

Community reinvestment in targeted neighborhoods

—Jim Bliesner, Director of the San Diego City/County Reinvestment Task Force
Detailed outline of presentation at the Rocky Mountain Land Use Institute's Annual Land Use Conference, March 5, 2009

Current Conditions

- There is a need for affordable housing not being met by available funding.
- High foreclosures in low-mod neighborhoods, inhibit stability and escalate decline.
- Foreclosures increase relative to equity decrease.
- Purchases at the bottom of the market stabilizes the market.
- Federal laws establish a national fund (\$3.5) for local land banks.
- Hedge funds purchases at reduced rates do not fully contribute to neighborhood economic stability and may prolong market instability.

San Diego Structure

- City/County Reinvestment Task Force
- Land Bank
- Community/Public Partners
- SD Capital Collaborative
- Characteristics

Getting Ready-

Organizational Response

- Data to Identify
 - Volume
 - Geography
 - Ownership
 - Value
- Assess Multi-level Response Capability
 - Foreclosure counseling
 - Homebuyer programs/ pre-qualification strategy
 - Rehabilitation resources (non-profit/ public/ private)
 - Funding opportunities
- Assemble stake holders to plan strategy, scale and targeting
 - Multi-level Response
 - Community
 - City
 - Region
- Stabilize Organizational Structure
 - Public/ private/ community overlay
- Identify production capability
 - Acquisition
 - Appraisal
 - Rehabilitation
 - Resale

- Implement funding actions/ commitments
- Public
- Bonds
- Redevelopment
- CRA Investments
- State/ Federal funds
- New Market Tax Credits
- Grants
- Private
- Program Related Investments
- Pension funds (linked to homebuyers)
- Private Investors
- Pursue Discounted Acquisitions
- Brokers
- Agents pre trained on priorities
- Lenders
- Government Secondary Markets
- Advocacy

Lender

Incentives/Benefits

- Assist in maintaining value of non foreclosed properties in high concentration markets;
- Potential tax benefits from property transfer to non-profit organization;
- Potential for back end new home buyer lending;
- CRA investment opportunity with reasonable return;
- Removal of foreclosed properties from balance sheets as non-performing loans;
- Reduction of cash reserve obligations related to foreclosed properties;

Evaluation

- Tracking sales prices, property values, and sales volume
- Diversification of exit outcomes related to return
- Assessment of process (acquisition, preparation and distribution)
- Achievement of socio-economic benefits (jobs, improved units, homeownership, etc)