

4.03 Lima Summary



In April 2007, Lima's vacant and abandoned properties inventory included 501 buildings and 263 vacant lots—764 properties overall—that were identified through Department of Community Development records. These are concentrated in southeast Lima, south of Elm Street. It is estimated that in 2006 vacant and abandoned properties cost over \$1.86 million in city services and foregone property tax collections.

4.03a. Lima Profile

The City of Lima, located in Allen County, had an estimated 2006 population of 38,219, a 16.1% drop from its 1990 population of 45,549. In 2006 there were 12,735 residential properties in Lima; and Census 2000 identified 17,668 housing units in the city. Thirty-four percent of homes were built prior to 1940, while 9.2% have been built since 1980.

4.03b. Incidence of vacant and abandoned properties

- **How the city identifies vacant and abandoned properties.** Vacant and abandoned buildings are primarily tracked through the Department of Community Development's Property Maintenance and Code Enforcement Program database (PM database). The PM database is complaint-based and maintains address-level and aggregate records of complaints that result in code enforcement orders, categorized by vacancy type. The three vacancy types are: "vacant" (structure has been empty for six or fewer months); "abandoned" (structure has been empty for more than six months); and "lot" (parcel with no structure). The Department of Public Works also maintains records of all demolition-priority structures in the city.
- **Vacant buildings.** There are 501 buildings in Lima identified as vacant and abandoned, based on city records provided in June and October of 2007. This includes 71 buildings identified as demolition priorities by the Department of Public Works, and 430 buildings categorized as either "vacant" or "abandoned" in the Department of Community Development's PM database.
- **Vacant land.** Included in Lima's total inventory of vacant and abandoned properties are 263 vacant lots for which the city has assumed responsibility for mowing and maintenance. These are lots the city has added to its Specified Parcels program, which tracks parcels the city mows at least three times in one year due to unresponsive property owners who have neglected to maintain these lots.

4.03c. Local government costs of vacant and abandoned properties

In 2006, the City of Lima and other local taxing districts are estimated to have incurred a total of \$1,855,038 in costs as a result of vacant and abandoned properties. This includes:

- **Direct municipal cost.** \$452,210 for code enforcement staff and operating costs, demolition and boarding, grass cutting, trash removal, and police and fire services
- **Lost tax revenue.** \$1,402,828 in property tax loss from building demolition and tax delinquency

4.03d. Perspectives on Vacant and Abandoned Properties in Lima

- **How the city addresses vacant and abandoned properties.** The city pursues demolition within the limits of available staff, time, and resources (20-40 structures per year). However, the annual need for demolition may be two or three times these figures. A priority of the Department of Community Development is to increase the number of properties identified as eligible for demolition under Lima's "dangerous structure" ordinance. Lima's Property Maintenance Code includes penalties if buildings remain boarded for more than six months. The city also operates the Lima Land Acquisition and Neighborhood Development (LAND) bank to encourage productive reuse of vacant lots.
- **Impacts of vacancy and abandonment.** City staff notes that high rates of vacancy and abandonment may negatively impact a neighborhood by leading to increased abandonment and blight, deferred maintenance, and the conversion of owner occupied structures to rental units. Vacancy may also lead to a rise in speculative investment practices and absentee ownership. Census data that report high housing vacancy rates has hurt Lima's competitiveness in applications for the state Low-Income Housing Tax Credit allocation to develop new affordable rental housing.

4.03a. Lima Profile

Demographic and economic profile

The City of Lima is the county seat of Allen County, in northwest Ohio. The city's estimated 2006 population was 38,219, a 16.1% drop from the 1990 population of 45,549. In 2000, Lima had a proportionately larger minority population than Allen County or Ohio, as well as higher poverty and unemployment rates, and a lower median household income (Table L-1). Allen County's largest industry sectors in 2007 were: manufacturing; retail; health care and social assistance; and state and local government (Ohio Department of Development, Ohio County Profiles).

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Table L-1. Demographic Characteristics: Lima, Allen County and Ohio

	LIMA	ALLEN COUNTY	OHIO
Estimated population, 2006	38,219	105,788	11,478,006
Total population, 2000	40,081	108,473	11,353,140
Percent white	69.3%	84.9%	85.0%
Percent non-white (1)	30.7%	15.1%	15.0%
Median household income, 1999	\$27,067	\$37,048	\$40,956
Poverty rate, 1999	22.7%	12.1%	10.6%
Unemployment rate, 2000	9.4%	5.7%	5.0%

Source: U.S. Census Bureau: Annual Population Estimates; Census 2000 Summary File 1 and 3

(1) Non-white includes Census categories: Black or African American alone; American Indian and Alaska Native alone; Asian alone; Native Hawaiian and Other Pacific Islander alone; some other race alone; and two or more races

Housing profile

This section includes data on the composition and character of the Lima housing stock from two data sources. The Allen County Auditor records data on residential property types (Table L-2). Each property, no matter how many units, is counted once. The U.S. Census counts each housing unit within a residential building (Table L-3). In 2006 there were 12,735 residential properties in Lima; and Census 2000 identified 17,668 housing units in the city.

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Table L-2. Lima Residential Property Types, Allen County Auditor Records, 2006

TOTAL PROPERTIES	SINGLE-FAMILY	2 TO 3-UNITS	4+ UNITS	OTHER (1)
12,735	11,456	965	295	19

Source: Allen County Auditor

(1) "Other" includes residential condominiums, commercial-residential mixed use properties, etc.

Housing cost and age of housing stock

In 1999, the median home value for owner-occupied homes in Lima (\$55,500) was well below the county median (\$81,800). However, there was not as big a difference in median gross rents (\$426 for Lima; \$446 for the county).

The housing stock in Lima is fairly old, with 34.4% of homes built prior to 1940, compared to 24.0% in Allen County. Only 9.2% of housing units in Lima have been built since 1980, compared to 18.3% in Allen County.

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Table L-3. Age of Housing Stock, Lima, Ohio, 2000

YEAR BUILT	HOUSING UNITS	
1939 or earlier	6,072	34.4%
1940-1959	6,118	34.6%
1960-1979	3,859	21.8%
1980-1989	689	3.9%
1990-2000	930	5.3%
Total	17,668	100.0%

Source: U.S. Census Bureau, Census 2000 Summary File 3

Housing tenure

In 2000, nearly half of all housing units in Lima were owner-occupied (49.7%), and the city's overall housing vacancy rate was 12.6% (Table L-4). Vacant housing is categorized by the U.S. Census according to the reason for vacancy, such as being for sale, rent, or seasonal use. Vacant housing units that cannot be classified in one of these categories are included in an "other vacant" category.

In 2000, the census identified a total of 2,221 vacant housing units in Lima, with 717 units in the "other vacant" category. This was a decrease from the 853 units in this category in 1990. The 717 "other vacant" housing units is higher than the number of vacant and abandoned buildings (501) identified using city code enforcement records. It can be assumed that vacant and abandoned housing (those not for sale or rent), as defined for this study, is for the most part captured in this "other" category, but because address-level census data are not available, this cannot be verified.

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Table L-4. Housing Tenure: Lima, Allen County and Ohio, 2000

	LIMA		ALLEN COUNTY		OHIO	
	1990	2000	1990	2000	1990	2000
Total housing units	18,666	17,631	42,758	44,245	4,371,945	4,783,051
Owner occupied	51.6%	49.7%	66.1%	66.2%	63.1%	64.2%
Renter occupied	35.8%	37.7%	26.1%	25.7%	30.4%	28.7%
Vacant	12.6%	12.6%	7.8%	8.1%	6.5%	7.1%
Vacant for rent	1020	985	1325	1,447	108,117	125,095
Vacant for sale only	226	220	391	491	37,628	48,404
Vacant rented or sold, not occupied	222	228	383	396	32,961	33,182
Seasonal, recreational, or occasional use	34	71	103	184	37,324	47,239
Migrant worker units	0	0	0	1	4,57	355
Other vacant	853	717	1,148	1,080	67,912	83,003
Total vacant	2,355	2,221	3,350	3,599	284,399	337,278

Source: U.S. Census Bureau, Census 1990 and 2000 Summary File 1

4.03b. Lima: Incidence of Vacant and Abandoned Properties

Vacant and abandoned buildings

Data from the Lima Department of Community Development provided the most reliable documentation of the number of vacant and abandoned buildings in the city. In June 2007, Community Development records identified 501 structures that most closely met the definition of vacant and abandoned established for this study. This includes 71 buildings identified as demolition priorities, 91 buildings that had an occupancy status of “abandoned” in 2007, and 339 buildings that had an occupancy status of “vacant” in 2007. Of Lima’s total inventory, 467 buildings were identified through Allen County Auditor data as residential.

City of Lima method for tracking vacant and abandoned buildings

Responsibility for addressing vacant and abandoned properties in Lima resides primarily within the Property Maintenance Code Enforcement Division of the city’s Department of Community Development. Vacant and abandoned buildings are tracked through the city’s Property Maintenance and Code Enforcement Program database (PM database). The PM database includes address and aggregate-level records of complaints that result in code enforcement orders, categorized by vacancy type. There are three vacancy types: **vacant**—structures unoccupied for six or fewer months; **abandoned**—structures unoccupied for more than six months; and **lot**—parcels with no structures.

To estimate the number of vacant and abandoned buildings in Lima, CRP obtained a list of 71 buildings that had been identified through code enforcement processes as demolition priorities. The Division of Building and Zoning, within the Department of Public Works, maintains this list and oversees all demolition projects for the city. The 71 included 10 buildings slated for demolition with 2007 CDBG funds (as of June 2007), 10 buildings that will be demolished with the next round of CDBG funding, and 51 buildings that meet demolition eligibility criteria outlined in city codes, but for which demolition funding is not yet available.



Boarded houses in Lima

Additionally, CRP requested and obtained addresses for all properties entered into the PM database as “abandoned” or “vacant” from January 1-October 10, 2007. This identified an additional 430 unduplicated addresses (91 abandoned and 339 vacant). There are two caveats related to Lima’s PM database. First, due to reporting limitations of the database itself, it was not possible to determine how many of these 430 properties were active cases (“active” meaning the violation for which a property had been cited was not corrected). Second, the 430 addresses identified represent a snapshot in time of vacant and abandoned properties. It is likely that there are additional properties identified as abandoned or vacant prior to January 2007 that remain unoccupied. Without the ability to query all active cases within a specific time frame, CRP limited its analysis to 2007 cases only.

Of the 501 total buildings identified as vacant and abandoned through the methodology described above, 467 are known to be residential, based on Allen County Auditor data.

Vacant land

Data from Lima’s Department of Community Development were used to document the number of vacant lots in the city for which the city incurs ongoing service costs. Separate from the inventory of properties categorized as “lots” within the PM database, the department maintains records on vacant parcels that the city has had to mow due to unresponsive property owners who have neglected to maintain their properties.

When the city has to mow a parcel three or more times in a single year, the parcel is added to its Specified Parcels program. As of April 2007, there were 263 parcels in the Specified Parcels Program. The city hires contractors to mow the grass on these parcels once a month for six months of each year.



Specified Parcel notification



Specified Parcel vacant lot

Other sources of data on vacant lots

Allen County Auditor data and City of Lima building demolition data also provide information on the number of vacant land parcels in the city. However, as described below, there are limitations to using data from these sources to calculate the number of vacant lots for which the local government incurs costs:

- **Allen County Auditor data limitations.** Tax year 2006 data indicate that Lima has 2,175 vacant residential lots (28 of which are held by the city or county) and 431 vacant commercial/industrial lots (41 of which are under city or county ownership). There is no readily accessible data to determine which of these lots actually incur costs for the City of Lima.
- **City demolition data limitations.** In 2006, the City of Lima demolished a total of 27 buildings (data on the number of buildings demolished privately were not available), and as of June 2007 had demolished an additional 14 buildings. CRP obtained demolition history dating back to 1993, and on average, the city demolishes between 20 and 40 buildings every year. However, knowing that a property is a former demolition site does not necessarily mean the city incurs costs to maintain the site following demolition. In some cases, adjacent property owners purchase these lots to add acreage to their property (or simply begin to maintain the property without actually purchasing the land). In other cases, new development occurs on former demolition sites.

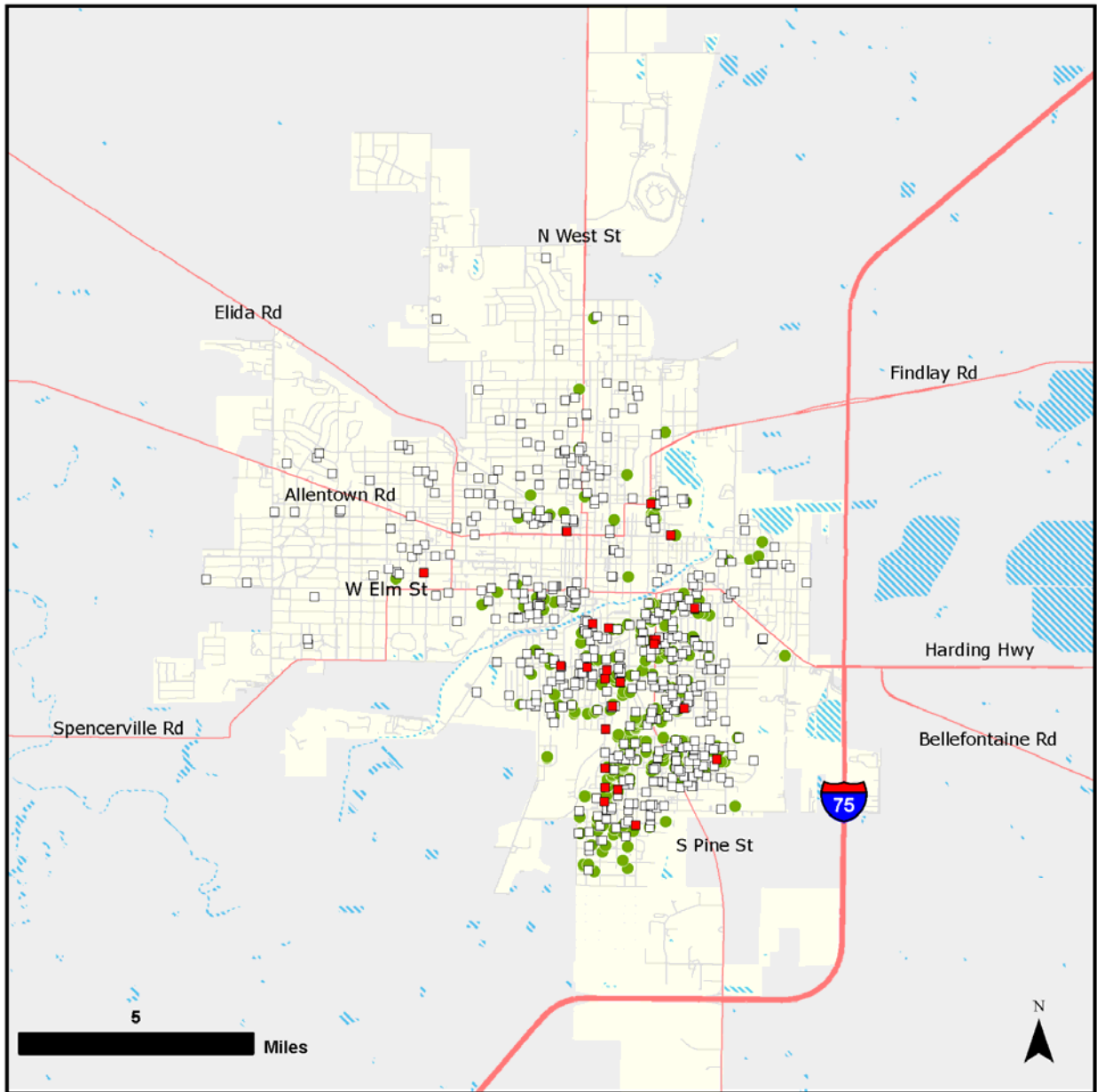
Location of vacant and abandoned properties in Lima

Map L-1 identifies the location of:

- Buildings identified as demolition priorities, as of June 2007
- Buildings identified as “abandoned” or “vacant” from January 1-October 10, 2007
- Vacant lots where demolition took place in 2006
- Specified Parcels that the city routinely mows in 2007

The map suggests that the bulk of Code Enforcement staff time is spent in the southern portion of the city, south of Elm Street.

Map L-1. City of Lima, Vacancy and Demolition



LEGEND

- Demolished in 2006 (27)
- Probable Vacant Buildings (501)
- Probable Vacant Lots (263)
- Incorporated Areas in White

Map Notes:

Probable vacant buildings include those properties on the city's list of properties meeting demolition eligibility criteria (April 2007) or indicated as vacant or abandoned (October 2007).

Probable vacant lots include those properties that Lima specified in April 2007 as requiring city mowing and maintenance.

Data Sources: City of Lima, Allen County Auditor,
 U.S. Census (TIGER 2006 ed.2)
 Map by Community Research Partners, 10.10.07
 Datum/Projection: NAD83/ OH State Plane North (feet)

4.03c. Lima: Local Government Costs of Vacant and Abandoned Properties

Sources of data on local government costs

The data sources identified in Table L-5 were used to calculate the local government costs and impacts of vacant and abandoned property in Lima. In most cases, these data sources have provided total costs for an activity for calendar year 2006, and are not specific to the 501 buildings or 263 lots defined as vacant and abandoned for the purposes of this study. However, these data do provide the best picture available, within the parameters of this research, of the costs to local government of vacant and abandoned buildings and lots in the City of Lima.

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Table L-5. Sources of Data on Lima Local Government Costs

DEPARTMENT OR DATA SOURCE	DATA DESCRIPTION OR TYPE
City Department of Community Development	<ul style="list-style-type: none"> Transaction Charges by Occupancy Type (Vacant, Abandoned, or Lot), 2006 (department-generated report for CRP) Complaint/Order Issued by Occupancy Type (Vacant, Abandoned, or Lot), 2006 (department-generated report for CRP) Department of Community Development organizational chart and salary by position Department of Community Development annual operating budget (provided to CRP over the phone)
City Department of Public Works, Building and Zoning Division	<ul style="list-style-type: none"> Demolition records, 2006
Allen County Auditor	<ul style="list-style-type: none"> Estimated tax loss from demolition, derived from assessed residential building values (CRP calculation) Estimated tax delinquency (CRP calculation)
Ohio Department of Commerce, Division of State Fire Marshal	<ul style="list-style-type: none"> Fire incidents in Lima, 2006 and 2007
City Police Department	<ul style="list-style-type: none"> Service calls to potential vacant addresses, 2006

Direct costs to local government

Direct local government costs are those costs borne by the city to enforce city codes related to property maintenance; to secure, maintain, and/or demolish vacant and abandoned property; and to provide police and fire service to vacant and abandoned properties. CRP estimates that from 2006 to 2007, the City of Lima's total direct costs to address vacant and abandoned properties totaled \$579,392. Assuming a portion of these costs were or will be recouped, direct costs totaled \$452,210.

Tracking costs and assessments in Lima

Lima’s property maintenance code requires that all direct costs incurred by the city for boarding, demolition, and property maintenance activities, as well as administrative costs associated with notices, inspection time, legal research, etc., be paid by property owners. Charges are first assessed by billing titled property owners directly. If not paid, special assessments are applied to owners’ real property taxes, or other civil actions may be taken to collect the amounts owed.

Costs and charges are tracked using the same PM database that the Department of Community Development uses to enter property complaint and inspection data. Costs assessed to property owners in 2006 for specific code enforcement violations are categorized by vacancy status (vacant, abandoned, lot) and are reported in aggregate.

Code Enforcement operating costs

Within the Department of Community Development, the Property Maintenance Code Enforcement Division is staffed by the Director of Community Development (who oversees the operation of the entire department), a Neighborhood Support Manager, who reports to the Director, and up to five Property Maintenance Code Inspectors who report to the Neighborhood Support Manager. As of April 2007, the position of Neighborhood Support Manager was vacant. The total annual operating budget for the Code Enforcement Division for FY 2007 (October 2006–September 2007) was approximately \$500,000, which includes all salaries, operating expenses, and contract costs (boarding, grass cutting and trash removal only). The combined salaries of the five inspector positions, inclusive of benefits and longevity pay, totaled \$192,318 in 2007. The Director estimated that approximately 40% of her time is devoted to overseeing the Code Enforcement Division. Adding this portion of the Director’s salary increases Code Enforcement salaries overall to \$219,981 in 2007. The Division is funded through a mixture of General Fund and CDBG moneys.

In 2006, Lima’s Property Maintenance Code Enforcement Division issued a total of 6,018 property maintenance orders in response to maintenance complaints received and investigated. Of those, 2,003 (33.3%) were for properties that the Department of Community Development tracked by vacancy type as “vacant,” “abandoned,” or “lot” (Table L-6).

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Table L-6. Lima Property Maintenance Code Enforcement Division Activity, 2006

CASE TYPE	ORDER TYPE					
	BOARD DOWN	BOARD UP	REMOVE JUNK AUTO	REPAIR STRUCTURE	REMOVE TRASH	CUT WEEDS
Vacant Structure	37	253	14	124	463	591
Abandoned Structure	5	19	2	12	14	14
Vacant Lot	0	0	18	2	186	249
TOTAL	42	272	34	138	663	854

Source: City of Lima Department of Community Development

The Director of the Lima Department of Community Development estimated that about 50% of Property Maintenance Code Inspectors' time is devoted to inspecting, issuing orders, and tracking progress on vacant and abandoned properties. Another 25% is reportedly spent inspecting other properties, and 25% is spent on other duties, including land bank properties, demolition inspection, and administration. Based on this, CRP assumed that up to 50% of the Division's total operating budget is spent on addressing vacant and abandoned properties. Backing out estimated contractor costs for boarding, grass cutting, and trash removal (which are included in other cost categories described below), the annual figure is estimated to be about \$171,000 in 2006/2007.

Boarding costs

In 2006, Lima's Department of Community Development reported assessing (or billing) a total of \$19,851 for 138 boarding incidents at properties tracked as vacant or abandoned by the department, or an estimated \$144 per boarding incident. The total amount assessed reflects actual costs incurred by the city. It is important to note that Code Enforcement activity that occurred late in the year may not be assessed until early the following year; therefore, figures for 2006 may reflect some board-ups that occurred late in 2005. Similarly, some board-ups that occurred late in 2006 may have been assessed in 2007.

Demolition costs

According to demolition records provided by Lima's Department of Public Works, the city demolished a total of 27 buildings in 2006 at a total cost of \$130,849, or an average of \$4,846 per demolition.

Property maintenance costs: grass mowing

In 2006, the City of Lima assessed property owners a total of \$51,926 for mowing vacant and abandoned properties, or an average of \$88.16 per incident. City costs for grass mowing were based on 2006 assessments for grass mowing costs for 589 vacant and abandoned properties (Table L-7). This included: 1) 224 parcels on the Community Development Department's Specified Parcels list (lots that the city contracts to have mowed once a month for six months); and 2) 365 vacant and abandoned properties mowed by city staff when unresponsive property owners fail to do so.

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Table L-7. Lima Department of Community Development Grass-Mowing Assessments, 2006

CASE TYPE	NUMBER OF INCIDENTS	TOTAL ASSESSMENT (\$)	AVERAGE ASSESSMENT PER INCIDENT (\$)
Specified Parcels	224	11,609	52.06
Vacant Structure	269	29,530	109.78
Abandoned Structure	8	442	55.25
Vacant Lot	88	10,345	117.56
TOTAL	589	\$51,926	\$ 88.16

Source: City of Lima Department of Community Development

Property maintenance costs: trash removal

In 2006, the Community Development Department assessed a total of \$86,424 to clean up trash and remove auto tires 347 times at properties tracked as vacant or abandoned by the department. The average cost per trash clean-up was \$300.40 (\$85,313 for 284 incidents), and the average cost per tire removal was \$17.63 (\$1,111 for 63 incidents).

Recouping costs

Lima's property maintenance code requires that property owners pay for actual and administrative costs incurred by the city for abatement-related activities. Administrative fees range from \$104 and \$670, depending on the property owner's degree of responsiveness and compliance with Code Enforcement orders. In addition, a civil penalty of \$350 is applied to any property maintenance violation that is not corrected within the time period specified in the notice. If corrected within the time period specified, the penalty is reduced to \$50.

Table L-8 provides historical data on total assessments charged to property owners (for all properties, not just those tracked as vacant or abandoned structures, or vacant lots) and total payments received, either through direct billing or payments made to the Allen County Auditor. On average, from 2000-2006, 44% of assessed costs has been recouped annually by the city from property owners. Based on this, CRP assumes for the Lima cost analysis (see Table L-12) that 44% of assessed costs related to boarding, demolition, and property maintenance at vacant and abandoned properties are recouped.

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Table L-8. Lima Department of Community Development Costs Recouped, 2000-2006

YEAR	CHARGES	PAYMENTS (1)	PERCENT RECOUPED
2000	\$436,407	\$170,906	39.2%
2001	\$286,806	\$144,628	50.4%
2002	\$339,060	\$152,180	44.9%
2003	\$264,740	\$199,934	75.5%
2004	\$435,381	\$173,725	39.9%
2005	\$575,702	\$179,519	31.2%
2006	\$784,570	\$232,495	29.6%

Source: City of Lima Department of Community Development

(1) Payment data reflect total payments received in a given calendar year, regardless of when the assessment was issued.

Police services

In October 2007, CRP asked the Lima Police Department to provide data on police service calls to the 71 addresses on the Division of Building and Zoning’s demolition priority list (as of June 2007). The Police Department was asked to identify any of these addresses with at least one call for police service in 2006. Of the 71 addresses, 14 had one call for police service, and 18 had two or more calls (32 total addresses), with a total of 99 police calls.

Police Department staff indicated that the nature of the calls to these properties varied widely, and included suspicious persons or vehicles, drug activity, alarm responses, assaults, trespass, breaking and entering, loud music, juvenile curfew violations, and harassment complaints. The most common call (27.3% of the 99 calls) was for a disturbance.

To estimate a cost per-call, department staff randomly selected 10 calls from the 99 total calls, and determined that each call required an average of 45 minutes of staff time. The figure was multiplied by the average patrol officer’s salary in 2006 (\$19.13 per hour), resulting in a personnel cost of \$14.35 per call. It was assumed that one police officer responded to each call.

Based on the information Lima’s Police Department provided on the 71-address sample of vacant residential structures, Table L-9 provides a profile of estimated police service calls to all vacant residential structures in the city. The estimates assume that roughly 45% of all vacant residences (210 addresses) receive, on average, 3.1 service calls per address (651 total calls), to which an average of one officer responds (651 total officers). The average time spent on each call remains the same, at 45 minutes, as does the estimated personnel cost per police officer response. The estimated cumulative personnel cost in 2006 was \$9,342.

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Table L-9. Lima Police Service Calls to Vacant and Abandoned Residential Addresses, 2006

	SAMPLE VACANT RESIDENTIAL ADDRESSES	ESTIMATED TOTAL VACANT RESIDENTIAL ADDRESSES
Total vacant residential addresses	71 (1)	467 (2)
Addresses with one or more calls for police service	32	210
Total calls to these addresses	99	651
Police officers who responded to these calls	99	651
Average time per response	45 minutes	45 minutes
Estimated personnel cost per police officer response	\$14.35	\$14.35
Estimated total police personnel cost	\$1,421	\$9,342

(1) Derived from the Division of Building and Zoning’s demolition priority list, as of June 2007

(2) Derived from Allen County Auditor data. Out of 501 total buildings identified as vacant and abandoned for this study, 467 had auditor-assigned residential land use codes, but 7 had no assigned code. For these 7, it is not known whether the building is residential.

Lima’s Police Department also calculated a vehicle-use cost, based on the billable rate for off-duty use of a police vehicle (\$15 per hour). Assuming the same 45 minutes of staff time per call, the average vehicle use cost is \$11.25 per call, for a total of \$25.60 (personnel and vehicle costs) per call.

Fire services

Although the 501 vacant and abandoned buildings tracked by the city in 2007 make up only 3.4% of all structures in Lima, they represented 12.4% of all structure fires over a 20-month period (Table L-10; Map L-2). According to data provided by Ohio’s Division of State Fire Marshal, 177 structure fires occurred in Lima from January 2006 to August 2007. Of this total, 22 fires (12.4%) occurred in the vacant and abandoned structures (of any land use type) identified for this study. Nineteen fires occurred in *vacant residential* structures (representing 12.5% of all residential fires). The estimated municipal cost associated with the fires ranges from \$95,000 (residential only) to \$110,000 (all vacant structures).

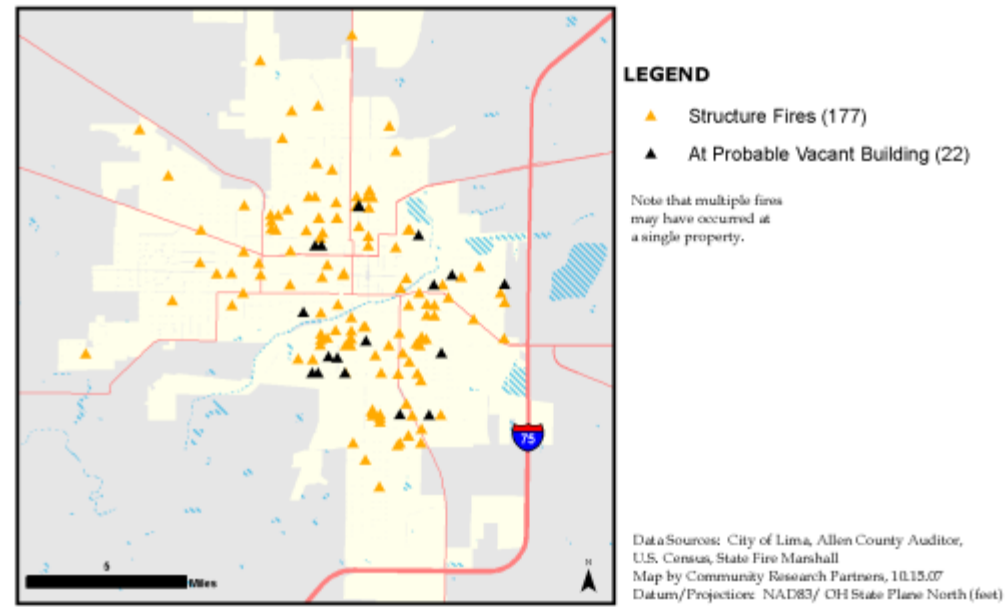
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Table L-10. Fire Incidents in Lima, January 2006-August 2007

	NUMBER OF STRUCTURES	NUMBER OF FIRES	VACANT STRUCTURE FIRES AS % OF ALL STRUCTURE FIRES	ESTIMATED CITY COST OF VACANT STRUCTURE FIRES (1)
Structures of any land use type (citywide)	14,548	177		
Vacant and abandoned structures of any land use type	501	22	12.4%	\$110,000
Residential structures (citywide)	12,735	152		
Vacant and abandoned residential structures only	467 (2)	19	12.5%	\$95,000

Source: Allen County Auditor; Ohio Department of Commerce, Division of State Fire Marshal

- (1) Costs estimated at \$5,000 per fire incident, based on 2005 data collected by the Cincinnati Department of Buildings and Inspection for the Vacant Buildings Maintenance License Code program. Assumes that one-third of fire runs are for larger fires and two-thirds are for smaller fires.
- (2) Out of 501 total buildings identified as vacant and abandoned for this study, 467 had auditor-assigned residential land use codes, but 7 had no assigned code. For these 7, it is not known whether the building is residential.

Map L-2. City of Lima, Structure Fires, Jan 2006 - Aug 2007



Foregone tax collections

Vacant and abandoned properties directly reduce property tax collections in two ways. First, there is tax loss to the city when the building on a property is demolished, reducing its property value and tax assessment. Second, the city loses tax revenue from delinquent, unpaid taxes on these properties. These losses impact all jurisdictions that receive property tax revenues: the county, city, school districts, and special taxing districts.

Property tax loss from demolition

CRP estimates that property tax loss from the demolition of primary residential structures in Lima was \$11,475 in 2006. This is an average of \$425 per structure for 27 structures demolished by the city (data on buildings demolished privately was not available).

To estimate the property tax loss, CRP analyzed the assessed building values for all residential properties (902 properties) within a single census tract in Lima where the incidence of demolition activity was highest in 2006 (census tract 39003013400). In this tract, the median assessed building value for tax year 2006 was \$9,809, which CRP assumed to be representative of any house demolished under the city's nuisance abatement authority. The estimated tax loss incurred by demolishing a house of this value would be \$425 annually. This figure was derived by multiplying the assessed building value by the effective tax rate in the tract (0.04329, or 43.29 mills). (A mill is one tenth of a cent and is equivalent to \$1 of tax per \$1,000 of taxable value.)

Tax loss due to delinquency of vacant and abandoned properties

The Lima inventory of 501 vacant and abandoned buildings was matched with Allen County Auditor data to determine the amount of current tax delinquency (through 2006) for these properties. Of this total, 222 (44.3%) were tax delinquent, with a total delinquency of \$664,928 (Table L-11).

Because many vacant and abandoned lots were not able to be matched with county auditor data, the calculation of tax delinquency for these lots was based on the average for all vacant residential lots citywide. Auditor data included 544 vacant, tax delinquent residential parcels (without buildings) in Lima in 2006, with a total delinquency of \$1,502,567, and an average of \$2,762 per parcel. This average was applied to Lima's estimated inventory of 263 vacant and abandoned lots, for an estimated 2006 delinquency of \$726,425 (Table L-11).

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Table L-11. Property Tax Delinquent Properties, Lima, 2006

PARCEL TYPE	NUMBER OF PARCELS		AMOUNT OF TAX DELINQUENCY (\$)
Vacant and abandoned buildings that were property tax-delinquent in 2006 (1)	222	165 single-family 32 multi-family 16 vacant land (2) 9 other	\$664,928
Vacant and abandoned lots estimated delinquency 2006	263		\$726,425
Total delinquency			\$1,391,353

Source: Allen County Auditor, 2006

- (1) County Auditor property identifiers could not be matched for 15 of the 501 vacant and abandoned buildings identified in Lima's inventory; for these 15 buildings, delinquency status is not known.
- (2) 16 properties identified as either demolition-priority, abandoned, or vacant are recorded in Allen County Auditor data as vacant land. The reason for this is not clear, but may be due to private demolition.

Summary of Costs of Vacant and Abandoned Property

CRP estimates that vacant and abandoned properties cost the City of Lima and other taxing jurisdictions at least \$1,855,038 in 2006. This includes direct city costs related to these properties, as well as foregone tax collections (Table L-12).

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Table L-12. Summary of Estimated Local Government Costs of Vacant and Abandoned Properties, Lima, 2006-2007

TYPE OF COST	DESCRIPTION	TOTAL LOCAL GOVERNMENT COST	AVERAGE COST PER VACANT/ ABANDONED PROPERTY (1)
<i>Proportion of Code Enforcement operating budget directed toward vacant and abandoned properties</i>	5 full-time staff salaries Benefits Operating costs	\$171,000	NA
Demolition (2006)	27 structures	\$130,849	\$4,846
Boarding (2006)	138 incidents	\$19,851	\$144
Grass (2006)	223 Specified Parcels locations (includes 6 cuts per year) 365 incidents at vacant, abandoned, or lot properties	\$51,926	\$88
Trash (2006)	286 clean-up incidents 63 tire removal incidents	\$86,424	\$300 per clean-up \$18 per tire
Police services (2006)	651 calls @ \$14.35 per response	\$9,342	\$14.35
Fire services (January 2006-August 2007)	22 fires @ \$5,000 per response	\$110,000	\$5,000
Property tax loss from demolition (2006)	(Median assessed value) x (effective tax rate) x (27 structures)	\$11,475	\$425
Property tax loss from delinquency (2006)	222 vacant and abandoned buildings 582 vacant and abandoned lots	\$1,391,353	\$2,995 per building \$2,762 per lot
ESTIMATED COSTS EXPENDED		\$1,982,220	
ESTIMATED COSTS RECOUPED	Assumes 44% of demolition, boarding, grass and trash costs are recouped	(\$127,182)	
ESTIMATED NET COSTS		\$1,855,038	

(1) Calculated by CRP

4.03d. Perspectives on Vacant and Abandoned Properties in Lima

In the process of collecting and analyzing quantitative data on the incidence of and costs associated with vacant and abandoned properties in Lima, CRP staff communicated frequently with city staff via telephone and email. In April 2007, CRP visited the community to meet with Amy Sackman Odum, Director of the Department of Community Development, and was given a driving tour of the city. The following summary reflects perspectives of local officials, shared informally with CRP, and observations of CRP staff, about how Lima is addressing vacant and abandoned properties and their impact on the community.

Addressing vacant and abandoned properties

Demolition of vacant structures

Demolition is a tool that Lima uses to address vacant structures, and within current staff and funding constraints, the city's Building and Zoning Division of the Department of Public Works is able to demolish an average of 20-40 structures per year. City staff reports, however, that the annual need for demolition is at least two to three times this amount. A priority of the Community Development Department for the coming year is to increase the number of properties identified as meeting the criteria of a "dangerous structure" contained in Lima's city ordinances. Even if funds are not immediately available for demolition, the "dangerous structure" classification mandates that the building be vacated, and also provides Community Development with a more accurate count of the number of vacant and abandoned buildings in Lima.

Land banking vacant lots

The Lima Land Acquisition and Neighborhood Development (LAND) bank seeks to acquire vacant lots and return them to productive uses. LAND was established through city ordinance in January 2000. As of September 2007, LAND had acquired a total of 81 parcels, with 29 parcels in the current inventory. Parcels must be tax delinquent for a minimum of two years to be eligible for LAND bank acquisition. Persons interested in purchasing property from the LAND bank must be current on their own property taxes, and may not have any property maintenance violations. Adjacent property owners may purchase land if they agree to combine the parcel with their current property to effectuate one tax parcel. Non-adjacent landowners may also purchase land for new construction if they can demonstrate financial ability, submit construction plans for approval, and commit to completing construction within two years.

Strict limits on boarded properties

Lima's Property Maintenance Code mandates that vacant structures that have been boarded, either by the city or an owner, may not remain boarded for a period longer than six months. Failure to comply with this requirement may result in a property owner being issued a "board down" notice of violation, which is subject to a civil penalty of \$350 if not corrected within the time period specified in the notice. Additional penalties may include a property owner being found guilty of a fourth degree misdemeanor. In 2006, Lima's property maintenance inspectors issue a total of 42 board-down orders on vacant and

abandoned properties. During the same year, 32 properties (76%) were brought into compliance with a board-down order, although it is not possible to verify if these 32 all received board-down orders in 2006 or if some received orders prior to 2006.

City staff perceives the requirement to repair or replace boarded opening within six months to be most effective with buildings that are becoming vacant for the first time. Property owners seem to realize that the city will not tolerate long-term vacancy and neglect of exterior maintenance. Issuing a board-down order to a long-term vacant and abandoned building, however, rarely results in compliance.

Property information database upgrade

The Property Maintenance database in use by the Department of Community Development was developed as proprietary software and is not easily manipulated or upgraded. The department is researching new database options. Ideally, the department would like a system that is integrated with GIS, that provides more search options, and that could be linked to data maintained by other city departments, including Public Works, Utilities, Fire, and Police. The department's Director considers a strong database as key to the city's ability to accurately count and track vacant and abandoned properties, second only to a house-to-house citywide assessment, which the department currently has neither the staff nor resources to conduct.

Impacts of vacant and abandoned properties

Neighborhood destabilization

According to an analysis of housing occupancy in Lima by McKenna Associates, included as part of Lima's Consolidated Plan for 2005-2009, the city's high rate of vacancy creates noticeable negative impacts on many of Lima's neighborhoods. These include abandonment, blight, deferred maintenance, and the conversion of owner occupied structures to rental units.

Speculative and absentee ownership

As neighborhoods trend toward destabilization, it is common in Lima for speculative investors to buy up properties and convert single-family structures into two or more rental units. According to McKenna Associates, this conversion has a negative impact on the vitality and desirability of neighborhoods in Lima, as absentee landlords often fail to properly maintain these units.

Low-Income Housing Tax Credits

Census 2000 data indicate that Lima's overall housing vacancy rate was 12.6% (2,221 vacant units). City staff reports that this high vacancy rate negatively affects the city's ability to qualify for Low-Income Housing Tax Credit financing allocated by the Ohio Housing Finance Agency (OHFA) for the construction of new affordable rental housing units. The OHFA Tax Credit allocation plan assumes that there is not a need for new rental housing units in communities with high vacancy rates. Lima's Director of Community Development points out, however, that a large proportion of those vacant units are not quality structures, and would not be suitable housing for any tenant, low income or otherwise.

Perpetuating this dilemma, city staff told CRP that because Lima is surrounded on all sides by townships that are wealthier and offer a higher standard of living than the city,

area residents who can afford to live in a township typically do. This results in a higher concentration of low-income households living within city limits. Census data indicate that Lima's median household income was 27 percentage points lower than the county's in 2000, and its poverty rate was nearly double the county rate.

Estimating vacancy and abandonment within the limits of available data

Lima's Director of Community Development believes that the 501 vacant and abandoned structures identified by CRP using the city's Property Maintenance database is well below the actual number of vacant and abandoned buildings in Lima, and that a more accurate figure ranges between 1,200 and 1,400 buildings. This discrepancy highlights the limitations of using a complaint-based database as a city's only system for tracking vacant and abandoned properties. If the Director's estimate is accurate, it means that for every vacant and abandoned property identified through code enforcement's complaint and investigation process, there are another 1-2 vacant and abandoned buildings not being tracked by the city.

