UNCG Center for Housing and Community Studies

“Housing Hangout”

September 4, 2020

Rob Finn, Director of Policy and Research, Center for Community Progress

www.communityprogress.net
About Community Progress

Mission
To foster strong, equitable communities where vacant, abandoned, and deteriorated properties are transformed into assets for neighbors and neighborhoods.

Services
Technical assistance, education and training, policy and research. Focus on systems-level change, emphasis on racial equity and justice.

Snapshot
Since 2010, provided TA to +250 communities in +30 states. Supported policy/programmatic change in dozens of communities, reached 5,500 through education, distributed 1000s of publications

Reclaiming Vacant Properties Conference – every 18 mos.
Most recent RVP was October 2019 in Atlanta, GA
See past sessions at: www.reclaimingvacantproperties.org
The Costs of Vacancy, Abandonment, and Deterioration to a Community.

Photo: The Empty House Next Door, Understanding and Reducing Vacancy and Hypervacancy in the United States

Alan Mallach, Senior Fellow, Center for Community Progress (May 2018)
Which neighborhoods are most affected?

Home Ownership Loan Corporation Redline Map of Kansas City (1930s and 40s)

Source: Digital Scholarship Lab, University of Richmond, and available at: https://dsl.richmond.edu/panorama/redlining/#loc=12/39.0537/-94.5792&opacity=0.8&city=greater-kansas-city-mo.
Which neighborhoods are most affected?

Heat Map of Dangerous Buildings in Kansas City. (OpenData KC)

THE COST OF VACANT AND BLIGHTED PROPERTIES IN PITTSBURGH: A Conservative Analysis of Service, Tax Delinquency, and Spillover Costs

Center for Community Progress Report to the Urban Redevelopment Authority of Pittsburgh, Pennsylvania

March 2017

Authors:
Dan Immergluck, Matt Kreis, Kim Graziani
National Technical Assistance

[Download the report by clicking this link]
Table 1.1 Per-parcel Annualized Costs for Vacant Parcels/Structures

<table>
<thead>
<tr>
<th>Cost Category</th>
<th>Total Annual Costs</th>
<th>Number of Affected Properties</th>
<th>Per-Property Average Cost, per year</th>
</tr>
</thead>
<tbody>
<tr>
<td>Code Enforcement Costs</td>
<td>$246,290</td>
<td>1,659</td>
<td>$148</td>
</tr>
<tr>
<td>Police Costs</td>
<td>$1,126,566</td>
<td>779</td>
<td>$1,446</td>
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<tr>
<td>Fire Costs</td>
<td>$580,025</td>
<td>653</td>
<td>$888</td>
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<tr>
<td>Tax Delinquency Costs</td>
<td>$2,338,206</td>
<td>5,893</td>
<td>$397</td>
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<tr>
<td>Annual Property Tax Impact of Spillover Costs</td>
<td>$4,812,956</td>
<td>1,370</td>
<td>$3,513</td>
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</tbody>
</table>
### Understanding the Costs

#### 1. Estimated Costs Due to Vacant Properties in the City of Pittsburgh

<table>
<thead>
<tr>
<th></th>
<th>Annual Costs</th>
<th>One-Time Losses</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Best Reasonable</td>
<td>Very Conservative</td>
</tr>
<tr>
<td><strong>Service Costs</strong></td>
<td></td>
<td></td>
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<tr>
<td>Code Enforcement</td>
<td>$246,290</td>
<td>$246,290</td>
</tr>
<tr>
<td>Police Dispatch Costs</td>
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<td>$1,126,566</td>
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<tr>
<td>Fire Department Dispatch Costs</td>
<td>$580,025</td>
<td>$580,025</td>
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<tr>
<td><strong>Losses Due to Long-Term Tax delinquent Parcels</strong></td>
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<tr>
<td>Annualized Tax Loss</td>
<td>$2,338,206</td>
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<tr>
<td><strong>Spillover Costs</strong></td>
<td></td>
<td></td>
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<tr>
<td>Loss in Residential Property Values</td>
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<td></td>
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<tr>
<td>Annual Decline in Property Tax Revenues</td>
<td>$4,812,956</td>
<td>$1,711,273</td>
</tr>
<tr>
<td><strong>Total Estimated Costs</strong></td>
<td>$9,104,043</td>
<td>$6,002,360</td>
</tr>
</tbody>
</table>
Understanding the Costs

Vacant Properties (Structures and Lots) with Code Enforcement Inspections, August through October, 2016

Locations of Dispatches over 10 minutes Associated with Vacant Properties, 2015
Studies Show Huge Benefits When Problem Properties Are Addressed

- Reduces crime, in particular gun-related violence
- Improves health of residents
- Raises surrounding property values by up to 30% just by greening a vacant lot
- Increases tax revenue for municipalities and school districts
AFFORDABLE HOUSING OPPORTUNITY COST

- The Pittsburgh report details calculable costs to services (Code Enforcement/Police/Fire) as well as calculable losses (property taxes and home values).

- What it does not quantify is the cost of losing an otherwise naturally occurring affordable housing unit.

- The lack of affordable housing was already at crisis levels prior to COVID-19.

- NLIHC’s annual study, “The Gap,” found that extremely low income renters face a shortage of 7 million affordable and available rental homes. (Released March 2020, pre-COVID-19.)
FEDERAL LEGISLATIVE ACTIVITY

- **Neighborhood Homes Investment Act**
- **National Land Bank Network Act**
Equitable Code Enforcement

Filling the Gaps: Helping Struggling Property Owners Connect to Rehab and Repair Resources

[Blog]

"Code enforcement will never be successful if communities ignore the realities of their local real estate markets and the circumstances facing residents and business owners. Addressing these realities requires substantial investment of resources to support our most vulnerable property owners."
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