Targeting Investment in Lucas County: The RISE Program

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By strategically acquiring properties, the Land Bank works to reduce blight, increase property values, strengthen neighborhoods, and improve the quality of life for all Lucas County residents.

10 full time staff members; $7.1M operating budget
Inventory: ~1700 parcels; Efforts on ~9,000 parcels
~2,100 structures demolished to date
~1,700 side lots transferred to new owners
400+ individual parcels sold for renovation
RISE: Rebuild, Invest, Stabilize, Engage

RISE is the Lucas County Land Bank’s comprehensive initiative to strategically target investments in key neighborhoods.

RISE was created in part as an effort to create an outsized impact in target neighborhoods by comprehensively leveraging resources.

Through RISE, the Land Bank helps to fill a traditional community development role that is currently unmet in Toledo and Lucas County.
The Land Bank will target staff time and resources in one defined geographic area in order to:

✓ Help stabilize the real estate market and preserve property values.
✓ Build on resident-led momentum to advance neighborhood quality of life.
✓ Encourage a sense of place and community.
Meeting the RISE Goals

Achieving the goals of RISE:

- Invest directly in properties to stabilize and increase property values.
- Improve housing stock and home equity by providing home repair assistance to existing owners.
- Provide incentives and assistance for neighborhood businesses.
- Invest in place-making initiatives.
- Partner with the City of Toledo on strategic code enforcement.
Implementing RISE

The pilot RISE neighborhood needed to have enough stability to allow the Land Bank to create a measurable impact with limited time and resources.

And needed to have the kinds of challenges that the Land Bank could address through its existing programs.

Looking for a neighborhood in the “Goldilocks” zone.
Identifying the RISE Neighborhoods

We looked at data for 13 Toledo neighborhoods and narrowed list down to 3 finalists based on selected criteria.

General Neighborhood data - property conditions, vacancy, and tax delinquency.

Residential Market Data - home size & age, sales comps, businesses.

Access to properties through Land Bank’s inventory.
General Neighborhood Data

<table>
<thead>
<tr>
<th>General Neighborhood Data</th>
<th>Library Village</th>
<th>Sleepy Hollow</th>
<th>Burroughs</th>
</tr>
</thead>
<tbody>
<tr>
<td># Residential Structures</td>
<td>2797</td>
<td>1410</td>
<td>1686</td>
</tr>
<tr>
<td>% Owner Occupied</td>
<td>66%</td>
<td>70%</td>
<td>62%</td>
</tr>
<tr>
<td>% “A” or “B”</td>
<td>95%</td>
<td>98%</td>
<td>93%</td>
</tr>
<tr>
<td># “D” or “F”</td>
<td>8</td>
<td>3</td>
<td>14</td>
</tr>
<tr>
<td># Vacant Structures</td>
<td>42</td>
<td>52</td>
<td>58</td>
</tr>
<tr>
<td>% Vacant Structures</td>
<td>2%</td>
<td>4%</td>
<td>3%</td>
</tr>
<tr>
<td># Tax Delinquent Parcels</td>
<td>187</td>
<td>159</td>
<td>202</td>
</tr>
<tr>
<td>% Tax Delinquent Parcels</td>
<td>7%</td>
<td>11%</td>
<td>12%</td>
</tr>
<tr>
<td># NSP Homeownership Rehabs</td>
<td>22</td>
<td>30</td>
<td>2</td>
</tr>
<tr>
<td># Active Land Bank Projects</td>
<td>16</td>
<td>2</td>
<td>10</td>
</tr>
</tbody>
</table>
Residential Market Data

<table>
<thead>
<tr>
<th>Residential Market Data</th>
<th>Library Village</th>
<th>Sleepy Hollow</th>
<th>Burroughs</th>
</tr>
</thead>
<tbody>
<tr>
<td>Commercial Corridor?</td>
<td>Yes</td>
<td>No</td>
<td>Yes</td>
</tr>
<tr>
<td>Average Home Size (sq. ft.)</td>
<td>1,397</td>
<td>1,414</td>
<td>1,194</td>
</tr>
<tr>
<td>Average Sales Price</td>
<td>$42,691</td>
<td>$51,645</td>
<td>$25,709</td>
</tr>
<tr>
<td>Average Price / sq. ft.</td>
<td>$30.55</td>
<td>$36.42</td>
<td>$21.53</td>
</tr>
<tr>
<td>% Sales that are “Market”</td>
<td>73%</td>
<td>68%</td>
<td>63%</td>
</tr>
<tr>
<td>Average Year of Build</td>
<td>1931</td>
<td>1964</td>
<td>1933</td>
</tr>
</tbody>
</table>

Other potential data sets to examine: household income by block group, “highest end” sales.
Analyzing the Data

Library Village selected as 2016-2017 RISE neighborhood

Burroughs selected as 2017-2018 RISE neighborhood
Located in West Toledo: ~4 miles NW of Downtown
Large neighborhood, nearly 3,000 residential parcels.

Public transit available to downtown and major employers,
in proximity to ProMedica’s main campus
Most of the originally platted homes built in 1910s and 1920s; many in the newer plats to the north post-war construction (average year = 1931).
Library Village: Sylvania Avenue Corridor

Neighborhood Sylvania Avenue commercial corridor anchors neighborhood on its southern boundary; home to iconic Toledo restaurant Mancy’s and mix of locally owned businesses and national retailers.
Library Village developed rapidly to provide good middle class homes to Jeep workers at Willys-Overland plant; many employees would walk to work from this neighborhood.
The Components of RISE in Library Village

Program components were created for implementation in Library Village, recognizing that some or all of these programs could function or exist in other neighborhoods.

- Homeownership Advantage Program (HOAP)
- Heritage Home Program (HHP)
- RISE Matching Grants
- Business Advantage Program
- Code Enforcement / Community Engagement

The program components were created based largely on existing LandBank programs (with the exception of HOAP).
Homeownership Advantage Program (HOAP)

Mission:
✓ Acquire and directly invest in vacant properties; make properties available to home buyers by creating conditions allowing sales with traditional mortgages.

Goals:
✓ Promote owner occupancy in the target neighborhood;
✓ Stabilize and increase values by setting higher sales comps;
✓ Encourage investment by existing residents through visible improvements to Land Bank properties.
HOAP: Approach

Acquisition
- Pursue tax foreclosure on all vacant and abandoned properties
- Consider all REO donations
- Land Bank ultimately acquired 12 properties – 10 through tax foreclosure, 2 REO donations.

The Team
- Internal staff members – construction, marketing, and administration
- Construction Manager – coordinate with contractors
HOAP: Approach

Decision Making – 4 Stages

1. Deciding to Renovate
   - Inspection, market assessment, geographic analysis.

2. Build Scope of Work – vendors, systems and materials
   - Balancing cost, quality, local preference and energy efficiency.

3. Renovation with Construction Manager
   - Collaboration and constant communication between Construction Manager and internal staff.

4. Marketing
   - Partnering with local realtors to list properties.
HOAP: Progress in LV

6 properties sold through our traditional Renovation Enforcement program.

6 Signature Renovations.

- 3 properties sold – 2 to first time homebuyers, all owner occupants.
- 3 properties wrapping up construction phase.
Before

During

After

9/13/2017
Neighborhood Successes

Increased sales comp and home values.

- Conducted appraisal prior to renovation; on average sales were $8,400 greater than projected
- 3 sales increased average sale price in Library Village by $2 per square foot.
- Average home value increased by nearly $3000.

Visible improvements have been made by adjacent homeowners.

Increased quality of housing stock.

Eliminated blight and vacancy.
HOAP: What We’ve Learned

Keep refining systems.
- General contractor vs construction manager model.
- Revisit internal process flow.
- Allow for flexibility in the schedule – things happen.

Be prepared for challenges to arise.
- Costs – construction & marketing related.
- Communication is key – staff, construction manager, & contractors must be on the same page to ensure safety and efficiencies.

Appreciate small victories.

Have patience!
Heritage Home Program (HHP)

Existing Land Bank program available in every neighborhood if a home is 50 years or older. Land Bank staff provides free, expert, and impartial technical assistance on necessary home repairs and renovations.

Access to tax-assisted home mortgages through Port Authority and low-interest home equity loans for qualified borrowers.
Program Goals: Heritage Home

- Maintain and preserve existing housing stock.
- Educate community about home maintenance.
- Encourage responsible property ownership.
- Focus on historical home preservation.
Program Outcomes: Heritage Home


✓ 4 Heritage Home Loans totaling $140,795.
✓ 19 PACE Loans totaling $200,395.

Total leveraged investment: $341,190
RISE Matching Grants

Available to participants in HHP within the RISE target neighborhood:

- Residential properties up to 3 units qualify.
- All units must be occupied.
- Owner must be current on property taxes, mortgage, and have active homeowner’s insurance.

Matching reimbursement grants of up to $5,000 awarded covering 50% of the costs of qualifying home repairs:

- Broad range of home repairs eligible (including roof, HVAC, windows, exterior paint, and more).
- Owners choose their own contractor(s).
Program Goals: RISE Matching Grants

- Improve housing stock by preserving property values.
- Encourage existing owners to invest in their properties.
- Promote general owner development in RISE neighborhood.
- Create a more stable, attractive community.
<table>
<thead>
<tr>
<th></th>
<th>LIBRARY VILLAGE</th>
<th>BURROUGHS</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>(complete)</td>
<td>(in progress)</td>
</tr>
<tr>
<td>Total Grant</td>
<td>$ 109,952</td>
<td>$ 125,000</td>
</tr>
<tr>
<td>Awarded</td>
<td>$ 109,952</td>
<td>$ 104,145</td>
</tr>
<tr>
<td>Remaining</td>
<td>$ 0</td>
<td>$ 20,856</td>
</tr>
<tr>
<td>Investment Leveraged</td>
<td>$ 259,430</td>
<td>$ 236,056</td>
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<tr>
<td>Leveraged Ratio</td>
<td>2.36</td>
<td>2.27</td>
</tr>
<tr>
<td># Total Applicants</td>
<td>39</td>
<td>31</td>
</tr>
<tr>
<td># Pending Award</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td># Denied</td>
<td>7</td>
<td>1</td>
</tr>
<tr>
<td># of Approved Awards</td>
<td>32</td>
<td>30</td>
</tr>
<tr>
<td>Average Award</td>
<td>$ 3,436</td>
<td>$ 3,471</td>
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<tr>
<td>Reimbursed</td>
<td>$ 109,802</td>
<td>$ 19,827</td>
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<tr>
<td>Remaining to Reimburse</td>
<td>$ -</td>
<td>$ 84,318</td>
</tr>
<tr>
<td>Non-Reimbursed</td>
<td>$ 150</td>
<td>n/a</td>
</tr>
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</table>

Program Outcomes: RISE Matching Grants

9/13/2017
Every neighborhood is different, and your program should adapt to meet neighborhood needs.

- Increased education and information for neighbors
- Advance preparation and application time
- Matching portion of grant may need adjusted for more challenged neighborhoods
- Other programs (PACE, HHP) may help bridge matching gap
Business Advantage Program

Primary component is the Storefront Improvement Program.

Provides matching grants of up to $5,000 to cover cost of exterior improvements to commercial properties.

Similar to traditional "Facade Grant" programs.

Free technical assistance with architectural, design and landscaping plans available through partner, Toledo Design Center.
Program Goals: Business Advantage

- Encourage investment in existing Library Village businesses and by new or expanding businesses.
- Improve viability of Sylvania Avenue Corridor/LV businesses.
- Help improve condition of commercial structures in Library Village.
- Promote sense of place by increasing aesthetic appeal of Library Village businesses/Sylvania Avenue corridor.
- Increase quality of life for Library Village residents by improving business corridor.
- Engage business community through Five Points Business Association.
Program Outcomes: Business Advantage

11 Storefront Improvement Grants awarded in Library Village.

- Grants totaled $36,892.71.
- Leveraged $184,699.94 in additional investment.

New exterior paint, awnings, windows, entryways, façade improvements, and a new mural on an iconic restaurant.

Technical assistance provided by Toledo Design Center.

Program lessons:

- While the leverage ratio was very good, match should be required for future programs to ensure the commitment of applicants.
- Some businesses hesitant to apply due to difficulty in utilizing prior façade grant program; confusion between programs should be addressed.
Code Enforcement Partnership

Land Bank collaborated with the City of Toledo Department of Neighborhoods, division of Code Enforcement Property Maintenance and Zoning Code Inspectors. Goals were to:

☑ Help to further identify qualified properties for RISE programming
☑ Enforce non-compliant owners to addressed outstanding issues

Land Bank worked with the assigned inspector to that area to review current nuisance orders issued to homeowners in order to determine the best use of our resources in the area.
4116 Willys Parkway, Toledo, Ohio

Neighbor routinely parking on vacant lot

Routine citations and fines given by the City

Land Bank worked with the neighbor under the Side Lot Program to acquire and sell him the lot for $100

Since disposition, neighbor has taken great care of the lot and put a new roof on his own house
4336 Jackman Road, Toledo, Ohio

Acquired blighted and vacant property, previously cited by the City.
Tore down structure using NIP funding.
Deconstructed roof and parts of the garage to salvage wood for fencing.
Greening project in the works
Community Engagement

Outreach, communication, and coordination with neighborhood based organizations throughout RISE program.

Helps engage residents and encourages residents and businesses to apply for RISE programming.

Some level of existing neighborhood organization is optimal.

✓ However, Land Bank can use RISE to conduct neighborhood outreach, which can in turn lead to increased neighborhood organizational capacity.

RISE can potentially help spur new organizing efforts.
RISE: Burroughs

Though they share similarities, Burroughs is a different neighborhood than Library Village.

- Less equity, lower home values and owner-occupancy rate.

Adapting RISE programming to Burroughs:

- Scale back number of HOAP renovations due to lower property values.
- Engage in more traditional acquisition for resale.
- Strategic targeting for HPP / RISE Matching Grants (less home equity).
- Strategic targeting for Storefront Improvement.
- Stronger partnership with City of Toledo Code Enforcement.
- Increased focus on greening and community engagement.
The Future of RISE

RISE programming will continue to change and adapt as we move into different neighborhoods with different needs.

It may move into neighborhoods that have much greater challenges than either Library Village or Burroughs. This would necessitate a further evolution in programming.

Examples:
- The RISE Matching Grant program could be re-engineered as an emergency repair grant program, and could be administered in partnership with existing social service organizations.
- Demolition and greening could play much greater role.
Thank You!!

For additional information please visit our website at: www.lucascountylandbank.org

This PowerPoint will be available following the conference.

And feel free to contact any of us at any time: 419-213-4293