

The Vacant Properties Cycle

*A strategic framework for
revitalization*

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Vacant Properties Today

- Synthesis of Vacant Properties Research
 - What are vacant properties
 - What are the impacts
 - Why are properties abandoned
 - What are the benefits of revitalization
- The VP Revitalization Cycle
 - Prevention and Assessment
 - Stabilization
 - Rehabilitation
 - Transfer and Acquisition
 - Longer term Revitalization Strategies



What are Vacant and Abandoned Properties?

- Owner fails to carry out the significant responsibilities of ownership
- Property conditions amount to a public nuisance



Vacant Property Types

- Abandoned Buildings
 - Single Family Residential (Owner)
 - Multi-Family (Absentee)
 - Commercial & Industrial—Brownfields and Greyfields
- Vacant Lots—no legitimate uses
- Substandard and Unsafe Buildings/Housing



Impacts of Vacant Properties

The Broken Window Theory

- Crime and disorder
- Attractive nuisances
- Decreased property values
- Drain city services
- Spiral of disinvestment spreads throughout the neighborhood



Scope of Vacant Properties

- Every community has vacant properties
- Older core neighborhoods and inner ring suburbs
- Greatest magnitude in the Northeast-Midwest
- Fast growing regions of the southwest and southeast
- Medium and small cities



Why are properties abandoned?

- Economic, market, demographic factors
- Business and industries relocating
- Disinvestment of core neighborhoods—sprawl and racial tensions
- Location, physical, and market obsolescence



Abandonment Triggers

- Negative cash flow of the owner
- Deterioration of the structures
- Death and relocation
- Speculation
- Owner Capabilities
- Transaction/Transfer Disputes



What's the Story?

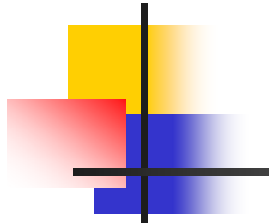
“ Behind every vacant property there is a story. The trick is to find that story and address the underlying issues.”

Diane Silva-Martinez, Head Deputy City Attorney, San Diego



Vacant Property Variables

- Economics – market conditions, property values, and expectations
- Different ‘triggers’ for individual buildings
- Exacerbating factors – speculation, predatory lending, etc.
- Political/governmental leadership
- Public and private resources – money and capacity
- Legal powers and constraints
- Civic/community involvement – role of CDCs





Preventing Abandonment

- Build the capacity of property owners and managers to preserve work force housing
- Housing inspection programs and ordinances
- Pro active code enforcement—slumlord task forces
- Community Oriented Policing partnerships
- Foreclosure prevention and other ways of preserving single-family homes



Assessment—Know Your Territory

- Develop a property information system
 - Identify ‘early warning’ factors
 - Make it user-friendly for communities
- Inventory vacant properties
 - Building characteristics and ownership
 - Investigate site conditions
- Assess local govt. programs and ordinances
- Understand particular local conditions affecting abandonment



Stabilization

- Exercise local code enforcement powers to abate unsafe/dangerous conditions
 - Criminal Prosecution and Civil Enforcement
 - Administrative Abatement Processes
- Tailor the appropriate remedy to the situation
- Investigate site conditions and create ownership profiles
- Receivership as temporary remedy for substandard housing



Rehabilitation Resources & Assistance

- Financial resources & technical assistance
- Rehabilitation incentives:
 - Grants and loans
 - Permit streamlining
- Capacity building in property management and ownership
 - Apartment Owner Associations Trainee Programs
- Partnerships with CDCs, nonprofit, and private financial institutions

Property Transfer or Acquisition



- Legal procedures – property rights – and due process
- Tax delinquency and foreclosure
- Other acquisition and disposition strategies
- Land banking



Long Term Revitalization

- Comprehensive plans and strategic frameworks
- Affordable housing policies and programs
- Building and Rebuilding Markets
- **GOAL:** foster a climate that attracts residents and private investors



Opportunities of Revitalization

- Infill Development—channel growth
- Affordable Housing
- Work Force Housing
- Crime Reduction
- Livable and Prosperous Neighborhoods



Additional Resources

- National Vacant Properties Campaign
www.vacantproperties.org
- ICMA's Case Studies:
www.icma.org/vacantproperties
- LISC: www.liscnet.org/resources
- Fannie Mae Foundation:
www.knowledgeplex.org
- Brookings Center on Urban & Metropolitan Policy: www.brook.edu