

Mayor's Housing Quality Task Force



**COMMUNITY MEETING
JUNE 28, 2016**

HQT Charter



- **Objective:** Align City investments, resources, and policies that support safe, quality, affordable housing and mixed-income neighborhoods.
- Recommend policies, programs, and strategies to support quality housing in Spokane.

Housing Focus Areas

Abandoned Homes
Homes in Foreclosure
Chronic Nuisance Properties
Substandard Properties
Vacant Residential Lots
Housing Affordability

The objective of the Housing Quality Task Force is to align City investments, resources and policies to support safe, quality housing and mixed-income neighborhoods.

Success of the Task Force means:

Neighborhoods have a mix of safe, quality, and affordable housing for individuals and families to rent or own (with specific focus on mixed-income and targeted areas). Implementing programs and policies in order to return underutilized, foreclosed, and abandoned homes to the housing market quickly.

The City and partner agencies respond to tenants of substandard housing in a coordinated fashion to place families in safe, quality, and affordable housing with any needed supportive services for a higher quality of life.

Measures of success will include:

- **Increase in property valuation. (How would this group measure this?)**
 - Location most important in keeping property valuation high. Access, amenities, transportation, food, shopping proximity to housing.
 - Homes will continue to
- Increase in a mixture of housing options, thus creating more affordable housing.
- Decreased crime rates.
- Identify measure to reflect better market segmentation/variability in each

neighborhood.

Document current state of housing in Spokane

- Review current expenditures/costs related to substandard, abandoned, and foreclosed homes
- Evaluate impact of six areas of housing on surrounding neighborhood quality of life, health, property values, and crime rates

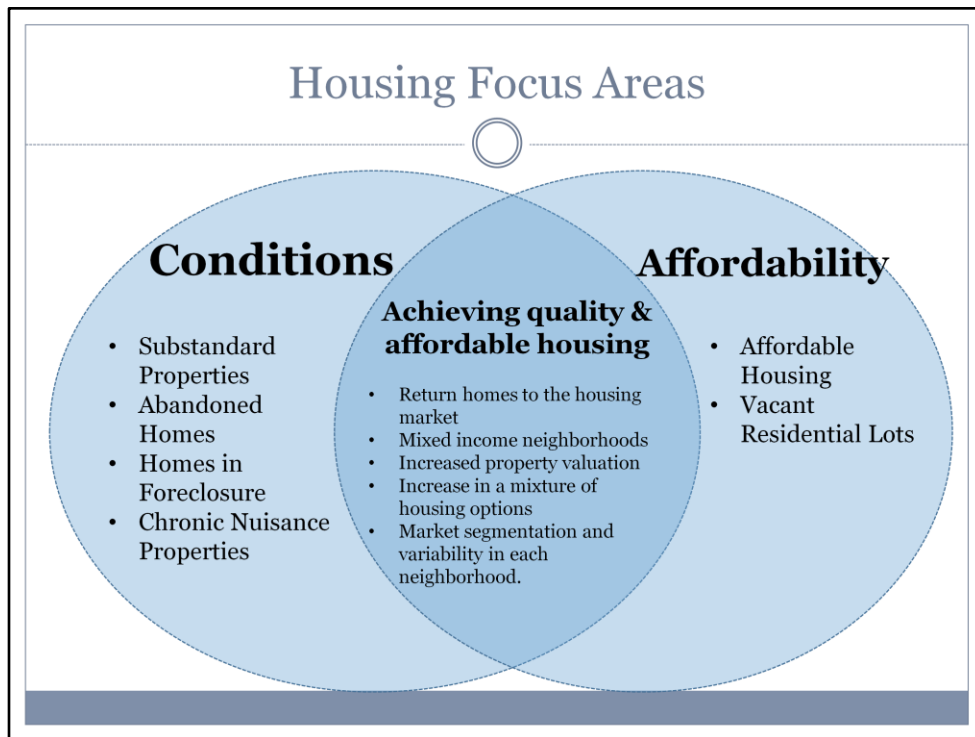
Discussion:

How can we increase property valuation?

How can we increase mixed housing in Spokane?

From your agencies perspective what are the barriers to improving any one of the six areas of housing?

What can be implemented in 1-yr. with heavy focus?



By addressing the housing conditions and housing affordability we can find solutions in the middle.

Substandard & Abandoned Homes

• Definitions

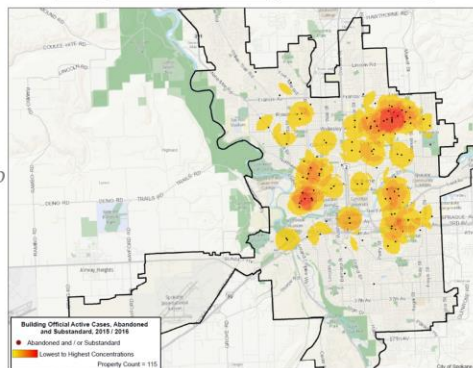
Substandard buildings (SMC 17f.070.400)

- A building which fails to meet the minimum standards (12 criteria). In the generic sense the term includes “substandard buildings”, “unfit buildings” and “boarded-up buildings”.

Abandoned (SMC 17f.070.030)

- Giving indications that no one is currently in possession, such as by the disconnection of utilities, accumulation of debris, uncleanness, disrepair, and other circumstances.
 - - Non-responsive, Absentee, Deceased, Incarcerated, etc

2015 Active Building Official Cases



Substandard Buildings:

In 2015 there were 150 cases reported. 40 of them were emergency actions (boarding) aka summary hearing.

Homes that are abandoned tend to fall into the Substandard Building process. The definition of abandoned buildings means; “Giving indications that no one is currently in possession, such as by disconnection of utilities, accumulation of debris, uncleanness, disrepair, and other circumstances. Reasons for abandonment include non-responsive owners, absentee, deceased, incarcerated...etc.

12 Criteria:

To determine whether a building is substandard or unfit for human habitation so as to require its owner to repair and rehabilitate the building, the building official considers the number and extent of twelve factors.

- Dilapidation: Exterior decay, water damage. S
- Structural defects: Foundation, wall and roof framing.
- Unsanitary conditions: Waste accumulation, health hazards.
- Defective/inoperable plumbing.
- Inadequate weatherproofing: Siding, roofing and glazing.
- No activated utility service for one year.
- Inoperable or inadequate heating system.

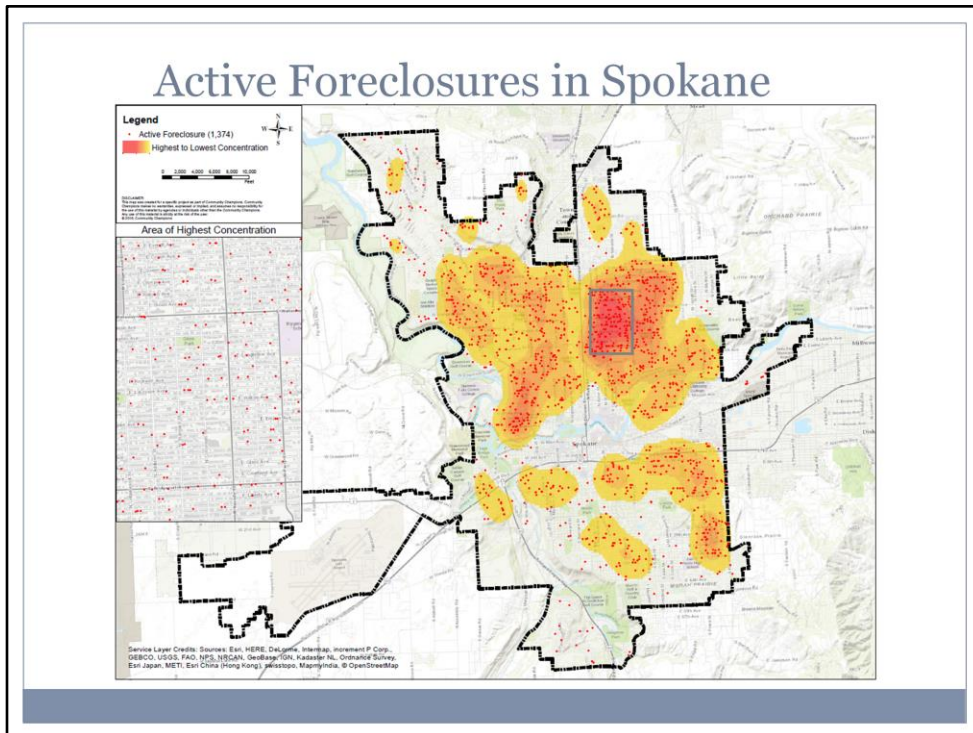
- Hazardous electrical conditions.
- Structure has been boarded more than one year and no approved rehabilitation plan.
- Structure used in the manufacture of methamphetamine or any other illegal drugs and has been condemned by the Spokane county health district and the owner has failed to abate the nuisance condition.
- Fire-damaged structure.
- Defects increasing the hazards of fire, accident or other calamity.

Homes in Foreclosure



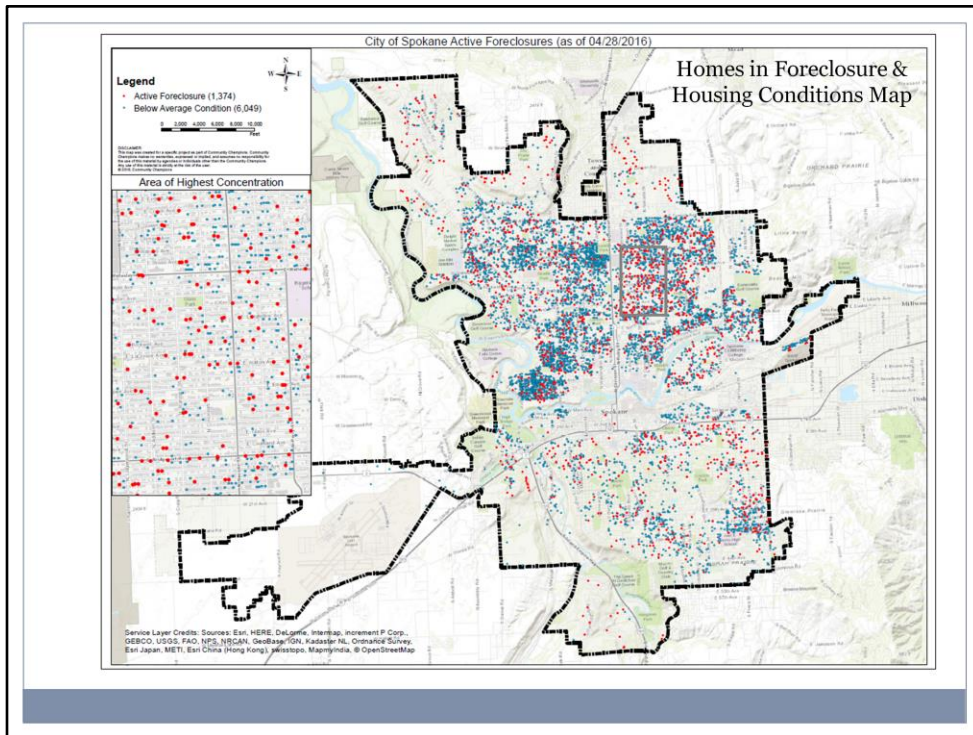
- **2015 Foreclosure Property Registry SMC 17f.070.520**
 - Proactively identify properties, hold the lienholder responsible to prevent deterioration, and where possible, divert default properties from entering into the Building Official hearing of Chronic Nuisance process.
 - Requires that the lender or other responsible party(ies) of properties that are in the foreclosure process register those properties with the City.

- Registry program protects the community from the deterioration, crime, and decline in value of Spokane's neighborhoods by holding the lienholder responsible for maintenance
- Registering a property is voluntary on the part of the lienholder.
- In 2015 there were:
 - 316 voluntarily registered foreclosure properties.
 - 1,374 homes in Foreclosure in Spokane



Community Champions: Proactive private company that provides property registration program. Centralized system that compiles the data. They help to drive registration compliance

1,374 active foreclosures in Spokane as of 4/28/2016



Community Champions: Proactive private company that provides property registration program. Centralized system that compiles the data. They help to drive registration compliance

Spokane Foreclosure filings

2013 = 1008

2014 = 797

2015 = 603

2016 = 191

Median Foreclosure Sales \$61,187 (Source: RealtyTrac)

In this January 2016 RealtyTrac report:

U.S. properties foreclosed in the fourth quarter had been in the foreclosure process an average of **629 days (1.7 yrs)**, down slightly from 630 days in the third quarter but still up 4 percent from the average 604 days in the fourth quarter of 2014.

Costs to the Community & Market



- Spill over effect of sale losses when they are located within 1,000 ft. of a home in foreclosure.
- 31,000 homes located within 1,000 feet of a foreclosed home in Spokane.
- Median value of owner-occupied housing in Spokane: \$160,000
- Low value (.9%) in lost sales: \$448 million
- High value (8.7%) in lost sales: \$4.3 billion

*HUD – Vacant and Abandoned Properties

A study of Columbus, Ohio finds that vacant properties have a more severe impact on their immediate surroundings than do foreclosures, which have a modest impact but over a larger area.

Findings in Cleveland have shown that being within 500 feet of a vacant property depresses the sale price of non-distressed homes by 1.7% in low-poverty areas and 2.1% in medium poverty areas.

Research also suggests that the longer a property remains vacant, the greater its impact on surrounding property values and the larger the radius of this effect.

A study in Baltimore finds that the impact is confined to within 250 feet of properties that have been abandoned for less than 3 years; after 3 years the impact can extend as far as 1,500 ft.

Research links foreclosed, vacant, and abandoned properties with reduced property values, increased crime, increased risk to public health and welfare, and increased costs for municipal governments.

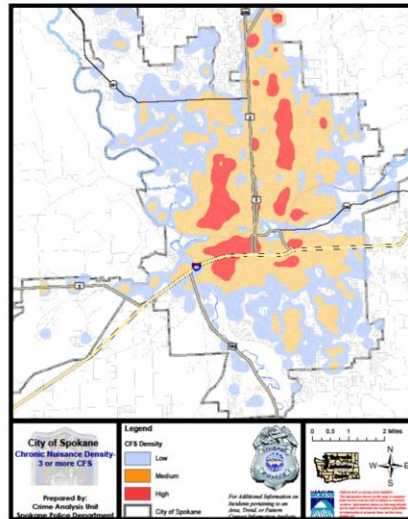
vacant properties results from two main causes: the foreclosure crisis as well as long-term urban decline, depopulation, and disinvestment.

Chronic Nuisance

- Definition

- Chronic Nuisance property (SMC 10.08A.020.B)

- ✦ *A property on which three or more nuisance activities occur or exist during any sixty-day period.*

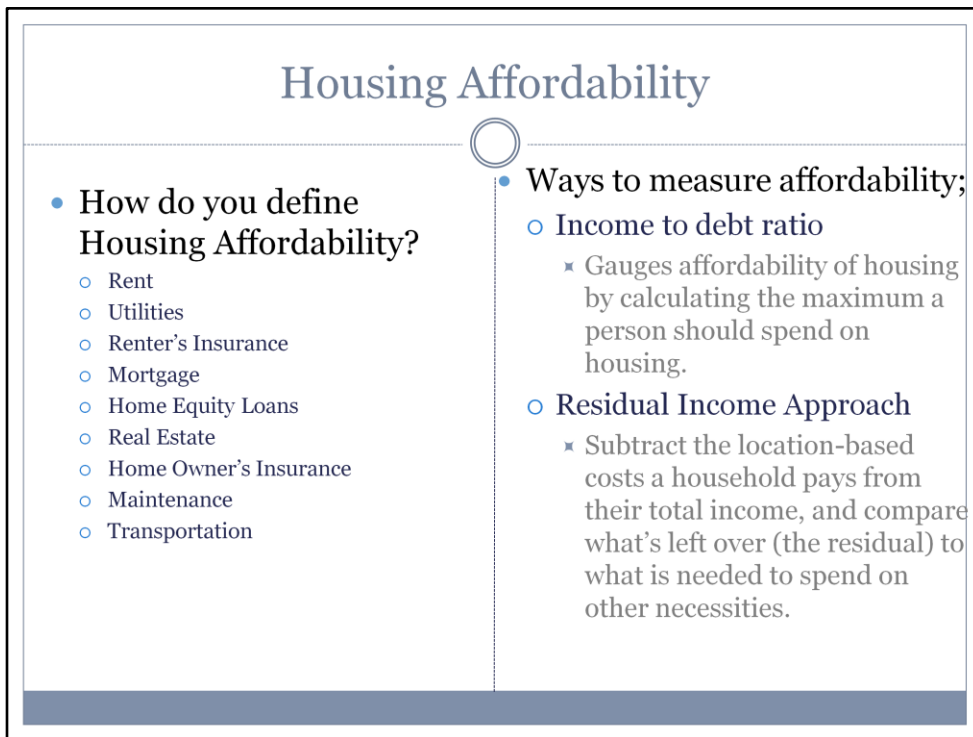


Chronic nuisance code enforced by the Civil Enforcement Unit (CEU).

Nuisance activity includes: stalking; harassment; failure to disperse; disorderly conduct; assault; reckless endangerment; prostitution; patronizing a prostitute; disorderly house; indecent exposure; lewd conduct; firearms violation; noise; loitering for the purpose of engaging in drug-related activity; drug-related activity; gang-related activity; or any attempt to commit to the mentioned activities

Chronic nuisance lawsuits are often filed in conjunction with a complaint for drug nuisance.

From 2014 to May 2016 there have been approximately 23,100 calls for service relating to nuisance activity at just 3,802 properties.



There are many ways to define housing affordability

Many factors come into play when measuring housing affordability

The **safest way to live in the city** is to avoid spending more than 28 percent of the gross income that one earns on costs that pertain to housing and no more than 36 percent on all expenses and debts.

- Spokane, WA has a median income of about \$58,988 for people who own homes. Based on that number, a person should spend a maximum of \$1,376 on expenses related to housing.
- Renters have a slightly different median income, which is \$25,675. Based on this average, renters should spend no more than \$599 on all of their rental costs if they want to maintain a non-impooverished standard of living.

For simplicity HUD (Dept. of Housing and Urban Development) defines housing affordability as spending no more than 30% of annual income on housing.

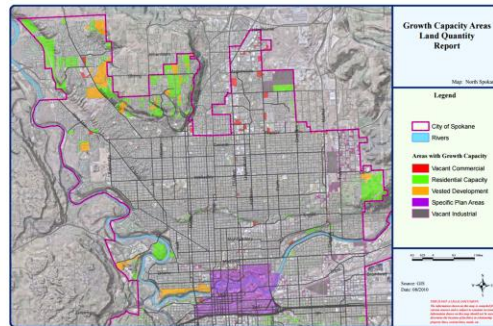
Spending over 30% of annual income is considered cost burdened and may have difficulty affording necessities such as food, clothing, transportation and medical care.

- Moderate cost burden = 30%-49.9% of income
- Severe Cost Burden = 50% or more of income

Vacant Residential Land

- Explore opportunities to better promote and encourage infill housing development in desired locations.
- Vacant Residential Land identified by the Land Quantity Analysis.
- Results and Application
 - Data by Neighborhood Council or other geographic area
 - Inform policy direction
 - Potential Effects of infill projects
 - Prioritization of areas/properties

LQA 2015 – North Spokane



Importance to the HQT:

- Identify recommendations that promote infill development of residential properties.