

Making Demolition Strategic: Moving Ohio Forward Grant Program



**GREATER OHIO
POLICY CENTER**

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Executive Director

Revitalizing Vacant
Properties
Conference
New Orleans
June 21, 2012

Greater Ohio Policy Center



- **Mission:** Advance public policy and local projects that grow Ohio's economy and improve the quality of life through intelligent land use.
- Support redevelopment of existing communities, strengthen regional cooperation and protect the countryside and Ohio's natural resources.
- Non-partisan, non-profit, primarily foundation-funded

Greater Ohio Policy Center



- Conduct and commission research
- Use research to advocate for practical policy solutions at the state and federal level
- Play an advisory role to state level officials, General Assembly and local officials
- Project-based work with local partners

Greater Ohio Policy Center's Role



The Office of Attorney General Mike DeWine has contracted with GOPC to **advise** communities on their *Strategic Plan (Application Attachment 3)* and Site Eligibility.

GOPC assistance involves:

- 2 workshops
- Email & Phone consultation
- In person, as needed

Overview of Program



- Program's Site Eligibility
- Considerations for Making Demo strategic
 - Building conditions
 - Market conditions
 - Stakeholder engagement
 - Land Reuse options & plans

Site Eligibility: Residential “anti-blight”



“Residential” means a structure is:

- land zoned for residential use
- being used as a residential dwelling
- has been used as a residential dwelling
- connected to any structure that is currently used or has previously been properly used as a residential dwelling as mixed use.

Site Eligibility



Moving Ohio Forward Funds **cannot** be used for:

- commercial or industrial projects
- maintenance or post-demolition costs
- demolition of structure which are not blighted, vacant or abandoned
- property acquisition

Eligibility: Site Acquisition



Acquisition of blighted residential property is anticipated through:

- Tax-delinquent foreclosure process
- Nuisance abatement
- Condemnation
- Consent
- Other voluntary means of purchase.

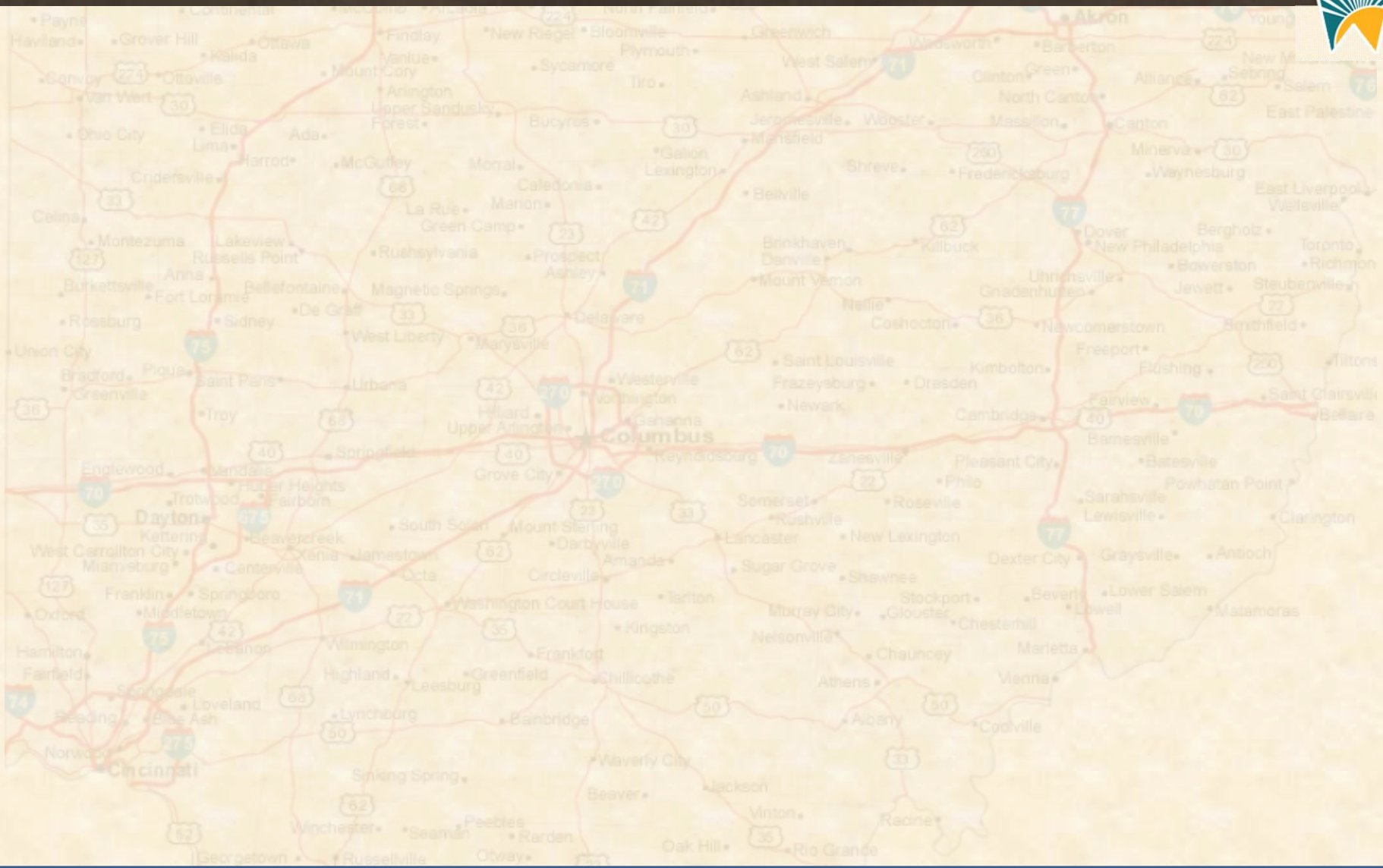
Eligibility: Site Consent



Demolition Funds can be used on sites that the local jurisdiction has **consent** to work on. Consent can be obtained through:

- MOU's between owner and jurisdiction
- Other methods approved under federal regulations:
 - Certified letters sent requiring response & documentation indicating no response

Strategic Considerations



Building Conditions



- How does the targeted property/area **affect neighboring property** values, safety, and revitalization activities
- Does the building poses a **danger to public health** or safety
- Likely **cost to rehab** building substantially outweigh the value
- Description of **other criteria** that will be used to identify structures for demolition

Building Conditions Decisions



- Besides emergency demolition, demolition decisions will not be clear-cut.
- Decisions will involve balancing many different factors.
- Establishing a **decision process** that accounts for a range of factors will help communities make transparent, defensible, impactful decisions.

Building Conditions: Decreasing Nearby Property Values



Impact of vacant properties on neighboring property values.

- A study done by the Federal Reserve Bank of Cleveland shows that vacant homes can decrease sales prices of nearby homes by **2.2%**
- If the home has been tax delinquent, foreclosed and vacant, the sales prices of neighboring homes decreases by **17.8%**.

If nearby values are declining, then that vacant home could be a good candidate for demolition.

Building Conditions: Health Concerns



- Is there **lead-based paint** present?
- Is there are other health risks, like **mold**?
- Could someone be **injured** if they lived or squatted in the structure?
- Has the property received multiple **code violation** notices?

If there are health concerns, then that vacant home could be a good candidate for demolition.



Building Conditions: Threat to Public Safety



- Is this property used for **criminal activity**?
- Have **safety forces** been called to this property multiple times?



If there are threats to public safety, then that vacant home could be a good candidate for demolition.

Building Conditions: Cost of Rehab



- Is the cost to rehab 2+ times the cost to demolish?
- Is there any substantial market value in rehabbing the home?

If rehabbing costs substantially outweigh demolition costs, and if there is little or no market for the rehabbed home, it might be a good candidate for demolition.



Photo courtesy of Youngstown
Neighborhood Development Corporation

Building Conditions: Ease of Moving Property Through System



- Is the property easy to acquire or get consent to demolish on?
 - Reminder: demolition funds can not be used to buy property, but community can acquire with other dollars
- Is there an end-user who will maintain the property, whether or not they own it?
 - Eager neighbor
 - Local nonprofit working in area
 - Local government

If easy to acquire/get consent and there is an identified end-user or user who commits to maintain the property, then that problem property might be a good candidate for demolition.

Building Conditions: Collecting information to make decisions



Some analysis of building eligibility for demolition can be obtained from an **exterior survey of the building**.

Informational **data** on crime rates, declining property values, median age of property, etc. can be found through:

- jurisdiction's community development department
- jurisdiction's police department
- U.S. Census
- FBI Crime Reports

Building Conditions: Recap of potential criteria



- Impact on nearby property values
- Health concerns
- Public safety threats
- Rehab costs
- Ease of moving property through system

Failed Market Conditions



- Does demolition **fit into the local government's comprehensive plan** of redevelopment for the overall community for improving property values, and increasing private investment and redevelopment? If so, how?
- Does the housing stock constitute a present or potential **nuisance** (i.e. breed crime, negatively affect nearby property values)?
- Are there **additional safety concerns**? Is the blighted property near a school?
- Does demolition **maintain the social fabric** and historical nature of the neighborhood?
- **Percentage of owner-occupied buildings**, absentee owner buildings, vacant buildings and vacant lots, if available.

Market Conditions: advancing rural and small community goals



- Does the community want to maintain its rural character?
- Does it want to make area around a community asset like a school or park safer? (community development)
- Does it want to improve the appearance and attractiveness of the main thoroughfares into town? (community & economic development)
- Does it want to improve or make more attractive the area around a county industrial park? (economic development)

If there are structures hindering community priorities, then those properties might be good candidates for demolition.

Market Conditions: Official or Unofficial Plans for suburban and urban areas



- Does the jurisdiction have an **official comprehensive plan** that identifies neighborhoods for stabilization or redevelopment?
- Does the jurisdiction have **unofficial plans** to redevelop an area for future private investment?
- Are individual homeowners, nonprofits, or corporations concentrating **renovations in certain blocks** or in specific neighborhoods?

If redevelopment is occurring or is anticipated to occur, demolition could help ready the area for redevelopment through “spot cleaning.”

Market Conditions: Maximizing demolition by coordinating investments



Ideally, applicants will link demolition to other revitalization activities and other resources already being targeted to specific blocks, neighborhoods, areas.

Market Conditions: Maximizing demolition by coordinating investments



- **Targeted Neighborhood Investment** is a strategy by which local governments deliberately choose to devote extra resources to specific blocks, neighborhoods, or communities.
- The TNI strategy matches neighborhood needs with the right resources to ensure funds are used as effectively as possible.

Market Conditions: Demolition does not benefit all neighborhoods equally



Severely distressed neighborhoods face so many challenges that demolition **alone** may not be enough to overcome the legacy of disinvestment. However, demolition can have outsized impact in certain neighborhoods.

Demolition is most impactful when it:

- Stabilizes neighborhood conditions
- Stabilizes property values
- Create a variety of attainable reuse opportunities

Market Conditions: Targeting resources to specific neighborhoods



In Middletown, three west side neighborhoods are receiving targeted and coordinated investments from the public, private, and nonprofit sectors.

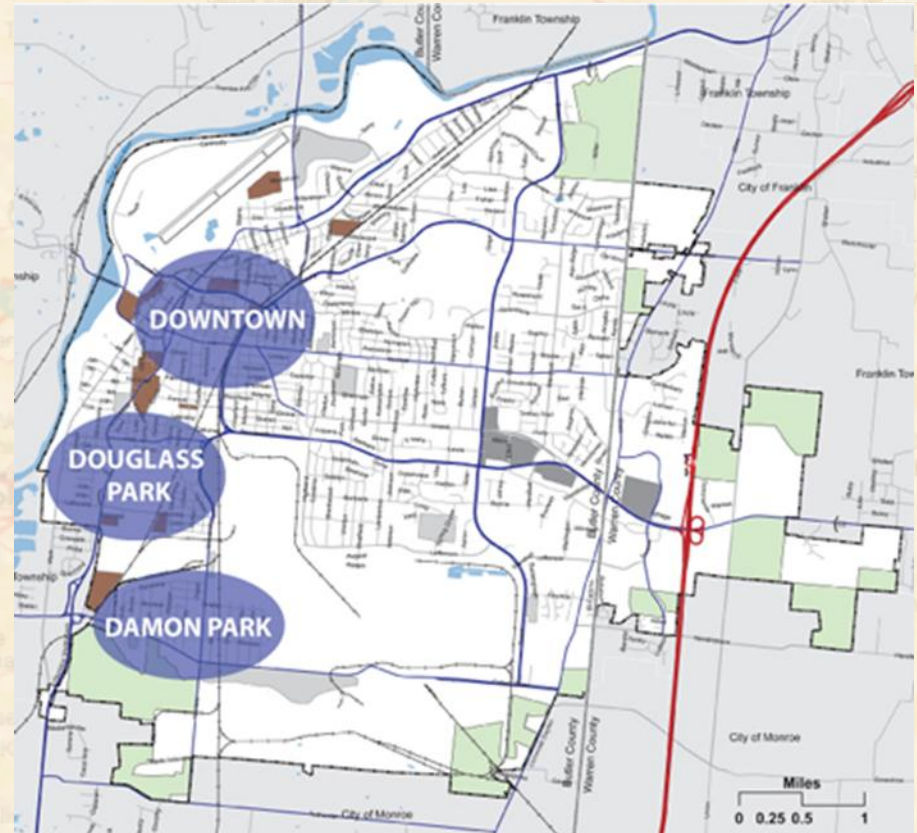


Photo courtesy of
<http://www.xavier.edu/communitybuilding/placematters/middletown.cfm>

Market Conditions: Targeting resources to specific neighborhoods



In each neighborhood, United Way, Place Matters, the city of Middletown, and residents have identified priorities for each neighborhood.

These priorities differ between areas but all work together to strengthen the urban fabric of Middletown.

Market Conditions: Demolition is a step in the process toward neighborhood revitalization.



- Demolition is not an end to itself- it is **one** strategy to stabilizing or revitalizing neighborhoods.
- Connecting demolition activities to other revitalization efforts underway ensures demolition is part of a larger redevelopment strategy.
- Linking demolition to redevelopment ensures a larger Return On Investment.

Market Conditions: Fitting Demolition to Community Needs



There is no one way to approach demolition; there is a continuum of ways to execute it.

Dispersed

Selective Site

Wholesale

Removing properties that are isolated problems. They have minimal impact on the surrounding area.

Deliberate decisions to remove specific problem properties. Properties that stand in the way of redevelopment or contribute to neighborhood blighting are top candidates.

Deliberate decision to “wipe slate clean” and start over fresh on a specific block(s) by removing majority of existing structures. Wholesale is the option of last resort.

Market Conditions: Dispersed Demolition to advance community plan



Dispersed demolition **removes isolated problem properties** before they start to negatively impact the surrounding area.

Market Conditions: Dispersed Demolition to advance community plan



In **rural areas** that do not have widespread vacancies, dispersed demolition can be appropriate for:

- Mitigating health/safety hazards, particularly in small villages
- Strengthening the “look” or “feel” of community
- Harmonizing land use; for example removing an abandoned house near a county industrial park to address aesthetic and safety issues

Market Conditions: Dispersed Demolition to advance community plan



In **suburban and urban** areas, dispersed demolition can be appropriate for single problem properties in otherwise strong market neighborhoods.



Photo courtesy of Youngstown
Neighborhood Development Corporation

Market Conditions: Selective Demolition to advance community plan



Selective demolition acts as extra reinforcement to keep a neighborhood from further degrading.

Selective demolition is often appropriate in **neighborhoods that still have vitality** and market demand.

Often these neighborhoods are called “**tipping point**” neighborhoods.

Market Conditions: Selective Demolition to advance community plan



Leveraging the value of selective demolition

- A **strong social fabric**, reflected in strong neighborhood or civic associations or neighborhood-level institutions
- Active **CDC-led stabilization** or revitalization activities
- Great **market potential**, such as distinctive housing stock, or location to a strong anchor intuition
- A significant **planned public investment**, such as a new school

Market Conditions: Selective Demolition to advance community plan



Market Conditions: Wholesale Demolition to advance community plan



Wholesale demolition is only appropriate in **very select conditions**.

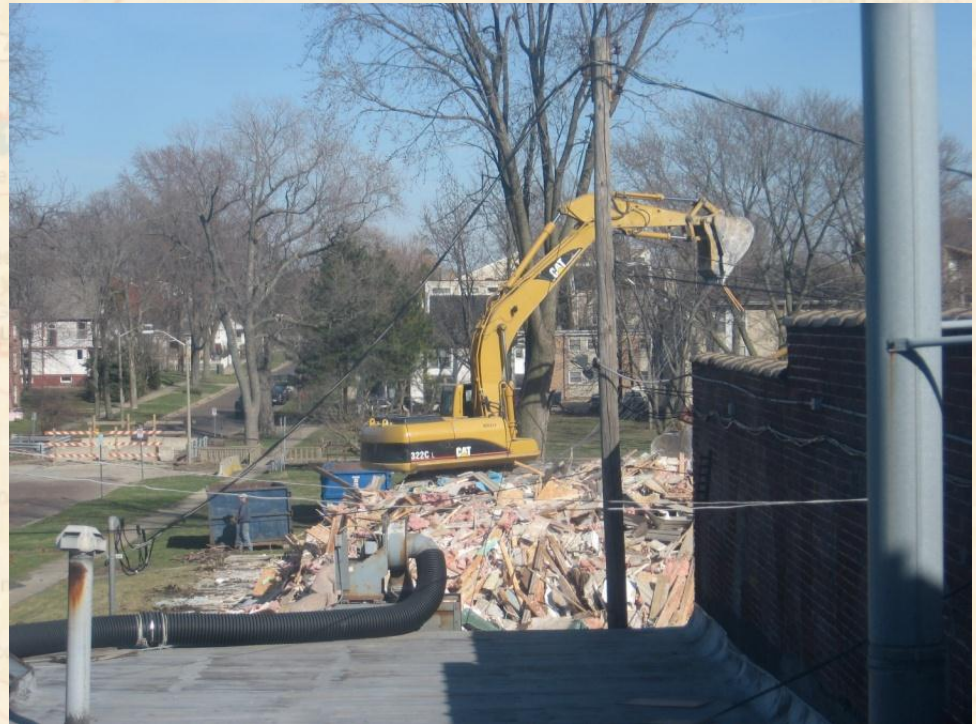
Wholesale demolition would be used to create a **“clean slate”** in a neighborhood that is almost completely disinvested.

Wholesale demolition is an explicit and deliberate **part of a larger comprehensive strategy** for improving a city or region.

Market Conditions: Other criteria to assess how property affect neighborhood fabric and its marketability



- Is the building near a school/library/public park?
- Is the building inhibiting new construction?
- Has the neighborhood begun to see other revitalization activities?



Market Conditions: Other criteria to assess how property affect neighborhood fabric and its marketability



- Does the presence of the building add to the existing block or neighborhood texture?
- Would removing a building compromise the neighborhood's "feel"?



Buildings that “won’t be missed” in a block or neighborhood might be good candidates for demolition.

Market Conditions: Quantify Conditions



- Quantifying conditions can help justify demolition choices.
 - % of owner occupied homes
 - % absentee owners
 - % vacant lots
- Informational data can be found through:
 - United States Postal Service
 - jurisdiction's community development department
 - jurisdiction's police department
 - U.S. Census

Market Conditions: Recap of Criteria



- What is the community plan and how does demolition advance that plan?
- Nuisance & safety concerns
- Social fabric and historical nature of area
- Neighborhood statistics

Targeting Land Reuse Options



- For selective demolition, what productive post-demolition use is envisioned?
- For larger areas of demolition, what options or plans are envisioned for property?

Land Re-use Options: why is it important?



Selective and wholesale demolition leads to the creation of vacant land.

Proximity to a neglected vacant lot **subtracts 20 percent** from the base value from a nearby home

A home near a stabilized lot—one that has been improved through cleaning and greening—**increases by approximately 15%** the home's base value

Land Re-use Options: why is it important?

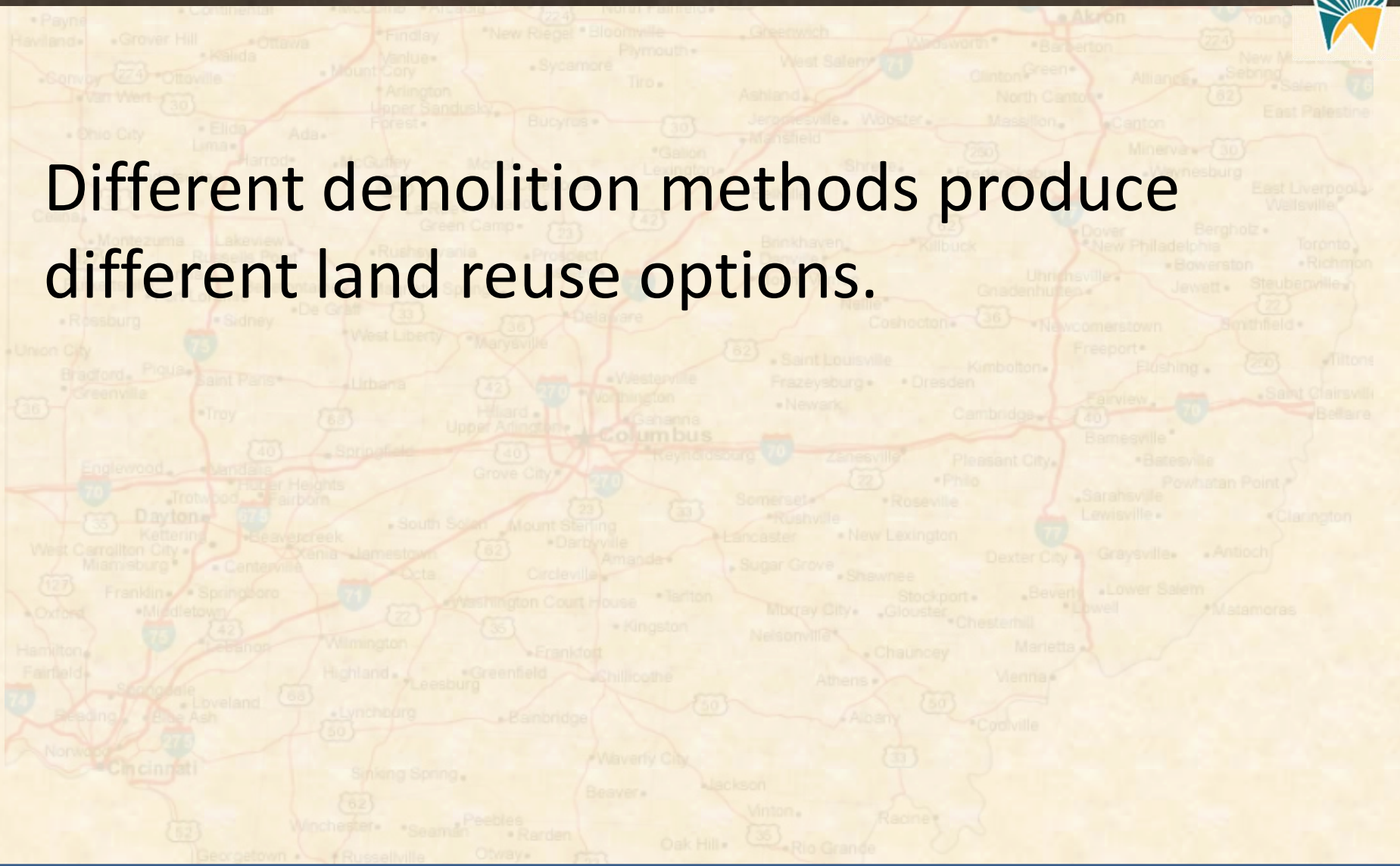


Improving commercial corridors, streetscapes, parks, and cleaning vacant lots **at the same time**, have the potential for the greatest impact on struggling neighborhoods.

Land Re-use Options: different uses for different types of demolition



Different demolition methods produce different land reuse options.



Land Re-use Options: Selective Demolition re-use possibilities



**Removed house
to create green
side lot on
Brentwood St,
Youngstown**



Photos courtesy of Youngstown
Neighborhood Development Corporation

Land Re-use Options: Selected Demolition re-use possibilities



- Other options for selected site demolition include:
 - Side Lots
 - Mini-Parks
 - Park Expansion
 - Stabilization/minimal treatment
 - Pathways
 - Off-street parking

Land Re-use Options: Wholesale Demolition re-use possibilities



Removed abandoned six-plex and replaced with an urban agriculture site. Youngstown



Photo courtesy of Youngstown
Neighborhood Development Corporation

Land Re-use Options: Wholesale Demolition re-use possibilities



- For larger scale demolition some land-reuse options include:
 - Community gardens
 - Community orchards
 - Urban agriculture
 - Daylighting streams, waterways and floodplains
 - Greening
 - Expansive Redevelopment

Land Re-use Options: Wholesale Demolition re-use possibilities



**Demolition
can prepare
a lot for
potential
reuse in the
future**



Land Re-Use: Recap of Criteria



- What happens to land after problem property is cleared?
- Describe plans for areas that will receive selective demolition.
- Describe plans for larger scale reuses.

Moving Ohio Forward Grant Program for Demolition Funding

QUESTIONS?



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Read our Greater Ohio blog:
<http://greaterohio.org/blog>

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Attachment 3



Section 3 Of Attachment 3

Discuss the inclusion of key stakeholders in the decision-making process to ensure demolition decisions account for a range of perspectives.

Stakeholder Inclusion: input from a range of stakeholders



Discussions on demolition criteria should include a wide range of interests and viewpoints, both within and outside government.

Stakeholder Inclusion: gathering feedback



Identify how stakeholder **feedback** is **solicited**:

- Interviews
- Public meetings
- Surveys

Stakeholder Inclusion: specific stakeholders



- **Identify specific partners and stakeholders:**

- Nonprofits
- Public entities
- Community groups
- Institutions, like colleges

List of Potential Stakeholders:



Potential stakeholders include:

- City planning, community development and building departments
- City or county historical preservation agency
- Economic Development department
- Law Department
- Police Department
- Fire Department
- Local Schools
- Other city/county departments
- CDCs
- Other neighborhood or community organizations
- Other non-governmental organizations such as Foundations, Chamber of Commerce, Businesses

Stakeholder Inclusion: Recap of Criteria



- Who is giving input?
- How is input collected?

Moving Ohio Forward Required Attachments



- **Attachment 1**-Application Summary Document
- **Attachment 2**-Authorizing Resolution or Ordinance
- **Attachment 3**-Strategic Plan
- **Attachment 4**-Sources and Uses of Funds
(complete the fillable portion of the application)
- **Attachment 5**-Match Supporting Documentation
- **Attachment 6**-Remedial Action Plan
- **Attachment 7**-Project Assumptions/Cost Estimate

Moving Ohio Forward Required Attachments



- **Attachment 8-** Reimbursement Request Report is a cover page required to be submitted with each payment request.
- **Attachment 9-**Final Performance Report is required to be submitted after the conclusion of the grant program and no later than December 31, 2014.