

Reinventing Dayton and the Miami Valley

Through
Vacant Property
Revitalization
and
Reclamation

May 2005



A National Vacant Properties Campaign Assessment Report
submitted by Joseph Schilling, John Kromer, and Jessica Millman

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INTRODUCTION AND OVERVIEW — MAKING THE CASE FOR REINVENTION



**Most people are interested in where they come from.
Inventors are interested in where they are going.¹**

Charles Kettering

The Miami Valley region epitomizes the pioneering spirit of the Midwest with its legacy of industrial innovations. Building on the Wright Brothers' invention of modern flight, the region's manufacturing synergy spawned the creation of cutting-edge universities and professional associations of engineers and scientists. Dayton and the Miami Valley confront a new set of challenges today — the convergence of complex socioeconomic problems, such as global shifts in the manufacturing economy, changing demographics, and the uneven distribution of regional growth.

Along with other communities of the Northeast and Midwest, the Miami Valley has been a victim of decay and decline since the mid-1970s. The Miami Valley has suffered dramatic losses of jobs and population from the downsizing or relocation of major manufacturing companies, such as National Cash Register, Dayton Tire, and General Motors. Volatile racial relations following the riots of the late 1960s led many white residents to leave

the city of Dayton during the 1970s and 1980s; racial tensions are still palpable. Today the city has a population of approximately 166,000, but it has the infrastructure and housing for 260,000 — its peak population in 1960. Dayton's poorly performing public schools have made it difficult to retain residents and attract families back to the city.

Residents initially fled to the inner-ring suburban communities (e.g., Kettering, Trotwood, and Riverside), but once housing developments were built on the region's fringe, residents began to migrate further out to adjacent counties or exclusive townships to the south. The hollowing out of the Miami Valley's core communities has resulted in heightened perceptions of crime, failing schools, and the replacement of prime farmland with tract housing and strip commercial development.² Intense competition among jurisdictions for any remnants of growth and development further exacerbates these problems and strains regional relationships. Recent job

losses have placed many residents in poor financial health. A combination of predatory lending and poor financial decisions has led to a rash of mortgage foreclosure filings within the past five years — an ominous indicator of future abandonment.

Recent Revitalization and Reclamation Efforts

The region’s business, civic, and nonprofit organizations, along with area governments, have taken steps to revitalize Dayton and the Miami Valley. In 2003, the Miami Valley Regional Planning Commission (MVRPC) convened a series of visioning workshops for its members.³ Two of the region’s leading nonprofit development corporations, COUNTY CORP and CityWide, continue to support affordable housing and economic development opportunities through a variety of programs and resources.⁴ CityWide recently finished a dialogue among community and economic development leaders about new strategic directions for the region. In the fall of 2004, Dayton’s Housing Task Force issued a series of recommendations to prevent and abate blighted housing. Successful redevelopment projects have also sprung up throughout the region, especially in downtown Dayton (e.g., the



new performing arts center, the minor-league ballpark, the Wright-Dunbar Historic District, Tech Town, and the Genesis Project).

Although Dayton-area governments, nonprofit organizations, and civic associations have made great strides, nearby suburban communities, such as Kettering, West Carrollton, Riverside, and Trotwood, are experiencing gradual increases in vacancies and abandonment.

Local housing inspection departments, along with the region’s extensive network of community development nonprofits, have employed a variety of programs to abate substandard housing conditions and to assist home owners and landlords. Unfortunately, jurisdictional boundaries and dwindling public resources make it difficult to coordinate and target programs, which may end up working at cross-purposes. As problems mount, resources and programs are spread thinly across more neighborhoods, thereby decreasing the potential for a lasting impact in any single place. Many strategies only stabilize distressed neighborhoods and do not systemically address the inherent root causes of abandonment.

As the region continues to struggle, the challenge for the Miami Valley today is to harness its assets holistically so that it can address these complex problems strategically. Revitalizing and reclaiming vacant and abandoned property, as the cornerstone for reinventing the Miami Valley, is one opportunity that is worth exploring.

The National Vacant Properties Campaign and Its Assessment of Dayton and the Miami Valley

The National Vacant Properties Campaign (NVPC) is a collaborative effort of Smart Growth America (Smart Growth America), the International City/County Management Association (ICMA), and the Local Initiatives Support Corporation (LISC). In 2003, the partners launched the campaign in order to:

- Make vacant property revitalization a national priority
- Provide a communications network and clearinghouse of information on vacant properties
- Form a national network of practitioners, researchers, and experts
- Provide technical assistance to help communities prevent abandonment, redevelop vacant properties, and revitalize communities.

At the request of the MVRPC, COUNTY CORP, and the Greater Dayton Mayors and Managers Association (MMA), a team of national experts assembled by the NVPC has spent the past six months performing a strategic policy assessment of the region's existing vacant property programs and policies. Dayton and several of the inner-ring suburban communities (Kettering, Riverside, West Carrollton, and Trotwood) have been the primary focus of their work. This assessment has had six primary goals and objectives:

- Assess existing vacant property programs and strategies managed by government, nonprofits, professional associations, and the private sector
- Identify the barriers to effective vacant property revitalization and reclamation
- Evaluate these barriers and strategies in light of what regional stakeholders — especially MVRPC, COUNTY CORP, and MMA as the sponsors of the assessment — can do
- Provide a menu of policy recommendations, options, and strategies for addressing these barriers drawn from model practices used in other cities; include a list of possible short- and long-term actions for implementing these suggestions
- Facilitate strategic action planning by the assessment team's regional steering committee
- Prepare a final assessment report and participate in a series of briefings with various civic and nonprofit organizations, public officials, staff, and business leaders.



The NVPC has performed similar assessments in Cleveland and New Orleans and has recently received funding from the Surdna Foundation to conduct seven more assessments during the coming year. (For more information about the Campaign, see www.vacantproperties.org.)

The NVPC assessment team for Dayton included:

- Joe Schilling, Director of Research and Policy for the NVPC and Professor in Practice, Metropolitan Institute of Virginia Tech
- Jessica Cogan Millman, Smart Growth Leadership Institute
- John Kromer, Senior Consultant, Fels Center of Government, University of Pennsylvania.

All three team members have extensive practical experience working with state and local government officials, business leaders, developers, and community organizations on the policy and legal issues associated with abandonment, development, leadership, and public sector management.⁵



A SNAPSHOT OF THE REGION'S VACANT PROPERTY CONDITIONS



The NVPC assessment team toured many of Dayton's neighborhoods and briefly visited several of its surrounding communities in search of vacant properties. Its goal was to get a snapshot of, and appreciation for, the type and level of vacancy and abandonment in the region. The team collected information

and estimates about the number of abandoned buildings and gathered insights from directors and staff of different community programs and vacant property initiatives. It also met with financial and business leaders and local residents to obtain their impressions about the regional and neighborhood impacts of vacant properties.

What are Vacant Properties?

No uniform policy or consistent definition of a vacant property or an abandoned building exists. Yet, people know one when they see one. The NVPC considers vacant properties to include a wide range of residential, commercial, and industrial buildings and vacant lots that either:

- Pose a threat to public safety (e.g., it meets the definition of a public nuisance); and/or
- The owners/managers neglect the fundamental duties of property ownership (e.g., failure to pay taxes or utility bills, defaults on mortgages, and contains liens against the property).

Vacant properties can include abandoned, boarded up buildings; lots with trash and debris; vacant, or under-performing commercial properties (shopping malls and strip commercial properties) known as greyfields; and neglected industrial properties with environmental contamination known as brownfields. The NVPC also monitors deteriorating vacant single-family homes, apartments with significant housing code violations, and long-term vacant housing as they are indicators of future vacancy and abandonment. State laws and uniform building codes further refine what constitutes an abandoned building, but it varies from jurisdiction to jurisdiction — often these structures have not been occupied for over one year, are beyond repair, and pose some serious danger to public safety.

Characteristics of Miami Valley's Vacant Property Inventory⁶

A great share of the Miami Valley's property and building inventory continues to reflect the inherent maintenance needs of the region's older housing stock. Although property abandonment is not currently widespread, the deterioration of owner-occupied homes and rental properties will likely result in significantly more abandonment by 2010 if not addressed in the short term. Vacant properties (i.e., residential homes and commercial buildings) on relatively stable blocks need immediate rehabilitation so that it can improve the marketability of other properties on these blocks and encourage new owners to return and reinvest. Each neighborhood and each type of vacant property requires different strategies and solutions.⁷

For several reasons, the Miami Valley's vacant property inventory has better potential for rehabilitation, reclamation, and reuse than that in many similar communities of the Northeast and Midwest:

- The Miami Valley's vacant properties are relatively dispersed; only a few neighborhoods in the city of Dayton have blocks with intense pockets of abandoned, burned-out, or boarded-up buildings in danger of collapse and overgrown, trash-strewn vacant lots.
- The level of vacancy and abandonment throughout the entire region (Dayton and its surrounding communities) is more moderate and manageable compared with other cities that have tremendous numbers of vacant properties, such as Buffalo, Philadelphia, and Flint, Michigan, in which vacancy ranges from 25,000 to over 30,000 vacant housing units; even compared with several of the other metropolitan regions in Ohio, Dayton and Montgomery County have fewer vacant housing units.⁸
- Many vacant (not abandoned) houses, especially in the suburban communities of Kettering, Riverside, and Trotwood, are the only vacant

buildings on their blocks; the team saw no block with four or more vacant houses; from the exterior, most of these vacant houses appear habitable, but that may change depending on how long each property remains vacant.

- Some vacant houses are located in neighborhoods in or near areas with market potential, such as the neighborhoods directly adjacent to downtown Dayton on the other side of the Great Miami river.
- Other vacant houses are historically certified or have noteworthy design features, giving them a potential role in a marketing/promotion strategy highlighting the region's unique neighborhood assets.



On the other hand, the Miami Valley faces some particular challenges and obstacles:

- *Obsolete homes:* A large number of deteriorated houses are potentially obsolete for the region's housing market. Many of these small-footprint properties were built as temporary housing after World War II. Although such homes represent a potential market for small households, the high concentration of smaller houses in some neighborhoods does not cater to a large segment of the home-buying population that seeks larger homes and sites; thus, the older, existing neighborhoods in which

these homes are found are at a disadvantage compared with outlying areas in which larger homes are being built.

- *Greyfields*: Vacant or failing malls and shopping centers are highly visible and thus create a serious obstacle to marketing the region. The largest of these greyfield sites are located on “gateway” corridors that lead from suburban communities to downtown Dayton.⁹ Even the neighborhood commercial strip in the Wright-Dunbar area, despite its historic character and architectural potential, consists primarily of empty shops.
- *The vacant property inventory of the future*: The deteriorated housing of today will become the vacant properties of the future unless aggressive actions are taken now to stabilize and upgrade and repair these structures. Dilapidated houses and rundown commercial buildings convey an impression of area-wide decline and failure that is as damaging as the presence of abandoned, uninhabitable properties. The Miami Valley’s greatest challenge is preventing this potential inventory from declining further.

Numbers and Costs of Vacant Properties

No one knows the precise number of vacant properties that exist in the Miami Valley. In the fall of 2004 housing inspectors from the city of Dayton estimated that it had about 7,000 vacant housing units and that 2,500 of these units were in

need of demolition because they were abandoned or created a public nuisance.¹⁰ Local government staff from the surrounding communities of Kettering, Fairborn, and Trotwood estimated they have several hundred vacant properties. These windshield surveys and inventories are often the best techniques that local governments have to track vacant properties.

Most communities rely on the vacant property data collected from the U.S. Census. However, the census data includes housing units that are vacant for legitimate reasons, such as for sale, for rent, seasonal use, and rented or sold, but not yet occupied. As a general rule the census categories make it difficult to identify the blighted, abandoned, and boarded-up housing units. The census does have an “other” category that might be a possible indicator of these problem properties.¹¹ Regardless of these shortcomings, the census data for Montgomery County and the city of Dayton shows a steady increase of vacant properties between 1990 and 2000 and a rather dramatic increase since 1970 (see the table below).

Better data is necessary to provide an accurate snapshot about the true magnitude of the vacant property problem in the Miami Valley. Existing information is not always consistent and it often tracks different types of property in different stages of vacancy and abandonment. For example, the census does not track vacant or abandoned commercial structures.

Total Vacant Housing Units - U.S. Census

	1970	1980	1990	2000
Dayton: Total Vacant Housing Units	3,804	9,137	7,700	9,912
% of Total Housing Units	4.5	10.5	9.6	12.8
Montgomery County: Total Vacant Housing Units	6,593	15,606	14,628	19,214
% of Total Housing Units	3.3	6.9	6.1	7.7
Ohio: Total Vacant Housing Units	175,924	274,277	284,399	337,278
% of Total Housing Units in Ohio	5.1	6.7	6.5	7.1

The societal costs of abandonment are enormous. Even one or two abandoned buildings force neighbors to tolerate eyesores that attract crime, arson, vermin, and dumping. Derelict buildings present safety and fire hazards, reduce property values, and degrade community quality of life. Rates of property abandonment as low as three percent can eliminate investment interests in communities that might otherwise have a chance at revitalization.¹² Some of the ways vacant properties cost communities include:

- *Direct costs to municipal governments* to inspect, police, clean up, demolish, and maintain vacant properties and abandoned buildings.
- A study in Austin, Texas found that police intervention was required much more often where there were vacant buildings. “Blocks with unsecured buildings had 3.2 times as many drug calls, 1.8 times as many theft calls, and twice the number of violent calls”¹³ as did blocks without vacant buildings.
- The U.S. Fire Administration reported that over 12,000 fires in vacant structures are reported each year in the United States, resulting in \$73 million in property damage annually.¹⁴
- Over the past five years, St. Louis has spent \$15.5 million, or nearly \$100 per household, to demolish vacant buildings. Detroit budgets approximately \$800,000 per year,¹⁵ and Philadelphia spends over \$1.8 million year cleaning vacant lots.¹⁶

- The city of Dayton budgets about \$3.75 million (90 percent of which is supported by Community Development Block Grant funds) per year for housing-inspection and code enforcement activities that act primarily as strategies to help prevent dilapidated properties from becoming vacant or abandoned.¹⁷ The housing inspection department estimates that for abatement of vacant properties and abandoned buildings, it will spend approximately \$500,000 as well as part of its \$1 million demolition budget, and additional costs incurred by its public works department, which maintains vacant land under city control.
- *Loss of local government revenue:* A failure to collect even two to four percent of property taxes because of delinquency and abandonment translates into \$3 billion to \$6 billion in lost revenues to local governments and school districts.¹⁸
- *Private property devaluation:* A study of Philadelphia’s neighborhoods by Temple University suggests that abandoned housing on a block can reduce the value of all other properties on that block by an average of \$6,715.¹⁹



THE ROOTS OF ABANDONMENT AND BARRIERS TO REINVESTMENT AND REVITALIZATION



Abandonment is a downward spiral of dynamic forces that is often ignited by a series of personal financial decisions and regional market forces.²⁰ It has no single, underlying cause. For most communities in the Midwest and the Northeast, the transformation away from manufacturing industries and the spread of the global economy signaled the start of the abandonment spiral, which continues today. (For a more detailed discussion of the abandonment spiral, see Appendix.) The NVPC assessment team identified several major factors that contribute to the Miami Valley's growing problems of vacancy and abandonment: (1) inconsistent and uneven patterns of growth and development beyond the region's core communities; (2) household financial crises through mortgage foreclosures and predatory lending; (3) poorly performing public schools; and (4) policy barriers that will make it more difficult to address vacant properties.

The interplay among these factors, especially for Montgomery County and the city of Dayton, generates a serious imbalance among residents, existing housing units (more housing units than people), and the number of new jobs. The regional housing and job markets will remain dysfunctional

as long as there is an oversupply of housing units and a low demand for housing in the region's core communities. Any sustainable solution to the growing problem of vacant properties will require regional responses that better manage growth and create a more positive housing market.

The Relationship of Regional Growth and Abandonment — Miami Valley on the Move

Some of the more striking features about the assessment team's regional tour were the scores of vacant houses, homes with "for sale" signs, and vacant strip-commercial and big-box retail stores. Such pervasive vacancy communicates an eerie sense that people have left town to avoid a natural disaster or perhaps an epidemic. Why are people leaving Dayton and its core communities? Where are they going? What must be done to bring them back?

Sprawling development and inconsistent, uneven distribution of regional growth are major reasons for abandonment within the Miami Valley. These conditions are further exacerbated by a stagnant economy and consistent decline in populations

since the 1970. The assessment team heard stories about residents heading toward newer communities on the fringe of the region — places that people perceive as being safer and having better schools. Studies by the MVRPC, and special presentations and reports by national experts such as Myron Orfield, thoroughly document the region's inconsistent growth patterns.²¹

The vacant property issues pose problems of regional significance in the Miami Valley as jurisdictions compete for a declining tax base. With few growth controls in place, the region has experienced out-migration from Dayton and the inner-ring suburbs, which leaves behind neighborhoods and existing infrastructure while consuming greenfields (especially the region's abundant supply of prime farmland) — a strange phenomenon of consuming more land and building new houses in a region that is losing population and jobs. Today's growth patterns indicate migration further out to the townships and outlying counties between Dayton and Cincinnati as well as to Miami County to the north.

These migration patterns illustrate the strong relationship between the region's inconsistent growth and the abandonment of its core communities.²² Any sustainable solution to addressing the Miami Valley's vacant property problems will require innovative policy measures that reduce sprawling, poorly planned growth throughout the region and perhaps even beyond it.

*The suburbs have a stake in the central city; cities have a stake in the suburbs; and rural areas are affected by cities and regions. Places that can establish strong identities for themselves, while developing relationships with their neighbors, hold the greatest promise for economic, social, and civic success.*²³

Financial and Household Instability — the Impact of Mortgage Foreclosures and Predatory Lending

Recent statistics indicate that more foreclosures have been filed in Montgomery County than in any other county in the state and that Ohio has the greatest increase in foreclosure filings than any other state in the union.²⁴ Such high rates of mortgage foreclosures indicate a tremendous inventory of potentially vacant and abandoned properties. While only a certain percentage of these filings will result in foreclosure, the current housing and financial markets do not bode well for the reclamation of such properties by legitimate, caring owners. Aggressive steps are necessary to decrease the foreclosure inventory before the properties become vacant and abandoned.

The region's foreclosure crisis is the result of several factors, such as predatory lending, unemployment, poor financial decisions, and household instability.²⁵ Unfortunately, the lack of detailed foreclosure data makes it difficult to pinpoint particular causes and to devise targeted solutions. The NVPC assessment team met with experts, county officials, and the region's community development practitioners to gather insights into the prevalence of foreclosures within Dayton and throughout Montgomery County:

- One in four houses in three zip codes within the city of Dayton is under foreclosure proceedings
- In 2004, the 372 foreclosures that were filed in September were the highest for the year.
- COUNTY CORP noticed that many of its mortgages were being paid off. Long time owners were paying off 0-4% interest loans early and trading them for 10-12 % interest loans — perhaps an indicator of trying to escape mounting debt because of job loss or predatory lending.
- In the fall of 2004, the Montgomery County Recorder's Office observed a dramatic decrease in mortgages and refinancing activity — from a

high of 1,000 to 1,700 deeds and mortgages in 2003 to 300 document filings per day.²⁶

While these statistics indicate serious financial problems for a growing number of home owners within the region, do they show a direct correlation between predatory lending and the increase in mortgage foreclosures? Does the dramatic decrease in document filings indicate that predatory lending is hibernating? To answer these questions fully, and to gain a complete picture of these complex relationships, more information and analysis are necessary.

There are several outstanding questions that require more in-depth research and data collection: How many of the vacant houses are in foreclosure? How many of those foreclosures involve recent refinancing at higher interest rates? How long does the foreclosure process generally take? How many properties do the primary lending institutions have in foreclosure, and what is the institution's policies and process for disposition? Intuitively, the region's practitioners and experts know that not all filings result in foreclosure. However, one participant summarized the prevailing mood of the region as follows: "Dayton is on the bleeding edge of a foreclosure crisis, and we do not completely understand its causes or how to treat it."

Public Schools

An evaluation of Dayton's public school system is beyond the scope of this vacant property assessment and the team's expertise. However, many of the participants whom the assessment team interviewed uniformly identified the poor performance of Dayton public schools as a major barrier to bringing families back to the city and, perhaps, even to its surrounding communities. Within the past three years, a number of national organizations have begun to document examples of community-centered public schools (K-12). Some of these pioneering school districts have



become true partners with the communities by developing affordable housing, reusing shopping malls for schools, and creating after-school recreation programs for students and residents.²⁷

Policy Barriers to Vacant Property Strategies

Implementation of any of this report's recommendations will likely confront several policy barriers. Devising approaches that overcome these structural barriers will be critical to the success of the region's vacant property revitalization strategies.

- *Multiple governmental jurisdictions and multiple departments:* Abandonment happens throughout the region and cuts across multiple jurisdictions (e.g., counties, cities, townships). Within local governments, no lead agency or department is designated to prevent, abate, or reclaim vacant properties; the issue of vacant property revitalization does not "belong" to any single entity. As a result, government resources to address this issue are fragmented and less effective than they could be.
- *Time-consuming and/or expensive site control:* In the Miami Valley, as in other regions, many of the vacant properties are owned by the estates of deceased individuals, by persons who left the



Waging a Regional Campaign against Vacant Properties

Vacant properties are difficult to address. They involve a complex web of interwoven political and economic issues and technical policies. The Miami Valley's leaders and residents confront three fundamental choices on the immediate horizon:

- *Do nothing:* If the Miami Valley fails to take any action, the problem will only get worse. The region's large inventory of vacant properties will become abandoned if nothing is done. Dayton could eventually have as many abandoned housing units as Buffalo, Cleveland, or Detroit.
- *Maintain existing strategies:* Current local government and non-profit programs and policies stabilize a few neighborhoods and moderate the rate of abandonment. The independent actions of these different entities essentially maintain existing conditions, but they do not address the underlying root problems of vacancy and abandonment.
- *Fundamentally change the game:* For long-term success, the Miami Valley must implement a cohesive, regional vision for future growth and development. It must further preserve its traditional housing stock, decommission the oversupply of housing units and infrastructure, and attract businesses and people back to the core communities.

The challenge for the Miami Valley today is to find a way to systematically address these complex problems. Now is the time to launch a regional campaign to revitalize and reclaim vacant and abandoned properties as the cornerstone for reinventing the Miami Valley. Any successful campaign must have a blueprint and action plan that strategically deploys the region's resources across the three major fronts of vacancy and abandonment: 1) prevention and stabilization; 2) acquisition, demolition, and decommissioning; and 3) regional development and sprawl.

area long ago, by businesses that moved away or dissolved, or by out-of-town investors or lenders. Relatively few vacant properties are owned by government entities, and the process of acquiring these properties for subsequent development and reuse requires a substantial public sector commitment.

- *Lack of dedicated and available government funding:* No federal or state programs provide local governments in Ohio with sufficient funding to address vacant properties as a discrete policy issue. Recent political discussions in Columbus threaten to decrease general revenues for local governments statewide. President Bush's pending budget authorizes dramatic decreases in the Community Development Block Grant (CDBG) program that local governments have traditionally relied upon for vacant property acquisition, demolition, code enforcement, environmental remediation, and the cost of new construction or rehabilitation activities. To the extent that local governments have committed a significant amount of CDBG funding to address the problems of property abandonment, fewer of these resources will be available to support other prevention programs and services.²⁸



A DRAFT BLUEPRINT FOR REVITALIZING AND RECLAIMING VACANT PROPERTIES IN DAYTON AND THE MIAMI VALLEY



Over the course of the assessment process, team members made several trips to brief area leaders and to highlight examples and lessons learned from other communities that have rebuilt neighborhoods through vacant property revitalization. Building on the successful experiences of these communities, the assessment team offers the following blueprint as a guide for the Miami Valley's leaders. The blueprint's seven major policy themes holistically address the multiple facets of this complex problem — the three fronts of the region's vacant property campaign. Underneath these themes, the assessment team devised roughly twenty-five policy recommendations with over sixty specific ideas for action. The links listed after each policy theme connect to a more in-depth discussion of the recommendations and action steps for that particular theme. The assessment team did not prioritize these recommendations or identify specific entities that should take the lead in bringing these ideas to fruition. Such important decisions can rest only with the Miami Valley's leaders and its residents.

Initially, this comprehensive list may appear overwhelming, but not all of these steps can be taken at once. Many of the proposed actions are simple, short-term adjustments to existing activities that rely on existing resources and laws. Other steps may take some time and may require more resources or restructuring. However, the Miami Valley's communities should not wait to initiate these longer-term reforms. Start the preliminary work today so these structural solutions will exist three to five years from now, as the problems of abandonment and vacancy will likely only get worse.

The NVPC assessment team recommends the following seven fundamental policy steps as a blueprint for successful vacant property revitalization and reclamation:

1. Define and Document the Region's Vacant Property Impacts and Obstacles
2. Leverage and Build upon Existing Assets and Initiatives
3. Develop a Regional Real Property Information System and a Network of Neighborhood Revitalization Plans

4. Use Rehabilitation and Housing Assistance Resources to Prevent and Stabilize Substandard and Vacant Properties within the Region's Core Communities
5. Develop Comprehensive Code Enforcement Strategies to Prevent and Stabilize Substandard and Vacant Properties within the Region's Core Communities
6. Establish a Land Bank or Urban Land Trust to Reclaim Abandoned Properties
7. Create a Comprehensive Vision and Policy Action Agenda to Guide Regional Development

Principles of Vacant Property Revitalization and Reclamation

Portfolio of Programs and Policies: Because deterioration and abandonment are complex, multi-faceted, and stretch across boundaries within the Miami Valley, policymakers will need a wide range of programs and policies that address different aspects of vacant properties, such as real property information systems, prevention and preservation strategies (e.g., code enforcement, home ownership training, renovation resources) along with acquisition and land-assembly programs that reclaim abandoned properties consistent with neighborhoods plans.

Regional Collaboration and Coordination: Vacant property revitalization will also require a regional effort. Government officials, along with nonprofit, civic, community, and business leaders must coordinate and collaborate on making vacant property revitalization and reclamation a top priority. Before the problems of abandonment get worse, these regional leaders must reach consensus on a set of comprehensive policies and then allocate resources to priority communities and neighborhoods based on these plans.

Patience and Long-Term Commitment: The steady pace of decline and disinvestment happened over the course of several decades. Because real estate investment and redevelopment activity take a few years before they reach a critical mass or tipping point, communities must make an enduring commitment to reclaim vacant properties as a long-term economic development priority.

Leadership and Management: Successful vacant property revitalization also demands strong leadership and capable management. In Baltimore, Maryland, Mayor Martin O'Malley challenged his staff to acquire a minimum of 5000 tax delinquent and abandoned row houses that subsequently evolved into the Project 5000 campaign. Mayor Street from Philadelphia led the way in creating its Neighborhood Transformation Initiative. Even in smaller cities and towns, such as Reading or York, Pennsylvania, the mayors, council-members, and town managers have become the driving forces for taking aggressive steps against vacant properties. Behind the scenes all of these leaders were supported by expert staff — department directors, municipal managers, and legal counsels — who devised innovative solutions to many of the technical legal and policy issues that always arise when addressing vacant properties.

1. DEFINE AND DOCUMENT THE REGION'S VACANT PROPERTY IMPACTS AND OBSTACLES

Supplemental information and more detailed research are necessary for a thorough understanding of the complexities of the region's vacant property problems. People sense that abandonment is getting worse, but they need supplemental information about the causes, the indicators, and the impacts. Accordingly, Miami Valley communities should gather more information so they can address the full dimensions and root causes of abandonment. If they could inventory the local government's assets, existing programs, and resources and then chart the region's vacant property impacts, these communities would essentially have a roadmap of the vacant property battleground. Graphically displaying such information is critical before engaging in a regional campaign against vacant properties so that policy-makers can strategically move the right resources to the appropriate battle lines. Miami Valley policymakers should also conduct further legal and policy analysis about the barriers that will likely prevent practical solutions from being adopted and effectively implemented.

Policy Recommendation: Inventory all existing housing, planning, social service, and community and economic development resources, grants, programs, and projects.

Policy Recommendation: Design a GIS map of the level and location of all public and nonprofit investments throughout the Miami Valley (with special emphasis on Dayton and the core communities).

- **Action Item:** Local universities and/or the MVRPC, working closely with the region's local governments, nonprofits, and business organizations, could inventory existing programs.
- **Action Item:** Collect data for the past five years (perhaps include data from proposed FY 2006 budgets) on all public and nonprofit expenditures for relevant community and economic development, housing, and

planning programs and policies that have some connection to vacant properties and abandonment (ranging from HOME funds to code enforcement resources).

- **Action Item:** Create a GIS map that overlays all of these resources and programs to determine the location of existing priority communities and projects.
- **Action Item:** Using the data from this inventory and mapping exercise, develop policy goals for addressing the problems associated with vacant properties and abandonment.
- **Action Item:** Develop performance measures (e.g., the number of reclaimed vacant properties and the number of first-time home buyers) to track improvements.

Policy Recommendation: Research and analyze further the causes and the social and economic costs of abandonment and vacancy, especially the role played by predatory lending, mortgage foreclosures, and personal bankruptcies.

Policy Recommendation: Research abandonment and its relationship with the regional economy and financial markets.

Policy Recommendation: Research further the legal and policy barriers that prevent implementation of the policy solutions proposed in the NVPC assessment report.

- **Action Item:** Local universities and/or the MVRPC working closely with local governments, nonprofits, and business organizations could search for relevant studies, coordinate necessary data collection, and conduct the analysis.
- **Action Item:** Experts from the NVPC, working closely with its host advisory committee, could conduct supplemental research on the policy and legal barriers for any of the recommendations set forth in this preliminary assessment report.

For further analysis of this policy theme and for examples of model practices and programs from other communities, go to www.mvrpc.org/vacantproperty.

2. LEVERAGE AND BUILD UPON EXISTING ASSETS AND INITIATIVES

Communities need to rely on its assets and build upon its strengths. They should do what they do well, do it better, and do more of it. Of the many revitalization initiatives occurring within the Miami Valley, two initiatives caught the assessment team's attention: (1) using universities, hospitals, and schools as reinvestment anchors; and (2) revising general plans and modernizing local zoning codes to facilitate revitalization. Both strategies can help communities stabilize transitional neighborhoods and can encourage the return of private investment back to the region's core neighborhoods.

Universities, Hospitals, and Schools as Anchors of Reinvestment: The Miami Valley academic and health care institutions can play important roles in stimulating investment and development, especially in adjacent neighborhoods. In light of the number of institutions located in the region and their status as major employers and owners of real estate, these entities could serve as the centerpieces of a regional reinvestment strategy. In collaboration with the non-profits COUNTY CORP and CityWide, city and county officials, local banks, adjacent neighborhood groups, and academic and health care institutions have already started to anchor redevelopment:

- *Miami Valley Hospital — The Genesis Project:* Since the project began in 2000, the hospital has removed 41 structures, rehabilitated 11 single-family houses, and constructed 23 new houses in the Fairgrounds neighborhood and Brown-Warren Business District.
- *Good Samaritan Hospital — The Phoenix Project:* Preliminary plans call for redeveloping the greater Fairview neighborhood over the next five years by improving home ownership through new construction and rehabilitation of single-family homes and improving the commercial areas that serve as gateways to the hospital.
- *United Theological Seminary:* Last year's sale of

the Jewish Federation Center to the United Theological Seminary provides Trotwood with an opportunity to expand and link the future seminary and its eighty-acre campus with the city's plans to revitalize the Salem Avenue corridor and the current Salem Mall.²⁹

Similar anchoring strategies for local universities and hospitals could also extend to public and private schools (K-12). Successful neighborhood schools can serve as catalysts for community revitalization and economic development. Several cities across the nation are leveraging the policy momentum for public school reform as a way to engage neighborhoods and municipal leaders in revitalization.³⁰ In fact, Dayton public schools have begun a pilot project to revitalize five schools as community centers.³¹

Policy Recommendation: The Miami Valley academic and health care institutions should serve as the centerpieces of the region's overall economic and community development strategy.

- **Action Item:** Business leaders, foundations, and policy makers, together with university presidents, school district officials, and health care CEOs should convene a roundtable to identify concrete ways to expand and enhance existing initiatives for stimulating reinvestment and development within those neighborhoods that exist within and near the spheres of institutional influence.
- **Action Item:** Identify and seek out other potential institutions, such as regional and local churches, representatives from Wright Patterson AFB, and Wright State University, and engage their leadership in a dialogue on ways in which these institutions could facilitate revitalization and redevelopment in adjacent neighborhoods.
- **Action Item:** Consider the possibility of locating and building satellite institutional facilities on vacant and abandoned properties, especially in those neighborhoods that have histories of institutional support.

Reform Zoning Codes and Comprehensive Plans to Facilitate Vacant Property Revitalization:

For the past three years, the city of Dayton has engaged in a collaborative process to modernize its thirty-five-year-old zoning code. Having a modern zoning code and a more efficient approval process can provide developers with greater certainty and can help attract private reinvestment back to the city. A new zoning code can also support the framework for a series of neighborhood reinvestment plans. Local governments throughout the Miami Valley should consider modernizing their zoning codes as a way to attract private reinvestment back to its core communities and neighborhoods.

Vacant property revitalization and reclamation should also be incorporated into local comprehensive plans. Dayton's Citi-Plan 2020 already provides a solid planning foundation by establishing a series of city-wide goals that city officials regularly monitor and update.³² Revising this plan so that it includes policy objectives that specifically address vacant properties can provide a measure of institutional guidance to ensure that revitalization and reclamation remain a top priority. Several jurisdictions within the Miami Valley, such as Trotwood and Kettering, have recently revised their comprehensive plans or are in the process of doing so. These revised plans should include specific goals and policy guidance on revitalizing vacant properties.

Policy Recommendation: The city of Dayton should adopt the pending update of its zoning code and should provide sufficient training and education for its staff and the development community so that everyone can easily understand and use the new code.

Policy Recommendation: Borrowing from Dayton's experience in modernizing its zoning code, other jurisdictions within the Miami Valley should consider revising their codes to foster and facilitate revitalization of vacant properties within certain core neighborhoods and districts.

- **Action Item:** Convene a series of local workshops that will explore Dayton's revised zoning code in depth, and schedule a session at the next Miami Valley Planning and Zoning Workshop, to be held in December 2005.

Policy Recommendation: The city of Dayton and its core communities should amend existing strategic and land-use plans (comprehensive and community-wide) with explicit policy objectives that address vacant properties; these plans should also refer to the network of neighborhood revitalization plans.

- **Action Item:** Schedule a session on amending comprehensive plans with specific vacant property goals and objectives for the next Miami Valley Planning and Zoning Workshop, to be held in December 2005.

For further analysis of this policy theme and for examples of model practices and programs from other communities, go to www.mvrpc.org/vacantproperty.

3. DEVELOP A REGIONAL REAL PROPERTY INFORMATION SYSTEM AND A NETWORK OF NEIGHBORHOOD REVITALIZATION PLANS

The region's campaign against vacant properties will require two essential pieces of infrastructure: (1) real property information systems and (2) neighborhood revitalization plans. An effective information system is critical to support all of the recommendations and actions set forth in this blueprint. A city-wide or county-wide real property information system could easily provide policymakers and the community with access to critical data (e.g., inventory of vacant properties, tax delinquencies, foreclosures, and ownership information). Such a system can also capture a temporary snapshot of existing conditions and monitor progress over the course of the vacant property campaign. The local government should take this information and engage residents, planners, community development practitioners, and nonprofit organizations to craft a series

of neighborhood plans that will guide existing resources to the neighborhoods with the greatest potential for successful revitalization.

A County-Wide Neighborhood Information System (NIS): All prospective developers initially ask the same questions about vacant properties in a particular city: What are the addresses of vacant properties in the city? What are their dimensions and other physical characteristics? Who owns them? Which ones are tax-delinquent? Public-agency staffs that manage public services (such as code enforcement) need to obtain some of this information as well. Nonprofit and neighborhood-based organizations that are engaged in planning and development activities also benefit from ready access to this information.

A neighborhood information system (NIS) is a resource for providing this information online. Using the system, a person who is interested in opportunities to develop vacant property on a specific block, or in a particular neighborhood, would be able to review public records associated with any property in that location. In neighborhoods where vacancy surveys have been completed, survey information can be integrated into the NIS so that community members can be informed about the addresses of vacant properties.

The Miami Valley local governments should pursue a collaborative approach with the county to create an NIS for the overall region. The core of a Miami Valley NIS should be a database of address-specific municipal and county real estate records, linked to a property-line GIS application. Such a system would enable a user who types in a specific address to view a property-line map display of the property in the context of its immediate surroundings (i.e., boundaries of adjacent and nearby properties, streets, and intersections) as well as information extracted from public records. This information could include property dimensions, zoning, owner names

and addresses, last sale dates and prices, assessed values and annual real estate taxes, and any tax-delinquency and code-violation histories.

Policy Recommendation: Design and develop a neighborhood information system for Dayton and the county's core communities; this preliminary effort could serve as a pilot project for a subsequent regional real property information system.

- **Action Item:** Convene a working group from the county and cities within the region to define the scope of the collaborative effort and develop data-sharing standards.
- **Action Item:** Designate an entity or data intermediary to manage and maintain the real property information system network.
- **Action Item:** Coordinate with the upcoming MVRPC GIS enhancement project.
- **Action Item:** Host a special NIS summer workshop with national experts from the University of Pennsylvania.

A Network of Neighborhood Revitalization Plans: Real property information systems build the foundations for action. Meaningful neighborhood planning then translates this information into action. These plans provide a neighborhood focus that subsequently serves as the basis for a network of community revitalization plans that could potentially guide citywide (and perhaps even regional) reinvestment and economic development strategies. Effective community-driven neighborhood planning generally involves several important interrelated elements:

- Neighborhood information and indicators through the use of census data, municipal records, real estate market data, and other information that is needed in order to evaluate development potential and to identify, implement, and monitor strategies designed to take advantage of available opportunities
- A classification or typology of neighborhoods based on a market analysis of regional and local

housing markets so that revitalization plans are based on opportunities and constraints associated with neighborhood, local, and regional real estate markets

- Collaborative involvement techniques that engage leaders in local governments, businesses, and institutions, as well as residents and community leaders, in the planning process
- Transparent public process to select strategic neighborhoods and subsequent targeting of resources.

Policy Recommendation: Create a classification of different neighborhood types based on common characteristics, assets, and attributes.

- **Action Item:** Build on the preliminary neighborhood classification work of Dayton's Neighborhood Investment Framework (1996) and the Zoning Code Update (2004).
- **Action Item:** Devise criteria for developing the neighborhood typologies.
- **Action Item:** Using GIS technology, apply the neighborhood typology to neighborhoods, or collections of neighborhoods, so that local jurisdictions can more strategically deploy resources and funds (e.g., CDBGs).

Policy Recommendation: Create a network of neighborhood revitalization plans for Dayton and other core communities within the Miami Valley.

- **Action Item:** Base these plans on the vacant property information system and neighborhood typology.
- **Action Item:** Design a collaborative process that accommodates the interests and goals of the region's elected leaders as well as the interests and support of community groups, business leaders, CDCs, and civic and neighborhood leaders.
- **Action Item:** Consider hiring a professional facilitation team that is experienced with community and neighborhood visioning to engage the community in the neighborhood planning process.

Policy Recommendation: Target relevant community development programs and resources based on these neighborhood plans.

- **Action Item:** Deploy limited public and nonprofit resources according to these plans, and set priorities for more effective revitalization programs.
- **Action Item:** Reallocate public and nonprofit resources (starting July 1 of FY 2006) to those priority neighborhoods identified in the reinvestment plans.

For further analysis of this policy theme and for examples of model practices and programs from other communities, go to www.mvrpc.org/vacantproperty.

4. USE REHABILITATION AND HOUSING ASSISTANCE RESOURCES TO PREVENT AND STABILIZE SUBSTANDARD AND VACANT PROPERTIES WITHIN THE REGION'S CORE COMMUNITIES

With the necessary infrastructure (information systems and neighborhood plans) in place, the region is now ready to tackle the first front in its campaign against vacant properties — preserving what it has and stabilizing those substandard housing units in traditional and transitional neighborhoods. No doubt, some of the region's obsolete housing stock will require demolition, but Dayton and its core communities have plenty of housing that is worth preserving. Beyond rehabilitation of the buildings, the region will need to assist landlords and single-family property owners so that they can become more effective managers and owners. It also will need to aggressively protect and counsel home owners from the threats of mortgage foreclosures and predatory lending.

Coordinate and Target Community Development Resources to Preserve and Rehabilitate Vacant Properties:

Dayton and its core communities have a myriad of public and nonprofit programs that facilitate the preservation and rehabilitation of homes

and multi-family dwellings. Led by COUNTY CORP and CityWide, these and other community development organizations counsel new home owners and landlords, provide repair and rehabilitation-assistance grants, and develop affordable housing. The Miami Valley Fair Housing Center (MVFHC) protects families against the effects of predatory lending. Montgomery County and the cities of Dayton and Kettering have similar housing assistance programs along with public-housing agencies that manage state- and federally- subsidized housing efforts. Long-term effectiveness of these independent efforts could be improved by more regional and local coordination of all resources to certain targeted neighborhoods and communities. The goal is to get the right mix of resources to address the relevant housing and vacant property problems in those neighborhoods that have the greatest revitalization potential.

Policy Recommendation: Inventory and map the region's community and economic development resources and programs as a way to leverage and coordinate resources.

- **Action Item:** Compile all programs listed in HUD's consolidated plans for Montgomery County and Dayton, and then work with the region's community and economic development organizations to ensure a complete inventory of the region's public, nonprofit, and private sector resources and programs.
- **Action Item:** Create a GIS map to determine the existing and the ideal locations for these public, non-profit, and private resources.
- **Action Item:** Share the GIS map with economic and community development policymakers throughout the region.

Preserve the Region's Traditional Housing Stock and Reclaim Obsolete Housing: The region's traditional housing stock is an important asset that is worth preserving. With few exceptions, the majority of the region's housing stock appears to be in good shape. A concerted rehabilitation initiative could target

resources to those homes and neighborhoods with the greatest reinvestment potential. Beyond providing home owners with rehabilitation resources, successful housing preservation programs often require special zoning and building-code rules along with design guidelines and technical assistance.

Obsolete housing built during and right after World War II also presents a host of policy challenges for the region's core communities. Scattered throughout the Miami Valley, these small bungalow homes (each less than 1,000 sq. ft.) seem obsolete for most of today's housing market; they are often more difficult to market and rent, and thus are more likely to become vacant. The region's housing and real estate leaders should determine whether a market exists for these small homes and, if so, work with neighborhood residents on innovative ways to repair and redesign them. In other regions of the country that have stronger housing markets, such bungalows have become attractive housing for many residents. Unfortunately, the existing weak demand for housing in the region's core communities will not support the oversupply of obsolete housing types. Policymakers, working closely with neighborhood groups, will need to devise equitable approaches for targeted demolitions of some obsolete housing along with providing some level of relocation support.

Build the Capacity of Landlords and Single-Family Property Owners to Become More Effective Property Managers and Owners: Beyond providing the resources that facilitate repair of the physical structure, effective revitalization programs must also assist the landlords, property managers, and owners with the basic skills of home ownership and property management. COUNTY CORP, Montgomery County, and the city of Kettering have an array of special programs to help responsible owners of multi-family buildings maintain their properties in sound and financially viable conditions, including (1) low-interest

loans on reasonable terms to enable owners to refinance existing debt and finance improvements, and (2) training programs for owners and managers of rental housing, as well as technical assistance and mentoring.³³ Home-repair loan programs are another housing preservation strategy that can address the special needs of single-family home owners, especially senior citizens on fixed incomes or those with difficult financial circumstances.

Address Predatory Lending and the Region's Foreclosure Crisis: Mortgage foreclosures have reached epidemic levels throughout Montgomery County. The region's foreclosure crisis is the result of several factors, such as predatory lending, job loss, poor financial decisions, and household instability. COUNTY CORP, CityWide, and several local governments (e.g., city of Kettering) have instituted programs that counsel home owners and educate the public about sound financial decision making.³⁴ Currently, only the Home Ownership Center and the Miami Valley Fair Housing Center help home owners facing foreclosure and investigate predatory lending strategies. These programs are essential to address the multiple factors that underlie the current foreclosure crisis.³⁵ Given the region's high rate of foreclosures, state and local policymakers should expand these assistance and guidance programs to meet the increasing demand. Beyond counseling and education, state policymakers need to take aggressive steps to protect Ohioans against unscrupulous real estate and financial transactions. Dayton and the region's core communities must continue taking aggressive actions to address the foreclosure crisis, or the vacant homes of today will become the abandoned homes of the tomorrow.

Policy Recommendation: Expand home ownership and consumer-education assistance programs to combat the current foreclosure crisis and its relationships with predatory lending.

- **Action Item:** Support the existing county-wide predatory lending assistance network

currently led by the Home Ownership Center and MVFHC.

- **Action Item:** Inventory the number of predatory lending-related programs and entities in the region (i.e., Montgomery County and beyond), and bring together representatives of these entities to brainstorm possible collaborative activities.
- **Action Item:** Enhance existing coordination among the many independent public and nonprofit programs designed to assist home owners who are in foreclosure.³⁶

Policy Recommendation: Petition the Montgomery County prosecuting attorney and the Ohio attorney general to create a special housing-fraud prosecution unit to hunt down and prosecute those who are engaged in fraudulent real estate transactions.

- **Action Item:** Gather stories, document evidence, and collect information about fraudulent practices to build the case for a special prosecution task force headed by the prosecuting attorney and/or attorney general.
- **Action Item:** Encourage the county prosecutor's office to coordinate prosecutions with MVFHC's intervention strategy on civil cases through a more aggressive pursuit of loan flipping.

For further analysis of this policy theme and for examples of model practices and programs from other communities, go to www.mvrpc.org/vacantproperty.

5. DEVELOP COMPREHENSIVE CODE ENFORCEMENT STRATEGIES TO PREVENT AND STABILIZE SUBSTANDARD AND VACANT PROPERTIES WITHIN THE REGION'S CORE COMMUNITIES

Any effective campaign against vacant properties will also demand a more comprehensive set of code enforcement strategies and tools. Transitional neighborhoods often need a balance of code-compliance and enforcement strategies along with rehabilitation resources

and repair programs. Some of these tools, such as registration ordinances and vacant property coordinators, are more regulatory in nature. They seek code compliance of substandard housing units, many of which are single-family, owner-occupied homes. Other enforcement tools, such as civil law remedies (e.g., injunctions and receivership) and environmental courts, target the more complex cases that demand swift and fair legal actions. As vacant properties exist throughout the Miami Valley, compliance and enforcement activities could benefit from regional coordination and training.

A Miami Valley Code Enforcement Council or Regional Code Network: The major enforcement entities engaged with housing-code cases and vacant properties could establish routine communications and better coordinate compliance and enforcement strategies with community development practitioners and programs throughout the region. Such a network might also build consensus around enforcement priorities, work together on serious cases, target neighborhoods, and develop a longer-term agenda for reforms at the state and local levels. Beyond regular meetings, they could also consider creating a password-protected listserv to discuss issues and solve problems routinely. It could also fill the void left behind by the closing of the Combined Health District's housing-enforcement program along with sharing of expertise and resources across jurisdictions throughout the region. Given the work it has done on code enforcement and the rental inspection ordinances, perhaps the Mayors and Managers Association could convene and initially host the code network and MVRPC could coordinate training.³⁷

Policy Recommendation: Create a regional code enforcement council or network that can facilitate the sharing of strategies, provide investigation assistance, and conduct region-wide training and education.³⁸

Vacant Property Registration Ordinances and Rental Inspection Ordinances:

Several municipalities in Ohio have adopted vacant property registration ordinances — most notably Columbus and Cincinnati. (Cleveland's ordinance is still under consideration.). Registration ordinances basically require owners of properties that have become vacant or abandoned for a certain length of time (e.g., six months or longer) to formally register with the local government. Such registration ordinances provide the local government with a point of contact, in case the property becomes a public nuisance, and encourage the owner to devise a timely rehabilitation plan by imposing a sliding fee — the longer the property remains vacant, the greater the fee.

A number of cities in Ohio and throughout the country have such ordinances that require inspections at the time of sale or change of occupancy of the rental unit. By requiring regular and routine inspections of rental properties, the owner and property manager are more likely to maintain the property in better condition. Communities with routine inspection programs, such as Kettering and Trotwood, credit these ordinances with helping them to prevent substandard rental housing and apartments.

Policy Recommendation: Promote, adopt, administer, and evaluate uniform/model rental housing inspection and vacant property registration ordinances.

- **Action Item:** Discuss, evaluate, and promote these ordinances through regional workshops and policy dialogues among landlords, public officials, and inspection staff.
- **Action Item:** Offer regional training for landlords and local government staff members in those cities that adopt such ordinances.
- **Action Item:** Establish guidelines and general performance measurements for program and ordinance effectiveness; monitor inspection and registration ordinances and conduct annual assessment reports.

Vacant Property Task Forces and Special Enforcement Teams: Consistent with the notion of regional collaboration, individual jurisdictions could also benefit from more integrated code strategies to address vacant properties. Typically, the housing inspection departments fashion the local governments' vacant property programs and policies. However, they need the expertise and cooperation of other critical departments and agencies (e.g., city managers, municipal law offices, police departments, and fire departments) nonprofit community development organizations, citizen committees, and real estate and apartment-owner associations. These task forces can focus on broad policies and/or the investigation and enforcement of specific types of cases or projects.

Dayton and the surrounding local governments might wish to adopt such a team approach for handling complex vacant property cases that demand special expertise and for reinvigorating

existing enforcement procedures. These teams could also work across jurisdictions where staff from the larger cities could lend a hand with a complex investigation in smaller towns. Moreover, such a regional vacant properties team could include law enforcement investigators who can tap a variety of law enforcement databases to track down deadbeat property owners just as they track down deadbeat fathers.

Vacant Property Coordinators: For smaller municipalities and townships, having a vacant properties-investigation team or enforcement unit might not be practical. Another alternative would be to create a vacant-properties coordinator who liaisons among the various departments, agencies, and property owners. Such coordinators generally take more of a compliance approach than one of enforcement. They provide a point person for staff within the local government and a point of contact to work with single-family home owners, realtors, landlords, and neighborhoods.

Dayton's Housing Task Force (2004-2005)

The city of Dayton recently brought together home owners, priority board members, representatives from banks, realtors, and community development organizations as a task force to review the city's existing housing enforcement strategies. In October 2004, the Dayton City Commission approved many of the task force's recommendations and gave city staff six months to implement these ideas.

- **Policy Recommendation:** The city of Dayton should implement the housing task force's recommendations and monitor the housing inspection department's progress as to (1) the demolition and boarding of abandoned buildings, (2) compliance strategies for poorly maintained properties, and (3) the enhancement of existing code enforcement processes.
- **Policy Recommendation:** The city of Dayton should develop a strategic demolition plan that concentrates the 175 structures slated for demolition in 2005 into one or two priority neighborhoods.
- **Policy Recommendation:** The city of Dayton, working in partnership with other municipalities in the region and throughout the state, should develop legislation that amends the definition of vacant and abandoned property consistent with new legislation recently enacted in the state of New Jersey.
- **Action Items:** Dayton should document the lessons learned from its housing task force, make course corrections or enhancements as necessary, and share these experiences with other jurisdictions as part of a regional vacant-properties/code enforcement workshop or symposium.

Civil Enforcement Remedies: Many of these code strategies are designed to bring occupied substandard properties into compliance with local codes, thereby preserving the housing stock and preventing it from becoming vacant or abandoned. Unfortunately, not all property owners abide by the laws or follow customary practices of reinvesting and repairing their properties. For such problem properties, Dayton and its core communities tend to rely on administrative enforcement hearings and criminal prosecutions. Such enforcement remedies generally work for the majority of enforcement cases, but in some instances these penalties and the powers of the court or hearing body are insufficient to gain compliance. In such complex cases, civil enforcement remedies, such as the appointment of receivers, assessment of civil penalties, and issuance of injunctions and court orders, may be a more effective remedy.

Policy Recommendation: Expand the use of civil enforcement actions in a variety of cases against landlords and property owners with violations of property maintenance and housing codes.

- **Action Item:** Develop a practice guide or manual on ways to investigate and prepare a civil injunction case for housing code violations.
- **Action Item:** Meet with local judges to ensure that they are aware of the process and the strategic effort to file more civil cases.
- **Action Item:** Train legal and housing inspection staff members on the use of civil enforcement actions and receivership; collect model pleadings from other municipal law offices in Ohio.
- **Action Item:** Draft a set of case-management guidelines for the processing of receivership and civil injunction cases.
- **Action Item:** Assign a special group of existing staff members (law and housing) to handle civil enforcement and receivership cases.
- **Action Item:** Build a local network of public, private, and nonprofit organizations that have an interest in acting as receivers

of substandard and abandoned buildings; this may require several of the region's community development corporations (CDCs) to shift their attention away from land assembly and new housing development toward rehabilitation and receivership.

- **Action Item:** Identify and procure dedicated funds to support actual receivership and rehabilitation; in the short term, perhaps obtain seed funding from the local foundations that could support a handful of CDCs acting as receivers.³⁹

Countywide Environmental/Housing Courts:

Six years ago, a taskforce from various Miami Valley local governments spent six months considering the feasibility of an environmental court. They looked at different court structures and developed possible options and scenarios. The idea did not take hold, given tight budgets, general reluctance by the state and county judges to create a new court, and concerns of insufficient case loads. Given the rise in vacant properties throughout the region and the general effectiveness of the different code enforcement agencies, the conditions seem ripe for revisiting a countywide environmental court. Beyond having special expertise with housing and land-use enforcement matters, judges from environmental and housing courts in places such as Cleveland and Memphis have become active champions of community-revitalization and blight programs. They can also fashion more equitable court remedies for single-family property owners who cannot afford to repair their homes.

Policy Recommendation: Explore the feasibility of creating a county-wide environmental court that could hear a broad range of housing, land use, and environmental health-related enforcement cases, and fashion criminal and/or civil remedies, depending on the filing of the action.

- **Action Item:** Evaluate the changes in policy and budgets since 1998, and the impact of an increasing caseload of blighted and vacant properties throughout Montgomery County.

- **Action Item:** Evaluate the current code enforcement caseload of Dayton and its surrounding communities to determine the types of cases that might be appropriate for an environmental court; evaluate court dockets of judges who have special calendars devoted to hearing existing housing and land-use cases.
- **Action Item:** Convene a new, broader task force, commission a more complete analysis and report of the existing models within Montgomery County, and compare these models with housing/environmental court models of other cities throughout the country.
- **Action Item:** Coordinate a study visit with regional policy makers and judges by environmental/housing court judges from Cleveland, Memphis, and Indianapolis.

For further analysis of this policy theme and for examples of model practices and programs from other communities, go to www.mvrpc.org/vacantproperty.

6. ESTABLISH A LAND BANK OR URBAN LAND TRUST TO RECLAIM ABANDONED PROPERTIES

Beyond policies and programs that prevent and stabilize vacant properties, the region must also address the second front in its campaign against vacant properties — reclaiming the obsolete housing and truly abandoned, and often tax-delinquent, properties. Dayton has far more housing units than households; with a relatively weak housing market in the city and strong demand for housing in the region’s outlying communities, its surplus of housing infrastructure will persist. As long as the core markets remain dysfunctional, the entire region will suffer. The Miami Valley’s policymakers, business leaders, and nonprofit organizations will need to repair the regional markets by simultaneously attracting more people back to the core communities and by decreasing the surplus housing stock and infrastructure. Sporadic demolition of abandoned housing is a good first step. However, tackling this second front in the region’s campaign against

vacant properties will require a more systematic approach to demolition.

Building on successful models from other communities, the Miami Valley should establish a land bank or urban land trust that could provide the legal and policy framework to tackle the surgical demolition of abandoned properties (e.g., those that are tax-delinquent or seriously blighted) in certain strategic neighborhoods, consistent with community-driven neighborhood reuse plans.⁴⁰ As long as housing demand remains weak, the land bank or land trust will need to explore alternative reuse options, such as transforming a large percentage of these abandoned properties into networks of greenways, trails, community gardens, pocket parks, and recreational open spaces.

Land Banks: Over the past thirty years, land banks have emerged as powerful tools for converting vacant and abandoned properties into assets for community revitalization. Depending on the powers granted under state law, land banks generally acquire and assemble multiple, abandoned properties for redevelopment by responsible nonprofit and private developers. Land banks take on the initial risk of preparing land in areas with uncertain real estate markets. They help community pioneers reestablish footholds in transitional neighborhoods, thereby attracting more private investment until the housing market and, ultimately, the neighborhood is rebuilt.⁴¹ Through legal processes such as tax delinquency and foreclosure, land banks generally acquire blighted properties within a neighborhood that owners have substantially neglected or abandoned. After acquiring these properties, a few land banks then engage in strategic planning by working with neighborhoods to devise reclamation plans that fit community visions.

Community Land Trusts: Dayton and its core communities should also explore the dimensions of a community land trust as a way to infuse community development goals and

principles in their reclamation of vacant property. Land trusts are typically local, regional, state-wide, and national organizations that protect lands that have natural, ecological, recreational, scenic, historic, or productive value. The Miami Valley region includes several conservation land trusts, such as the Three Valley Conservation Trust and the B-W Greenway Community Land Trust.⁴²

Land trusts are also nonprofit corporations that own land for various smart growth goals, such as protecting farmland and open space from development, the greening of vacant lots in urban neighborhoods, revitalizing contaminated brownfields, and providing affordable housing through land leases.⁴³ For example, The Trust for Public Lands assists communities in adapting trusts for community revitalization of urban parks and riverfronts.⁴⁴ Boston's Dudley Street Neighborhood Initiative adopted the land trust model as part of its successful revitalization of abandoned properties throughout this historically distressed neighborhood.⁴⁵ Scenic Hudson, an environmental advocacy organization and land trust located in upstate New York, has added to its traditional conservation mission by strategically acquiring, remedying, and developing environmentally progressive projects for derelict riverfront sites.⁴⁶

The Greening of Dayton's Core

Neighborhoods: Any community land trust or land bank will soon confront the region's surplus of housing units and land, especially within the city of Dayton. While some of this land will be ripe for immediate redevelopment, a large percentage of it will not be ready for several years. Policymakers will need to consider alternative and creative reuse options, such as transforming these abandoned properties into a network of greenways, trails, community gardens, pocket parks, and recreational open space. The land bank or land trust should decommission the housing infrastructure in certain neighborhoods so that it more closely aligns with Dayton's existing population and growth projections, and it should

then rebuild these places with networks of green infrastructure that will increase the livability and marketability of these neighborhoods.⁴⁷ All of these reclamation efforts must be driven by the residents of these neighborhoods.

Through a greenprinting planning process, green infrastructure could easily become the cornerstone initiative of a land bank authority or land trust by guiding future growth through open-space conservation and networks of greenways. Based on a community-driven greenprints,⁴⁸ the land bank or land trust would surgically demolish significantly blighted and abandoned structures and replace them with green infrastructure — open spaces, pocket parks, trails, and recreational fields.⁴⁹ The land bank or trust would need to work closely with civic leaders to identify and select neighborhoods and properties, target the tax-delinquent and seriously blighted properties, and provide incentives for voluntary acquisitions.

Policy Recommendation: Commission a comprehensive analysis of land banking and urban land trusts that designs different land bank/land trust models for policy makers to assess and consider.

- **Action Item:** Schedule a special meeting with different regional and local officials and staff with Dan Kildee from the Flint/Genesee County Land Bank Authority.
- **Action Item:** Share the results of the land bank and land trust study with policy makers and citizens through a series of regional workshops with national experts, such as Frank Alexander from Emory Law School and Professor John Powell from Ohio State University.
- **Action Item:** Adopt and charter the land bank/land trust authority (perhaps find an existing community development or local government entity to house the authority).
- **Action Item:** Collaborate with the Trust for Public Land to convene workshop and policy charrette on greenprinting for Dayton and its core communities.

- **Action Item:** Facilitate a study visit to Philadelphia to learn firsthand about its successful greening strategies.
- **Action Item:** Hold a design competition on green infrastructure to help design the first series of green-prints for Dayton and its core communities.

Policy Recommendation: Integrate community development strategies with economic development strategies and programs, perhaps by making brownfields redevelopment an integral part of the Miami Valley’s vision for growth and redevelopment.

For further analysis of this policy theme and for examples of model practices and programs from other communities, go to www.mvrpc.org/vacantproperty.

7. CREATE A COMPREHENSIVE VISION AND POLICY ACTION AGENDA TO GUIDE REGIONAL DEVELOPMENT

Most of these technical vacant property tools only treat the symptoms of abandonment. Beyond the typical strategies and programs (i.e., the code enforcement remedies, land banks, and foreclosure counseling) Miami Valley policymakers will need to address the primary driver of abandonment—inconsistent regional growth and sprawl. This third front in the region’s campaign against vacant properties is perhaps the most dangerous.

The Miami Valley, like many metropolitan areas, contains slow-growth areas within its core communities and moderate- to fast- growth on its fringe and beyond. Such a scenario often pits jurisdictions against each other as they compete for the few remaining opportunities to enlarge their existing tax bases.⁵⁰ Vacant properties and abandonment are often strong indicators of this push-and-pull of metropolitan growth. Any viable solution to the Miami Valley’s vacant property problems will demand regional solutions that address the current competition for development.

The assessment team strongly suggests that the Miami Valley’s leaders convene a collaborative multi-stakeholder dialogue to establish a regional vision and a series of policy actions to guide development and reinvestment for the entire region:⁵¹

- Region-wide visioning and agenda-setting workshops and scenario-planning exercises
- Community-wide strategic planning and mapping of priority areas for new growth and reinvestment
- A Regional-Development Working Group to devise a suite of growth-management strategies and reinvestment incentives to implement the vision and policies
- A Smart Sites database to inventory and market development-ready properties.

Region-Wide Visioning and Agenda-Setting Workshops and Scenario-Planning Exercises:

When it comes to convening a policy discussion on regional growth, the Miami Valley Regional Planning Commission, in partnership with the Dayton Development Coalition, should collaborate to resolve the current stalemate that competition across the region causes. With assistance from local universities, MVRPC could provide a neutral forum in which regional partners could identify priorities, develop, and implement innovative policies that improve the quality of life and economic vitality throughout the Miami Valley.

Policy Recommendation: Develop a region-wide vision and policy action agenda that uses a collaborative, consensus-building process to help identify strategic places within the Miami Valley for new growth and redevelopment.

- **Action Item:** Convene and manage a regional visioning process with assistance and guidance from the Dayton Development Coalition and local universities.
- **Action Item:** Seek funding for the visioning process from entities such as regional and state-

wide foundations that support civic engagement processes (e.g., the Kettering, Kellogg, Dayton, Gund, and Ford Foundations) and communities engaged in regional equity activities.

- **Action Item:** Adapt the Urban Land Institute's Reality Check model to serve the Miami Valley regional visioning process; convene a multiday visioning process and document the results; share and promote the recommendations with the public and business leaders in Dayton and the Miami Valley; translate the vision into a series of policy actions; measure performance with an annual report card; and revisit the vision every five years.

Community-Wide Strategic Planning and Mapping of Priority Areas for New Growth and Reinvestment:

Once the vision identifies where the region should grow and reinvest, policymakers must adopt, implement, and refine the vision with greater precision. Using the visioning processes as a foundation, each jurisdiction should map areas to receive priority attention for attracting new growth and for revitalization and reinvestment. This exercise must be based on the actual job and population growth projections. As investment resources are limited within the region, identifying priority-growth areas allows for more efficient allocation and targeting of public resources by directing public expenditures to areas and places where growth and reinvestment should occur. Such a holistic approach would benefit the entire region.

Policy Recommendation: Identify and then designate areas within each community for growth and for revitalization and reinvestment; ensure that such areas are consistent with the region-wide vision for new development and redevelopment.

- **Action Item:** Disseminate the region-wide vision and action agenda to local government managers and planning staff,⁵² with assistance from MVRPC.
- **Action Item:** Establish common criteria to identify growth and reinvestment areas, and

then apply the criteria to certain neighborhoods and communities through a collaborative dialogue with local elected officials and community groups

- **Action Item:** Map these areas for the entire region and share the results with community groups, civic and business leaders, and local government officials.
- **Action Item:** Each local government jurisdiction (i.e., cities, counties, and townships) with guidance from MVRPC should identify and designate priority-growth areas and priority reinvestment areas.

Convene a Regional-Development Working Group to Explore the Adoption of Various Growth-Management Strategies and Reinvestment Incentives:

Beyond the visioning and planning, successful regional collaboration requires an entity that can oversee the implementation of the regional vision and policy action agenda. The assessment team recommends the creation of a regional-development working group, to be composed of leading stakeholders who would be engaged in the visioning and scenario-planning efforts. The working group could explore in more detail a suite of different growth-management strategies (e.g., urban containment policies, impact fees, form-based codes, enforceable comprehensive plans, and regional MOUs) and infill development incentives that can complement the regional vision and designated or targeted growth areas.⁵³ Two strategies that could easily gain traction within the Miami Valley would be: 1) development incentives for infill projects and infrastructure revitalization initiatives; and 2) to implement development-permit streamlining approaches.

Policy Recommendation: Convene a regional-development working group to analyze the impacts of the region's growth patterns and disinvestment; to coordinate infrastructure and capital investments; and to explore the feasibility of various implementation policies, strategies, and tools.

- **Action Item:** MVRPC and the Dayton Development Commission, with assistance from university policy research centers, should convene a regional-development working group with business and civic leaders (especially those from the development industry), nonprofit organizations, public officials (state and local), Greater Ohio, and land use policy experts.
- **Action Item:** The regional-development working group should hold quarterly meetings to assess and coordinate the region's infrastructure and capital investments in new-growth and reinvestment areas as identified in the regional vision and policy-action agenda.
- **Action Item:** The regional-development working group should consider a wide range of potential strategies and tools, such as streamlined development processes, form-based codes, priority-funding areas, urban-containment policies, and farmland conservation trusts.

A Smart Sites Database to Inventory and Market Development-Ready Properties:

A Smart Sites database is a tool for matching known infill sites (e.g., residential, commercial, industrial, and mixed-use) with potential users of those sites. A significant part of that tool is a listing of federal, state, and local incentives that apply to the sites identified as "Smart Sites." This template assists local governments in identifying, preparing, assembling, and providing incentives for the development of infill sites, including brownfields. The Smart Sites tool is also intended to create a method for matching site characteristics (e.g., proximity to existing transportation networks, complimentary land uses, environmental assets, etc.) with potential projects for that site, and then linking these specific incentives with redevelopment project.

Policy Recommendation: Create a Smart Sites inventory tool to match infill development sites with potential developers and users of those sites; ensure the Smart Sites tool further lists all relevant public and private development incentives and can help local governments prepare and assemble sites for reinvestment.

- **Action Item:** MVRPC and/or local universities can help to design the site, and perhaps a regional community and development entity can manage the data system and web site.
- **Action Item:** Adapt the SGLI's Smart Sites template; populate the web site with properties located in priority development and reinvestment areas as identified in the region-wide vision and community/neighborhood level plans; publicize and market the database.

For further analysis of this policy theme and for examples of model practices and programs from other communities, go to www.mvrpc.org/vacantproperty.



TRANSFORMING IDEAS INTO ACTION



Vision without action is a daydream...action without vision is a nightmare.

Japanese Proverb

From the outset, the assessment team's mission was to provide a holistic blueprint of strategies that address the many facets of abandonment and vacant properties. The assessment team believes that its report can serve as the catalyst for action and change by challenging outmoded assumptions and rethinking existing approaches, and by achieving the goal that we have heard from so many participants — getting the Miami Valley back on track!

Our advice and recommendations can only travel so far, however. The region's plight has been discussed and documented for more than ten years. Many of the region's entities have commissioned studies by national experts and have convened collaborative taskforces and working groups. These efforts have one thing in common — each has generated a report.

The next, and most important step is to take this assessment report and translate its ideas into action. The ultimate responsibility for action

rests on the shoulders of the region's leaders, policymakers, businesses, civic and nonprofit groups, and its citizens. Ideally, they will come together, review this document, study it, challenge it, adapt it, and devise a set of priorities and action steps. They will need to think strategically about ways to use this report to generate momentum and to build consensus among a broader array of parties. How can they make revitalizing vacant land and abandoned properties a top regional priority? What steps can each of the advisory committee's members take to champion the recommendations and ideas set forth in this report?

As this report documents, the Miami Valley has many assets, a capable band of organizations and leaders, and a myriad of community and economic development initiatives. The region's communities can no longer rely on federal- or state-government assistance in waging their campaigns against vacant properties. They will need to draw upon the pioneering spirit that brought greatness to Dayton and the Miami Valley — the self-reliant,

can-do sense of innovation and experimentation. Now is the time for bold action.

Consider what would be possible if all of these entities, resources, and energies were brought to bear on the single issue of revitalizing vacant land and abandoned buildings. Who will emerge as the vacant property champions for Dayton and the Miami Valley? Which public, private, and civic leaders will lead the charge for policy reform and action? Vacant properties present ideal opportunities for transforming abandoned lots

and dilapidated buildings into affordable, mixed-income neighborhoods linked with community greenways, pocket parks, and a network of walking and biking paths. Author James Tobin's book, *To Conquer the Air*, reveals Wilbur Wright's determination to solve the mysteries of flight and his firm belief that airplane flight was possible. Wright once remarked, "My imagination pictures things more vividly than my eyes."⁵⁴ Now is the time to visualize the future of the Miami Valley through the lens of vacant property revitalization and reclamation.

ENDNOTES

- ¹ Suzanne W. Morse, *Smart Communities—How Citizens and Local Leaders Can Use Strategic Thinking to Build a Brighter Future* (San Francisco: Jossey-Bass, 2004), 207, referencing C. F. Kettering, *Kettering Digest* (Dayton, Ohio: Reflections Press, 1982).
- ² Dayton is not alone among Ohio metropolitan regions when it comes to the drain of resources from the core city to suburban counties caused by state and federal policies. Professor Thomas Bier from the Levine School of Public Affairs at Cleveland State University has documented similar growth patterns for the Cleveland-Cuyahoga County area and in other regions of the state. See generally, <http://uup.csuohio.edu/landuse.pdf>.
- ³ In March 2005 the MVRPC once again brought together its members and other stakeholders for the first in a series of dialogues on regionalism — see www.mvrpc.org.
- ⁴ County Corp is a non profit development corporation chartered by Montgomery County to provide affordable housing and economic development resources and technical assistance in partnership with local governments (www.countycorp.com). CityWide Development Corporation's mission is to provide leadership in the creation and implementation of strategies addressing the city's need for economic growth and viable, attractive neighborhoods (www.citywidedev.com).
- ⁵ John Kromer served for ten years as Philadelphia's community development and housing director for then Mayor Ed Rendell (currently the governor of Pennsylvania). Jessica Millman worked on planning, growth, and development policies for former governor Parris Glendening's Office of Smart Growth from 2000 to 2003. Joe Schilling served for over ten years as a deputy city attorney directing the city of San Diego's Code Enforcement Unit. Through the NVPC, the Smart Growth Leadership Institute, and the Fels Center, the assessment team has provided technical assistance and professional guidance for communities throughout the country.
- ⁶ For purposes of this report, the Miami Valley generally includes the City of Dayton and its surrounding inner-ring communities of Kettering, Trotwood, Riverside, Harrison Township, West Carrollton, and Fairborn.
- ⁷ No easy formula can identify the precise point at which a neighborhood's decline reaches a point of no return. Creating a neighborhood typology based on an inventory of assets and liabilities, however, should provide enough baseline data to track neighborhood progress and help identify both sides of that tipping point. Cities such as Philadelphia and Camden, New Jersey, have completed such typologies. For a more in-depth discussion of this strategy, see Chapter 3 at www.mvrpc.org/vacantproperty.
- ⁸ According to the 2000 U.S. Census, Columbus and Cleveland each had approximately 25,000 total vacant housing units. Cincinnati had nearly 18,000 total vacant housing units and Toledo had nearly 11,000 vacant housing units. While Dayton had approximately 9,912 total vacant housing units in 2000, many participants in the assessment believe the number has grown.
- ⁹ One of the principal features of Dayton's pending zoning code update is the consolidation of commercial land uses along these corridors into hubs or nodes, thereby allowing for more residential and perhaps mixed uses in between.
- ¹⁰ Every year the city of Dayton performs a windshield survey of the city conditions and classifies the building conditions on a scale of 1 to 5. They drive by approximately 58,000 commercial and residential structures. In January 2005 they noted 2,747 "hard-core" structures that had been abandoned for six months or more, were mostly boarded-up, and likely needed demolition. In 2003 they observed 2,300 such structures.
- ¹¹ If the "other" category does capture more of the truly abandoned and blighted properties, the census data for Montgomery County and city of Dayton looks bleak. In 1990 roughly 20% of the county's total vacant housing units (14,628) were grouped into the "other" category. By 2000 nearly 28% of the county's total vacant housing units were listed as "other." Nearly 33% of the city of Dayton's total vacant housing units (9,912) were listed as "other" in the 2000 census. According to the 1970 census, Montgomery County and city of Dayton each had roughly 16% of their total vacant housing units listed as "other."
- ¹² For more general information about the costs of vacant properties to communities, see two reports produced by the National Vacant Properties Campaign: 1) *Vacant Properties: The True Costs to Communities*, (Washington, D.C.: 2005); and 2) *Vacant Properties and Smart Growth: Creating Opportunity from Abandonment*, ed. Cheryl Little (Washington, D.C.: Funder's Network for Smart Growth and Livable Communities, September 2004). Both are available on the Campaign's web site, www.vacantproperties.org.
- ¹³ William Spelman, "Abandoned Building: Magnets for Crime?" *Journal of Criminal Justice* 21, no. 5 (1993): 481.
- ¹⁴ "New Tool Ready to Combat Arson: Vacant and Abandoned Buildings Targeted," *American Re*, 16th June 2003, available at http://www.amre.com/content/press/pressmain.asp?release=04-16-02_abandonedbuildings.

- ¹⁵ Jodi Wilgoren, "Urban Renewal Without the Renewal," *New York Times*, July 7, 2002.
- ¹⁶ Pennsylvania Horticultural Society, "Vacant Land Management in Philadelphia Neighborhoods: Cost Benefits Analysis," Philadelphia, 1999: 17.
- ¹⁷ Information based on phone conversations with city of Dayton Housing Inspection Department managers. Beyond Housing Inspection, the city's law department and police department also incur additional costs for assistance with code enforcement activities.
- ¹⁸ Estimate provided in presentations and preliminary reports by Alan Mallach, Research Director for the National Housing Institute; see upcoming publication by Alan Mallach, *Addressing the Challenge of Urban Property Abandonment: A Guidebook for Policy-Makers and Practitioners*, National Housing Institute (fall 2005).
- ¹⁹ Temple University Center for Public Policy & Eastern Pennsylvania Organizing Project, *Blight Free Philadelphia: A Public-Private Strategy to Create and Enhance Neighborhood Value*, (2001) pp. 22. Researchers in Philadelphia found that houses located within 150 feet of a vacant or abandoned property experienced an average net loss of \$7,627 in value. Houses located between 150 and 300 feet from vacant properties experienced an average net loss of \$6,819, and those between 300 and 450 feet from them experienced an average net loss of \$3,542. The Philadelphia researchers also found that "all else being equal, houses on blocks with abandonment sold for \$6,715 less than houses on blocks with no abandonment."
- ²⁰ Alan Mallach, *Addressing the Challenge of Urban Property Abandonment: A Guidebook for Policy-Makers and Practitioners*, National Housing Institute (February 2005 draft). See nhi.org.
- ²¹ The MVRPC commissioned the following study by Myron Orfield and Thomas Luce, *Miami Valley Metropatterns: A Regional Agenda for Community and Stability in the Miami Valley* (October 2003). See www.mvrpc.org for a copy of the report.
- ²² The MVRPC prepared a regional comparison study in 2004 that benchmarks the socio-economic performance and demographic changes of the Miami Valley with other comparable regions. Working together with William Dodge, Ronald Budzik, and the Dayton Business Committee the report provides special insights for fostering regional cooperation in the Dayton Region. See also William R. Dodge, *Playing to Win*, available directly from WilliamRDodge@aol.com.
- ²³ Morris, *Smart Communities*, at page 3.
- ²⁴ According to a February 2005 report released by Policy Matters Ohio, Ohio outpaced the nation in the rise of personal bankruptcy filings between 2000 and 2003. 7.7 bankruptcies were filed in the state for every 1,000 Ohioans in 2003, up from 4.6 filings per 1,000 residents in 2000. The national rate is 5.5 personal bankruptcies filed per every 1,000 Americans. According to a survey by the Mortgage Bankers Associations of America, in 2003 Ohio ranked second in the country in new foreclosure rates. See Zach Schiller, Whitney Meredith and Pam Rosado, *Home Insecurity 2004: Foreclosure Growth in Ohio* (Cleveland: Policy Matters Ohio). Both the 2005 and 2004 reports are available at www.policymattersohio.org.
- ²⁵ Id. Policy Matters Ohio's reports claim that heavy consumer borrowing, lack of health insurance coverage, high unemployment, and low wages are the major reasons behind the record rate of bankruptcies across the country, but not all of those factors necessarily apply to Ohio's situation. See www.policymattersohio.com.
- ²⁶ Conversation with representatives from the Montgomery County Records Office, October 7, 2004.
- ²⁷ For example, the Toledo Public School System and the Ohio School Facilities Commission have embarked on a partnership (*Building for Success*) aimed at revitalizing and rebuilding the city's schools and surrounding neighborhoods. Through state bonds, Toledo envisions a twelve-year project aimed at constructing and renovating sixty-two schools as the centerpiece of plans to revitalize these schools and the neighborhoods. See a special report published by the Council of Educational Facility Planners International and the U.S. EPA's Smart Growth Office, *Schools for Successful Communities: An Element of Smart Growth* (Washington, D.C.: September 2004).
- ²⁸ In fact, CDBG funding is often the only resource available to many cities for essential community development services, such as targeted code enforcement, the repair of deteriorated owner-occupied housing in need of major systems repair or replacement, and housing counseling services. The president's proposed FY 2006 budget would eliminate the CDBG program and shift funds from HUD to the Department of Commerce as part of an omnibus economic development grant program; it is unclear at this point whether the activities traditionally eligible for CDBG funds would remain or, given the shift to Department of Commerce, would dramatically change. Total funds allocated for CDBG functions would be cut by nearly 40 percent of the FY 2005 level. Regardless of the final outcome, less reliance on CDBG funds by Dayton and its core communities for traditional community development activities may be necessary.
- ²⁹ "Seminary Move Could Revitalize Salem Avenue," *Dayton Daily News*, August 14, 2004.
- ³⁰ "We believe that it takes a whole city to reform high schools and to build the necessary structures for learning. Only by establishing true community learning places can cities restore high schools and their students a sense of place." Elliot Washor, cofounder of the Big Picture Company (www.bigpicture.org), "Successful Schools Can Contribute to Community Revitalization," *National League of Cities Weekly*, March 24, 2005.

- ³¹ The City of Dayton, Montgomery County, and the Dayton School Board have already begun to revitalize five area elementary and middle schools as neighborhood centers. With over \$400,000 in planning grants from the Dayton Foundation, the Raymond Fitz Center for Leadership at the University of Dayton has engaged the residents, the local governments, and school officials in a collaborative, strategic planning effort to make these schools community centers. For more information, see www.clc.udayton.edu.
- ³² In 2003 the city of Dayton convened a special working group to update the economic development component of the plan. However, the assessment team could not determine if the working group identified new or supplemental economic development goals and established new priorities for subsequent implementation for 2004-2005 and beyond.
- ³³ For example, the city of Kettering's Housing Rehabilitation Program is a low-interest-loan program for income-eligible home owners to finance needed repairs to their homes. Based on household income, 0- percent and 3- percent loans are available. For the elderly, the city offers a deferred loan that is repaid only when the home is sold or otherwise transferred. Income requirements are based on the total number of persons in the household and the household's gross income. Repairs that can be financed include plumbing, heating, electrical, and structural repairs and updates, and roof, window, door, and siding replacement. Kettering's First Time Homebuyer Program provides down-payment and closing-cost assistance not to exceed \$2,500. The homebuyer is required to have 3 percent of the down payment, and the city will finance the additional 2 percent. The city will also pay for reasonable closing costs such as application fees, title searches, and appraisals. See generally www.ketteringoh.org/depts/housing/index.shtml.
- ³⁴ COUNTY CORP's new credit repair program has been in effect for about a year. Staff pulls a client's credit report and put it through a step-by-step process to determine specific actions that the client can take to improve his or her credit score. Clients receive one-on-one counseling and follow-up calls to see whether they have made improvements. This pilot program has three priority clients: First priority is given to lease-purchase clients (generally people who lease from COUNTY CORP for one year as they get their finances in shape for outright purchase). Second priority goes to home-rehabilitation-loan clients; Third priority goes to the general public (there is a \$35 fee, which covers the cost of a credit report from a credit bureau).
- ³⁵ The Miami Valley Fair Housing Center's contends that irresponsible debtors are only a minor part of the foreclosure problem. They estimate that perhaps 15 percent of the people they counsel are truly poor managers of their credit and that the other 85 percent are victims of border line financial transaction. The more difficult cases involve financial problems with seniors and persons with mental illness. Conversations between local government officials and banks paint a different picture. Local banks claim that 50% of the homeowners that fall behind with their payments never contact the bank to discuss their financial problems. They estimate that only 10% of the foreclosures are related to predatory lending
- ³⁶ Coordination on predatory lending does occur among the nonprofit organizations; for example, when COUNTY CORP and other lenders receive unusual loan requests, they require the home owner to come in for a counseling session and share appropriate information with MVFHC. Sometimes, home owners will use a no-interest rehab loan to repay a high-interest predatory loan. By sharing information, the agencies can prevent home owners from being taken in by lenders who offer terms that are not in their best interests.
- ³⁷ During 2004, Hamilton County's Regional Planning Commission convened a series of workshops and trainings for its local government members on code enforcement and property maintenance ordinances for addressing neighborhood blight. In cooperation with the Professional Association of Code Enforcement (PACE), Hamilton County compiled a wealth of resources and information (e.g., handbooks, PowerPoint presentations, and case studies) on Property Maintenance for Elected Officials and Administrators, Property Maintenance—Effective Enforcement and Legal Aspects of Code Enforcement. See www.planningpartnership.org/prop_maint.
- ³⁸ Perhaps the development of uniform property maintenance ordinances that target vacant properties or substandard properties that are still owner occupied and the creation of a new environmental court could be among the council's first topics of action.
- ³⁹ Perhaps a portion of Montgomery County's Housing Trust Fund could support training and capacity building for local governments and CDCs as part of a county-wide receivership initiative. Other places have set aside funds to support receivership cases. For example, a portion of New Jersey's Housing Trust Fund is dedicated to the implementation of New Jersey's new receivership law. Cincinnati obtained grant funds (about \$750,000) for soft money and bank loans that receivers could use to rehabilitate abandoned and substandard buildings.
- ⁴⁰ State law establishes the legal and policy frameworks for land bank authorities and for land trusts. The precise powers and legal frameworks for land bank authorities and land trusts in Ohio differ from other states. Thus, a more in-depth analysis of these models is necessary to determine what might work best for Dayton and the Miami Valley.
- ⁴¹ *Reclaiming Abandoned Pennsylvania II — From Liability to Viability*, a technical resource guide produced by the

Housing Alliance of Pennsylvania, author Karen Black and managing editor Liz Hersh. For free copies contact info@HousingAlliancePa.org.

⁴² For more information see www.3vct.org and www.bwgreenway.org.

⁴³ According to the Lincoln Land Institute, there are approximately 160 “community land trusts” operating in 38 out of 50 states and the District of Columbia. The primary mission of these community land trusts or CLTs is providing “affordable housing in perpetuity by owning land and leasing it to those who live in houses built on that land.” Rosalind Greenstein and Yesim Sungu-Eryilmaz, *Community Land Trusts: Leasing of Land for Affordable Housing, Land Lines*, April 2005 (www.lincolninst.edu)

⁴⁴ The Trust for Public Land (TPL) produced a special report, Parks for People that documents examples of revitalizing vacant properties and brownfields into urban parks. Insights and lessons learned from the TPL’s expertise could lay the foundation for similar endeavors in Dayton. See www.tpl.org.

⁴⁵ See generally www.dsni.org.

⁴⁶ See generally, www.scenicudson.org/brownfields.

⁴⁷ While the jurisdiction of such a land bank or urban land trust should ideally extend countywide, the proposed greening reuse strategy would likely start with Dayton’s most distressed neighborhoods.

⁴⁸ Greenprinting is the process of designing and constructing green infrastructure within a neighborhood or community. The Trust for Public Land has a special greenprinting service to help communities (1) design a greenprint vision or reuse plan that reflects the community’s growth goals and enjoys public support; (2) secure funds to acquire lands to meet those goals; and (3) administer and manage the greenprinting and its infrastructure. Greenprinting also provides a framework for future growth through open-space conservation and networks of greenways.

⁴⁹ Existing city planning frameworks could include these different strategies for green-printing Dayton’s distressed neighborhoods. Dayton’s Citi-Plan 2020 called for an update to the city’s Parks Master Plan by 2003 and for consolidating or aligning city and county parks by 2010. Both of these documents could easily incorporate urban greening strategy.

⁵⁰ A recent example of competition among jurisdictions is the proposed regional shopping center in Greene County that will adversely impact the retail businesses in adjacent Montgomery County, especially those in downtown Dayton. Greene County also offered the developer various incentives, including tax increment financing. Such a competitive atmosphere does not serve the long term interests of these individual communities or the region as a whole. See Orfield’s *Miami Valley Metropatterns* and Dodge’s *Playing to Win*.

⁵¹ In March of 2005 MVRPC launched a new dialogue for

its members on regional issues. See www.mvrpc.org. MVRPC’s held a previous regional visioning process in 2003 for its members and staff that resulted in a set of regional stewardship principles. The MVRPC used this vision to assess and rank transportation projects. These MVRPC efforts should be expanded to include a wider array of stakeholders and topics.

⁵² For townships that might not have sufficient staffing, MVRPC could coordinate a buddy system in which smaller jurisdictions get staff support and planning expertise from MVRPC or larger, adjacent communities.

⁵³ Build upon existing research and studies by MVRPC and the local universities, such as MVRPC’s Regional Comparison Study (Summer 2004).

⁵⁴ Suzanne Morris, *Smart Communities*, at pp. 216-217, referencing J. Tobin, *To Conquer the Air: The Wright Brothers and the Great Race for Flight* (New York: Free Press, 2003).

APPENDIX

THE ABANDONMENT SPIRAL — ITS COMMON CHARACTERISTICS AND CAUSES

For most communities in the Midwest and the Northeast, the transformation in the global economy away from manufacturing signaled the start of an abandonment spiral that continues to swirl out of control. The model of industrial organization — centralized production in a factory located in a densely populated urban neighborhood — became inefficient and irrelevant. As factories closed in Dayton and other Midwestern cities, businesses and jobs left, relocating to the suburbs or to other regions and leaving behind vacant storefronts and closed neighborhood shops. Many people followed the jobs as federal policies facilitated the infrastructure (e.g., highways and subdivisions) that further fueled the out-migration of residents to new towns.¹ With the exodus of businesses and people from the cities, the local economies weakened and urban neighborhoods lost their tax bases and wealth,² making it fiscally difficult for local governments to address the blight that was left behind. Increasingly, middle- and upper-class residents were replaced by low- and very-low-income residents. Such changing demographics wreaked havoc on the housing markets in regions such as Ohio's Miami Valley, especially weakening the market for single-family housing.

When a local economy weakens, occupied property deteriorates as many lower-income homeowners have difficulty keeping pace with property maintenance and repair needs. Many lower-income homebuyers are victimized by fraudulent mortgage and home-improvement products and lose their homes through foreclosure. As disinvestment and population loss become chronic conditions, some neighborhoods began to experience a significant oversupply of housing. Empty housing units deteriorate, are vandalized, and begin to lose their structural stability. Local governments then demolish them, creating vacant lots with limited development potential. “Gap tooth” vacant lots emerge in the middle of residential blocks that had been fully occupied, creating eyesores and discouraging investment. Arson becomes a serious problem, as more vacant properties are exposed to illegal entry and vandalism. In some communities, “drug houses” become part of the neighborhood economy.

Blight then begins to emerge in once-stable neighborhoods and adjacent inner-ring suburban as the abandonment spiral gains a new foothold. This familiar saga illustrates the linkage among vacant property, crime, and quality-of-life issues. The proliferation of vacant houses and lots substantially reduces neighborhood “curb appeal” and becomes a significant barrier to reinvestment and revitalization.

It is this self-perpetuating dynamic that makes the word “blight,” with its association of disease and contagion, an apt metaphor for neighborhood distress. In the worst cases, the downward spiral of deterioration and abandonment continues until entire blocks and neighborhoods are rendered virtually uninhabited.³

- 1 Two common federal programs that subsidized suburban growth were the construction and financing of federal interstate highways and the mortgage-interest deductions that generated demand for affordable, single-family suburban homes.
- 2 Per capita income in Montgomery County was 17.8 percent higher than per capita income in Dayton in 1969; in 1979 it was 32.6 percent higher; in 1989, Montgomery County's income was 45.7 percent higher; in 1999, it was 39.9 percent higher. The decline between 1989 and 1999 was most likely due to Montgomery County's loss of higher-income households to outlying counties. Since 1989, Montgomery County has also declined in population as compared with nearby counties.
- 3 The Pennsylvania Horticultural Society, *Urban Vacant Land: Issues and Recommendations*, (1995) pp. 18.

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The National Vacant Properties Campaign's mission is to help communities prevent abandonment and reclaim abandoned and vacant properties. The Campaign focuses on properties — homes, factories, stores, and vacant lots — that are not legally occupied, show signs of neglect or pose a public nuisance.

The Campaign is pursuing four core activities:

- developing a national network of vacant property practitioners and experts;
- providing tools and research;
- developing persuasive arguments for property reclamation; and
- building the capacity of local, regional, and national practitioners and decision-makers through technical assistance and training.

The National Vacant Properties Campaign is a project of Smart Growth America (SGA), the International City/County Management Association (ICMA), and Local Initiatives Support Corporation (LISC). The Campaign is funded by the generous support of the Fannie Mae Foundation, the US Environmental Protection Agency, the Ford Foundation, and the Surdna Foundation.

For more information and to get involved visit the website at <http://www.vacantproperties.org>