



“\$60 Million and Counting: The Cost of Vacant and Abandoned Properties to 8 Ohio Cities”

ReBuild Ohio State Policy Action Memorandum

ReBuild Ohio calls for the Ohio legislature and administration to adopt a comprehensive new policy approach to Ohio’s neighborhood and housing crisis documented in the recently completed study, \$60 Million and Counting: The Cost of Vacant and Abandoned Properties to 8 Ohio Cities. The Study uncovers an emerging statewide vacant property disaster and associated costs borne by municipalities.

As the study demonstrates, vacant and abandoned properties are eroding local tax bases and draining city budgets, thus exacerbating the crisis in cities that are already limited in their ability to manage their vacant and abandoned properties. This crisis--reverberating beyond our inner cities and typical urban neighborhoods, bleeding into our suburbs and smaller towns -- is draining our fiscal coffers and ultimately imposing heavy burdens on all taxpayers.

Because of the unprecedented scope of this crisis, managing the current vacancy and abandonment problem requires realigning old resources and developing new tools for our communities. We advocate a mix of remedies over the course of the next eighteen months that would slow the vacant and abandoned property pipeline, expedite the reclamation process and place properties in the hands of responsible owners. These measures include foreclosure prevention policies, as well as tools for communities to inventory their vacancy problem, improve code enforcement and target property and larger scale, neighborhood redevelopment. Finally, ReBuild Ohio recognizes the need to search for new solutions to these systemic problems that are plaguing our state for the first time at such a profound dimension.

Without a comprehensive approach, our homes and community assets are poised to decline further in value, sending our Ohio communities on a downward spiral with decreasing revenue for maintaining, repairing or capturing future value from these properties. We risk permanent destruction of our most precious physical community assets. In addition to policy reforms outlined below, we anticipate that the Ohio Housing Finance Agency (OHFA), which has demonstrated increasing leadership and vision in this area, will play an enhanced role in addressing the property challenge by adopting comprehensive, long-term strategies for community revitalization. We also call on the banking, real estate and lending communities to join with us in advocating for new reclamation tools that will protect our communities’ valuable assets. Above all, we urge acting with a sense of urgency at this time to address these issues.



WITHIN THE NEXT SIX MONTHS –BY SEPTEMBER 2008

Improve Foreclosure Prevention Mechanisms and Mitigate Damage from Foreclosure.

- Prevent new foreclosures in the case of occupied property
- Mitigate damage of foreclosure in the case of abandoned property
- Expedite foreclosure processes, where appropriate, to place properties in hands of responsible owners
- Enable courts to better manage the current and future landslide of foreclosure cases through judicial procedure and case management reforms, including further streamlining of tax foreclosure procedures involving abandoned property
- Authorize sheriffs to record deeds with county recorder to hold buyers accountable for disrepair
- Require plaintiffs and/or lenders to file a property condition report at initiation of foreclosure

Strengthen Code Enforcement Tools.

Local governments are the “front line” defense in fighting vacancies, but they need better and more effective tools to do so and therefore we need to:

- Make it increasingly difficult for absentee owner-investors to hold properties “hostage” in abandoned disrepair
- Modify statute to allow courts to undertake judicial sales that ensure clear title
- Link code enforcement to affordable home repair programs for low and moderate income homeowners

WITHIN ONE YEAR -- BY JANUARY 2009

Develop and Implement Integrated Property Inventory Systems.

Understanding the scope of the problem is a first step to defining and tailoring solutions to a specific community. ReBuild Ohio advocates that the state facilitate property inventories, so local governments can quantify and shape remedies targeted for their vacant and abandoned property situation. Some of the ways this might be done are:

- Create incentives and systems for local property data collection and dissemination
- Develop a parcel-level state-wide and state sponsored land use and value data base
- Encourage use of uniform or compatible reporting systems by municipalities and counties
- Provide for an integrated county all-agency property information systems, publicly accessible for each county at one site



Create New Tools for Vacant and Abandoned Property Redevelopment.

- Create programs or mechanisms that enable local governments to acquire properties and facilitate productive reuse.
- Seek statutory authorization for expanded powers for city and county land banks to accept, hold and manage vacant foreclosed homes, including providing tools to receive donated and tax delinquent property, to hold for future reuse
- Enact legislation authorizing municipalities to abate nuisance by initiating foreclosure action on abandoned property (SB 277)
- Reduce other redevelopment barriers, such as protracted foreclosure processes, through the measures mentioned above.

WITHIN EIGHTEEN MONTHS – BY SEPTEMBER 2009

Target Local Reuse and Planning Areas for Long-term Sustainability.

For communities already devastated with blight and vacancies and for those with the creeping problem, the state can realign existing resources to:

- Provide incentive grants to communities over two years to create comprehensive, locally-driven planning strategies (e.g. code enforcement, demolition, land banking, redevelopment, in target areas) that leverage private resources.
- Review existing funding programs, including support for development, affordable housing, transportation, e.g., to determine their utility in redeveloping vacant properties, and recommend departments reprioritize and deploy existing funding to meet this goal.
- Support mixed income and mixed use development
- Encourage restoration or continued productivity of property through tax credits or other incentives.
- Evaluate rehabilitation and demolition strategies and realign funding to these activities, including acquisition and lease purchase financing (HB 359, HB 388), where appropriate, to achieve overall neighborhood revitalization.

ReBuild Ohio, a consortium of local government, non-profit and civic organizations, promotes the revitalization and reuse of vacant and abandoned properties, thus enhancing the quality of life for all Ohioans. ReBuild Ohio meets its mission by advancing new policies and tools designed to prevent and reverse the cycle of deterioration, and to reclaim and reinvest in all types of properties, including residential, commercial and industrial.

For more information, visit www.rebuildohio.org, or contact Lavea Brachman at Lbrachman@greaterohio.org or Mary Helen Petrus at maryhelen@cndc2.org