

Land Banking in Ohio: Where Do We Go From Here?

First Convening of Ohio Land Banks

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The views expressed herein are those of the authors and not necessarily those of the Federal Reserve Bank of Cleveland or Board of Governors of the Federal Reserve System.

Please, Don't Blame my Employer

The views and opinions expressed here today are mine alone, and not necessarily those of the Federal Reserve Bank of Cleveland, the Board of Governors, or other Banks in the Federal Reserve System

Planning for the Future

- Data & Analysis
- Housing Policy
- REO Acquisition
- An example of research

Data Analysis: Confusing, but Important

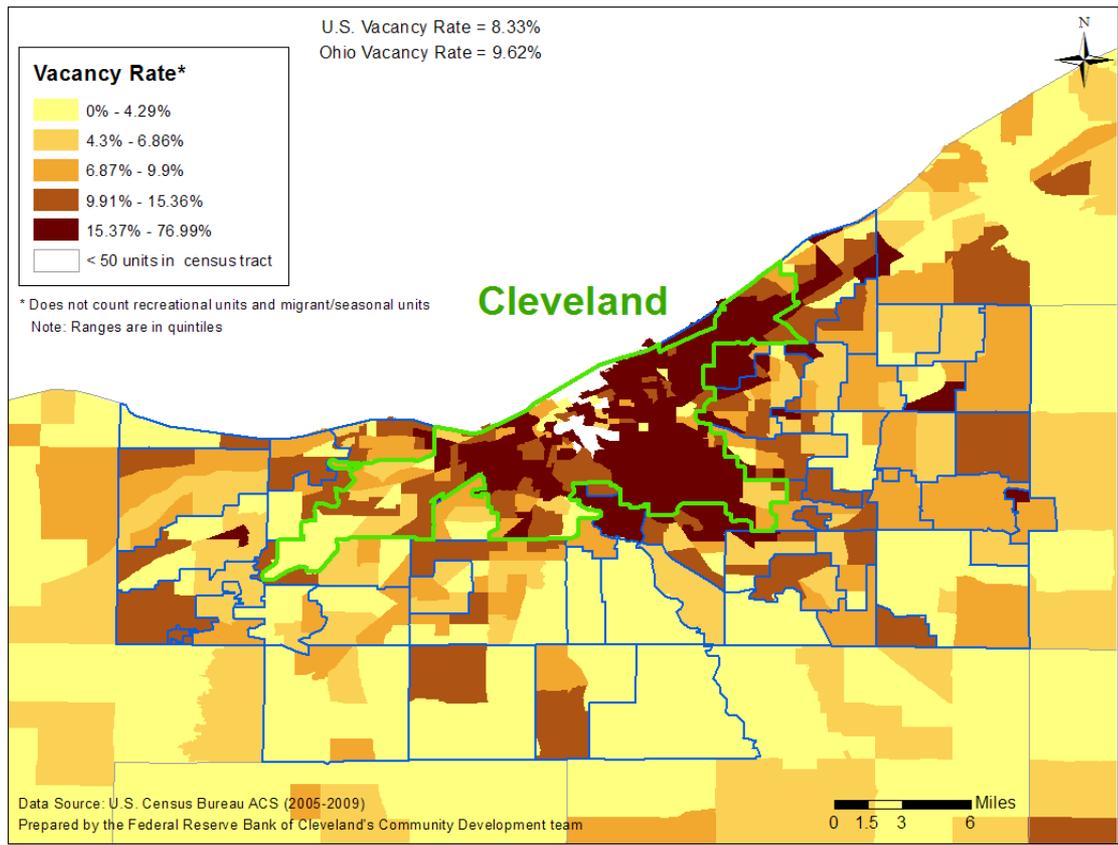


Data: Questions that require it for answers

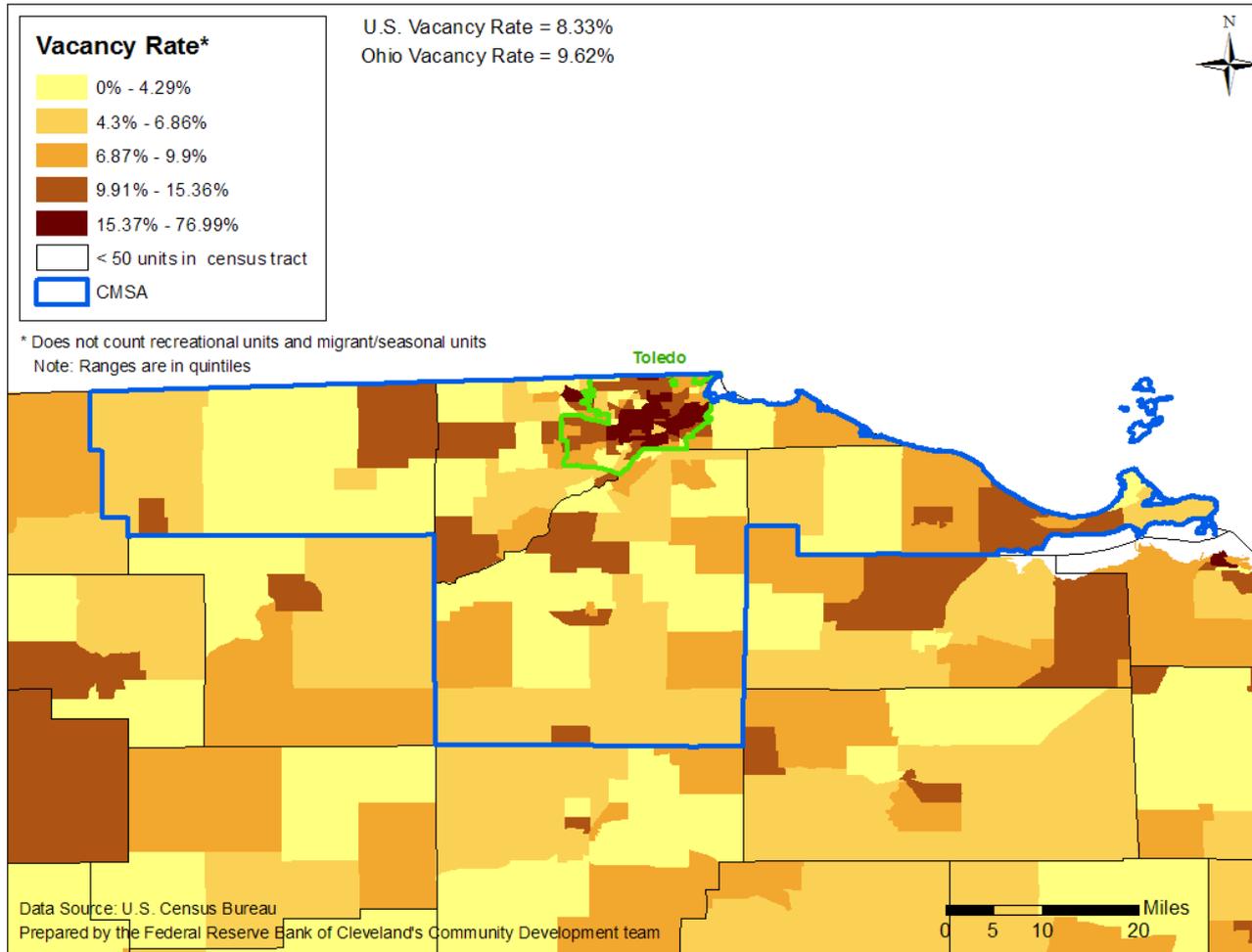
- Where do you demolish and where do you rehabilitate?
- Where are your neighborhood assets?
- Where do you get the most return for each dollar spent?
- Where should you acquire property?
- Why should REO owners deed over low-value property and contribute towards demolition?
- Why should you receive funding?

US Housing Policy: Where land banks fit

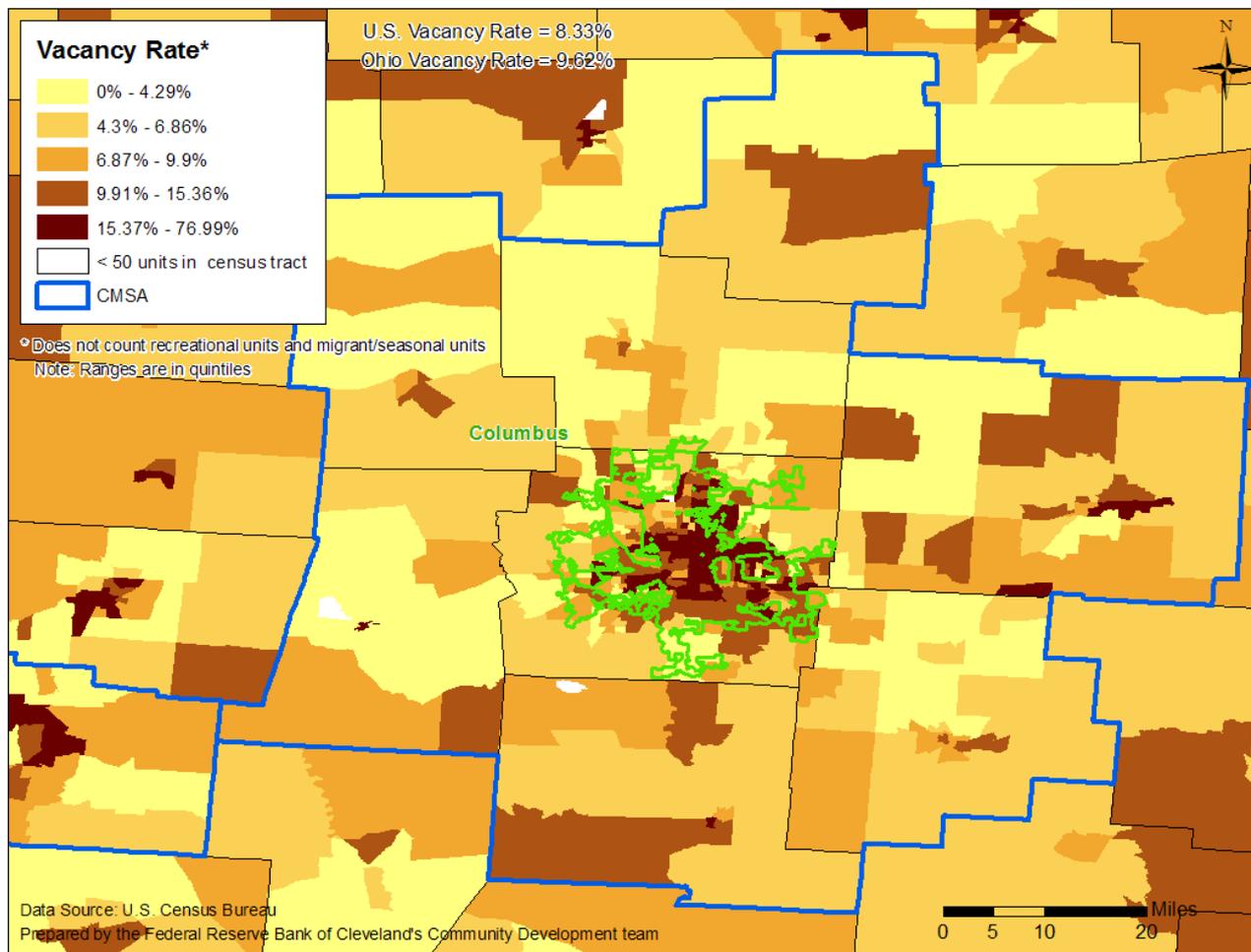
- Since the Great Depression: filtering
- Assumes population growth or urban renewal (lacking in Ohio)
- Examples of the vacancy patterns in Ohio's cities
 - Data mapping



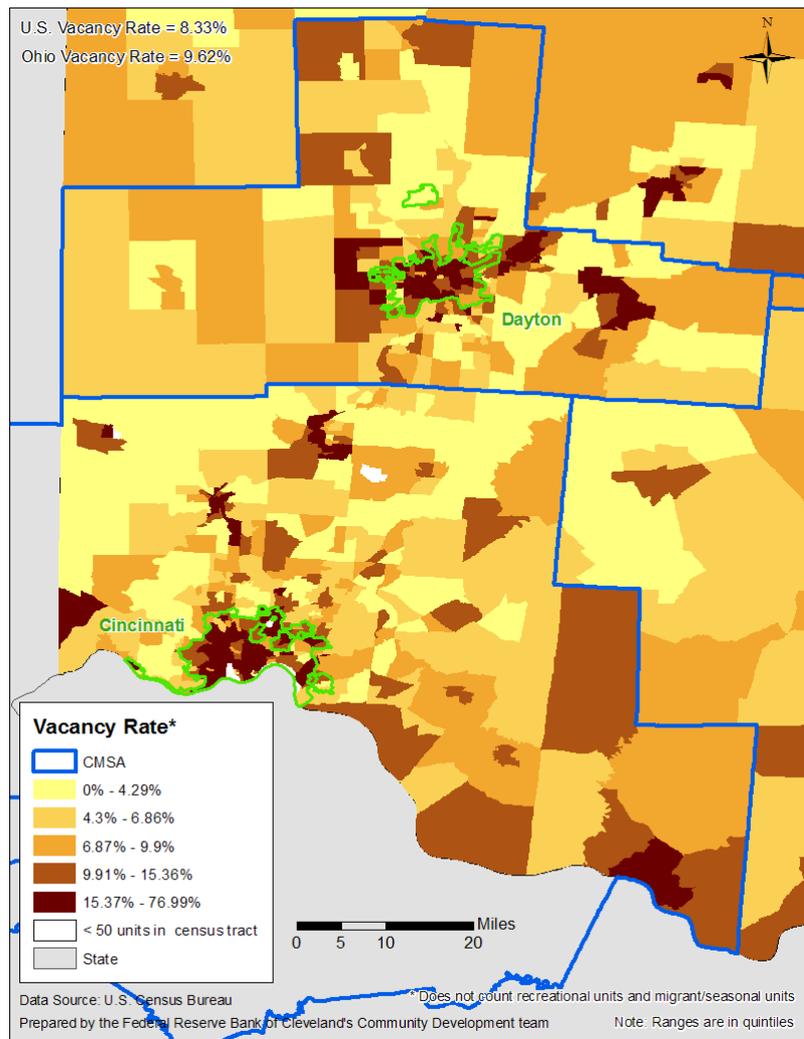
Vacancy in Toledo



Vacancy in Columbus



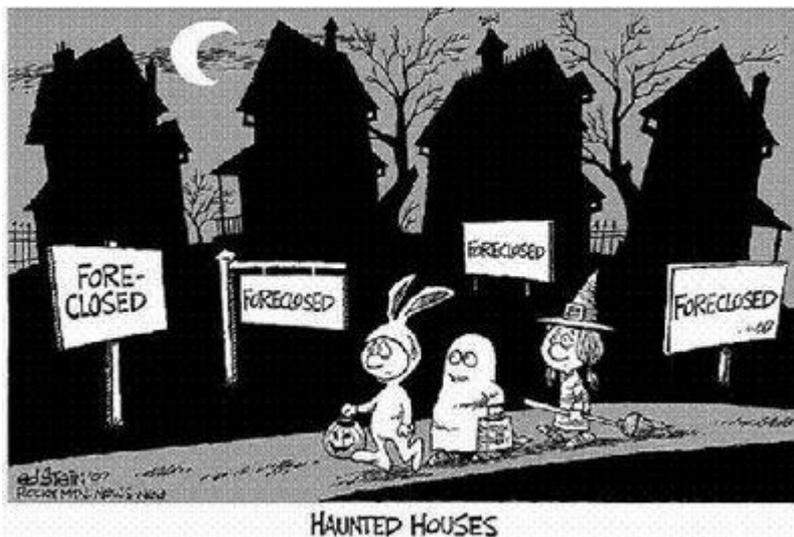
Vacancy in Cincinnati & Dayton



US Housing Policy: Where land banks fit

- Land Banks lay the groundwork for urban renewal
- Resources & programs necessary to stabilize housing markets in older industrial cities is different
- Life after NSP – funding for demo?

REO Acquisition Pipelines



- REO acquisition is non-strategic
- REO acquisition pipelines can make REO transfers better deals for both the lender and land bank

REO Acquisition: Establishing REO Pipelines

- REO pipelines must make economic sense for lenders
 - Carrying Costs + Goodwill \geq Cost of sale & donation
 - Code violation, property taxes?
- REO pipelines are more likely to be used if their use is easy
 - Aggregating to County level is useful
 - Aggregating to a greater level is better: Statewide SPE?

The Impact of Vacancy, Tax Delinquency, and Foreclosure on Surrounding Home Values

- Looks at Cuyahoga County
- Looks at foreclosure, vacancy, and tax delinquency
 - F in the last 12 months
 - TD: $r = .4$, $r = (\text{owed}/\text{annual})$
- Determines the impact of each, and each combination, on surrounding home values

The Impact of V, TD & F

Results: Sales Price Impacts

Property Type	Distance < 250 ft	Distance < 500 ft	Mean # < 500 ft of each sale
Vacant Only	-2.2%	-0.8%	2.37
TD Only	-0.5%	-0.7%	6.79
Foreclosed Only	-2.9%	-1.8%	> 1/2
D-V	-2.8%	-3.1%	1.64
V-F	-15.6%	-7.1%	> 1/3
D-F	-22.2%	-8.1%	1/25
D-V-F	-17.8%	-9.6%	> 1/33

The Impact of V, TD & F

Results: Removing Distress

Property Type	Total Increase	Avg. N/month	Per Unit
V Only	\$16,716,060	12,474	\$1,340
TD Only	\$36,186,640	37,293	\$970
F Only	\$7,484,909	2,191	\$3,416
D-V	\$22,917,110	15,208	\$1,507
V-F	\$22,059,000	1,742	\$12,663
D-F	\$2,313,425	174	\$13,296
D-V-F	\$2,236,216	149	\$15,008

Data You Should Collect

- For the entire county
- Going back as far as possible
- Electronic format
- Parcel numbers, Addresses
- Property Characteristics
- Tax Delinquency
- Foreclosures
- Transaction history (with sale prices)

Next Steps

- Set up future meetings/keep lines of communication open
- Identify technical assistance & data sources and begin collecting data
- Funding beyond NSP

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Questions?