancy: the number of occupied, substandard/dilapidated homes and apartment buildings that can/should be rehabilitated along with the location of properties in the foreclosure process;
- Chronically vacant: the number of boarded-up buildings, etc.; and
- Abandoned: long-term properties with serious/significant damage

A general lack of parcel-based property information inhibits this process. While the AREIS is much more complete and accessible than the auditors' databases in many Ohio cities, the link between that data and property condition data at the City is missing. For example, the NEO-CANDO system in Cleveland has a direct link to the court dockets.

### Data Limitations Identified in ReBuild Ohio Report

*\$60 Million and Counting* identified the lack of data as a primary challenge to determining the extent and costs of vacant properties in eight Ohio cities. Funding, staffing and lack of tracking systems inhibit the ability to gather, process and monitor data. The report promotes city-wide sweeps by code enforcement officials and CDC partners as the means to gather accurate data, providing a clearer picture of the vacant property problem. It also outlines a model tracking system incorporating uniform identification and tracking methods, a cross-agency electronic data system (such as a GIS system) able to be queried for report production, and the ability to record and track longitudinal data. This system would be accessible to city agencies and the public.



Local prime lending institutions are in a position of limited authority: community service program directors have limited authority to change institution-wide policies that might fuel predatory lending or foreclosure filings.

There is insufficient research to answer critical questions about the extent of subprime lending and the nature of the rising foreclosure filings. Presumably, both foreclosure data and Home Mortgage Disclosure Data is available and could be analyzed by either the University of Toledo or the Fair Housing Center or both. The following unanswered questions are important to assess the situation:


- What is the market share of subprime vs. prime loans in Toledo today, as opposed to 1995 when subprime lending was first coming on the scene?
- Who are the leading lenders in each category?
- What is the foreclosure rate of subprime vs. prime loans in Toledo?
- Which lenders have the highest share of foreclosure filings?
- What percentage of foreclosure defendants are owner-occupants as opposed to absentee investors?
- Among the investors, are there “frequent flyers” who appear to be responsible for a large number of potentially fraudulent mortgage transactions?

The Housing Court docket for code enforcement cases is only a few days per week. There is great potential to handle more cases, such as receivership. This court also only handles minor misdemeanor cases that do not bring sufficient fines or imprisonment to deter violators with the most complex cases and egregious violations.

The Fair Housing Program has a narrow focus. They investigate and represent individuals with violations of federal Fair Housing Law, but do not represent victims of flipping or predatory lending.

Ohio is one of the few states with a special housing receivership statute—Cleveland, Cincinnati and Columbus routinely file receivership cases—however it seems that receivership is an under-used and under funded tool in Toledo. The challenges of taking this to scale include: 1) finding capable and competent receivers – although the local CDC industry could partially fill that gap; 2) the Housing Court’s more limited jurisdiction—could the Toledo judge offer to hear foreclosure cases if he wanted to? 3) availability of affordable legal assistance for CDCs; and 4) the availability of financing for receivership rehabilitation and to bring the legal action itself.





Opportunities — ideas for enhancing existing efforts:

During and after the November visit, the NVPC study team suggested ways to enhance Toledo's existing vacant property policies and programs based on model efforts from other NVPC assessment communities. Several of these suggestions are discussed in more depth in the Next Steps section of this report.

*Code Enforcement:*

- Establish a vacant property registration ordinance.
- Create a code enforcement inspection policy that requires interior inspection for certain types of vacant properties. Such a policy would help establish and document public nuisances as well as create accountability during transfer and aid in the prevention of fraudulent flipping. More importantly, interior inspections could provide a basis for establishing the total cost of bringing the structure up to code.
- Engage CDCs to participate in the enforcement process by working with inspectors to identify vacant properties, property owners, and other responsible parties.
- Create a housing department/ code enforcement assistance packet—a “who to turn to for help” portfolio modeled after the foreclosure prevention packet—to minimize the threat of predatory lending and prevent occupied housing from becoming vacant.
- Harness some of the enthusiasm for demolition to prevention efforts.

*Foreclosure Prevention Strategies:*

- Local prime lending institutions want to help. Facilitate their participation by creating a link using National Housing Survey data for purchase counseling and foreclosure prevention.
- Incorporate the foreclosure prevention task force into the United Way 211 line.
- Establish a revolving loan fund with the help of local business leaders to create monies for neighborhood rehabilitation activities such as the legal and administrative costs associated with receivership; perhaps Toledo LISC could be a potential backer or sponsor of such a fund.
- Use utility bills to identify where foreclosure prevention may be needed.
- Engage the Fair Housing Center and/or the University of Toledo to conduct a study of mortgage lending and foreclosure to assess the extent of the predatory lending problem, and identify lenders engaged in abusive and/or irresponsible lending practices. Specific research questions are noted above.
- Establish a special prosecution unit to use Ohio's predatory lending law to prosecute mortgage brokers and appraisers who engage in fraudulent mortgaging.

*Nuisance Abatement, Receivership, and Housing Court:*

- CDCs may be able to identify and document residential nuisance properties for which they would be able to serve as receivers.
- Create a designated agency or individual to coordinate nuisance abatement litigation and receivership with the city/county and CDCs or other viable receivers.
- Work with Rebuild Ohio to seek legislative changes to enhance the jurisdictional powers of the Housing Court to enable it to hear foreclosure cases.
- Increase the role, focus, and funding of the Housing Court so that it can expand its focus and leverage its powers, such as receivership programs.
- Approach the University of Toledo about establishing a community development law clinic that could assist with receivership and other cases for CDCs, similar to the model program at the land assembly team approach being tested by Neighborhood Progress and the Cleveland Marshall School of Law.
- Perform a systems analysis of the caseload and case processes of the court as was done by the Lean Firm for the Housing Court in Cleveland.

Threats:

Beyond the confines of local government operations, external dynamics in the local and regional market place and the state and local political arena can influence Toledo's ability to adopt and implement a vacant property strategy. Toledo must also monitor economic trends to stay ahead of a potential vacant property crisis.

- The mortgage foreclosure process can generate abandonment as owners – especially absentee owners – frequently walk away from their properties with the initial notice. At that point, when the bank has not yet taken control of the property but the bank does not have anyone local to provide maintenance and upkeep, the property enters a state of limbo.

- Local prime lending institutions seem to be losing market share to subprime lenders whose default and foreclosure rates are very high.
- High rejection rates by prime lenders could mean more buyers seeking loans are turning to subprime lenders.
- Flipping using land contracts as a financing tool seems to be present and could increase.
- Lack of funding curtails the potential of the Fair Housing Center to address broader issues. Compare with the Miami Valley Fair Housing Center in Montgomery County, Ohio.
- Mortgage companies allow people to “over qualify” or stretch what is realistically possible for them to pay.
- New housing projects will likely continue to draw residents from somewhere within the region. The NVPC study group found no evidence of plans to mitigate the vacancies this shift will generate. For example, Youngstown, Ohio, imposed a one-year moratorium on new infill development so it could study the market trends and impacts of new housing units on vacancy and abandonment.
- More housing court cases are based on unintended owner neglect – who would be likely to be receptive to less punitive measures - rather than malicious negligence by owners.
- The Housing Court’s perceived leniency for repeat offenders may undermine the credibility and effectiveness of the court in the eyes of the community and city code enforcers. An exception to this concern would be in the case of legitimate cases, or cases of unintended neglect.
- Toledo’s Consolidated Plan calls for five additional code enforcement inspectors, an increase that could overwhelm the city’s Law Department and Housing Court.

### *III.2.ii Regional Real Property Information Systems (RPIS) and Data Analysis*

#### Strengths

- The region has an excellent asset in AREIS, the city auditor database.
- The new code enforcement database for the city Housing Department is promising.

#### Weaknesses

- Not all of the information in each database is shared equally between city departments and the county agencies.
- The Fair Housing Center lacks data on lending.
- It is unclear how the housing court data regarding caseload is tracked and integrated.
- There is limited public access to city inspection data.
- Existing data does not include current property condition.
- Little research is being done to guide strategic planning, such as targeting code enforcement resources to certain neighborhoods or developing a city-wide housing strategy.
- There is no true count of vacant properties including commercial, residential, industrial, etc.

#### Opportunities

- Create a city/county GIS system that all departments can access, contribute to and use to keep information current.
- At least for internal use, add tax delinquency list to the AREIS system.
- Provide public online access to code enforcement data.
- Partner with University of Toledo on research:
  - Identify over valued land using mortgage and auditor data;
  - Link county recorder data with auditor data to identify over priced and mortgaged homes potentially destined for foreclosure;
- Develop GIS mapping to make it useful for land banking strategy and tracking.
- Geocode code violation citations to GIS mapping to track and visualize problems and create an early warning system.

#### Threats

- The city auditor/assessor and county treasurer must see the value in cooperating on establishing the actual value of a property based on its real condition rather than inflated prices resulting from speculation and price manipulation.



### III.3 SWOT ANALYSIS—Acquisition and Reuse: Land Banking and CDC Revitalization

Acquisition and reuse is an integral part of the vacant and abandoned property management equation, helping to reclaim these properties to achieve public policy goals such as affordable housing, safe neighborhoods and green infrastructure creation. In weak market cities like Toledo, acquisition, management and reuse strategies are crucial in addressing existing vacant and abandoned properties while awaiting the return of more economically vibrant times. Providing clear title, managing physical conditions and developing interim and permanent reuse strategies are examples of the roles entities adept at tackling the challenges of existing vacant properties, such as land banks, can provide.

Toledo has some land banking experience on a project-by-project basis. Neither Lucas County nor the City of Toledo has a dedicated land bank. Through the efforts of the Toledo offices of LISC and Neighborhood Works, more than 25 community development corporations are currently engaged in neighborhood revitalization primarily through the construction of various levels of affordable and workforce housing. The city and county, working closely with the nonprofit sector and development community, should devise new ways to expand and enhance these existing efforts.

In conjunction with land banking, it is necessary to develop plans for the interim and permanent reuse of vacant and abandoned properties. Cities such as Buffalo, Youngstown and Richmond, VA, embarked on ambitious planning initiatives involving partnerships with local organizations and neighborhoods. In Buffalo, a report produced by Cornell outlined preliminary strategies for vacant and abandoned property acquisition and reuse and was adopted as part of the city's 2006 comprehensive plan. Youngstown's 2010 Comprehensive Plan developed strategies for vacant property reuse by engaging numerous stakeholders in the city's neighborhoods. Richmond's Neighborhoods in Bloom program (NiB) developed collaboration between city agencies, the local LISC office, neighborhood associations and CDCs to develop a strategic investment program addressing blight in seven targeted areas. Developing neighborhood and citywide reuse strategies is an important part of Toledo's vacant property acquisition and management challenge.

The next section of this SWOT analysis focuses on Toledo's land acquisition programs and reuse policies, especially on land banking and CDC revitalization.

#### *III.3.i Acquisition, Management, and Land Banking*

##### Strengths

- The city has an aggressive housing demolition campaign that relies on its own funding and crews for demolition work. It achieves equilibrium, demolishing about the same number of abandoned homes as are added to the demolition list every year.
- The county treasurer's recent tax lien bundle does not include "worst of the worst" and allows the city to back out properties over time.

Five city attorneys work on processing tax delinquent foreclosure cases for the county.

- There is increased cooperation and communication among county office holders whose authority and leadership is essential for responding to the challenge of community development.

##### Weaknesses

- The Sheriffs office, in charge of the foreclosure sales process, is understaffed and back logged.
- The foreclosure crisis has two faces, prevention of mortgage foreclosures and enforcement of tax delinquent foreclosures, that call for separate interventions/policies.
- There is no expedited tax foreclosure process for truly abandoned properties, which may prevent willing, legitimate buyers from completing a timely sale.
- A change in political commitment led to the decline of the previous land banking program.
- Foreclosure and vacancy are linked problems viewed differently by different agencies.

##### Opportunities

- Create a progressive and systemic land banking program to acquire, assemble, and manage city owned vacant properties.
- Institute a tax-lien sale modeled after Genesee County, MI.
- Build on the emerging city/county collaboration, especially on foreclosure issues.





- Enact a “zero-sum” policy to enable the city to take control of a property and find a responsible owner. Projected demolition costs and property value are combined to validate this practice.
- Pursue aggressive billing and placement of liens against owners for demolition, board-up and clean-up costs for abandoned property.
- City prosecutors and Housing Court should adopt a “zero tolerance” policy with respect to violations and unpaid demolition/abatement expenses for vacant property acquired by lenders through foreclosure.
- Identify the “frequent flyers” – speculators, flippers, and foreclosing lenders – who fail to maintain their vacant property or who fail to pay assessed demolition/abatement expenses.
- Explore an expedited tax foreclosure procedure via Board of Revision hearings for abandoned tax delinquent properties.
- Explore forming a partnership or coalition among the city, the county, the Fair Housing Center and others to jointly approach foreclosing lenders and encourage them to adopt a policy that releases their low-value properties to a city or county land bank or to local non-profit redevelopment agencies.

#### Threats

Political focus can wax and wane, so in the long range it would be more sustainable to have a separate entity or program spearhead acquisition, land banking and reuse.

- There is a public perception that land banking and land assembly are code words for urban renewal. Pursuing these strategies will require extensive civic engagement.
- Without interior inspection, the true value of structures cannot be assessed, leading to discrepancies in actual value and asking or sales prices.
- The increasing rate of foreclosure will lead to increasing number of abandoned homes, making it harder to keep pace with demolition.
- Tax lien sales may jeopardize the use of some properties and potentially involve a six-year state of limbo.

#### *III.3.ii Vacant Property Revitalization and Reuse*

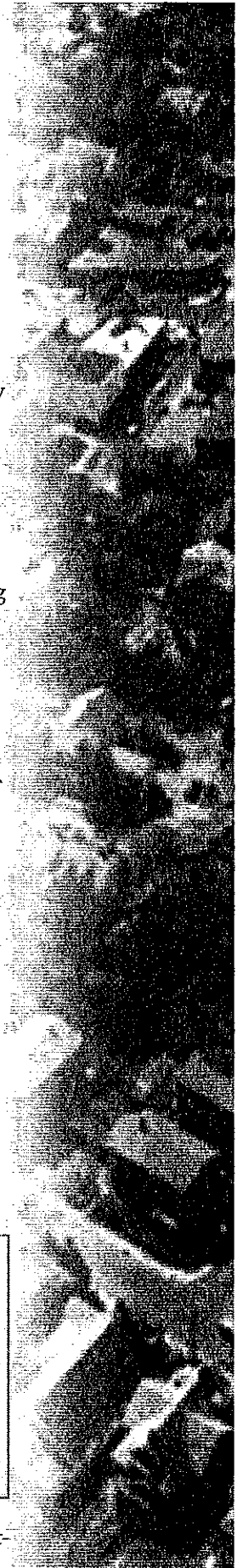
##### Strengths

- CDC competency and capacity is high: some neighborhood organizations seem to have strength/organizational powers within the context of the CDCs, for example, the Marina project area and Lagrange neighborhood.
- Neighborhood revitalization efforts based on school and infrastructure improvements. Some of these developments not only include a school but also involve community assistance facilities, for instance the Libby Middle School Health Clinic.

#### **Building for Success – Not Just for Schools**

The Toledo Public Schools “Building for Success” project will invest over \$800 million to rebuild and renovate all district schools over a 10 to 12 year period. Community support has been essential to the project, which has sought to incorporate the needs of the neighborhoods and students through hundreds of community meetings. Components of many of the new schools will serve community as well as educational needs, such as the neighborhood health clinic to be located at the Samuel M. Jones at Gunckel Park Middle School. Investment in community infrastructure at this scale identifies the commitment of Toledo residents to their community, as they will be responsible for funding \$207.1 million of the project.

- Streetscape improvements may also identify neighborhoods ideal for a targeted reinvestment strategy.





### Using Streetscape Improvements to Target Neighborhood Investment

The city has undertaken streetscape improvement projects along corridors such as Monroe Street. Initiation and completion of such projects represent corridors and adjacent neighborhoods where the city has sought to direct significant funding. These projects would benefit from neighborhood reinvestment activities targeting vacant property revitalization and reuse.

- There are numerous examples of successful infill and rehabilitation projects in Toledo, which are significant assets in encouraging public acceptance of future projects.
- Some CDCs take advantage of housing tax credits.
- Historic districts and unique homes offer character.
- CDCs can serve as points of contact and conduits for rehabilitation funding

#### Weaknesses

- CDC's are producing more housing units than they can sell in the current weak market.
- CDC "for sale" projects often require a deep subsidy to work.
- CDC's need more access to technical and legal assistance, or organizational development support to improve and enhance its ability to acquire and reclaim vacant properties.
- Suburbanization of the city is causing new development that competes with efforts to redevelop older neighborhoods.
- The CDC funding structure rewards output even in a declining market.
- Some old schools have been demolished in order to create new condo units. These structures could be adaptively reused somehow, but this change would require a change state law and the right of first refusal policy to charter schools.

#### Opportunities

- Create closer connections and build stronger relationships between CDCs and the private development community.
- Reward CDCs for their outcomes, not just their outputs. In some cases rehabilitation of existing structures might be a more effective revitalization strategy in certain neighborhood instead of developing new homes.
- Develop a vacant property management program that strategically invests in areas identified through a comprehensive planning process and implemented similarly to the Neighborhoods in Bloom program of Richmond, VA.



### Neighborhoods in Bloom (NiB)

The City of Richmond, VA, launched NiB to target its revitalization resources in specific neighborhoods where reinvestment was most likely to reduce crime and improve neighborhood economies. Starting in 1998, the city evaluated data to classify its neighborhoods into four broad categories based on their poverty rates, concentrations of abandoned buildings, levels of crime, and other factors. City officials coordinated a consensus-based neighborhood planning effort with assistance from the Richmond LISC office and Richmond's Neighborhood Development Network. Using these strategic plans, the mayor and the city council targeted the majority of Richmond's HOME and CDBG funds, along with other city programs and resources, to six neighborhoods, which have since seen significant reductions in crime and increases in property values and reinvestment. In 2002 and again in 2004, the mayor and city council reauthorized the six original NIB neighborhoods and included one new neighborhood.

Table 4: NiB Investments and Results from 1999 through Feb. 2004	
City and LISC NiB Investments	Results
<p>City Investments</p> <ul style="list-style-type: none"> <li>• CDBG \$6,250,747</li> <li>• HOME 4,536,349</li> <li>• Other fed grants 1,104,771</li> <li>• CIP 297,551</li> <li>• General Fund 81,878</li> <li>• HOME/108 Loans 621,883</li> <li>• Other Fed Loans 200,260</li> <li>• State Grant 172,595</li> <li>• Miscellaneous 657,330</li> </ul> <hr/> <p><b>TOTAL \$13,923,364</b></p>	<ul style="list-style-type: none"> <li>• Housing prices in NiB areas rose 9.9% faster than citywide</li> <li>• Housing prices outside of NIB areas (within 5,000 feet of NiB) rose 5.3% faster than citywide avg.</li> <li>• Home price impacts were greatest after threshold investment of \$20,100 in the same block</li> <li>• City issued 1,000 code violation in NiB, resolving more than half</li> <li>• Nearly 400 new or renovated houses were sold or were under development</li> <li>• More than 130 private homeowners repaired their homes</li> <li>• Aggregate value for tax assessment increased from 44% to 63%</li> <li>• Crime decreased the first three years in NiB by 19% compared with 6% reduction citywide</li> </ul>
<p>LISC Investments</p> <ul style="list-style-type: none"> <li>• Inside NiB \$4,709,858</li> <li>• Outside NiB 2,529,769</li> <li>• Unspecified 214,149</li> </ul> <hr/> <p><b>TOTAL \$7,453,776</b></p>	
<p><i>Source: Accordino, Galster &amp; Tatian, 2005</i></p>	

- Establish a revolving loan reinvestment fund, perhaps by reprogramming or targeting resources from the Housing Trust Fund, with the help of local business leaders to create resources for neighborhood reinvestment activities (e.g., new development as well as rehabilitation). LISC could be a potential backer/sponsor for loan funds for receivership certificates, etc.
- Promote positive aspects of the city to retain/attract residents. For instance, Toledo Public School's Building for Success program represents a significant commitment to an integral component of the city's civic infrastructure.
- Maintain momentum of the Building for Success Program by engaging these same residents to develop neighborhood reinvestment plans that will support the schools. The success of the schools will be determined by steady or increasing enrollment numbers, which will come from the neighborhoods surrounding the schools. Community and city investment in these neighborhoods, not just their schools, will help to signify a commitment to stabilizing and improving these areas, making them attractive to existing and prospective residents. Incorporating the acquisition, cleanup, and revitalization of vacant properties could serve to provide open space for parks, playgrounds, athletic fields, or other community resources that would benefit both neighborhoods and their schools.

Threats

- Public sector financial support for redevelopment and rehabilitation is thin. Demolition leaves most house foundations in place, which could present challenges for future redevelopment.
- Speculation and unrealistic asking prices prevent legitimate property sales— this problem is exacerbated by lack of interior inspection to document true value and condition.
- The weak market reduces the cost of buying homes further away and drains the city of residents, making it difficult to sell rehabbed homes.
- New housing projects will be drawing residents from somewhere, potentially in the region. As far as the study group could determine, there are no plans in place to mitigate the vacancies this will generate.



## IV. Vacant Property Strategies & Next Steps

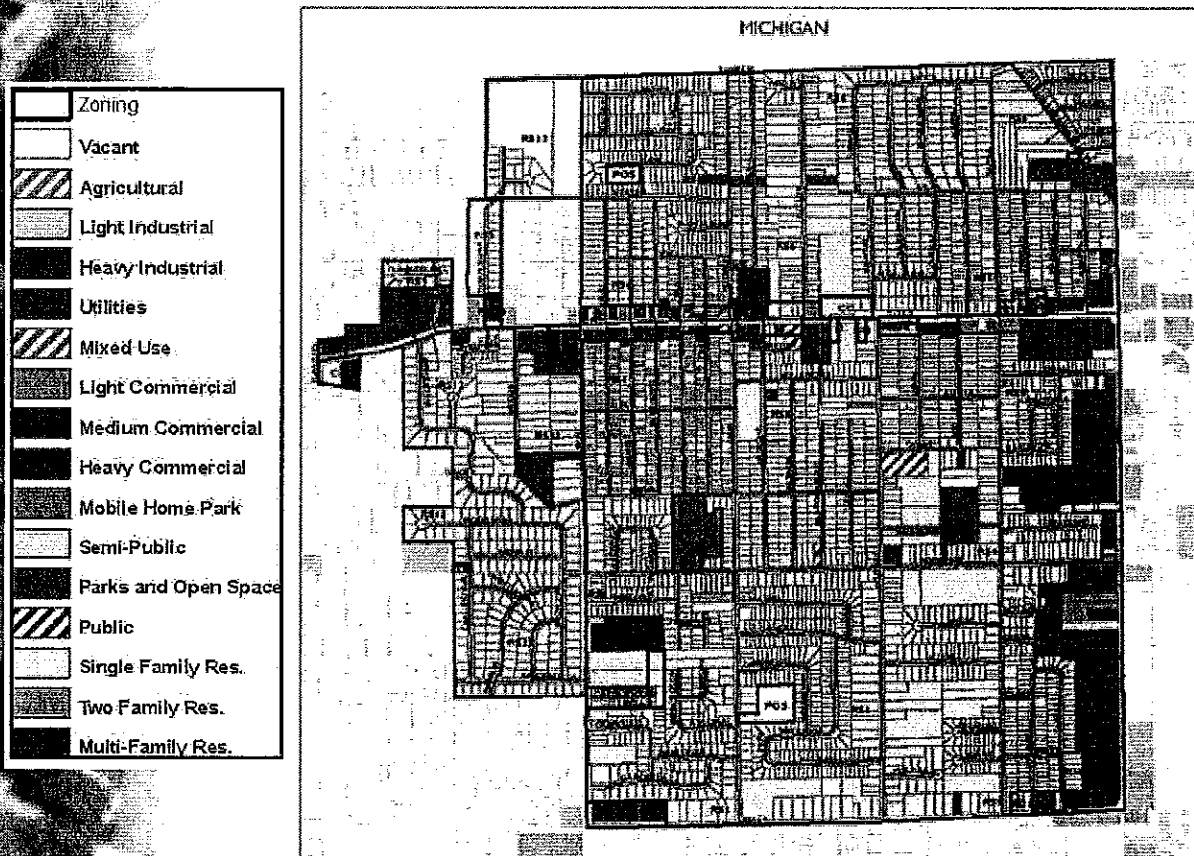
In the short term, the NVPC suggests that Toledo LISC, working closely with city and county officials, convene a series of meetings to form a City-County Vacant Properties (VP) Coordinating Council. A Coordinating Council gives high level city, county, community, and business leaders a regular forum to share information and collaborate on a variety of local and state vacant property initiatives. The VP Coordinating Council could develop a city-county vacant properties action agenda that involves existing partners and programs to help leverage public, private, and nonprofit resources. The Coordinating Council should include three to four Technical Working Groups such as:

- Vacant Property Inventory and Real Property Information Systems;
- Vacant Property Prevention and Abatement Strategies;
- Vacant Property Demolition, Scattered Site Acquisition/Land Assembly Strategies; and Vacant Property Reuse Planning Strategies.

**Step One: Convene VP Coordinating Council planning meetings** to establish the mission and scope of the Council along with ground rules for internal communication, meetings, and coordination. These meetings should also confirm membership of the Council and the Technical Working Groups. After establishing internal ground rules, a second session might focus on the specific issues and strategies proposed below and bring together all the Working Groups.

While Toledo LISC seems willing to convene one or two of the Council's planning meetings, it may need support to adequately staff the Coordinating Council and the Working Groups (e.g., plan the meetings, provide logistical support, facilitate meetings, take notes, conduct background research, etc.). No doubt members of the Council and Working Groups would be willing to provide in-kind assistance (meeting facilities, food, note takers, etc.), but LISC should seek supplemental funds to adequately support this effort.

### SAMPLE NEIGHBORHOOD MAP



*Produced by the Toledo-Lucas County Plan Commissions - 7/08*

### **Cleveland's Vacant Property Action Council**

Following the 2004 release of the NVPC technical assistance report, Cleveland at the Crossroads, the local sponsors including Neighborhood Progress, Cleveland Neighborhood Development Corporation, and Cleveland Marshall School of Law, brought together senior public officials to form a vacant properties working group or Action Council. The Action Council, which meets monthly, is comprised of seven city and county agencies as well as local community development agencies that are committed to working across institutional boundaries. The VP Action Council is actively working to implement the policy and practice recommendations from the Crossroads publication. While seeking funding to implement specific recommendations, the Council has made progress by coordinating efforts for reducing inefficiencies and identifying common priorities among its members.

**Step Two: Convene the Coordinating Council and Working Groups for an intensive two-three day VP Policy Charrette.** The policy charrette would set the strategic direction for the Council and the Working Groups by conducting an inventory of existing VP processes, policies, and programs. Charrette planning and preparation would devise a preliminary template or diagram of the city and county's existing VP policies and programs to identify key players, current barriers and bottlenecks, and potential opportunities for streamlining and enhancing coordination.

- Day one: Convene the VP Coordinating Council and Working Groups to review the preliminary VP Policy Road Map.
- Day two: Break into three Working Groups to test the VP Policy Map and recalibrate it.
- Day three: Reconvene all working groups to share their results, identify next steps and develop an action plan.

**Step Three: Hold a Community Forum/Town Hall meeting** after the charrette to officially announce and launch the VP Revitalization Initiative and VP Coordinating Council.

**Proposed Schedule:** Because of the urgency of the problem and the current interest of potential participants, the VP Coordinating Council should begin its work as soon as possible. If the council were convened immediately to plan and organize the Policy Charrette for a convening at the end of the summer and then officially launch the Revitalization Initiative in the fall of 2008.

## **V. Promising Vacant Property Strategies and Tools**

Building on the SWOT analysis in this report, the NVPC recommends the following critical strategies for inclusion in the VP Action Plan. The Coordinating Council and Technical Working Groups should explore these critical strategies to determine their suitability and adaptability for Toledo. These strategies address the prevention and acquisition sides of the vacant properties revitalization cycle. They are not listed in any particular order of importance.

### **Partner with the University of Toledo to develop a regional Real Property Information System (RPIS) and systematic inventory of vacant properties**

One of the first issues for policymakers and staff is to determine the number of actual and potential vacant properties. Toledo, like many of its sister cities, does not know the answer to this critical question. Armed with good data, local officials can more efficiently leverage their resources by targeting the right strategies to the right places. Having a current and comprehensive inventory of vacant properties is critical to the success of any local vacant property initiative.

Communities do not have a single source of data that can accurately determine the number of vacant properties, so they must layer different sources of data, depending on availability and the resources required to acquire them. Here are a number of examples arranged in order of most to least accurate as identified by the Rebuild Ohio report:

- Door-to-door canvassing or "windshield surveys" by code enforcement agencies, CDCs or neighborhood organizations utilizing a uniform survey instrument. The advantage of this approach is that the task can be broken down into small increments, each as signed to a one or two-person team to accomplish over several weeks;



- Code enforcement data identifying board-ups by city work crews, demolitions and issuance of emergency condemnation or public nuisance orders;
- Water Department data noting water shut-offs, low usage and/or account termination; and
- U.S. Post Office records.

In addition, surveys by city sanitation staff as they cover their pre-determined routes may assist in identifying vacant and abandoned properties, but it should be verified by one of the methods outlined above.

#### **Cleveland's Early Intervention Pilot Project**

Case Western University and Neighborhood Progress, in cooperation with city and county officials, are using a database that combines utility data and mortgage information to identify troubled households where foreclosure prevention may be needed. Identifying properties where information indicates water shutoffs and low usage combined with a loan from a subprime lender or a foreclosure filing allows local community development corporations to intervene in one of two ways. If water is still on, suggesting the property is still occupied, the project can provide foreclosure assistance that helps keep the borrower in the home. If water has been shut off or usage is extremely low, indicating abandonment, project partners can begin to explore acquisition or redevelopment strategies. The limits of utility data as identifiers of properties where foreclosure prevention may be needed are identified in the report \$60 Million and Counting. These limits include a lack of interface between utility company data and city property databases, a lack of address data and some question about what qualifies as "low-flow".

While the City of Toledo and Lucas County have several critical pieces of data infrastructure, particularly the county's AREIS system, they still need a more comprehensive approach to link together their real property information systems. For example, Philadelphia's Neighborhood Information System (NIS), a partnership between the City of Philadelphia and the University of Pennsylvania, provides city officials and community groups with current and comprehensive real property information ranging from properties with code violations to those with active building permits. The university acts as a data intermediary to ensure compatibility among the different databases and to facilitate data sharing among the different government agencies and community organizations. The university also transfers this information GIS data layers. Closer to home, Case Western Reserve University in Cleveland is now working with city officials and community development leaders to design a similar information system.

City officials can also coordinate vacant property walking inventories while they design a more elaborate real property information system. Two years ago in York, PA, teams of students, residents, and city staff combed the city searching for boarded buildings and dilapidated houses. York's extensive walking inventory revealed fewer vacant properties than originally believed and helped the city focus its rehabilitation and code enforcement resources.

#### **Partner with the University of Toledo to conduct critical housing, economic, and demographic research—leverage data for an early warning system**

City and county officials should commission in-depth research about the causes and impacts of Toledo's rising foreclosure crisis. Recent reports on Ohio foreclosures by Policy Matters Ohio have found that foreclosure rates for subprime loans are many times greater than the foreclosure rates for prime loans. Cleveland officials have found that subprime loans are now more than half of all mortgage loans made in the city. In 1995 the market share of subprime loans was negligible. The exact reason for this increase is unclear; either the prime lenders withdrew from the market and abandoned it to subprime lenders or they were pushed out. If Toledo had similar data it could pinpoint the relationship of prime vs. subprime lenders and fashion appropriate actions. The University of Toledo, LIS, and the Fair Housing Center would be good partners to conduct a study about foreclosure and the relationships of predatory and fraudulent lending.

#### **Establish a Vacant Properties Registration Ordinance and Program**

As recommended by the 2007 report of the Toledo Housing Task Force, the city should establish a vacant property registration ordinance to aid it in inventorying and securing these properties. Toledo could require owners to formally register their vacant properties with the city's code enforcement department. Such vacant property registration

ordinances place subtle pressure on owners and managers to devise plans to rehabilitate or sell the property. These local laws can also give code enforcement departments critical information about the owner—some even require a local point of contact or agent. As part of the registration process Toledo could require the owners to provide an interior inspection or allow housing inspectors to document the interior of the vacant property. Registration ordinances are good regulatory strategies that complement existing code enforcement programs.

Cities such as Wilmington, Delaware, Cincinnati, Ohio, and Chula Vista and San Diego, California, have adopted VP registration ordinances. These ordinances do not apply to seasonal rentals or temporarily vacant properties. They are designed to target the chronic vacant properties that have not been occupied for many months, even years. The owners must register their properties, pay a processing fee, and file a plan that outlines their intentions to sell and/or rehabilitate. Failure to comply with the ordinance's requirements incurs a fine and becomes a separate violation of the municipal code subject to potential prosecution in court. Some cities have a sliding scale that imposes a civil/administrative penalty the longer the property remains vacant. These registration ordinances can also generate additional revenues that can be used by cities for related code enforcement programs. For example, in 2005 Wilmington collected \$446,000 as part of its VP Registration Fee program. The fee schedule is \$500 for year one, \$1,000 for year two, \$2,000 for years three and four, \$3,500 for years five through nine, and \$5,000 for year ten. The program also allows the city to waive the fees if the owner sells, rehabilitates or demolishes their property within the next year. It is essential to build in waivers for good faith property owners and community developers to ensure that well-intentioned property owners are not unduly penalized by the registration requirement. For many CDCs, it often takes two to three years to assemble all of the required vacant parcels and financing to piece together viable projects. For additional information on VP registration ordinances, see Appendix A on page 32.

In drafting a vacant property registration ordinance, Toledo should consider a waiver of the fee for CDCs or for any other private owner or redeveloper who has acquired the property intending to restore it to productive use. Such an ordinance should address the following issues:

- There could be a potential legal problem with providing an exemption to a non-profit that is not also made available to other private parties.
- An exemption should have criteria that defines those good faith owners with credible redevelopment plans, budgets, and realistic timeframes.
- The ordinance should not function as a tax or penalty on CDCs or other well-intentioned owners.

#### Registration Waiver

Local governments in Ohio contemplating a vacant property registration ordinance should consider the following suggested waiver language for an effective vacant property registration ordinance:


*"The Director of Building and Housing may waive the fee if: 1) An applicant submits, with their application, a statement of intent to restore the property to productive use and 2) The Director determines that there is sufficient evidence to justify the granting of a waiver. In making this determination, the Director shall consider the following:*

- Whether the applicant has a prior record of successfully restoring vacant property to productive and sustainable reuse.
- The demonstrated expertise of the applicant in areas of construction and real estate financing.
- Whether the timeline for redevelopment proposed by the applicant is realistic.
- The applicant's stated plan for maintaining the property, pending its restoration, in a manner that will not constitute a nuisance or a threat to the health and safety of surrounding neighbors.

*These same factors shall be considered in connection with any request for the waiver of the fee for a renewal of the registration. The waiver may be revoked by the Director if the applicant fails to maintain the property such that it becomes a nuisance or a threat to the health and safety of surrounding neighbors." – Vacant Properties Registration Ordinance Waiver developed by Frank Ford, Neighborhood Progress (Cleveland, OH)*







## Create a community-based receivership program

Civil courts in most states have general equitable powers to appoint receivers to minimize waste, preserve assets, and maintain properties. States such as New Jersey, Ohio, and California have special housing receivership statutes that apply to substandard housing and vacant properties. NVPC is currently working with nonprofits in Los Angeles and Memphis to fashion new receivership statutes and ordinances. These receivership laws provide local governments and community development organizations with a powerful tool to repair and, in certain cases, to acquire these significantly substandard properties. Depending on the state law, a court could appoint a receiver to repair any substantially substandard or vacant property. For instance, while California's law can include single family dwellings whether or not they are occupied, Ohio's receivership law does not apply to owner occupied housing.

Toledo should take advantage of Ohio's housing receivership statute by expanding the capacity of the city law office and the county housing court to launch a community-based receivership program. Section 3767.41 of the Ohio Revised Code authorizes a municipality, nonprofit housing development corporation, or nonprofit organization to file a civil court action that seeks the appointment of a receiver to take control of a building the court finds to be a public nuisance. The plaintiff must provide sufficient evidence that the property's conditions create a public nuisance, a relatively easy task in the case of most abandoned buildings and vacant properties. The court can then issue a civil injunction or abatement order that gives the property owner or responsible party a reasonable opportunity to abate the public nuisance conditions before the court appoints a receiver. Mixed-use commercial property must contain at least one residential unit.

If the owner fails to comply with the abatement order or fails to respond to the lawsuit – for example, if the owner cannot be found – the court can appoint a receiver, who can then make the necessary repairs to rehabilitate the property. Because the receiver's costs have a higher lien priority than do existing mortgages and encumbrances on the property, the law requires that all parties who have a financial interest in the property get notice of the civil action and appointment of the receiver. Before the owner can legally reclaim the property, he or she would need to pay the receiver's repair costs and associated liens. Depending on the state law and the nature of the case the judge could order the sale of the property to satisfy these outstanding judgment/receiver's liens, though this is a rare occurrence.

Even in states with housing receivership laws, many cities have been unable to institutionalize sound receivership programs and practices. Receivership requires the close coordination of many critical players, such as the courts, city attorney, housing inspectors, receivers, nonprofits, banks, property owners, and nearby residents. Communities contemplating a receivership program should consider the following actions.

- Build a local network of public, private, and nonprofit organizations that could act as receivers of substandard and abandoned buildings; this effort may require several of the region's community development corporations (CDCs) to focus their attention on receivership. Under Ohio nuisance law the CDC could petition the court for a receiver with the goal to either rehabilitate the property or demolish it. Note that rehabilitation and sale is often the fastest way for a CDC receiver to recover its costs. If demolition is not going to lead to new construction in the short term, but must await assembly of other parcels, then demolition and subsequent holding of the land may require a grant or subsidy.
- Create a designated agency/individual to coordinate receivership with the city/county and CDCs or other viable receivers.
- Seek legal support.
  - Encourage the University of Toledo's Law School to create a Housing and Community Development law clinic that represents nonprofit organizations in civil code enforcement and receiver cases.
  - Encourage leading law firms to volunteer one or two staff attorneys to work pro bono on receivership cases before the housing court.
- Identify and procure dedicated funds to support receiverships and rehabilitation. In the short term, consider obtaining seed funding from local or statewide foundations that could support a pilot project with several nonprofit organizations acting as receivers.
  - Create a special Toledo Receivership Program Fund to support the appointment of community groups as receivers and their management of rehabilitation funds.



- Establish a revolving loan fund with the help of local business leaders to create monies for neighborhood reinvestment activities with LISC as backer.

**Baltimore's Community-Based Receivership Program** In Baltimore, the nonprofit Community Law Center works with community-based organizations to implement innovative strategies to address blight, such as the appointment of community groups as receivers to rehabilitate vacant properties. The Center's Real Estate Services Project assists in the rehabilitation of derelict and abandoned properties by representing community based organizations in a receivership lawsuit. The receivership program addresses problem properties whose owners often are absent or do not have the financial ability to maintain the building. Negligent owners are given the opportunity to repair the property, or the court may give qualified community groups the property. The Center also provides a variety of pro bono legal services to help Baltimore neighborhoods address blight, drug trafficking, and general nuisance conditions that exacerbate abandonment, disinvestment, and property neglect. See [www.communitylaw.org/community\\_law\\_center.htm](http://www.communitylaw.org/community_law_center.htm).

**Create a land banking program and tax lien foreclosure and sale process modeled after the Genesee County Land Bank Authority.**

Over the past thirty years, land banks have emerged as powerful tools for converting vacant and abandoned properties into assets for community revitalization. Land banks have special powers to acquire and assemble multiple abandoned properties and then legally transfer the land to responsible nonprofit and private developers for redevelopment.

Land banks take on the initial risk of preparing land in areas with uncertain real estate markets. They help developers establish footholds in transitional neighborhoods, thereby attracting more private investment and creating momentum for revitalization. Land banks generally acquire the worst properties within a neighborhood, properties that are initially too troubled or risky for other parties to touch. Some land banks also participate in strategic planning with neighborhood leaders or networks to fulfill community visions for redevelopment. Legislation has been proposed in Cuyahoga County to form a countywide land bank, modeled after the Genesee County Land Bank, to buy and manage property until redevelopment opportunities arise. A land bank would be an ideal entity to lead Toledo's successful transformation of vacant properties into assets.

**The Genesee County Land Bank** Comprehensive reform of Michigan's property tax foreclosure laws in 1999 was the initial impetus behind the creation of the Genesee County Land Bank. The new laws authorized the foreclosure of multiple tax-delinquent properties in a single judicial proceeding. In the event that the property is not redeemed by an owner as part of the foreclosure proceedings, title to the property passes to the land bank authority. At each of the first two such tax-foreclosure proceedings in Genesee County, in February 2002 and February 2003, title to more than 1,200 parcels immediately vested in the Treasurer of Genesee County. The bulk of this inventory was subsequently transferred to the Genesee County Land Bank.

In January 2004, the most extensive land bank authority statute in the country was enacted in Michigan. Unlike other states, Michigan elected to create a "state land bank fast-track authority" with broad-ranging powers to minimize the potential for the state to inherit large portfolios of vacant properties. Local governments in Michigan are now granted the option to enter into intergovernmental agreements with the state authority for the creation of land banks. Following the enactment of the statewide land bank authority legislation, the Genesee County Land Reutilization Council, Inc. was transformed into the Genesee County Land Bank. The Genesee County Land Bank was presented with the Innovations in American Government Award by Harvard University's Ash Institute and the Fannie Mae Foundation in 2007. The investment of approximately \$3.5 million between 2002 and 2005 by the land bank in demolition and stabilization efforts generated a return of more than \$112 million in property value retained.

Sources: Frank S. Alexander, *Land Bank Authorities: A Guide for the Creation and Operation of Local Land Banks* (2005); see [liscnet.org](http://liscnet.org). Nigel G. Griswold and Patricia E. Norris, *Economic Impacts of Residential Property Abandonment and the Genesee County Land Bank in Flint, Michigan* (2007); see [www.landpolicy.msu.edu](http://www.landpolicy.msu.edu)



The land bank's initial and ongoing activities would require a concerted effort to finance them. Generally, land banks receive funds from a combination of bonds, foundations, grants, local funds, and sometimes federal and state brownfield and economic development programs. In Toledo statewide or shared resources should also be considered to finance a land bank. A conservation district or even a port authority could finance aspects of the land bank as an important element of a green infrastructure initiative. A state or regional entity could float bonds for activities to salvage and protect green infrastructure, which links directly to a mission of land conservation or waterway management. Port Authorities in communities such as Minneapolis, Cleveland, and Cincinnati have used their bonding capacities to finance the redevelopment of brownfields. Jurisdictional and institutional relationships in Lucas County may need to be clarified first. State and regional leaders should take steps to clarify roles and identify the most logical partnerships.

#### **Revenue Sources for Genesee County's Land Bank Authority**

The Genesee County Land Bank in Flint, Michigan relies on three primary revenue sources for the management and holding costs of land-banked properties: (1) a state tax-foreclosure fee to fund staff, overhead, and basic maintenance; (2) land-sale proceeds for mowing, cleaning, and other routine cleanup as authorized under Michigan law; and (3) Brownfields Tax Increment Finance (TIF) Revenue derived from a \$5 million land bank issuance of TIF bonds that covers the majority of demolition and site-preparation funding. Many of the properties come to the Land Bank through tax-default judgments, and Michigan law removes any outstanding tax liens on such properties, thus providing the purchaser with clean title and making many of them ideal candidates for rehabilitation. The bank also has short-term construction bonds to support rehabilitation. As of March 2005, \$1.5 million was drawn by the Land Bank for these purposes.

For Toledo to adopt the Genesee County model, it would likely require the following three elements:

1. Encompass a broad enough geography – most likely countywide – to insure that some tax-foreclosed property will be higher-value suburban property. Market rate sale of the higher value property by the land bank pays for the insurance and maintenance of lower-value inner-city property.
2. Persuade the State legislature to authorize the land bank to “cherry-pick” the high value properties and move them to the land bank before they go to Sheriff Sale. Otherwise, there is a high risk they will be sold at Sheriffs' Sale and the revenue could not be earmarked to support land bank operations.
3. Persuade the State legislature to authorize the land bank and/or the county to issue tax anticipation bonds, the sale of which provides the revenue to local governments upfront to offset the temporary loss of revenue from the proceeds of tax delinquent property sales.

Ideally, Lucas County could eventually operate the city and the region's land banking program in order to become as effective as Genesee County. The good working relationship between Toledo and Lucas County is an important element of a successful regional land bank program.



## VI. Conclusion--Vacant Properties Action Plan

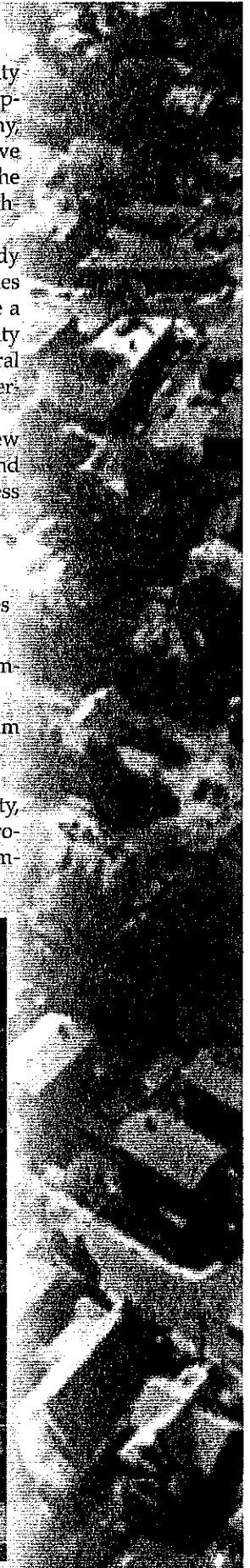
Toledo stands poised at a tipping point. Over the years Toledo and Lucas County have been able to control and manage the level of blight and decay caused by vacant properties. With rising foreclosures, a struggling housing market, and weakening economy, vacant properties are steadily increasing. Unless the city and the county take aggressive and immediate steps, blight and abandonment will fester and spread from the city to the suburbs. Stable neighborhoods will tip towards transitional and today's distressed neighborhoods will likely become abandoned.

Despite these warning signs, we believe that Toledo and Lucas County are ready for the challenges that lie ahead. The city and county possess the fundamental strategies and tools designed to prevent and abate vacant and abandoned properties. They have a strong code enforcement program and committed leadership from the Mayor and County Commissioners down to the County and City officials and staffs. Toledo also has several CDCs and neighborhood organizations ready to combat the spread of the vacant properties.

These impending vacant property challenges will demand stronger tools and new strategies. Building on the recommendations from Toledo's Housing Task Force, city and county leaders should begin with four policies changes so they are equipped to address these new challenges:

- 1) develop and adopt a vacant properties registration ordinance and program;
- 2) design and implement a real property information system that tracks all types of vacant properties as well as identifies potential foreclosure cases;
- 3) engage the Housing Court, Law Office, LISC, and CDCs in resurrecting a community-based receivership program; and
- 4) adapt the Genesee County model to create a city-county land banking program consistent with state and local regulatory conditions.

The time for deliberation and discussion is dwindling. Now is the time for city, county, and nonprofit leaders to build upon existing programs while adapting model programs to Toledo's unique environment. Now is the time for local leaders to launch a comprehensive city-county vacant properties initiative.



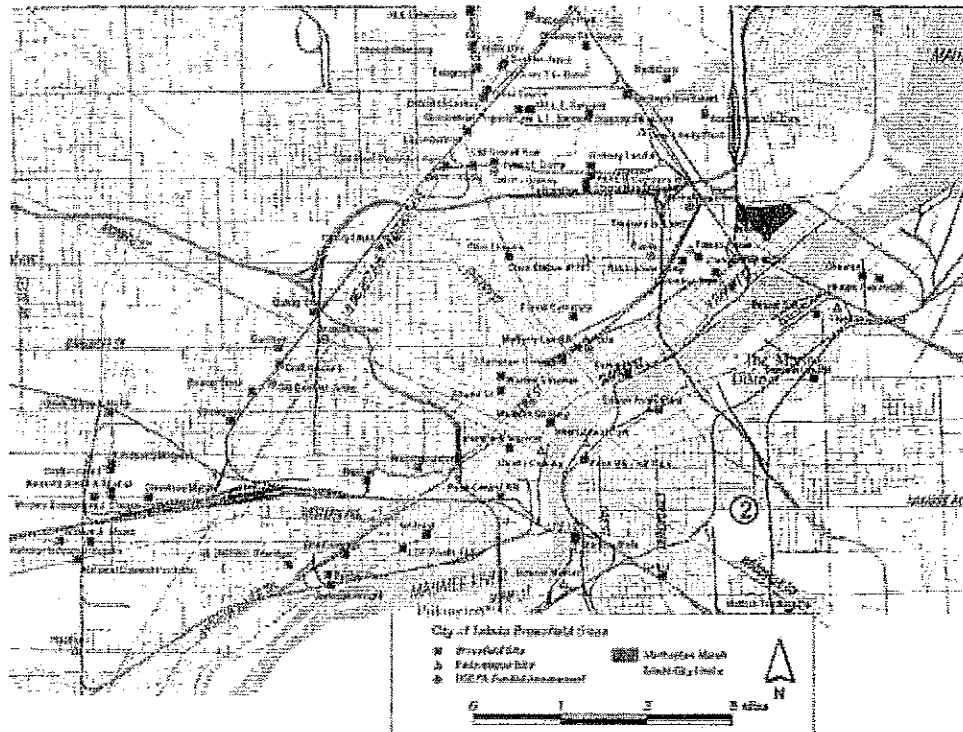
## Appendix A - Vacancy in Ohio's Top Ten Most Populated Cities

Geography	County	Population	Housing units: Total	Housing units: Occupied	Housing units: Vacant	Vacant housing units: Other Vacant	Percent of Housing Vacant	Percent of Vacant Housing that is "Other Vacant"
Columbus City	Franklin	702,132	323,236	297,849	25,387	5,356	7.85%	21.10%
Cleveland City	Cuyahoga	478,403	215,856	190,638	25,218	8,288	11.68%	32.87%
Cincinnati City	Hamilton	331,285	166,012	148,095	17,917	4,593	10.79%	25.63%
Toledo City	Lucas	313,619	139,871	128,925	10,946	3,171	7.83%	28.97%
Akron City	Summit	217,074	97,315	90,116	7,199	1,651	7.40%	22.93%
Dayton City	Montgomery	166,179	77,321	67,409	9,912	3,246	12.82%	32.75%
Parma City	Cuyahoga	85,655	36,414	35,126	1,288	256	3.54%	19.88%
Youngstown City	Mahoning	82,026	37,158	32,177	4,981	1,034	13.40%	20.76%
Canton City	Stark	80,806	35,502	32,489	3,013	726	8.49%	24.10%
Lorain City	Lorain	68,652	28,231	26,434	1,797	467	6.37%	25.99%
Springfield City	Clark	65,358	29,309	26,254	3,055	996	10.42%	32.60%
Hamilton City	Butler	60,690	25,913	24,188	1,725	535	6.66%	31.01%
US		281,421,906	115,904,641	105,480,101	10,424,540	2,298,919	8.99%	22.05%

### 1990-2000 (Percent Change)

Columbus City	Franklin	11.05%	16.38%	16.03%	20.66%	47.22%	3.68%	22.01%
Cleveland City	Cuyahoga	-5.38%	-3.78%	-4.58%	2.83%	18.69%	6.87%	15.42%
Cincinnati City	Hamilton	-9.00%	-1.82%	-4.05%	21.50%	59.26%	23.76%	31.07%
Toledo City	Lucas	-5.80%	-1.59%	-1.50%	-2.63%	-7.93%	-1.06%	-5.44%
Akron City	Summit	-2.67%	0.98%	0.21%	11.63%	-3.22%	10.55%	13.31%
Dayton City	Montgomery	-8.71%	-3.79%	-7.24%	28.73%	68.80%	33.80%	31.13%
Parma City	Cuyahoga	-2.53%	2.32%	-1.57%	42.48%	56.10%	39.25%	9.56%
Youngstown City	Mahoning	-14.29%	-8.90%	-13.09%	32.37%	-21.90%	45.30%	41.00%
Canton City	Stark	-3.99%	-2.81%	-2.88%	-2.02%	-14.08%	0.81%	12.31%
Lorain City	Lorain	-3.64%	2.49%	0.90%	33.51%	13.35%	30.26%	15.10%
Springfield City	Clark	-7.28%	-0.86%	-3.64%	31.97%	56.60%	33.10%	18.67%
Hamilton City	Butler	-1.10%	2.17%	0.82%	25.91%	76.57%	23.24%	40.23%
US		13.15%	13.34%	14.72%	1.05%	10.27%	-10.84%	9.12%

Source: US Census



## Appendix B

### Biographies of NVPC Assessment Team Members

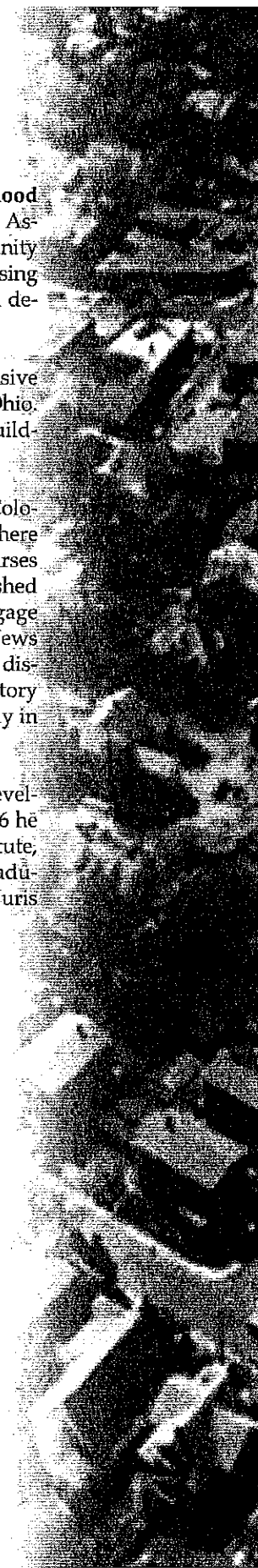
**Frank Ford is Senior Vice President For Research & Development at Neighborhood Progress, Inc. (NPI)** where he directs NPI's Vacant Property Reclamation and Land Assembly Initiative. Mr. Ford is a licensed attorney with 30 years experience in community development. His work with communities has included community organizing, housing development, commercial retail development, employment programs, organizational development, human capital development and applied research.


Between 1999 and 2003 Mr. Ford directed NPI's Quantum Leap Program, a comprehensive organizational and human capital development program for CDCs in Cleveland, Ohio. Quantum Leap has been nationally recognized as one of the premier CDC capacity-building programs in the United States.

From 1991 through 1998 Mr. Ford was Associate Director for Urban Programs at the Colorado Center For Community Development at the University of Colorado at Denver where he provided training and technical assistance to community organizations, taught courses in community organizing and community-based real estate development, and published research on small business and home mortgage lending discrimination. His mortgage lending research was the subject of a news story aired by Tom Brokaw, NBC Nightly News on April 4, 1993. He published one of the first studies in the U.S. to document racial disparities in lending to small businesses. His small business study was the subject of a story in the Wall Street Journal on May 6, 1996. Attorney General Janet Reno cited this study in her Martin Luther King Day speech in Birmingham, Alabama in 1997.

From 1986 through 1990 Mr. Ford served as Executive Director of the Union-Miles Development Corporation (UMDC), a community organization in Cleveland, Ohio. In 1986 he litigated the first case under Ohio's newly enacted vacant property Receivership Statute, representing Union-Miles as the plaintiff and court-appointed receiver. Mr. Ford graduated from Kenyon College with a Bachelor of Arts Degree in English, and received his Juris Doctor Degree from Case Western Reserve University School of Law.

Frank Ford  
Senior Vice President for Research & Development  
Neighborhood Progress, Inc.  
1956 W. 25th Street, Suite 200  
Cleveland, Ohio 44113  
(216) 830-2770 x 218  
(216) 830-2767 Fax  
fif@neighborhoodprogress.org  
www.neighborhoodprogress.org





**Daniel T. Kildee was elected Genesee County Treasurer in November 1996, and took office on January 1, 1997.** Mr. Kildee currently serves as Chairman of the Fifth Congressional District Democratic Party. Before his election as Treasurer, Mr. Kildee served for 12 years as a Genesee County Commissioner, including 5 years as Chairman of the Board of Commissioners.

Kildee is also President of the Genesee Institute, a research and training institute focusing on Smart Growth, urban land reform, and land banking. Kildee initiated an effort to use Michigan's new tax foreclosure law as a tool for community development and neighborhood stabilization. He founded the Genesee Land Bank - Michigan's first land bank - and serves as its Chairman and Chief Executive Officer.

In 2003 Michigan Governor Jennifer Granholm appointed Kildee to the Michigan Land Use Leadership Council, which made 160 recommendations to deal with urban sprawl and other land use issues. In 2005 Governor Granholm appointed Kildee as one of the initial directors of the Michigan Land Bank Fast Track Authority, the nation's first statewide Land Bank.

Kildee is a member of the Michigan Economic and Environmental Roundtable, is Co-chair of the Michigan Redevelopment Readiness Advisory Council, and serves on the Board of Directors of the Land Information Access Association and the Board of Directors of Automation Alley, southeastern Michigan's regional technology cluster designed to attract technology based industry to the region. He is also on the Advisory Board for the National Vacant Properties Campaign. Kildee recently completed a Fannie Mae Foundation Fellowship at the Harvard University Kennedy School of Government.

Daniel T. Kildee  
6450 Flagstone Court,  
Flushing, Michigan 48433  
dkildee@sbcglobal.net




**Kermit J. Lind is Clinical Professor of Law at Cleveland-Marshall College of Law, Cleveland State University** where he has been on the faculty for more than 11 years. He supervises the Urban Development Law Clinic, a law school-based practice providing services to neighborhood and community-based nonprofit community development corporations in Cleveland, Ohio. His work is currently concentrated on abandoned real property and the development of better legal tools for preventing abandonment and salvaging abandoned property for productive reuse. The Clinic is litigating civil cases in which nonprofit developers sue to force the abatement of nuisances in residential property by court-appointed receivers. In addition to representing nonprofit developers in Cleveland, Professor Lind consults and advises on local and state public policy development related to code enforcement, foreclosure, and land use.

Kermit J. Lind, Clinical Professor of Law  
Cleveland-Marshall College of Law  
[www.law.csuohio.edu](http://www.law.csuohio.edu)  
Cleveland State University, Cleveland, Ohio  
(216) 687-5506  
[kermit.lind@law.csuohio.edu](mailto:kermit.lind@law.csuohio.edu)







**Professor Joseph Schilling, as a founding member of the National Vacant Properties Campaign,** works closely with state and local officials and community development practitioners on designing innovative revitalization strategies in such areas as code enforcement, zoning and housing codes, land use planning, and green infrastructure. Schilling was the team leader for the Campaign's assessment work in Toledo, Cleveland and Dayton, Ohio and served on the New Orleans study team. He directs the Campaign's research and policy activities.

As professor in practice at Virginia Tech's Alexandria Center, Schilling's Green Regions Initiative explores the dimensions of creating environmentally sustainable regions through collaborative planning, better community design, and consensus building strategies. Schilling provides strategic guidance to community organizations, government officials, and business leaders in such areas as the revitalization of vacant properties/abandoned buildings, brownfields redevelopment, smart growth, land use planning and zoning code reforms, active living, and the reuse of former military installations.

Prior to joining the Institute, Schilling directed the community and economic development programs for the International City/County Management Association (ICMA). Before coming to Washington, D.C., Schilling served for over ten years as a Deputy City Attorney for the City of San Diego in charge of its code enforcement unit where he drafted land use ordinances and building codes. Mr. Schilling earned a Masters of Environmental Law from George Washington and a J.D. from Hastings College of the Law in San Francisco.

Joseph Schilling, Professor in Practice  
Metropolitan Institute at Virginia Tech  
1021 Prince St  
Alexandria, Virginia 22314  
703-706-8102  
jms33@vt.edu  
[www.mi.vt.edu](http://www.mi.vt.edu) (Metropolitan Institute)  
[www.vacantproperties.org](http://www.vacantproperties.org) (National Vacant Properties Campaign)

## Appendix C

### Vacant Property Registration Ordinance Comparison of Vacant Building Registration Ordinances

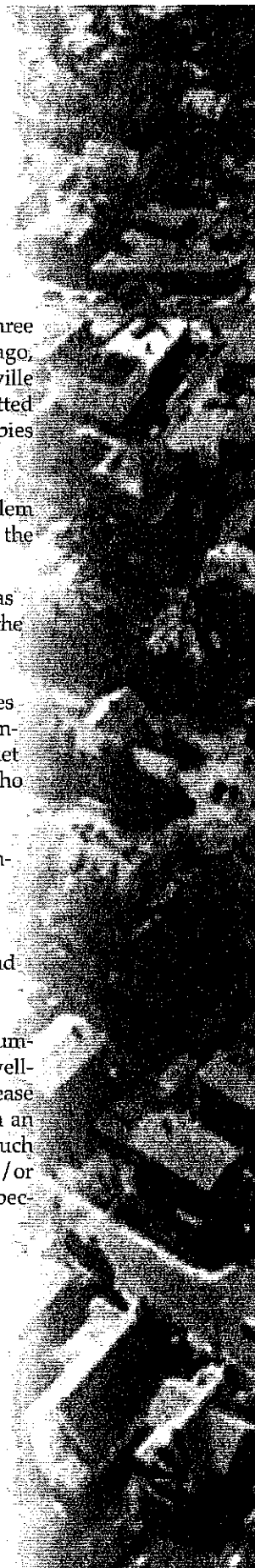
By Frank Ford, Neighborhood Progress, Inc (216) 830-2770 x 217  
October 18, 2004 (revised June 27, 2005)

The following is a comparison of six Vacant Property Registration ordinances. The three labeled "Cleveland" are drafts that have not yet been adopted. The other three, Chicago, Columbus and Wilmington (Delaware) are in effect in their jurisdictions. Warrensville Heights, Ohio, has adopted the Chicago version with virtually no changes. I have omitted citations to specific laws, but this can easily be added. In addition, I have electronic copies of each of the six models, which can be made available to anyone who requests them.

The overall goal of these ordinances is to provide an additional tool to address the problem of vacant properties. Some of the specific objectives, not necessarily present in all of the following examples, appear to include:

- 1) Establish a mechanism for identifying properties that become vacant - and assessing their condition - before they become a serious blight or nuisance to the surrounding neighborhood.
- 2) Establish one way of targeting scarce inspection resources to those properties most at risk. An interior inspection can identify problems prior to their becoming worse. In addition, an interior inspection helps identify a realistic market value, which is an aide to CDCs and other well-intentioned redevelopers who are often faced with sellers claiming an unrealistic sale price.
- 3) Make it financially unattractive for owners of vacant property to merely continue to hold property without taking any action.
- 4) In the case of unresponsive owners, provide an additional means to affect a transfer of title, e.g. debt collection and foreclosure action on unpaid fees and penalties, with subsequent transfer to a responsible redeveloper.

Discussion over the past year among stakeholders interested in the issue suggests a number of issues to be addressed. First, does the ordinance have the effect of penalizing well-intentioned owners and redevelopers who are, for example, actively seeking to sell, lease or redevelop the property? Second, are there sufficient resources to implement such an ordinance, or might it sit on the books without being utilized? Third, can or should such an ordinance be integrated with existing ordinances requiring targeted inspection and/or registration, e.g. board-up, certificate of occupancy, beat inspection, condemnation inspection, etc? Fourth, what has been the experience of other cities - has it worked?



## Appendix D - Comparison Charts

Feature X = yes	Cleveland Sept 2003	Cleveland July 2004	Cleveland July 2005	Chicago (Warren Hts. identical)	Columbus	Wilmington	Comment
1 Requires property to be vacant	X	Yes/ NO	X	X	X	X	Cleve 04: vacant property must be registered, but non-vacant property also must be registered if owner takes title through foreclosure or probate. This could capture some additional properties that are at-risk, but not vacant. Trigger is "mortgagee takes title to". What about cases where the lender does not take title, or fails to file their deed? Columbus- can be either vacant lot or vacant building.
2 Defines "vacant"	NO	X	X	X	NO	X	Cleve 04 defines vacant as "unoccupied" but does not define occupied. Chicago: "lacking habitual presence". Wilmington and Cleve 05: "no person lawfully resides on permanent non-transient basis".
3 Lists factors or evidence for determining if vacant	NO	NO	X	X	NO	X	Chicago, Wilmington & Cleve 05 offer further guidance e.g., for rent/sale sign, receipt of mail at the premises, utilities still on, etc.
4 Defines "Occupied"	NO	NO	X	NO	NO	X	Wilmington & Cleve 05: although listed separately, actually functions as a further definition of vacant. Note: could this result in ambiguity or confusion?

5	Requires property to be a "public nuisance"/ neglected	NO	NO	NO	NO	X	NO	Only Columbus requires an additional "finding" of "nuisance" - but doesn't say who makes the finding. Seems to undercut the purpose of such ordinances, which is to catch property at an early stage of vacancy, and discourage owners from letting them deteriorate to the point of public nuisance/blight. Vacant buildings that are not yet a nuisance, do not trigger the registration requirement.
6	Time trigger (# of days vacant)	15	120	90	30	0?	45	
7	Application must be notarized	NO	NO	NO	NO	X	X	Unnecessary burden? Or is there a practical reason for this?
8	Has specific disclosure requirements for different types of ownership							Ideally, there are two goals: 1) obtain the name & contact info of the owner, or person with authority, so they can be held accountable, 2) obtain the name & contact info of a person on whom process can be served. They are not the same, but both are important.
	-corporation	NO	NO	X	NO	NO	X	
	-estate	NO	NO	X	NO	NO	X	
	-trust	NO	NO	X	NO	NO	X	
	-partnership	NO	NO	X	NO	NO	X	
	-unincorporated assn.	NO	NO	X	NO	NO	X	
	-sole proprietor	NO	NO	X	NO	NO	X	
	-requires agent for service of process	NO	NO	X	X	X	X	
9	Tax mailing address alone is not sufficient	NO	NO	NO	NO	NO	NO	None of the versions say this - but it might be a good addition to expressly state that TMA alone is insufficient.

10	Personal address required	NO	NO	X	NO	NO	X	Wilmington & Cleve 05: require the "residence address" of individual owners, and partners in the case of partnerships, and officers and directors in the case of corporations.
11	Phone number required	NO	NO	X	X	X	NO	It would be helpful to have a phone number where the owner can be contacted.
12	Addresses out-of-state ownership - agent?	NO	NO	X	NO	NO	X	Wilmington and Cleve 05: If the owner is out of state, requires an in-state agent for service of process.
13	Registration does not relieve responsibility for code viol.	NO	NO	X	NO	NO	X	Probably a good idea to expressly state this. Wilmington and Cleve 05 do.
14	Post a sign legible from street	NO	NO	NO	X	NO	NO	Pro: For properties that are severely blighted, this could be beneficial, both in terms of pressuring the owner, and for the safety of immediate neighbors. Con: For properties still in good condition, on a street that is well-maintained, a sign that announces "I am vacant" could be over-kill, and would actually bring down the value of the rest of the street.
15	Requires casualty insurance (attached to application)	NO	NO	NO	NO	X	NO	Columbus: insure for fire/casualty to fair market value; ordinance does not mention liability insurance.
16	Requires liability insurance (attached to application)	NO	NO	NO	X	NO	NO	Chicago: requires \$300K liability insurance, but not fire/casualty.
17	Fee amount							
	-First year	4	TBD	2 2/3	50	100	0	Cleve 03 & 05: \$75 per unit if city orders partial vacating

	-Second year	200	same	300	50	100	500	Cleve 03 decreases in year 2. Wilmington increases.
	-Fee continues to increase	NO	NO	100 per year	NO	NO	X	Wilmington & Cleve 05 have fee structures that increase over time, which help to discourage continuation of the non-productive status. Although other models have disincentives built in if the owner is not in compliance, only Cleve 05 and Wilmington provide a disincentive <u>even if</u> the owner is otherwise in compliance with registration.
	-Fine for late payment	500	NO	200	NO	NO	NO	Cleve 03 & 05: have an annual fine for late payment. Although others do not specifically have a "late payment" penalty, some have a fine for "failure to pay" or "non-compliance" with any provision. See next item. Is a "per day" penalty also built in to all Cleve criminal housing code sections?
18	Fine - no pay or no file	?	4th degree per day - amt not stated	1 <sup>st</sup> degree up to 1,000 per day	200-1000/day	100/day	100-500	Cleve 05, Chicago and Columbus are "per day". Wilmington states it's for "each failure" to pay or file, but doesn't say whether each day constitutes a new failure.
19	Fees accumulate	?	?	X	X	X	X	"Per day" penalties by their nature accumulate.
20	Delinquent fees are a lien	NO	NO	NO	NO	NO	NO	Although none of the ordinances provide for fees being an automatic lien (this would probably require a state statute), both Cleve 05 and Wilmington specifically authorize the city to commence a civil action for collection, and presumably a judgment lien could follow.



21	Requires written plan for reuse	NO	NO	NO	?	NO	NO	None of the versions require an owner to submit a statement - with the application - outlining their plan for reoccupying or bringing the property back to productive use. Perhaps this should be considered? Chicago does briefly state that the owner must notify the Commissioner of Housing of the "contemplated use" of the property. Cleve 05 requires the applicant to state steps that will be taken to maintain the property safe, weather tight and free from nuisance.
22	Waiver	NO	NO	NO	NO	NO	X	Cleve 03 & 05 have a provision for refund if reoccupied, and brought into compliance with code.
	-rehab/ demolition in process						1 yr	Another threshold for waiver might be "permit has been issued"?
	-actively selling or leasing						1 yr	
	-501(c)(3)						2 yr	Is it sufficient that the owner merely be a 501c3? Mission includes redevelopment? Has submitted a plan for redevelopment and/or has a demonstrated track record of redevelopment?
	-government agency						NO	consider adding
	-extended vacation				?		NO	Although not referred to as a "waiver" the Chicago ordinance defines vacant in a way that would exempt extended vacation.
23	Registration triggers external inspection	X	NO	X	NO	NO	NO	

24	Registration triggers internal inspection	X	NO	X	NO	NO	NO	Cleve 03 & 05 are the only versions that trigger an inspection, which is the only way to realistically assess the extent to which the property is at-risk. Also, documentation of poor condition may help discourage owners, realtors and appraisers from placing an unreasonably high value or sale price on the property.
25	Names of all registrants published annually in newspaper	NO	X	NO	NO	NO	NO	Cleve 04 is the only version that requires this. Similar to delinquent taxpayer list.
26	Ordinance authorizes regs.	NO	NO	NO	X	NO	NO	Only Chicago expressly states this, but was it necessary? Is it inherently within the authority of any administrative agency to promulgate regs., or must that be stated in the legislation?

## References

- Accordino, J., G. Galster, and Tatian. *The Impacts of Targeted Public and Nonprofit Investment on Neighborhood Development: Research based on Richmond, Virginia's Neighborhoods in Bloom Program*. Richmond, VA: Community Affairs Office of the Federal Reserve Bank of Virginia, 2005.
- Alexander, F.S. *Land Bank Authorities: A Guide for the Creation and Operation of Local Land Banks*. New York, NY: Local Initiatives Support Corporation, 2005.
- Bernanke, B. "Reducing preventable mortgage foreclosures." Speech to the Independent Community Bankers of America Annual Convention, Orlando, Florida, March 4, 2008 <http://www.federalreserve.gov/newsevents/speech/bernanke20080304a.htm> (accessed March 31, 2008)
- Chavez, J. "Toledo ranks 30th in U.S. for most foreclosures." *Toledo Blade*, January 26, 2007, Real Estate section, <http://www.toledoblade.com/apps/pbcs.dll/article?AID=/20070126/BUSINESS05/701260378> (accessed April 1, 2008).
- Community Research Partners. *\$60 million and counting: The cost of vacant and abandoned properties to eight Ohio cities*. Columbus, OH: Community Research Partners, 2008, [http://communityresearchpartners.org/uploads/publications/FullReport\\_Nonembargoed.pdf](http://communityresearchpartners.org/uploads/publications/FullReport_Nonembargoed.pdf) (accessed March 31, 2008).
- Griswold, N. G. and P.E. Norris. *Economic Impacts of Residential Property Abandonment and the Genesee County Land Bank in Flint, Michigan*. East Lansing, MI: The Michigan State University Land Policy Institute, 2007, [http://www.landpolicy.msu.edu/modules.php?name=Documents&op=viewlive&sp\\_id=357](http://www.landpolicy.msu.edu/modules.php?name=Documents&op=viewlive&sp_id=357) (accessed April 1, 2008).
- Herman, R. D. and Associates. *The Jossey-Bass Handbook of Nonprofit Leadership and Management*. San Francisco: Jossey-Bass Publishers, 1994. (154-163.)
- National Vacant Properties Campaign. *Blueprint Buffalo: Action Plan*. Washington, DC: National Vacant Properties Campaign, 2006, [http://www.vacantproperties.org/resources/BUF\\_Action%20Plan\\_lo.pdf](http://www.vacantproperties.org/resources/BUF_Action%20Plan_lo.pdf). (accessed March 31, 2008).
- Pakulski, G.T. "Area mortgages decline sharply in '06 from '05 level." *Toledo Blade*, January 7, 2007
- "Area house prices fall but inventory shoots up." *Toledo Blade*, February 4, 2007.
- Policy Matters Ohio. *Foreclosure Growth in Ohio 2007*. Cleveland, OH: Policy Matters Ohio, 2007, <http://www.policymattersohio.org/ForeclosureGrowthOhio2007.htm> (accessed March 6, 2008).
- Schilling, J.M., and Naomi Friedman. *The Revitalization of Vacant Properties: Richmond, VA case study*. Washington, D.C.: International City/County Management Association, 2002, <http://icma.org/upload/library/2003-07/%7B823C6EE9-09BD-431B-9A77-34A9556B790C%7D.pdf> (accessed April 1, 2008).
- "Toledo rises to 19th-worst in foreclosures." *Toledo Blade*. February 13, 2008, Business section, <http://www.toledoblade.com/apps/pbcs.dll/article?AID=/2008213/BUSINESS06/802130324> (accessed March 6, 2008).
- Toledo Housing Task Force. *Our Future Is In Our Hands: Toledo Housing Task Force Report and Recommendations*. Toledo, OH: Toledo Housing Task Force, 2007, <http://uac.utoledo.edu/Publications/Tol-HSG-TF-2007.pdf> (accessed March 31, 2008).
- U.S. Census Bureau. *U.S. Census of Population and Housing 2000*. Washington, D.C.: Government Printing Office, 2000.
- *U.S. Census of Population and Housing 1990*.
- *U.S. Interim Census 2006*.
- Quality Portal. "SWOT Analysis" in *Glossary of Quality Terms: S :: The Quality Portal*. <http://thequalityportal.com/glossary/s.htm> (accessed February 16, 2007).

## END NOTES

See the graphs at page 32 comparing Toledo's Census data on vacancy with other NVPC-assisted cities over 100,000 in population.

Bernanke, Ben, "Reducing preventable mortgage foreclosures," (speech to the Independent Community Bankers of America Annual Convention, Orlando, Florida, March 4, 2008) <http://www.federalreserve.gov/newsevents/speech/bernanke20080304a.htm> (accessed March 31, 2008). Bernanke stated the present foreclosure crisis is expected to continue to rise due to supply and demand imbalances in the housing market and the impending reset of mortgage interest rates for many subprime borrowers with adjustable rate mortgages.

"Toledo rises to 19th-worst in foreclosures," *Toledo Blade*, February 13, 2008, Business section, <http://www.toledoblade.com/apps/pbcs.dll/article?AID=/2008213/BUSINESS06/802130324> (accessed March 6, 2008).

National Vacant Properties Campaign, *Blueprint Buffalo: Action Plan* (2006), <http://www.vacantproperties.org/technical/programs/buffalo.html> (accessed March 31, 2008).

Chavez, Jon, "Toledo ranks 30th in U.S. for most foreclosures," *Toledo Blade*, January 26, 2007, business section, <http://www.toledoblade.com/apps/pbcs.dll/article?AID=/20070126/BUSINESS05/701260378> (accessed March 31, 2008).

Community Research Partners, *\$60 Million and Counting: The cost of vacant and abandoned properties to eight Ohio cities* (2007), p. iii, <http://www.communityresearchpartners.org/14651.cfm?action=detail&id=117> (accessed March 31, 2008).

National Vacant Properties Campaign, *Vacant Properties: The true cost to communities* (2005), [http://www.vacantproperties.org/latestreports/True%20Costs\\_Aug05.pdf](http://www.vacantproperties.org/latestreports/True%20Costs_Aug05.pdf) (accessed March 31, 2008).

Figure excludes Zanesville because 1970 population data is not available. When using data accounting only for "old city" Columbus, the area within the 1950 Columbus boundary, population decline during this period was 29.8 percent.

Toledo did not provide sufficient data to complete an in-depth analysis of incidence and costs of vacant and abandoned properties to the authors of the ReBuild Ohio report within the research timeframe.

Herman, Robert D. and Associates, *The Jossey-Bass Handbook of Nonprofit Leadership and Management* (San Francisco: Jossey-Bass Publishers, 1994) 154-163.

Ibid.

The Quality Portal. "SWOT Analysis" in *Glossary of Quality Terms: S* :: *The Quality Portal*, <http://thequalityportal.com/glossary/s.htm>.

Toledo's demolition program appears to be keeping up with the number of blighted vacant properties; cf. Cleveland: Toledo razes 300 properties per year while Cleveland, a larger City by 50% with higher percent of vacancy, razes only 200.

Toledo Housing Task Force, *Our Future is in Our Hands: Toledo Housing Task Force Report and Recommendations*, (Toledo: Toledo Housing Task Force, 2007, <http://uac.utoledo.edu/Publications/Tol-HSG-TF-2007.pdf>).

Despite the community concern and perception, demolition is a city-driven effort while repair and rehabilitation is not something cities do on their own. Local governments can facilitate rehabilitation (i.e., they can finance it), but developers (private and nonprofits) do the repair and rehab. City demolition can also clear land for reuse by CDCs and other developers. While the City should not take the lead in repair and rehab, the City and CDCs should partner in financing rehab – e.g. tax abatement, infrastructure, building codes that enable rehab instead of impede it, use of CDBG money for repair loans, and code compliance lending. CDCs resistance to demolition should also be considered in light of the weak housing market. CDCs reported difficulty selling rehabbed houses except in high value neighborhoods. The problem may be a weakening market for the \$80,000 – \$150,000 homes. These homes are almost impossible to substantially rehab and sell for what the weak market is capable of paying. This is a dilemma that pits housing and community preservationists against emerging market realities.

Claudia Coulton, Kristen Mikelbank, and Michael Schramm, *Foreclosure and Beyond—a report on ownership and housing values following sheriff's sales, Cleveland and Cuyahoga County, 2000-2007*, Case Western Reserve University Center on urban Poverty and Community Development (accessed at <http://neocando.case.edu>).

## Vacant & Abandoned Properties: Municipal Ordinances

CITY	STATUS	REGISTRATION FEES/ PERIOD VALID		SPECIFIC DEFINITIONS	OWNER RESPONSIBILITY/ INSPECTIONS	PROPERTY MAINTENANCE/ UPKEEP NOTICE REQUIREMENTS	NON-COMPLIANCE/ PENALTIES/ FINES
		Annual	Registration Fees:				
East Cleveland, OH	Adopted	<p>Annual Registration Fees:</p> <ul style="list-style-type: none"> <li>-Property well-kept and owner in compliance with all laws: \$500</li> <li>- Properties vacant and not well-kept for the following time periods:               <ul style="list-style-type: none"> <li>- 45 days-1 yr: \$1000</li> <li>- 1-2 yrs: \$2000</li> <li>- 2-3 yrs: \$3000</li> <li>- 3-5 yrs: \$5000</li> <li>- 5-10 yrs: \$1000; additional \$1000 for each year in excess of 10 yrs.</li> </ul> </li> <li><b>Period Valid:</b> Paid no earlier than Nov. 1 nor later than Dec. 31 of each calendar year; Renewal valid for one year from anniversary date determined as initially vacated by Chief Building Official.</li> </ul>	<p>Owner: Owner of the freehold of the premises or any lesser estate therein, a mortgagee, vendee-in-possession, assignee of rents, receiver, executor, trustee, lessee, agent or any other person, firm, or corp. that is directly or indirectly in control of a building, regardless of whether or not the property has been transferred from a previous owner to new owner during foreclosure action.</p> <p><b>Vacant:</b> Building/structure in which no person/persons actually or currently conducts a lawfully licensed business, or lawfully resides in any part of the building as the legal or equitable owners or tenant-occupants, owner-occupants, or tenants on a permanent, non-transient basis.</p>	<ul style="list-style-type: none"> <li>• Must register buildings vacant for 45 consecutive days or more.</li> <li>• Must arrange for inspection by Building or Housing Inspector to determine if premises conforms with standards.</li> <li>• If owner does not live within the state, must designate responsible, local party or agent, who resides within the state to accept service on behalf of the owners.</li> <li>• Must disclose measures to be taken to ensure the building will be kept weather tight and secure from trespassers, safe for entry by police officers or firefighters, and free from nuisance and in good order.</li> <li>• Must acquire or maintain general liability insurance in amt. not less than \$300,000 for residential, and \$1,000,000 for any other building.</li> </ul>	<ul style="list-style-type: none"> <li>• Building openings weather-tight and secured against entry by birds, vermin and trespassers.</li> <li>• Roofs and flashings sound and tight, and not admit moisture.</li> <li>• Drainage system functional.</li> <li>• Building maintained in good repair and structurally sound.</li> <li>• Premises clean, safe, sanitary, and maintained free of weeds, junk cars, and litter.</li> </ul>	<ul style="list-style-type: none"> <li>• Failure or refusal to register within 30 days shall be 1st degree misdemeanor punishable by fine not less than \$500 nor more than \$1000 per violation, and up to 6 months in jail.</li> <li>• Each day constitutes separate violation.</li> <li>• Failure to pay registration fee shall constitute a lien, and will result in civil action to collect unpaid debt.</li> <li>• Mayor may grant one time registration fee waiver or extension of waiver for up to 90 days may, application must be submitted within 30 days from date of city bill.</li> <li>• Board of Zoning appeals may grant one-time 2 year waiver of fee or extension of waiver for up to 90 days.</li> </ul>	



# Vacant & Abandoned Properties: Municipal Ordinances

CITY	STATUS	REGISTRATION FEES/ PERIOD VALID	SPECIFIC DEFINITIONS	OWNER RESPONSIBILITY/ INSPECTIONS	PROPERTY MAINTENANCE/ UPKEEP NOTICE REQUIREMENTS	NON-COMPLIANCE/ PENALTIES/ FINES
Roaming Shores, OH	Adopted	Registration Fee: \$100	N/A	<ul style="list-style-type: none"> <li>Plaintiffs undertaking foreclosure actions shall register with the village and provide written notice of the foreclosure filings at the time of filing, result of inspections anytime after filing, and any communications indicating the property is abandoned or uninhabited.</li> </ul>	<ul style="list-style-type: none"> <li>Plaintiff's shall perform or secure performance of maintenance of landscaping and building conditions consistent with all Village ordinances.</li> </ul>	<ul style="list-style-type: none"> <li>Violations shall be considered minor misdemeanors punishable by fines of not more than \$150.00.</li> </ul>
Shaker Heights, OH	Adopted	N/A	<p><b>Vacant:</b> structure that has not been occupied for 6 consecutive months or more, even if it is being maintained on the exterior, and even if the owner of the property is actively attempting to sell or rent the property. A structure shall not be considered vacant if it is only seasonally not occupied and such period is less than 12 months.</p>	<ul style="list-style-type: none"> <li>Sufficient property and liability insurance shall be maintained.</li> <li>Vacant property deemed to be a nuisance or abandoned shall be considered to be in the custody of the City, and the City shall be deemed to be the lawful agent of the owner of the property.</li> </ul>	<ul style="list-style-type: none"> <li>Exterior of structure maintained in compliance with all applicable ordinances.</li> <li>Interior maintained in a safe, secure and preserved manner to prevent and abate any threat to the health or safety of the public or anyone entering the structure</li> <li>Structure winterized to prevent the freezing of pipes, and all points of entry shall be kept locked and secure.</li> </ul>	N/A
Toledo, OH	Adopted	<p><b>Registration Fees:</b></p> <ul style="list-style-type: none"> <li>\$100 at the time of registering the property</li> <li>1st year : \$500</li> <li>2 years : \$1000</li> <li>3rd year : \$1500</li> <li>4th year : \$2000</li> <li>5th year : \$2500</li> <li>6th year: \$3000</li> </ul> <p>plus \$500 for each year thereafter. Additional fees apply depending on the number of units in the building.</p>	N/A	<ul style="list-style-type: none"> <li>Within 15 days of a building being vacant, the owner must enclose and secure the open building, and keep it secured until the building complies with the code.</li> </ul>	N/A	<ul style="list-style-type: none"> <li>Registrant shall provide notice to City within 15 working days of any agreement executed by lawful owner with party asserting a mortgage lien interest curing or otherwise forgiving default of the mortgage lien, within 15 days of a sheriff's sale in foreclosure or other lawful sale.</li> </ul>





# Vacant & Abandoned Properties: Municipal Ordinances

CITY	STATUS	REGISTRATION FEES/ PERIOD VALID		SPECIFIC DEFINITIONS	OWNER RESPONSIBILITY/ INSPECTIONS	PROPERTY MAINTENANCE/ UPKEEP NOTICE REQUIREMENTS	NON-COMPLIANCE/ PENALTIES/ FINES
		Notice of Foreclosure	Complaint Fee: \$60				
Olmstead Falls, OH	Adopted	<p>Person who files a complaint must file a complete copy of complaint to Building, Housing, and Zoning Administrator 10 days after filing the complaint.</p>	<p>Person: actual person or legal entity, including: a corporation, limited liability company, firm, partnership, trust, or other business association.  <b>Vacant:</b> no person actually resides in any part of a building on a parcel, or that no person conducts a lawful business in any part of a building on a parcel.</p>	<p>• If property that is the subject of a foreclosure is vacant at the time the foreclosure complaint is filed, or becomes vacant any time after, person filing the complaint shall notify the city the contact information for the person who will be responsible for maintaining the property.</p>	N/A	<p>• Re-inspection of premises shall be performed at least once every 30 days until it is no longer in default, is sold, or otherwise lawfully conveyed to a new owner. Must take photos.</p>	
Parma, OH	Adopted	<p><b>Registration Fees based on years vacant:</b></p> <ul style="list-style-type: none"> <li>• \$150: 1 year</li> <li>• \$350: 2 years</li> <li>• \$750: 3 years</li> </ul>	<p><b>Owner:</b> Person who has legal or equitable title to the property, including any purchaser or assignee under certificate of sale pursuant to a mortgage foreclosure.  <b>Vacant building:</b> Unoccupied structure which constitutes an unsafe building or public nuisance, constitutes a fire hazard, available to malefactors causes depreciation in value of properties surrounding the area.  <b>Vacant Building Plan:</b> Submitted by the owner, and must include: plan of action to maintain the building, plan for fire protection, local contact in case of an emergency, certification of insurance for the duration of the vacancy.</p>	<p>• If the owner or person in charge cannot be located, a notice will be published in a local newspaper requiring the registration of the building.</p>	<p>• Interior of building must be free of debris.          • Windows and doors must be boarded.</p>	<p>• If upon inspection, property is determined to be abandoned, financial institution, its responsible agent or servicing company shall register the property within 5 working days.</p>	