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National Community Stabilization Trust

November 14, 2018

Land Banks Prepare Strategic Plans, Detroit Buyer Success, Policy Corner, Free Webinars & Industry Reports, and more

Land Banks Preparing Strategic Plans to Expand Scope and Community Impact

by Chris Garland, NCST

As the newest member of the NCST team, I'm excited to share some early observations. Over the past four months, I have spent the majority of my time becoming familiar with the community development networks throughout Ohio and Michigan. And in nearly every community conversation there is a palpable recurring question of "What's next?" for Ohio and Michigan's Land Banks.

Since their inception in the late 2000s, County Land Banks have been key partners with NCST and a significant actor in supporting housing recovery in general. In both Ohio and Michigan, Land Banks have been a rapidly growing part of the community development industry. As of October 2018, there are now more than 50 Land Banks in Ohio (out of 88 counties), up from just 8 in 2011, and more than 25 Land Banks in Michigan. Land Banks were crucial to their local communities during the NSP years and are equally vital, more recently, in addressing post-housing recession blight.

In particular, both the Ohio and Michigan Land Banks played a key role in advocating for the federal government to authorize demolition as an eligible activity for funding under the federal Hardest Hit Fund (HHF) program, originally created by the Obama Administration to help prevent foreclosures. They persuaded the Treasury department that neighborhood stabilization required both efforts – to keep people in their homes and to alleviate blight in support of housing values and communities.

Use of the HHF Funding for demolition (known as the Neighborhood Initiative Program in Ohio and the Blight Elimination Program in Michigan) has proven critical in addressing blight issues, but there is still demolition left to be done. Recognizing this need, the Ohio Housing Finance Authority (OHFA), the state agency charged with administering the Ohio HHF program, has identified HHF-funded blight elimination as a Fiscal Year 2019 Initiative as part of their annual plan: "1.10 ...For communities still working to stabilize property values, the Neighborhood Initiative Program (NIP) component of the Save the Dream program provides financial support to County Land Banks for blight elimination."

Unfortunately, HHF allocations are rapidly reaching their spend-down timeline, and some production and expenditure thresholds have or nearly have passed. OHFA is requiring that 100% of targeted property acquisitions for demolition be acquired by Land Banks no later than December 18, 2018. Additionally, OHFA's final funding drawdowns are due in December 2019.

With this fast approaching timeline in mind, Land Banks have begun to plan for a future with fewer dedicated resources available for demolition, conducting internal self-assessments and, in some cases, preparing formal strategic plans – all with a mind for transitioning beyond predominantly demolition-oriented organizations and expanding their scope and impact of community stabilization. For example, the Cuyahoga County Land Bank (CCLRC) is currently interviewing stakeholders to develop its future programming, which might include increased activity in residential development as well as strategic land assembly for economic development projects. According to CCLRC President and General Counsel Gus Frangos, "we expect to see our residential development programs ramping up as (HHF) demolition activities are winding down."

The Trumbull County Land Bank/Trumbull Neighborhood Partnership (TNP) also is exploring what's needed to expand its capacity for targeted acquisition and rehab in the Warren, Ohio region. TNP Executive Director Matt Martin reports that, with respect to the HHF and NIP programs, TNP has been able to grow their organization's skill sets in deconstruction, landscape installation, landscape maintenance as well as added capacity around renovation and administrative support. "In future years," he adds, "(TNP) might touch 50 properties annually vs. the current 500 (demos) annually, but can be much more surgical with those 50 interventions each of which will further stabilize this community."

Additionally, this conversation has occurred in industry forums such as this year's Michigan Association of Land Banks Leadership Summit and the Ohio Land Bank Conference, both of which took place in October, and will likely also occur at the 2019 Building Michigan Communities conference (I hope to meet many of you there).

NCST looks forward to working together with Land Banks and others to answer the question of "what's next."

Chris Garland serves as Community Development Manager, Michigan & Ohio, for NCST.

Two Families Now Enjoy Renovated, Affordable Homes as MJ Realty Services Works to Rebuild Detroit Communities

NCST community buyer, MJ Realty Services, recently completed two homes in Detroit, Michigan. Marcus Jones, associate broker for MJ Realty Services, said that restoring these affordable homes "is more than just real estate; we are rebuilding communities." They also provide jobs for local laborers, with a goal of helping some workers begin earning a living wage and get back on their feet. Mr. Jones added that it's their goal to "provide a quality living environment to everyone regardless of the end user or income, as everyone appreciates a nice living environment."

The first home, in the historic North Rosedale Park neighborhood, has three bedrooms and two baths, and was completely renovated, with the kitchen and bathrooms accounting for most of the $48,000 invested in rehab. Part of the basement was finished out which added the second full bathroom.

Now, a single mother of four school-aged children has a two-year lease on this home for a below-market rental rate. In their previous rental property there were numerous problems, including mold and moisture in the basement, which concerned her. MJ Realty also listened to this Mom during renovation to ensure the home finishes, including paint colors, would please her. This made her feel very appreciated.

Other renovations made include new security lighting, landscaping, and a privacy fence for the backyard so the children have a safe place to play. They also repaired damaged ceilings, replaced missing windows and broken doors, waterproofed the basement, and installed security doors.

The second single-family home was built in 1916, and MJ Realty completely restored it while maintaining its unique character. It's located in the heart of Southwest Detroit in the still-transitioning Springwells neighborhood, where there are some vacant properties and a few empty lots from demolished homes. However, it's a nice working class community with many nearby businesses and restaurants.

The home has enough space for this family of four – a single mother with three school-aged children – to spread out and enjoy quiet areas for studying and relaxing, including a great covered porch off the kitchen. The family was renting a home from another landlord, but it wasn't maintained – they saw sewage in the basement and dealt with rodent infestations. They're grateful for this renovated home near the children's schools.

MJ Realty invested $65,000 into the restoration including remodeling the entire kitchen, replacing the decking and subfloor throughout, sanding and refinishing all hardwood floors, repairing and updating the bathrooms, repairing damaged ceilings and walls, then priming and painting all ceilings and walls throughout, installing a new entry door and new exterior security doors.

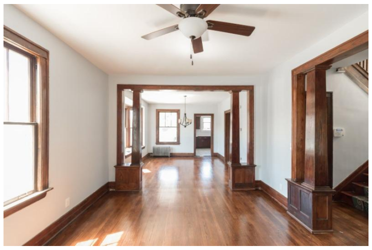
Thanks to MJ Realty Services for your teams' fantastic work in restoring affordable homes and creating jobs in the historic Detroit neighborhoods. Great job!

North Rosedale Park Home - After



Springwells Home - After





Policy Corner > Learn More About the Opportunity Zone Initiative and Take Action by Submitting a Formal Comment

by Theodora Chang, NCST

The passage of the December 2017 tax law sparked intense interest in the new Opportunity Zones initiative from investors and community organizations. Opportunity Zones were designed to incentivize individuals and corporations with capital gains to invest them in designated census tracts by allowing them to defer paying taxes on those gains.

Since that time, our NCST team has received a number of questions around Opportunity Zones from our partners, including the following: *Are Opportunity Zones good for the communities we serve? How does our work on blight prevention and single family home rehabilitation fit into the initiative? And how can our Community Buyers tap into any benefits that this creates?*

The recently released initial set of proposed regulations provides a good opportunity for us to share some of our current thoughts.

First, how does the Opportunity Zone initiative work?
There are many other good sources for Opportunity Zones 101, but the basic process flow is as follows: investors who have capital gains from selling an asset (we'll call it Asset 1) can direct some or all of that gain to a Qualified Opportunity Fund, which then invests in one or more Qualified Opportunity Zone Properties (Asset 2) located in the Qualified Opportunity Zones designated in June 2018. Investors benefit by being able to defer paying their capital gains taxes on Asset 1, being able to pay less in Asset 1 capital gains taxes if they hold Asset 2 for 5-10 years, and paying no taxes on

Asset 2 appreciation if it is held for at least 10 years.

Are Opportunity Zones good for the communities we serve?
It's too early to tell. After the law was passed, states rushed to nominate census tracts for Opportunity Zone designation, and the resulting final list of designated zones included areas with lower incomes and higher poverty rates than non-designated areas but also have roughly the same level of prior investment as non-designated areas.

There is also growing concern that the cost of lost tax revenue could outweigh benefits to distressed communities; the zones are in areas already gentrifying or likely to gentrify; there are inadequate certification guardrails; and an annual reporting requirements provision referenced in previous versions of the bill and in the Committee Conference Report has been omitted.

Additionally, the broad statutory language raised numerous implementation questions and left ample room for regulations to fill in the details of the initiative, so regulatory efforts will significantly affect the impact of Opportunity Zones. The bottom line: merely designating an area as an Opportunity Zone will not automatically produce an increase in investment in that area. We will likely not know what benefits accrue to communities until we see outcomes data.

How does our work on blight prevention and single family home rehab align with the goals of the initiative?
It is not clear that Opportunity Zones will encourage investment in the kind of single family home rehabilitation work that most of our Community Buyers do. The main reason for this skepticism is the law specifies that investors receive the maximum amount of tax benefit if they hold an Opportunity Fund asset for 10 years, which does not match up with the much shorter timeframe of acquiring and rehabbing for resale. That said, the holding requirement could align with the work of our buyers who rehab homes for long-term, affordable rental.

Additionally, one previous concern about the statute's definition of "substantial improvement" has now been allayed. Language in the statute states that in order to be considered "substantially improved," a qualified property's basis after 30 months must be greater than "an amount equal to the adjusted basis of such property at the beginning of such 30-month period in the hands of the qualified opportunity fund." It wasn't clear from the plain language of the statute whether the term "basis" in this clause referred to the value of the land plus the value of the building.

The first set of proposed IRS regulations with its accompanying revenue ruling clarifies that "a substantial improvement to the building is measured by the [Qualified Opportunity Fund's] additions to the adjusted basis of the building [and not the land]." The notice specifies "[e]xcluding the basis of land from the amount that needs to be doubled…for a building to be substantially improved facilitates repurposing vacant buildings in qualified opportunity zones." This interpretation is favorable toward our Community Buyers' single family acquisition and rehab work, as the average purchase amount across our current markets is $71,832, and the average cost of rehab is $47,523.

How can our buyers tap into capital created by Opportunity Zones?

Until further regulations are issued, we expect there will continue to be some uncertainty about the parameters of the Opportunity Zones initiative. In the meantime, you can stay informed and involved through the following options:

> By 2019, NCST will have an overlay in our REOMatch system that will allow our Community Buyers to view the Opportunity Zones in their own service areas. Until then, any buyer who would like help mapping their local Opportunity Zones should contact us.

> Check for updates from reputable sources. There are several websites that provide information on the latest regulatory updates, Fund creations, mapping tools, and more.

- IRS Newsroom for Opportunity Zones news releases: https://www.irs.gov/newsroom
- CDFI Fund for Opportunity Zone designation information: https://www.cdfifund.gov/pages/opportunity-zones.aspx
- Enterprise: https://www.enterprisecommunity.org/financing-and-development/opportunity-zones-program
- Economic Innovation Group: https://eig.org/opportunityzones
- LISC: http://www.lisc.org/our-initiatives/opportunity-zones/
- National Council of State Housing Agencies Opportunity Fund Directory: https://www.ncsha.org/resource/opportunity-zone-fund-directory/

> Participate in the rulemaking process by submitting a formal comment on the initial proposed rule via federalregister.gov by **December 28, 2018**. The IRS is asking for feedback on all aspects of the "substantial improvement" definition. You can also use the comment section to propose topics for the public hearing scheduled for January 10, 2019, in Washington, D.C.

Theodora "Theo" Chang serves as Senior Policy Associate for NCST.

Support Middle Neighborhoods with a Federal Investment in Home Rehab

Op-Ed published on Next City - by Theo Chang and Julia Gordon, NCST

- **Read the full story on Next City:** https://bit.ly/2PHHiiL
- Neither rich nor poor. Neither gentrifying nor in steep decline. "Middle neighborhoods" have recently captured the attention of community development circles (and are the subject of ongoing coverage in Next City). These neighborhoods, broadly defined as areas with households earning 80 to 120 percent of the area median income, currently face a growing number of challenges. One glaring challenge is age — while homeownership rates are high, houses in middle neighborhoods are often quite old, and residents tend to have fewer resources for upkeep.
- We work in a number of cities with many middle neighborhoods, connecting foreclosed homes to community housing organizations that will acquire and properly rehabilitate those homes. For example, in the city of Baltimore, Maryland, more than half of residents live in middle neighborhoods. As is the case in many of the cities along the East Coast, three-quarters of the homes in Baltimore were built before 1960.
- Older properties are not always a problem. But they can pose a special

challenge in areas where property values are not strong enough to either support refinancing for repairs or encourage resale efforts because the cost of acquisition and rehab would exceed the appraised value. This condition is commonly referred to as the "appraisal gap." ...
- Many of our Baltimore partners have reluctantly turned down the chance to acquire and rehab homes in middle neighborhoods for this reason. One organization recently explained its decision this way: "The property [in question] needs at least $75,000 in rehab to even compete with other properties that are currently being sold on the market. Average resale in this area is $130,000. Asking price, coupled with rehab, will put us at a loss." ...

Buyer Resources

FREE Webinar - Listen: The Community Engagement Toolkit

- Date: Thurs., Nov. 15, 2018
- Time: 1pm - 2:30pm ET
- Enterprise Community Partners is excited to announce the launch of Listen: the Community Engagement Toolkit. This new resource brings together more than 40 resources to assist and enable effective community engagement. They will share this new feature of Opportunity360 and hear from a panel of experts and practitioners from across the country who specialize in community development. Presenters will share how engagement has shaped their work, from a small community in Maryland to a city-wide approach to community development in Detroit.
- >>> REGISTER TODAY

FREE Webinar: Piecing it Together: A Framing Playbook for Affordable Housing Advocates

- Date: Monday, Nov. 26, 2018
- Time: 2pm – 3pm (EST)
- Over the past two years, Enterprise has worked with a set of partners across the country to help build the capacity of the sector to better engage community residents. They partnered with the FrameWorks Institute to conduct research to help housing practitioners better understand the importance of

Zombie Property Survival Guide

- https://bit.ly/2CFpPjK
- ... The housing industry has borrowed the zombie name to describe a persistent problem of its own, a monster born out of the previous decade's financial crisis but still lingering—the so-called "zombie property." ...
- In a Policy Focus Report entitled, "The Empty House Next Door: Understanding and Reducing Vacancy and Hypervacancy in the United States," Researcher Alan Mallach analyzed U.S. Census and Postal Service data for 15 American cities, examining the increasing occurrences of "hypervacancy" in these cities, which the report defines as when at least one in five properties is vacant within a given area. ... According to the report, the number of units that are effectively abandoned has increased nationally from 3.7 million in 2005 to 5.8 million in 2016. ...
- Zombie properties tend to proliferate in states that feature a judicial foreclosure process, wherein the foreclosure proceedings have to make their way through the court system. ...
- In a summer 2018 report entitled "Fast Track Foreclosure Laws: Not a Silver Bullet for Fighting Blight," the National Community Stabilization Trust (NCST) ... attempted to review the efficacy of such laws but was unable to reach a conclusion. The nonprofit explained that there was insufficient data to truly examine fast-track proceedings in various states "either because some states do not specifically track data on motion filings and foreclosure timelines or because this data is not publicly available." ...

State of the Heartland: Factbook 2018

- The State of the Heartland: Factbook 2018

framing as part of their work to advance opportunity through affordable housing. The first paper in the series, You Don't Have to Live Here, has become almost a staple in our industry for understanding how our messaging, when not strategically framed, can fail to deliver the support we need.
- >>> REGISTER TODAY

Affordable Homeownership 10 Years After The Crisis (New York)

- https://cnycn.org/affordable-homeownership-10-years-after-the-crisis/
- Affordable homeownership is a key building block of a more inclusive and equitable New York that cuts across socioeconomic, racial, and ethnic boundaries. Working- and middle-class communities depend on homeownership as an engine for economic mobility — and with vast economic inequality in New York City, preserving affordable homeownership is more important than ever.
- Our latest report, "Aftermath: Affordable Homeownership In New York 10 Years After The Crisis," finds that homeownership for middle- and working-class New Yorkers is more precarious than ever.
- Some key findings: As of 2017, New York homeowners tend to be wealthier, older, and whiter than most New Yorkers and Investor home purchases (most with all cash offers) have doubled since the foreclosure crisis, beating New York families to affordable homes — investor purchases are up in all boroughs and in 2017, 62% of affordable single family home purchases in New York City were to investors.
- **Read the full report**.

benchmarks the performance of the 19-state American "Heartland" on 26 socioeconomic measures and is intended to help Heartland leaders and citizens better comprehend the region's current trajectory at a time of rapid economic and social change.
- Focused on how the defined region's economy has been performing since the recent financial crisis, the factbook provides both encouraging and trying news for the region. The good news is the region is doing better than is sometimes portrayed, particularly on measures of tradable industry presence.
- >>> View the Factbook

Solving the Home Affordability Crisis: A Guide for Policymakers & Local Government Leaders

- https://bit.ly/2yyDlmH
- Home affordability is becoming a national crisis as even middle-income earners can no longer afford to buy a house in cities throughout the U.S. In some metro areas, between 33 percent and 50 percent of all households can't afford payments on a median-priced single-family home. This handbook offers advice on how to get started in confronting this challenge and shares best practices from leaders throughout the country who have implemented successful policies and initiatives.
- >>> Download the Report

FHFA Releases New Homebuyer Affordability Measure and Data

- https://bit.ly/2A21vHh
- Last week, the Federal Housing Finance Agency (FHFA) released a new measure for homebuyer affordability, called the Housing Affordability Estimate (HAE). The HAE reports the share of recently-sold housing that is affordable to households based on their income, expected costs, and assets available for down payment.
- **Read the FHFA HAE Report here**

Industry Conferences

NCST team members attend and serve as panelists for selected industry conferences and events. We enjoy the opportunity to see and meet our partners, as well as share our

It was great to see many of our industry partners on the road in 2018. As we wrap up 2018, and look forward to 2019 - what conferences do you plan to attend next year? Does your conference have a need for one of our industry experts? If so, just email Sally and she'll work to connect you with one of our team members or partners.

Hope to see you on the road soon!

industry knowledge.

November:

- **13-14:** Building Advocacy for Middle Neighborhoods, Cleveland, OH
- **15-16**: Atlanta Federal Reserve Bank Event; Julia Gordon to serve as panelist – *Racial Equity in Homeownership*, Atlanta, GA
- **27-29**: NHC Solutions for Affordable Housing; Julia Gordon to serve as panelist – *Filling the Affordable Housing Gap*, Washington, DC

Community Buyers - Share Your Property Success Stories

Buyers - we'd like to share your accomplishments - please do brag a little! In REOTrack, when you submit your final reporting, click on the "Good Story Flag" box and we'll take it from there. Or email Sally or call her (214-710-3411) and she'll work with you on your story. **> Download this flyer for all the scoop.**

Industry News

Below are recent, notable headlines regarding our industry.

The Silver Lining of the New Gilded Age: Fewer Targets

- https://bit.ly/2zQdd6m
- When a private equity firm like Blackstone becomes a mega-landlord, money lender, and construction behemoth, many different progressive constituencies can come together to pressure and bargain with it. At noon on January 17 of this year, activists began protesting outside the Blackstone Group's New York City headquarters over the private equity giant's foreclosures in Puerto Rico. Simultaneously, a social justice group in California released a report detailing Blackstone's alleged mistreatment of thousands of the state's tenants. The timing was no coincidence.
- The extreme concentration of economic ownership and power in 21st-century America is creating more opportunities for disparate groups—from renters and unions to community groups and financial reform organizations—to ally against common adversaries and pressure them for broad concessions. This growing collaboration points to what some see as a necessary reaction and potential silver lining to the New Gilded Age.
- "The same guys own everything," Stephen Lerner, a veteran community and labor organizer, told a crowd of labor leaders in New York City late last year. "We can align our forces in a different way because we have the same enemy."
- Nurturing these alliances offers a promising path forward for a resurgent progressive

movement and for unions accustomed to playing defense, Lerner and other organizers say. Converging campaigns against Blackstone will test this theory in a big way. Drawing on capital from banks, pension funds, and other investors, private equity firms such as Blackstone, Apollo Global Management, and the Carlyle Group are controlling more and more companies, increasingly impacting not just employment conditions, but housing affordability, credit availability, infrastructure, and the environment. …

Affordable housing & Community Land Trusts get a revitalizing boost from Freddie Mac

- https://bit.ly/2PzSfTi
- Long-time readers of REVITALIZATION have seen a number of article over the years that show how Community Land Trusts (CLT) can be an equitable, efficient solution to the affordable housing crisis…one that also helps revitalize neighborhoods. The first CLT was created in Albany, Georgia back in 1969. But it wasn't until recently—now that affordable housing has become a severe national crisis—that they have really started to gain momentum.
- Via the combination of deed restrictions and a not-for-profit entity, CLTs offer families with low-to-moderate incomes a path to homeownership while ensuring long-term housing affordability. … Freddie Mac announced it is expanding its support for shared equity homeownership programs that focus on long-term affordability and will start purchasing Community Land Trust Mortgages to facilitate the preservation of affordable housing in low- to mid-income markets across the country.
- In an era of tight housing inventory and rising home prices, shared equity homeownership offers prospective buyers a way to become homeowners and lenders an opportunity to support underserved communities. The Freddie Mac Community Land Trust Mortgage offering supports shared equity homeownership programs that not only make homes affordable for initial homeowners but also preserves home affordability for subsequent homeowners. …

Owning your own home doesn't make you rich. Owning somebody else's does.

- https://wapo.st/2zl6EbS
- In the United States more than almost anywhere else, wealth and income are concentrated among business owners and landlords. And that club, blessed by capitalism, is becoming increasingly difficult to join. Business owners and landlords tend to be about four times as wealthy as the average American. That's more than almost any other country included in a new study. On the other end of the spectrum, renters in the United States tend to have about an eighth as much wealth as the average American.
- In the recent working paper, Austrian central bank economists Pirmin Fessler and Martin Schürz used a long-running U.S. wealth survey and its newer European counterpart to compare wealth across continents. It's one of the first such comparisons to look at wealth in terms of what people use it for, rather than at arbitrary percentile cutoff points. The widest inequalities, they find, are between groups inside countries, not across country borders.
- In their analysis, they split households into three groups. Homeowners, whose primary wealth is also their primary residence, form the bulk of the middle and upper middle class. Business owners and landlords (about 15 percent of U.S. households), tend to be among the wealthiest. Their wealth is typically used to generate additional income. Those who pay to rent their residences (about 35 percent of households), and whose wealth is typically used to cover needs such as emergency expenses or retirement, fill out the bottom of the spectrum. They're joined by homeowners and business owners whose debt exceeds their equity.
- The bottom 40 percent are most likely to be renters. The top 5 percent are most likely to own businesses or rental properties. The authors found this polarization has increased since 1962. …

Global Investors, and Not Families, Are Buying Affordable Homes

- https://bit.ly/2JxyFl8
- The signs are becoming more ubiquitous, often in neighborhoods with aging housing stock, and where aging homeowners live on fixed incomes. You see fliers stapled to telephone polls or taped to bus stop shelters that say something like, "We Buy Houses for Cash."
- Cleveland's Old Brooklyn, a middle neighborhood, faces that exact situation. Jeff Verespej, executive director of Old Brooklyn Community Development Corporation, which has been acquiring and rehabbing homes in Old Brooklyn and selling them at affordable prices back to new homeowners, calls these investors "We Buy Houses LLC." They buy houses in all-cash

deals, often for lower than the homes are actually worth, because they promise payment in cash by the end of the day.
- In New York City, these kinds of investors accounted for 62 percent of all the affordable homes purchased in the city, according to a new report by the Center for NYC Neighborhoods. The report examines the precariousness of homeownership in New York City, ten years after the subprime mortgage crisis decimated many neighborhoods, especially those where homeowners were predominately people of color. …
- Over the past decade, large private investment firms such as Blackstone have become the nation's largest landlords of single-family homes, which includes all residential properties up to four units in size. Such firms became major players in the market after the subprime crisis, when federal housing agencies began selling distressed mortgages to such firms en masse. …

Owning Real Estate Has Not Panned Out for Many African-Americans

- https://bit.ly/2PhYnQ6
- Politicians and advocates have long touted homeownership as the best way to build wealth, saying that over the long term, home values go in only one direction: up. But since the dawn of the 21st century, that promise has been an empty one for many African-Americans. In nearly a fifth of the ZIP codes where most homeowners are black, home values have decreased since 2000, compared with only 2 percent of ZIP codes where black homeowners are not the majority, according to a Stateline analysis of federal data on home prices, race and income.
- Among the largest losers: some Detroit neighborhoods along Eight Mile Road and parts of Trotwood, Ohio, near Dayton, where home prices have dropped by a third or more since 2000. Home prices in majority-black parts of Clayton and DeKalb counties outside Atlanta also have declined since 2000, as have the values in some majority-black suburbs south of Chicago, such as Riverdale and Olympia Fields. All were hit hard when the Great Recession arrived in 2007.
- Falling home prices affect both poor and affluent black neighborhoods, but it's particularly vexing for policymakers who have long recommended homeownership as a method of building wealth for low-income black families, said Sandra Newman, a professor of public policy at Johns Hopkins University and author of a 2015 study of race and changes in net worth before and after the Great Recession. …

Uneven Road to Recovery

- https://bit.ly/2yZ4C1y
- Though the median U.S. home is worth 9.8 percent more today than its pre-recession peak, the path to regaining home value has been uneven for the less-financially sound households even today. Median home values have recovered at a much faster pace in the country's national market as opposed to nearby areas of the same markets, that faced a higher rate of foreclosures, according to an analysis by Zillow. In the aftermath of the housing crisis, numerous homes in several ZIP codes are still burdened.
- Zillow's analysis titled, Uneven Recovery: Many High-Foreclosure ZIP Codes Haven't Bounced Back', [https://www.zillow.com/research/high-foreclosure-areas-recovering-21904/] points to ZIP codes with homes that suffered the highest foreclosure rates during the pre-recession period recovered at a much lower rate than homes in nearby ZIP codes with fewer foreclosures. Across the nation's largest 35 metros, 54.3 percent of homes in areas with the fewest foreclosures have fully recovered, compared to on 39.1 percent of homes in areas with the most foreclosures. …
- Recovery overall has been slow in places like Riverside, California, compared to divergent metros in neighboring metros such as San Francisco, San Jose, Los Angeles, and San Diego, leading to wealth disparities. The analysis found that nearly half of the homes foreclosed across the country were in the bottom third in terms of value. In sharp contrast, high-foreclosure areas in Chicago and Miami recovered at a slightly higher rate. …

(The Urgent Case for) Middle Neighborhoods, One of the Most Overlooked Assets in America

- https://bit.ly/2Pi02oO
- The recently-released Opportunity Atlas provides fresh evidence that neighborhoods — even blocks within neighborhoods — are determinants of children's life chances, even when families have similar incomes. Similarly, the Neighborhood Life Expectancy Project shows how disparities in health, block by block, are based on neighborhood conditions. These new reports are a reminder that the streets we call home — even more than the cities, counties,

towns and suburbs we live in — are major predictors of quality of life and life opportunity. Given this growing understanding of how neighborhoods affect life outcomes, why aren't more policymakers, civic and private leaders turning their attention to them?

- One important issue gaining traction in urban policy discussions is the critical role of middle neighborhoods, which may be the most overlooked asset in today's cities and suburbs. Like Goldilocks tasting porridge, middle neighborhoods are not the strong, pricey places with fast appreciating housing markets (too hot); nor are they full of vacancies, distressed buildings and very low housing prices (too cold). Instead, middle neighborhoods are those just-right places where home prices are generally affordable to the average household. But, these neighborhoods are often on the edge between growth and decline. Despite the fact they are a source of naturally occurring affordable housing [NOAH], and they have played an important role building opportunity and prosperity for their residents, this category of neighborhoods gets barely any attention.
- Middle neighborhoods house a third to half of urban America in the cities we've examined. Many are home to predominantly African-American families, such as Greater Chatham in Chicago, Belair-Edison in Baltimore and Lee Harvard in Cleveland, while others such as Slavic Village in Cleveland trace their roots to Eastern European immigrants. Many others are among the most racially and socioeconomically diverse in the nation. These are neighborhoods that were once in proximity to jobs, which is why they have historically housed working-class and middle-class families. ...

All of us at NCST, wish all of you a very Happy Thanksgiving!

Our offices will close at 3:00pm CT on Wednesday, November 21 for the holiday, and will reopen on Monday, November 26.

• Staff, Phone or Email Changes?

NCST Community Buyers: Had a recent staff change? Or updated your email address or phone number? Please alert our Buyer Team to any changes so they can update your records. To participate in our purchasing programs, it's very important we have the correct contact information for you and your team.

Please email updates to: Buyer@StabilizationTrust.org.

NCST Email Addresses

Sending an email to an NCST team member? Please include the team email box. This ensures a timely response to your email in case your primary contact is out of the office.

- Desk@StabilizationTrust.org - property transaction questions and assistance
- ReoTrack@StabilizationTrust.org - post-closing questions and assistance
- Buyer@StabilizationTrust.org - questions about program guidelines, target areas, and additional programs
- NewBuyer@StabilizationTrust.org - for more information about becoming an NCST buyer

About NCST: The National Community Stabilization Trust (NCST) is a non-profit organization that works to restore vacant and abandoned properties to productive use and protect neighborhoods from blight. Our programs facilitate the rehabilitation of vacant but structurally sound homes, enable safe, targeted demolition when necessary, and support creative and productive re-use of vacant land.

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