Foreclosure
Hunting

BY ANDY OPSAHL | FEATURES EDITOR

Synopsis: California city uses GIS to locate foreclosed buildings to turn into affordable housing properties.

Jurisdictions: Moreno Valley, Calif.; Johnson County, Kan.; San Bernardino County, Calif.

Technology: GIS.

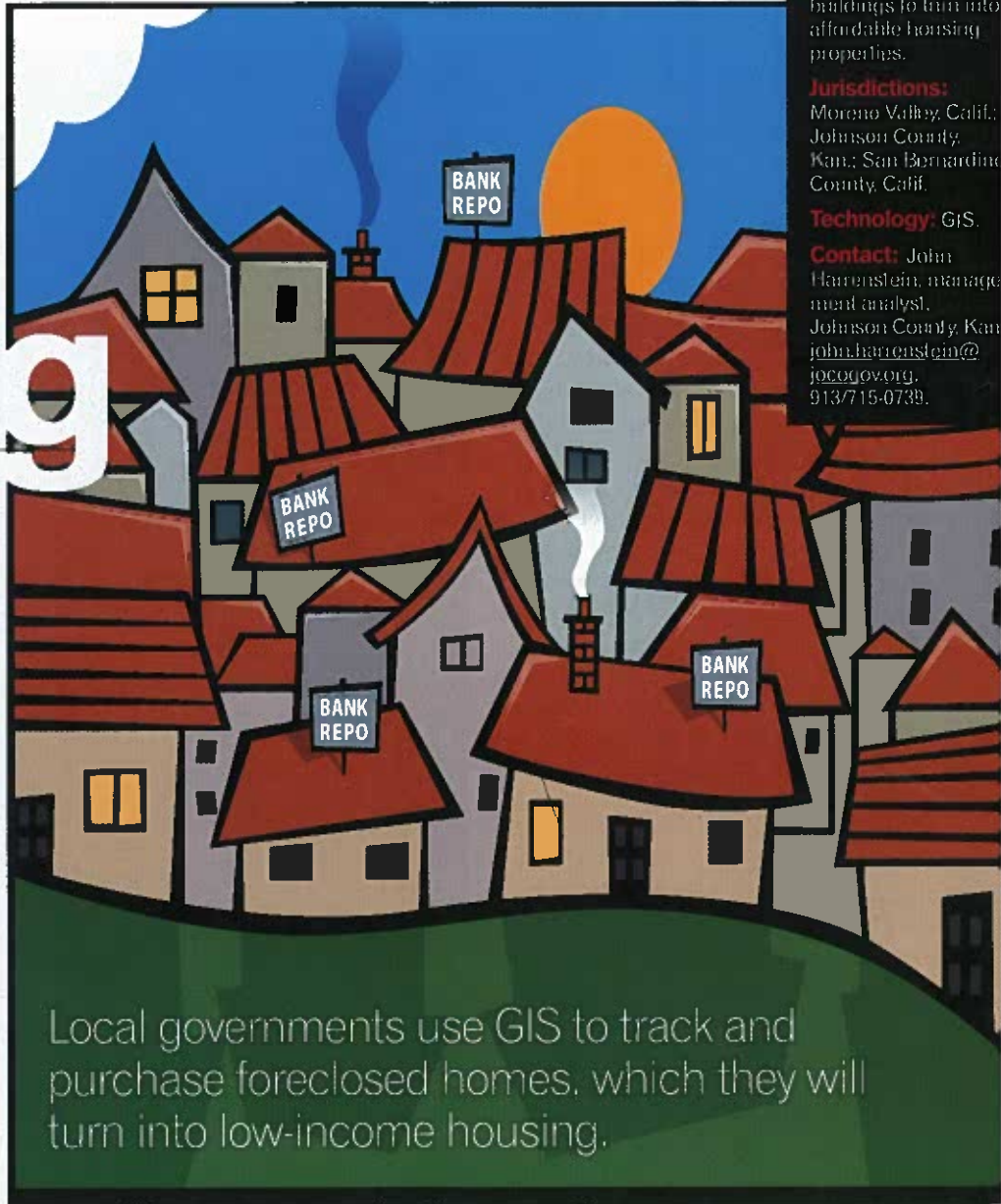**Contact:** John Harrenstein, management analyst, Johnson County, Kan. john.harrenstein@ jocogov.org, 913/715-0739.

More than 300 local governments are utilizing a $3.9 billion Community Development Block Grant (CDBG) that the U.S. Department of Housing and Urban Development (HUD) is offering in response to the national foreclosure crisis. Municipalities plan to use the money to buy foreclosed homes and turn them into low-income housing. To get those funds, governments must identify the areas within their boundaries likely to be hardest hit by foreclosures. Not surprisingly, cities and counties used GIS to perform that analysis.

Local governments use GIS to track and purchase foreclosed homes, which they will turn into low-income housing.

Hunting Map

Moreno Valley, Calif., received $11.4 million from HUD after submitting GIS data that mapped out all foreclosed and likely-to-be-foreclosed properties. The city plans to rehabilitate and sell them to low-income families or manage the houses as low-income rental properties. When appropriate, the city will turn some homes into multitenant structures.

Local foreclosure information for the project came from real-estate information vendor DataQuick and HUD. The city also gathered information from government staff who enforce codes that prevent neighborhood blight. Houses that weren't yet in foreclosure but appeared abandoned or rundown were entered into a GIS database. Technicians watched those properties in case they fell into foreclosure.

In another effort, Johnson County, Kan., secured $2.1 million in HUD funds and uses a similar GIS tool for tracking foreclosures. (Only counties and what HUD considers to be large cities may access HUD money directly.

Smaller cities must get their counties to apply for the grant.)

"Our system can tell us what percentage of homes in a certain community have been foreclosed on or are within eight to 10 days of being foreclosed on," said John Harrenstein, a management analyst for Johnson County.

In another instance, GIS staff in San Bernardino County, Calif., tracked potential foreclosures in all of the county's 24 cities, saving each city from doing the job itself. The project generated $22.5 million from HUD.

Where to Place the Bar

To decide what areas to target, San Bernardino County used HUD criteria when

it developed a point system for ranking homes most in danger of foreclosure. On a zero-to-nine scale, county staff calculated each home's "Total Severity Score" in Microsoft Excel. Any home scoring three points or above was considered a targeted area for foreclosure watch.

"We figured that anyone with any point is already hard-hit, but we could not target 82 percent of the region. So we decided to target the areas with three or more points, which covered about 47 percent of the county," the project's targeting narrative document explained.

For example, if HUD considered a household's revenue to be "low income," the house got 1 point. If it was located in an area where more than 40 percent of homes have

subprime mortgages, the house received another point. Two points were added for houses in areas where 50 to 60 percent of mortgages are subprime. Homes in areas where 60 percent or more of mortgages are subprime received three points. Several other criteria also influenced the scores. The county then fed the Excel spreadsheet into its GIS tool to map the target properties.

George Huang, economic analyst of San Bernardino County, was surprised to learn that all 24 cities in the county had buildings scoring three points or higher — even affluent cities. He said measuring the entire county gave all 24 mayors within it a political gift so they could take advantage of that extra money and boast of it to voters.

"Even the best of the cities, [economically speaking], have tiny bits of areas that are high-risk," Huang said. GT

Long-Term Affordable Housing Strategy

GIS programmers in Johnson County, Kan., are considering whether to incorporate foreclosure data into a citizen-facing map the county is already deploying aimed at helping young homebuyers and renters find affordable housing. This tool is separate from the municipality's HUD-related foreclosure-tracking project.

"A big concern for us was college kids graduating after four years, coming back, and trying to get jobs and having a hard time finding places to live," said John Harrenstein, management analyst of Johnson County.

The project emerged before the housing crisis erupted, but it could end up serving as a valuable function for that challenge, said Harrenstein. Also, residents who are selling their homes could use the tool for locating replacement housing.

"Our GIS folks put every parcel on the map. You can zoom in, see a picture on the map, see the range of the price of the house," he said.

The GIS tool also aims to help communities diversify the housing options they offer, which could make them more resilient if there's another national housing crisis. Later in 2009, Johnson County plans to present its housing data to communities, along with research showing income levels and occupations for each area. Localities can use the information to strategize how to diversify the residents they attract in terms of income levels and occupations.

"Instead of just being suburbia, a community could mix in multifamily structures — perhaps incorporate into a subdivision a mix of homes that range from $350,000 down to $150,000," Harrenstein explained.