

Responding to Housing Foreclosures and Vacancies: A Handbook for Small Cities in Kentucky



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Foreclosures, Vacancies, and Small Cities in Kentucky

Although Kentucky has not been affected as severely as many parts of the United States, it has certainly not escaped the impacts of the home mortgage crisis and recession. Foreclosure and delinquency rates continue to climb in the state, causing increased housing vacancy rates and growing numbers of distressed housing units. This problem presents challenges for cities of all sizes, but particularly for smaller cities in rural areas that do not have the staff or access to the specialized expertise needed. According to U.S. Census Bureau estimates, 70% of Kentucky's cities had populations below 2,500 in 2008, while 49% had populations under 1,000.

In addition to the problems caused directly by the mortgage crisis, many small cities in Kentucky have been facing economic challenges and have been struggling to retain jobs and population. According to the Census Bureau, some 40% of cities with populations below 2,500 lost population between 2000 and 2008, while 32% lost population between 2007 and 2008. These economic and demographic declines have added to the foreclosure and vacant and distressed housing problems in affected cities. While 60% of cities with populations below 2,500 grew between 2000 and 2008, some 45% grew by less than 10%; between 2007 and 2008, 30% increased by less than 1%. On average, the growth rate for cities of 2,500 or less was 3.3% (17 persons) between 2000 and 2008 and 1.3% (8 persons) between 2007 and 2008. This level of growth does not translate into a lot of new demand for housing.

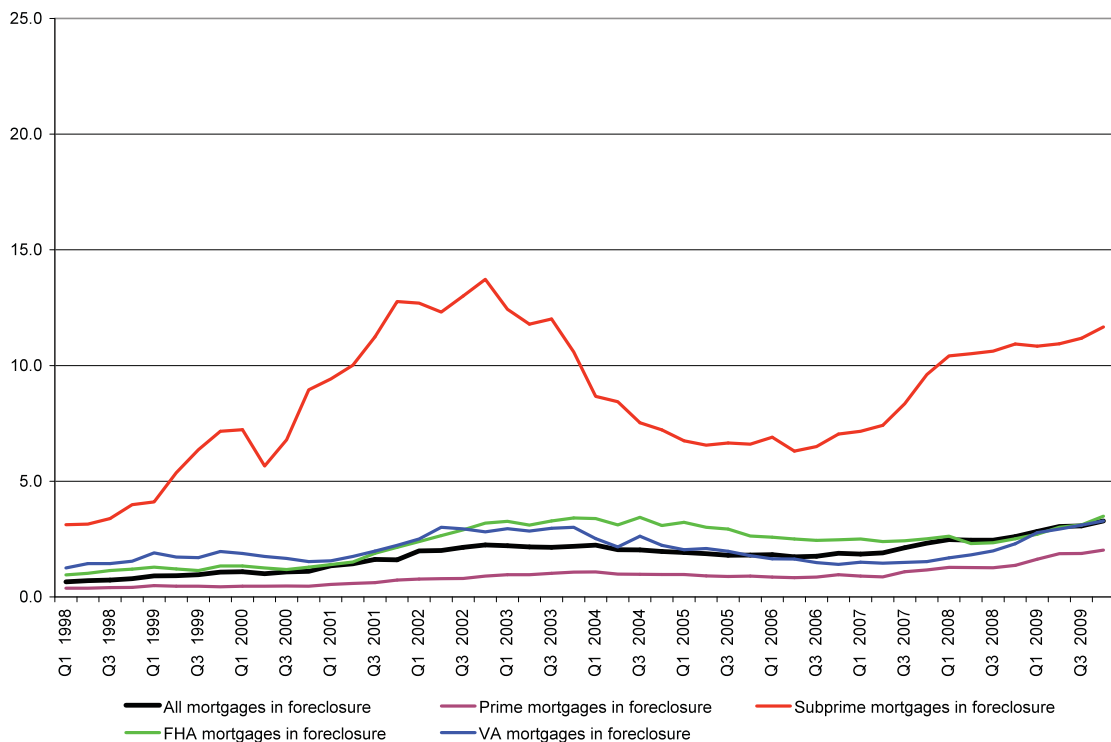
This handbook is intended to help smaller cities respond to the problems caused by rising foreclosures, vacancies, and distressed housing. It is intended to suggest some practical steps that cities can take to evaluate and respond to their particular circumstances. There is not a "one size fits all" approach to this problem. Consequently, this handbook emphasizes understanding the particular context and circumstances in each city and choosing appropriate responses. The ideas presented here can be applied in any small city, however, and do not require any specialized expertise in housing or community planning.

The purpose of this handbook is not to help cities prevent foreclosures. It is rather to help them respond effectively when foreclosures lead to increased vacancies and inadequate maintenance. Foreclosure prevention is not something that small cities can take on effectively. There are various federal and other programs designed to address that problem, and even they are struggling to make a dent in what is a very difficult challenge. As the figures in the next section show, residential foreclosure is a growing problem in Kentucky.

Housing Foreclosures and Vacancies in Kentucky

Housing foreclosures continued to rise in Kentucky through the end of 2009. Figure 1 shows foreclosure rates from the Mortgage Bankers Association of America (MBA) for conventional prime and subprime mortgages, as well as Federal Housing Administration (FHA) and Veterans Administration (VA) insured or guaranteed loans. All types of mortgages showed increasing foreclosure rates in 2009, although subprime mortgages had by far the highest rates (nearly 12%) at the end of the year.

Figure 1. Mortgages in foreclosure in Kentucky (%), 1998-2009

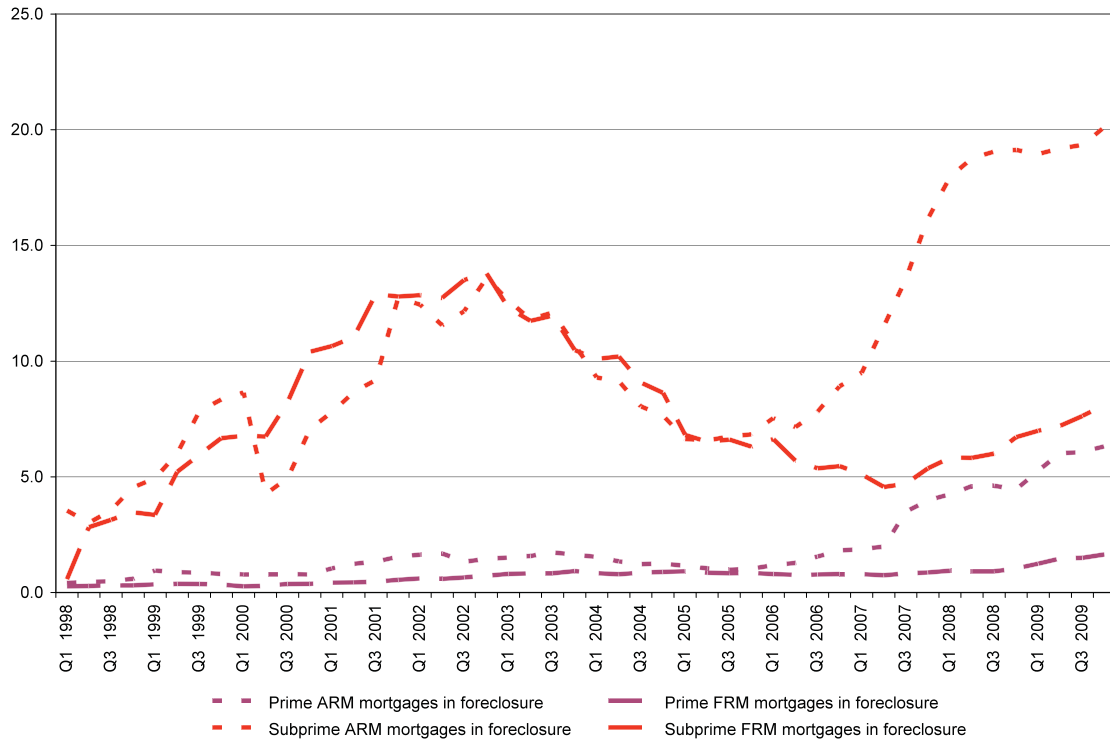


Source: Mortgage Bankers Association of America

Figure 2 shows a further breakdown of foreclosure rates for adjustable and fixed rate mortgages (ARMs and FRMs) in the conventional prime and subprime categories. Not surprisingly, the ARMs show much higher foreclosure rates. These mortgages were typically issued with less regard to borrowers' creditworthiness and ability to repay, both initially and as interest rates changed over time. The subprime ARM foreclosure rate exceeded 20% for the first time in the 4th quarter of 2009.

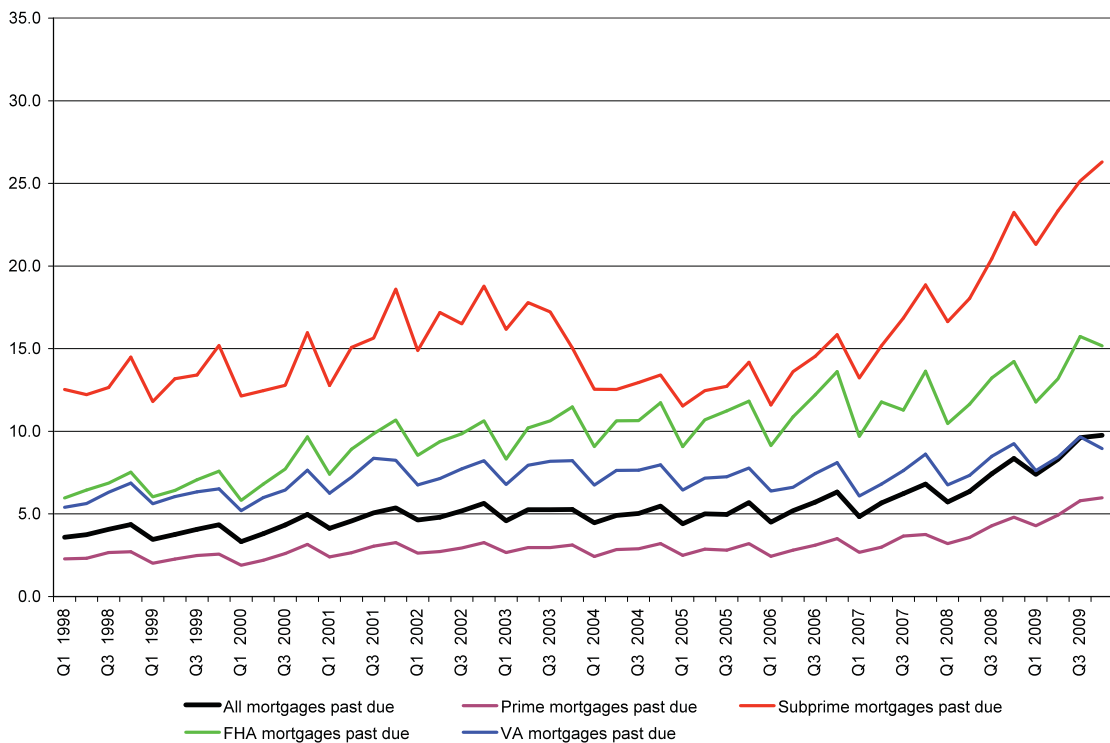
The trends in foreclosure rates in Kentucky seem likely to continue, as overall delinquency rates are also increasing. Figure 3 shows past-due rates for prime, subprime, FHA, and VA mortgages, all of which show a generally increasing trend in 2009. The fastest growth is in subprime delinquencies, which exceeded 25% of all subprime loans in Kentucky at the end of 2009. Some 30% of subprime ARMs were delinquent (Figure 4).

Figure 2. Prime and subprime ARM versus FRM mortgages in foreclosure in Kentucky (%), 1998-2009



Source: Mortgage Bankers Association of America

Figure 3. Past due mortgages in Kentucky (%), 1998-2009



Source: Mortgage Bankers Association of America

Residential vacancy rates also appear to have been increasing in Kentucky's small cities over the past couple of years. Starting in the second quarter of 2008, the US Postal Service (USPS) began to provide details about residential vacancies to the US Department of Housing and Urban Development (HUD) for each ZIP+4® Code. The data are amalgamated by HUD and reported for census tracts. Focusing on those census tracts that contain small cities or parts of small cities, the mean and median vacancy rates in the second quarter of 2008 were 4.2% and 3.0%, respectively. By the first quarter of 2010, the mean and median were 4.4% and 3.5%.¹ According to the HUD/USPS data, there is wide variation in vacancy rates across these census tracts, with some having little or no vacant housing, while other tracts exceeded 20% vacancy in each quarter. One tract (in Burkesville) had a reported vacancy rate as high as 23.3% (in the fourth quarter of 2009).

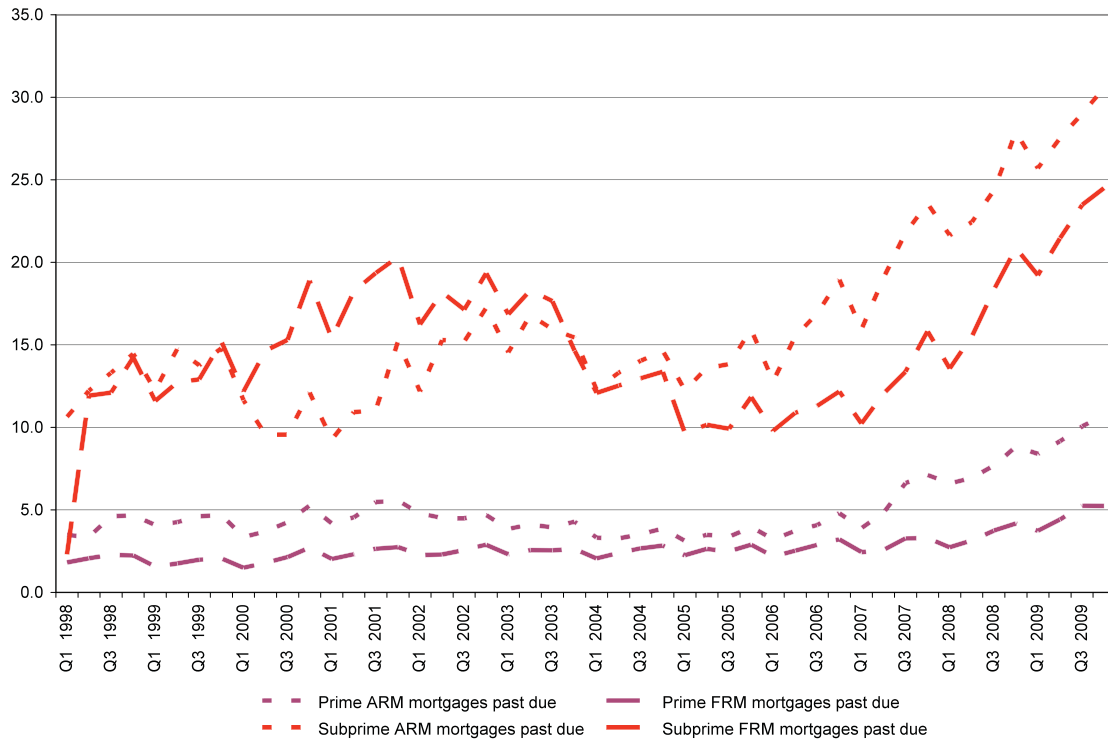
Vacancy rates are consistently higher in non-metropolitan areas than in metropolitan areas, highlighting the difficulties faced by small rural cities in Kentucky. About half of the small cities in Kentucky are located in counties outside metropolitan areas.² While small city census tracts in metropolitan areas averaged between 2.9% and 3.0% vacancy rates for each of the eight quarters for which data are available, small city census tracts outside metropolitan areas averaged between 5.3% and 6.0%. Also, the small city census tracts in non-metropolitan areas show an upward trend in average vacancy rates between the second quarter of 2008 and the first quarter of 2010, increasing from 5.4% to 6.0%. In metropolitan areas, the small city census tracts had fairly constant average vacancy rates during the same period. Population trends also show marked differences between small cities within and outside of metropolitan areas. In metropolitan area small cities, populations are estimated to have grown by 7.4% on average between 2000 and 2008; outside metropolitan areas, populations are estimated to have fallen by an average of 0.3% during the same period.

Figure 5 gives an indication of the geographical distribution of mortgage delinquency across Kentucky's counties. The data in Figure 5 are not directly comparable to the data in Figures 3 and 4 because they come from different sources and include different categories of delinquency. Nevertheless, these data are interesting because they show that the delinquency problem is greater in metropolitan than in non-metropolitan counties. The metropolitan county average is 3.4%, compared to 2.7% for non-metropolitan counties. These statistics, combined with the lower population growth rates for small cities in non-metropolitan areas, suggest that the vacancies in those areas are caused more by general economic and population decline than is the case in metropolitan areas. At the same time, these statistics suggest that the foreclosure crisis is playing a bigger role in metropolitan than in non-metropolitan areas.

1 See the notes to the table in the Appendix for details about how these percentages were calculated.

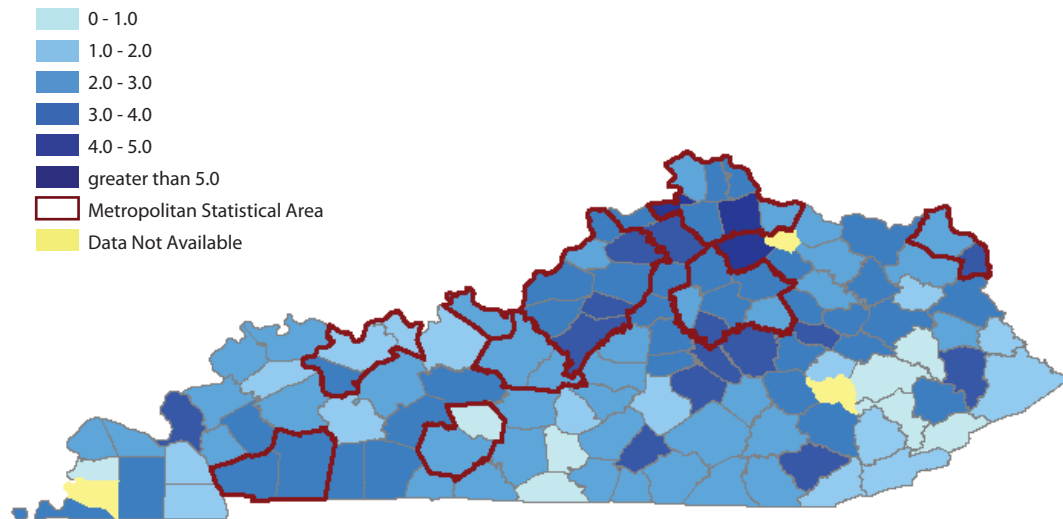
2 As defined by the Office of Management and Budget, OMB Bulletin No. 09-01, November 20, 2008, available at <http://www.whitehouse.gov>.

Figure 4. Prime and subprime ARM versus FRM past due mortgages in Kentucky (%), 1998-2009



Source: Mortgage Bankers Association of America

Figure 5. Mortgage delinquency rates (90 or more days, %), Kentucky counties, 4th quarter 2009



Source: Federal Reserve Bank of New York, based on TransUnion LLC data (see <http://www.newyorkfed.org>)

Planning for a Strategic Response

To prepare the most effective response to the problems caused by rising foreclosure and vacancy rates, it is necessary to plan carefully. Limited resources mean that a targeted and strategic approach is likely to have the greatest impact. This strategic planning process has a number of key components:

- Understand the economic and demographic context.
- Collect data about foreclosures, vacant properties, and distressed properties and record this data on a map.
- Identify and target the areas where the worst concentrations are located.
- Establish clear priorities for the use of limited resources.
- Become familiar with and make use of as many resources as are available, including the legal tools that are available to cities in Kentucky.
- Engage the community in this process as appropriate to identify target areas and priorities and for enlisting community support.

These steps are discussed in more detail in the following sections.

Understanding the Context

It is important to develop a clear understanding of economic and demographic trends in your community. A number of questions need to be addressed as part of developing a strategic plan for responding to housing foreclosures and vacancies:

- Is the community's population growing or shrinking? How fast?
- Are any changes in employment, positive or negative, in the community itself and in other places where residents of the community work, expected to affect this growth rate significantly?
- What is the housing vacancy rate in the community? How many vacant housing units are there?
- Is any new housing being constructed or planned in the community?

Some of this contextual information, such as expectations about employment changes or plans for new housing, is based on local knowledge. Population statistics from the decennial census as well as estimates for intercensal periods are available from the U.S. Census Bureau and from the Kentucky State Data Center (KSDC) at the University of Louisville.³ Population estimates for cities and counties may be found on KSDC's web site. Decennial census profiles of Kentucky's cities and counties may also be found on KSDC's web site, although until the 2010 census results are published the latest data will be from the 2000 census.

³ The population estimates and other data may be found on KSDC's web site at <http://ksdc.louisville.edu>.

As noted above, vacancy data are now reported on a quarterly basis by HUD, using information reported by the USPS. Vacancy statistics are provided for residential, business, and other properties. In addition to the total number of vacancies for each of these categories, information is provided about how long properties in each category have been vacant.⁴ Because the HUD/USPS data is relatively difficult to access in the format provided by HUD, we have calculated residential vacancy rates from the HUD/USPS data and listed them in the Appendix to this report. The vacancy rates are provided for small Kentucky cities (with estimated populations of 2,500 or less in 2008) for the second quarter of 2008 through the first quarter of 2010. Note that this information is for the census tract in which the city is located, which for a small city typically covers an area larger than the city itself. However, more precise information about current vacancies can fairly readily be collected for each city, as will be discussed in the next section. Please contact the City Solutions Center for assistance in using and obtaining updated statistics from the HUD/USPS data (contact details are at the end of this report).

An understanding of population trends is particularly important for developing housing strategies. Population translates directly into demand for housing. For example, if population is growing, then rehabilitation of distressed properties may be a good investment because there is likely to be demand for such dwellings. It is also less risky in such circumstances for cities to use available legal tools to acquire and renovate distressed properties because the properties will be marketable. On the other hand, if population is not growing, then planned shrinkage may be the most effective option, and selective demolition may be preferable to acquisition and renovation. This problem is not, of course, restricted to small cities, as a number of the largest cities in the US have had to contend with declining population. Some major cities, such as Philadelphia, have developed plans for reducing the size of the housing inventory. This is seen to be preferable to the alternative, which involves dilapidation and abandonment and all of the problems that are associated with those processes. The same kinds of difficult decisions sometimes need to be made in much smaller cities.

Once the planning team has a clear picture of population trends, then it is necessary to merge that information with information about vacant housing units and any new housing being developed. With respect to vacancies, the HUD/USPS data can help to indicate trends, but actual numbers of vacant units in the city and the condition and other characteristics of those units should be collected and compared with the likely demand for housing in the future. Any new housing being developed in or near the community also needs to be taken into account.

⁴ For more information about the HUD/USPS vacancy data, see HUD's web site: <http://www.huduser.org/portal/datasets/usps.html>.

Collect and Map Vacancy and Foreclosure Data

The HUD/USPS vacancy rate data reported in the Appendix give only a rough indication of trends in census tracts. In many cases, data are missing for a significant portion of the housing inventory (we have indicated where data are missing for 5% or more of the inventory) and it is unclear whether the missing units are occupied, temporarily vacant, or abandoned. Moreover, the census tract boundaries are usually not closely related to municipal boundaries. For these reasons, it is important for communities to undertake their own surveys of housing conditions.

In a small city it is practical to undertake a systematic “windshield” survey of vacant and distressed housing units. This is relatively easy to accomplish by two-person teams. One person drives while the other makes color-coded notations on a map showing property lines. Although city officials may think they know where problems are concentrated, the only way to obtain an up-to-date and comprehensive inventory of housing conditions is to do a survey. The ideal persons to conduct the survey would be individuals who read water and other utility meters and have first-hand knowledge about vacant properties. Administrative records about addresses with inactive utility accounts may also be useful in identifying vacant properties. Also, lists of foreclosed properties, which can be obtained from the county courthouse, may be useful in focusing attention on certain addresses.

In addition to mapping vacant properties, the survey provides an opportunity to collect information about distressed housing. Distressed housing will not necessarily be vacant. Surveyors need to be clear about the definition of distressed housing and should be asked to categorize such housing according to whether the maintenance issues are mainly cosmetic or appear to involve structural problems. Housing that is so deteriorated that it appears to be uninhabitable should be designated as dilapidated. All of this information can be mapped by hand using various colors on a property map. In some cases addresses may be somewhat ambiguous, but this is not that important at this stage as the aim is mainly to get a good sense of the geographic distribution of the vacant and distressed housing problem.

Greensburg's Housing Survey

In 2008, the City Solutions Center helped Greensburg, Kentucky, develop a strategy for responding to its growing foreclosure, vacancy, and distressed housing problem. A big part of that study was a windshield survey of housing conditions. Individuals responsible for reading water meters assisted City Solutions Center staff in conducting the survey. Vacant and distressed housing was mapped, which led to the identification of two areas of concentrated problems. Interestingly, these were not necessarily the same areas that city officials would have identified in the absence of the survey.

Figure 6. Housing Inventory Map for Greensburg, Kentucky



Original base map created by Palmer Engineering

Identify the Worst Problem Areas

Given the limited resources that are likely to be available for dealing with problems associated with vacant and distressed housing, it is desirable to focus on those areas where intervention will have the greatest impact given the resources that are available. Interventions that will have the greatest impacts are those that not only resolve problems with individual properties, but also minimize their negative impacts on surrounding houses and neighborhoods.

Appearances are important in housing markets, meaning that visibly distressed or dilapidated houses are going to have a much more severe impact on nearby properties than housing that is vacant, but well maintained. Because foreclosed properties are too often poorly maintained and, in some cases, deliberately vandalized, their appearance can have a significant negative effect on the value of nearby properties. A study by the Center for Responsible Lending (CRL) concludes that the negative “spillover” effects of foreclosed houses across the U.S. cost neighbors some \$502 billion in reduced property values in 2009. From 2009 to 2012, over 91 million households are expected to lose some \$1.9 trillion in home value, or \$20,300 on average. For Kentucky, CRL estimates that 522,000 homes near foreclosed houses lost \$605 million in value in 2009 and some 858,000 homes will lose \$2.2 billion in value, or about \$2,600 on average between 2009 and 2012.⁵ These estimates are necessarily quite rough, but they do give a sense of the magnitude of the problem.

Concentrations of distressed properties are likely to have a greater negative effect than individual distressed properties on nearby property values and neighborhood trends. Concentrations of vacant housing in a flat or declining market may be an indicator of a potential problem in the future. In any case, focusing on areas where the worst problems are concentrated is likely to yield the biggest impact.

A number of criteria can be used to identify target areas:

- Areas with concentrations of the most severely distressed or dilapidated housing.
- Areas where distressed housing appears to be spreading.
- Areas where there are large numbers of vacant dwellings that may become distressed over time.
- Areas with evidence of significant conversion from owner- to renter-occupation.
- Finally, areas where the problem can reasonably be addressed given available resources.

Once target areas are identified, then priorities need to be established to determine how available resources should be used.

⁵ See <http://www.responsiblelending.org> for more details.

Establish Clear Priorities Focused on Problem Areas

Once the target areas are determined, the next step is to decide on which types of problems to address in those areas, and how. For example, if abandoned and severely dilapidated housing is having a major blighting influence then a decision might be made to focus on acquisition, demolition, and clearance of those properties. If there is a demand for new housing, these parcels could be transferred for a nominal price to a for-profit or non-profit developer in exchange for an agreement to construct a house on the site within a fixed period of time. If the property is not developed within the specified time, then the property would revert to the city. If there is no likely demand for new housing, then it may be possible to transfer ownership or at least use of the cleared land parcels to adjacent property owners so that the city does not have to maintain them on an ongoing basis.

Alternatively, if the problem is abandoned and distressed housing, then the focus may be on acquisition of title, renovation, and resale of houses if analysis of the economic and demographic context suggests that there is likely to be demand for such houses. In some cases, demolition and rebuilding may be the most effective solution. In other cases, demolition without rebuilding may be the only viable solution. In any case, because the housing is abandoned, it is unlikely that the owner of record will take action to improve the property and it is left to the city to intervene directly.

If the problem is distressed, but occupied or at least not abandoned, housing, then the focus can be on using the available legal tools to coerce owners, whether owner-occupants or landlords, to maintain their properties. Ultimately, however, these mechanisms usually imply a willingness on the part of the city to invest in these properties if the owners fail to do so. Whether this is a good investment or not, from the property owner's point of view or the city's, depends on the context. In some cases, the owner does not maintain the property because it is not a good investment. In some cases, maintenance makes sense only if a coordinated effort is made to maintain an entire neighborhood or target area. City officials need to make informed judgments about what does or does not constitute a good investment in these situations. In some cases, planned shrinkage through demolition of the worst buildings may make it possible to upgrade and save the remaining ones.

Cities should also consider using carrots rather than only sticks to achieve desired changes. For example, cities may be able to arrange for low-interest loans or grants to encourage property owners to make exterior repairs in target areas. In some cities, properties are having a blighting influence through the accumulation of junk in yards. Citations combined with periodic city-funded junk removal ("junk amnesties") may help to solve that problem at relatively low cost.

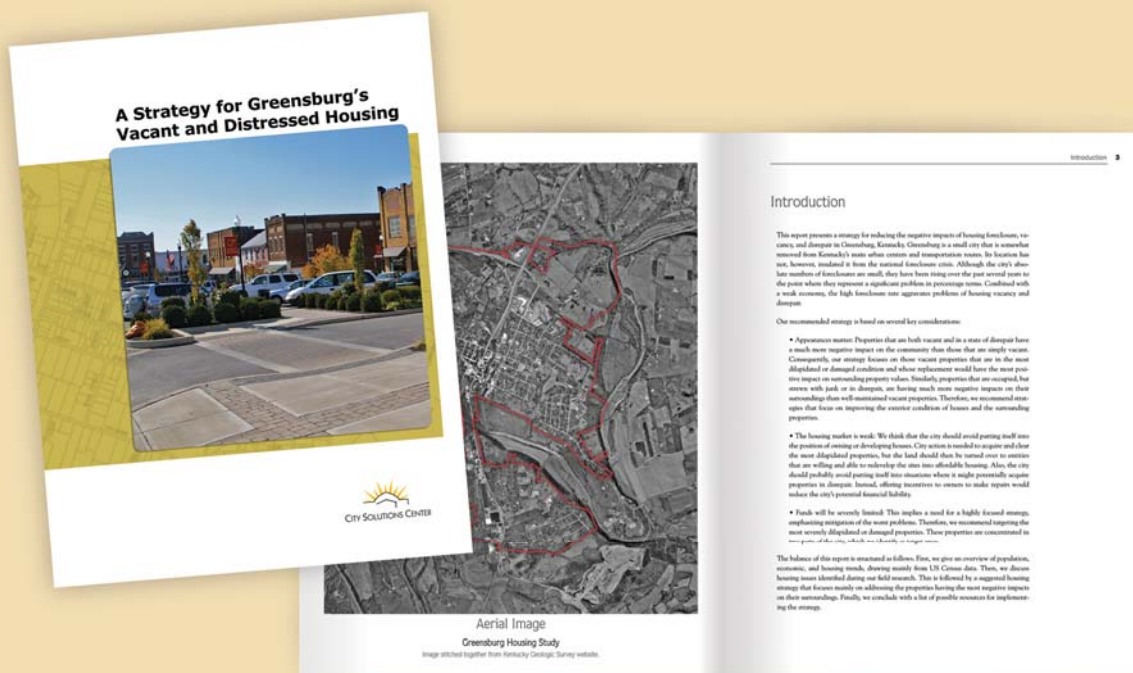
One issue that is raised by the demolition or rehabilitation of older houses is the identification and handling of hazardous materials, such as asbestos or lead. Cities need to take care to dispose of these materials properly (see the box on page 15).

A Strategy for Greensburg

The City Solutions Center team recommended a three-part strategy for Greensburg. Noting the relatively weak housing market conditions, the team suggested that the city avoid becoming the owner of distressed properties except for the purposes of demolition and conveyance to a developer. The team also observed that many vacant properties were well maintained and not obvious sources of negative impacts on surrounding areas. Finally, the team recommended deferring any attempts to deal with the two decrepit mobile home parks in the city because the problems they posed were probably beyond the city's capacity in the foreseeable future. Instead, the team focused attention on two target areas:

- First, the team recommended demolition of the most severely dilapidated or fire-damaged vacant structures in the two target areas. By clearing these sites and absorbing the cost of demolition, the city would remove major impediments to redevelopment. The sites could then be transferred to developers willing to build new houses on them. Subsidies may be available that would reduce the costs of the new homes for potential purchasers.
- Second, the team observed that placing liens and potentially foreclosing on properties in violation of the city's property maintenance code could put the city in the undesirable position of potentially evicting residents and acquiring properties that would be difficult or impossible to sell in the current market. Instead, it would be better to try to work with owners to encourage them to make needed repairs. A low- or no-interest loan program could provide the capital owners need to make improvements. The team suggested that the city work with a local bank to devise such a program and also to explore grants available to low-income households through the Rural Housing Service.
- Third, the team noticed an over-abundance of junk around some properties and recommended that the city offer free junk removal at least once a year for residential properties. Other cities, such as Louisville, have used such programs quite effectively to reduce inappropriate junk accumulation and disposal. The cost of this could be quite low relative to the benefit.

The complete City Solutions Center report, *A Strategy for Greensburg's Vacant and Distressed Housing*, can be found at <http://citysolutions.louisville.edu>.



Handling and Disposal of Hazardous Materials

When renovating or demolishing a building it is important to address the handling and disposal of hazardous materials, particularly lead and asbestos. The renovation or demolition process can release these and other harmful substances which are toxic when inhaled and can enter the soil and water supply if not properly disposed of.

Lead is a highly-toxic metal that can, through exposure, cause a number of health problems, particularly in children.⁶ When renovating or demolishing a vacant home precautions should be taken to avoid lead poisoning of those working in or living near the home. Lead poisoning is most likely to occur when lead-based paint dust becomes airborne or enters the soil from sawing, sanding, or scraping. Most homes constructed before 1978 have lead-based paint, but this should be confirmed by a certified lead inspector or lead risk assessor. If an inspector or assessor determines lead is present, and the home is to be renovated, then abatement (removal of the lead) is necessary. Lead abatement should always be performed by a certified and trained professional; improper removal presents a severe health risk to anyone in or around the home.⁷ If lead is present in a home that is to be demolished then precautions must be taken to insure it is safely disposed of. Any materials containing or consisting of lead-based paint must be treated as hazardous waste and disposed of accordingly. The University of Kentucky Environmental Management Department can aid in the disposal process.⁸

Asbestos is a term that refers to several types of mineral fibers. It was formerly used in construction for added strength, heat insulation, and fire resistance. Research has shown that exposure to asbestos fibers increases the risk of serious health problems, primarily lung cancer. Like lead, it is most dangerous when it becomes airborne during demolition or renovation through sanding, scraping, or sawing. Materials that are suspected of containing asbestos should be sampled and analyzed by a qualified professional. Improper sampling of suspect materials can release fibers and make the home more dangerous than leaving them undisturbed. Some materials that contain asbestos can be sealed or covered to prevent them from causing harm, but if they are removed or the home is being demolished they should be handled, transported, and disposed of by a contractor trained in asbestos abatement. The Kentucky Division for Air Quality provides professional training and certification for asbestos abatement, and maintains a list of accredited professionals that can be found at <http://www.air.ky.gov/asbestos/Training+and+Certification+Information+and+Asbestos+Contacts.htm>.

Additional Resources:

- *HUD Guidelines for the Evaluation and Control of Lead-Based Paint Hazards in Housing:* <http://www.hud.gov/offices/lead/lbp/hudguidelines/index.cfm>
- *EPA Asbestos in Your Home Information Page:* <http://www.epa.gov/asbestos/pubs/ashome.html>
- *Kentucky's Environmental Lead Program (ELP):* <http://chfs.ky.gov/dph/lead.htm>
- *Kentucky's Child Lead Poisoning Prevention Program (KCLPPP):* <http://chfs.ky.gov/dph/mch/cfhi/clppp.htm>
- *EPA Region 4 Asbestos Coordinator contact information:* <http://www.epa.gov/asbestos/pubs/regioncontact.html>

6 U.S. Department of Housing and Urban Development, About Lead-Based Paint, available at <http://www.hud.gov/offices/lead/healthyhomes/lead.cfm>.

7 Kentucky Cabinet for Health and Family Services, available at <http://chfs.ky.gov/dph/mch/abate.htm>.

8 For more information about the University of Kentucky Environmental Management Department and contact information please visit <http://ehs.uky.edu/em/welcome.html>.

Community Engagement

Depending on the scope of the vacant and distressed housing problem, it may be desirable to engage the community in devising solutions to the problem. The larger the problem, the more likely that engaging the community will be useful. Community engagement can help city officials to better define the problem and to understand citizens' perspectives on the problem and potential solutions. By involving citizens in decision-making, efforts to address the problem are likely to be more successful because the community will have more of a stake in the outcome.

It may be useful to complete some of the background research before directly engaging with the community. In particular, economic and demographic contextual information should be collected and summarized and information about recent foreclosures should be collected. However, community members could play an important role in the data collection process. Residents can see first-hand the problems that need to be addressed and this may result in stronger engagement in developing or enacting solutions. Neighbors often know the story behind each house on their block and can provide information about what houses are vacant, for how long, and why. They could also help with windshield surveying in the neighborhoods with which they are familiar.

In addition to participating in data collection, community participation can then take place in a variety of ways. Key stakeholders can be asked to participate in a relatively formal manner on a task force established to identify target areas, set priorities, and help to develop detailed solutions. The stakeholders can include local officials, representatives of local businesses and non-profit organizations, and property owners and other citizens. Real estate professionals, including brokers and appraisers, and representatives of local banks could bring particularly useful expertise to a task force. Alternatively, community participation can be open to the general public.

It is important to manage community engagement activities in order to maximize their productivity. Generally, it is preferable to find ways to encourage participants to express their opinions in settings that encourage open discussion. Dividing participants into small groups is a commonly used technique that creates a non-threatening environment for individuals to express their opinions and interact in a fruitful way with other participants. For example, an initial stakeholder or public meeting could start with a presentation on the general problem of vacant and distressed housing and an overview of the contextual information collected as well as the results of the windshield survey. Then participants could be divided into small groups and provided with maps showing the survey results. Participants could then be asked to identify target areas and brainstorm about priorities and possible responses to the problems in those areas. Groups would document this information and then present it to the entire group of participants. Finally, this information would help to inform city officials' development of a strategic plan. Community engagement can also take place at other stages in the process, such as obtaining feedback after a strategic plan has been drafted.

Make Use of Available Resources

A variety of federal and state government programs, as well as programs run by non-profit organizations, may be helpful in implementing local strategies. In addition, cities may want to design their own programs, working in collaboration with local banks, non-profits, or other organizations.

Organizations in Kentucky that may be able to provide assistance include:

- **Kentucky Department for Local Government:** The Kentucky Department for Local Government administers the federal Community Development Block Grant (CDBG) program for non-entitlement cities and counties in the state. The CDBG program provides funds to city and county governments for a variety of purposes, including housing. For further information, see <http://www.dlg.ky.gov>.
- **Habitat for Humanity:** Habitat for Humanity builds affordable homes for sale to qualifying households throughout the United States and around the world. Habitat uses land parcels that are often supplied by local governments at no or minimal cost, combined with donated materials, volunteer labor, and sweat equity. Working with a Habitat affiliate may be a viable option for redeveloping sites cleared of dilapidated housing. The main cost Habitat faces is to purchase materials and to pay subcontractors, and this may require some subsidy beyond just the provision of land. For information about Habitat affiliates, see <http://www.habitat.org>.
- **Kentucky Housing Corporation:** The Kentucky Housing Corporation, the state's housing finance agency, provides several programs that may be helpful in successfully reusing sites. In addition to KHC's mortgage programs, the agency provides down payment assistance programs, including several financed by the federal HOME block grant program. The HOME down payment assistance grants do not require any monthly payment and are forgiven over five years. Local governments are also eligible to apply for HOME funds for use in development of affordable housing. KHC also partners with the U.S. Department of Agriculture Rural Development's Rural Housing Service to provide loans and grants for home improvements to very low-income (less than 50 percent of area median income) households living in rural areas. For further information about KHC programs, see <http://www.kyhousing.org>.
- **USDA Rural Housing Service:** In addition to the home repair loan and grant program mentioned above, RHS provides mortgage loan guarantees and direct loans for low-income households living in rural areas. The home repair loans and grants may be an option for households wanting to make improvements to the exteriors of their homes. The mortgage programs may help to put households into new homes on redeveloped sites. For further information about RHS programs, see <http://www.rurdev.usda.gov/rhs/>.
- **Federation of Appalachian Housing Enterprises:** Based in Berea, Kentucky, this organization focuses on providing housing for very low income households in the Appalachian region. Among other services, they

provide mortgages to very low income households and land acquisition and construction loans for non-profit housing developers. For further information about FAHE, see <http://www.fahe.org>.

- **Local resources:** Cities may also devise their own programs, possibly in collaboration with local organizations. For example, a low- or no-interest rehabilitation loan program may be developed in cooperation with a local bank. Local programs may require funding by the city government or it may be possible to obtain federal (such as CDBG) or other funds for these purposes.
- **Kentucky League of Cities:** The Kentucky League of Cities (KLC) can provide assistance with devising legal strategies for responding to distressed and dilapidated housing (see the box below). For assistance, please contact KLC's legal department at (800) 876-4552.
- **Kentucky State Data Center:** The Kentucky State Data Center provides a wide range of readily accessible information, including census data and population estimates, that is useful in understanding cities' demographic and economic circumstances. For further information, go to <http://ksdc.louisville.edu>, phone (502) 852-7990, or email ksdc@louisville.edu.
- **City Solutions Center:** The City Solutions Center can provide technical assistance and advice to cities wanting to develop strategies for foreclosed, vacant, and distressed housing. Contact details are available at the end of this report.

Developing Effective Legal Strategies

A key component of addressing vacant, distressed, and foreclosed properties is developing effective legal strategies to handle the complex issues that arise. There are a variety of legal tools available to cities when attempting to clean up, take over, or enforce delinquent tax liens on these properties.

State law provides several statutory schemes through which a city can control properties that have fallen into disrepair. Code enforcement boards (KRS 65.8801 – 65.8839) and nuisance codes (KRS 82.700 – 82.725) allow cities to develop structured procedures for forcing clean-up of neglected properties. A city could also establish a vacant property review commission under KRS 99.700 – 99.730 to acquire blighted or deteriorated property and manage or dispose of it as provided in the statutes. KRS 132.012, 91.285, and 92.305 allow cities to levy a higher tax rate on abandoned urban property.

Under KRS 134.420 and KRS 91A.070, cities are granted liens on property after taxes become delinquent, but enforcement of these liens can often be a problem. The Mass Foreclosure Act, KRS 91.481 – 91.527, provides a streamlined method cities may use to enforce tax liens by bringing suit against a number of properties in one action. Cities can also establish land bank authorities under KRS 65.350 – 65.375 to help recover the value of delinquent taxes and associated costs when a tax lien foreclosure sale fails to bring full value.

Cities should work closely with their city attorneys before implementing any of the statutory procedures listed above. For more information, contact the Kentucky League of Cities legal department at (800) 876-4552.

Although most published materials addressing the problems of foreclosed, vacant, and distressed housing focus on the circumstances of large cities, they sometimes contain information that is potentially useful to small cities. The following publications may be of interest:

- Alexander, Frank S., *Land Bank Authorities: A Guide for the Creation of Local Land Banks*, New York: Local Initiatives Support Corporation, 2005 (available at <http://www.lisc.org>). This report describes how to create local land banks and gives examples of land bank legislation, including Kentucky's, as well as descriptions of local land banks, including Louisville's.
- Furman Center for Real Estate and Urban Policy, *Transforming Foreclosed Properties into Community Assets*, New York: New York University, 2008 (available at <http://www.furmancenter.nyu.edu>). This report presents the insights from a discussion by a roundtable of housing experts on "how best to leverage public and private resources to put foreclosed properties to productive reuse".
- International City/County Management Association, *Vacant Properties* (available at <http://www.icma.org/vacantproperties>). This web site includes a number of documents on specific cities' responses to the problem of vacant housing.
- Mallach, Alan, *Bringing Buildings Back: From Abandoned Properties to Community Assets*, Montclair, NJ: National Housing Institute, 2006 (available from <http://www.nhi.org>). This book provides a thorough discussion of how to prevent abandonment as well as how best to bring abandoned buildings back to productive reuse.
- Mallach, Alan, *Mayor's Resource Guide on Vacant and Abandoned Properties*, Washington, DC: Fannie Mae Foundation, 2006 (available at <http://www.vacantproperties.org>). This short report gives advice to mayors on specific actions that can be taken in response to the problem of vacant and abandoned properties.
- National Vacant Properties Campaign, *Vacant Properties: The True Cost to Communities*, Washington, DC: NVPC, 2005 (available at <http://www.vacantproperties.org>). This report gives an overview of the various costs to communities of vacant and abandoned properties, including costs of additional municipal services and decreased property values and tax revenues. A number of other useful materials are available at the NVPC's web site.
- NeighborWorks® America, *Designing a Place-Based Plan for Stabilization* (available at <http://www.stablecommunities.org>). This web site outlines a strategy for stabilizing neighborhoods in response to the foreclosure and vacancy crisis.

City	Census Tract	2nd Qtr 2008	3rd Qtr 2008	4th Qtr 2008	1st Qtr 2009	2nd Qtr 2009	3rd Qtr 2009	4th Qtr 2009	1st Qtr 2010	>5% No Status
Catlettsburg	031300	12.0	11.1	10.9	10.8	10.7	10.4	10.0	10.2	
Cave City	950200	7.9	7.7	7.7	7.8	7.7	7.5	7.9	8.7	✓
Cave City	950300	4.5	3.5	3.3	4.1	4.4	4.3	4.5	5.7	
Centertown	980700	6.0	6.5	7.0	7.0	6.8	6.6	6.9	6.2	
Clarkson	950200	11.6	11.5	11.4	8.7	8.9	8.5	8.4	8.4	✓
Clarkson	950300	9.7	9.4	9.0	8.5	8.3	8.0	8.0	8.1	✓
Clay	960300	8.7	8.9	7.9	8.3	7.7	8.8	9.1	10.2	
Clay City	970200	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	✓
Clinton	970100	10.4	10.7	11.4	11.4	11.3	11.2	12.5	12.6	
Cloverport	960300	14.3	14.4	14.3	5.6	5.4	5.4	5.3	4.9	
Coal Run Village	990200	1.5	1.5	1.7	1.7	1.7	1.6	1.6	1.6	✓
Coldstream	010311	0.8	0.7	0.6	0.5	0.5	0.4	0.3	0.2	
Columbus	970100	10.4	10.7	11.4	11.4	11.3	11.2	12.5	12.6	
Concord	990300	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Corinth	040400	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	✓
Corinth	950200	2.7	2.2	2.2	2.2	2.3	2.3	3.1	6.0	✓
Corinth	980400	4.3	4.2	4.2	6.0	6.0	6.5	5.8	7.2	✓
Corydon	020900	6.0	6.0	5.6	5.9	6.2	5.9	4.9	5.2	
Crab Orchard	980400	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	✓
Creekside	010309	0.2	0.2	0.1	0.1	0.1	0.1	0.1	0.1	✓
Crestview	052900	3.2	3.1	3.3	3.6	2.9	2.7	2.9	3.4	✓
Crofton	201100	7.3	6.2	6.0	6.9	7.5	7.7	7.3	7.5	✓
Crossgate	010007	0.4	0.5	0.5	0.4	0.2	0.3	0.3	0.2	
Cumberland	970100	11.4	12.2	10.5	9.7	9.7	8.2	8.2	8.3	✓
Cumberland	970200	13.8	13.8	13.0	12.9	12.9	12.8	12.7	12.8	✓
Dixon	960200	5.8	6.0	6.5	6.7	7.2	7.8	8.7	9.4	
Dover	960400	4.4	4.2	4.5	4.7	4.7	5.8	5.3	6.0	✓
Drakesboro	960700	15.3	14.7	15.3	14.6	14.5	14.4	15.3	15.2	
Druid Hills	009800	0.9	1.0	1.0	1.0	1.0	1.0	1.0	1.0	
Dry Ridge	980200	1.3	1.9	1.9	1.8	2.3	2.5	3.6	3.6	✓
Dry Ridge	980300	3.5	3.8	3.9	3.8	4.0	4.9	4.8	5.5	✓
Earlington	970800	5.9	3.8	3.9	5.6	4.6	4.7	5.0	5.2	

City	Census Tract	2nd Qtr 2008	3rd Qtr 2008	4th Qtr 2008	1st Qtr 2009	2nd Qtr 2009	3rd Qtr 2009	4th Qtr 2009	1st Qtr 2010	>5% No Status
Earlington	970900	14.3	14.2	14.2	15.6	13.1	12.5	12.4	12.8	
Eddyville	960100	3.8	3.5	3.6	5.8	7.3	9.0	9.4	10.0	
Edmonton	960200	11.8	7.5	7.3	7.0	6.8	7.2	7.0	7.7	✓
Edmonton	960300	10.6	9.3	9.1	8.6	8.5	8.7	9.0	9.2	
Ekron	970400	6.0	5.5	5.5	5.7	5.8	5.4	4.5	4.3	✓
Elkhorn City	991900	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	✓
Elkton	950200	10.9	10.1	9.9	9.7	9.8	9.5	9.2	9.7	
Eminence	090300	5.1	4.5	4.1	4.3	4.9	4.9	4.4	4.4	
Eubank	980300	1.4	1.3	1.6	1.6	1.5	1.3	1.4	1.5	✓
Eubank	990100	11.9	12.1	12.4	12.2	11.8	11.7	11.8	11.6	✓
Everts	971000	12.4	11.3	9.5	10.0	9.7	9.7	9.6	10.2	✓
Ewing	980300	3.0	2.8	4.0	3.8	4.5	4.1	6.0	5.5	✓
Fairfield	990200	3.8	3.8	3.9	3.7	3.9	3.9	3.9	3.8	
Fairview	065300	3.3	4.0	3.7	3.5	3.2	3.5	3.8	3.9	✓
Fairview	065900	4.0	4.0	4.2	4.7	4.7	4.8	4.3	4.0	✓
Falmouth	990300	4.1	3.8	3.5	3.6	4.0	4.1	4.0	4.6	
Ferguson	990600	7.0	6.7	6.5	7.0	7.0	6.9	8.1	8.0	
Fincastle	010310	0.5	0.4	0.4	0.4	0.6	0.6	0.6	0.6	
Fleming-Neon	950200	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	✓
Fordsville	980100	7.0	6.9	7.4	8.0	7.1	6.8	7.3	7.2	
Forest Hills	011102	1.0	1.0	1.1	1.2	1.2	1.1	1.1	1.2	
Fountain Run	990200	5.7	5.3	5.3	5.2	5.8	5.9	5.6	6.5	✓
Fox Chase	020600	2.8	3.2	3.0	3.0	2.9	3.1	3.8	3.7	
Fredonia	980100	12.7	12.7	12.7	13.8	13.3	12.5	12.4	12.8	
Frenchburg	960100	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	✓
Frenchburg	960200	0.4	0.0	0.0	0.0	0.0	0.0	0.0	0.0	✓
Fulton	980100	13.9	13.9	13.5	13.0	12.6	12.6	12.3	13.2	
Garnaliel	990200	5.7	5.3	5.3	5.2	5.8	5.9	5.6	6.5	✓
Ger mantown	950300	4.1	4.0	4.5	5.9	5.9	6.2	6.3	7.0	✓
Ger mantown	960400	4.4	4.2	4.5	4.7	4.7	5.8	5.3	6.0	✓
Ghent	950100	3.4	4.0	3.8	4.7	5.4	5.1	5.2	5.1	✓
Glencoe	960100	5.7	4.9	5.7	5.6	7.1	7.3	7.5	7.8	✓

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Glenview	007502	1.7	1.7	1.6	1.4	1.9	2.0	1.9	2.0	✓
Glenview Hills	007502	1.7	1.7	1.6	1.4	1.9	2.0	1.9	2.0	✓
Glenview Manor	007502	1.7	1.7	1.6	1.4	1.9	2.0	1.9	2.0	✓
Goose Creek	010008	0.8	0.7	0.7	0.7	0.6	0.7	0.7	0.5	
Goshen	030802	2.0	1.7	1.6	2.1	1.9	1.7	1.5	1.6	
Grand Rivers	040200	5.8	6.2	7.2	8.7	10.8	8.9	9.0	9.7	✓
Gratz	970200	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	✓
Green Spring	010308	0.5	0.4	0.5	0.4	0.4	0.4	0.6	0.5	
Greensburg	990200	10.8	10.5	10.8	10.8	10.7	10.1	9.7	10.6	
Greenup	040400	2.9	2.8	3.1	3.4	3.3	3.2	3.2	3.1	✓
Greenup	040500	2.5	2.3	2.5	2.1	2.0	1.9	1.9	1.8	✓
Guthrie	950300	10.5	9.6	9.8	9.7	9.5	9.7	9.6	9.7	
Hanson	970100	4.5	4.2	4.7	5.5	5.4	5.1	5.0	4.7	
Hardin	950500	4.4	4.1	4.0	5.0	6.5	6.5	6.6	7.3	
Hardinsburg	960200	5.8	6.0	6.1	7.6	7.0	6.7	6.7	5.7	
Harlan	970800	12.0	11.4	11.5	11.3	12.2	12.5	12.5	12.6	✓
Harlan	970900	2.4	2.5	2.6	2.8	3.6	4.6	4.6	4.6	✓
Hawesville	990100	4.6	4.7	4.4	5.0	4.7	4.4	4.4	4.5	
Hazel	010700	5.4	5.0	5.0	5.4	9.3	9.0	8.8	9.7	
Hebron Estates	020400	1.0	1.0	0.9	1.1	1.0	1.0	1.0	0.8	
Heritage Creek	011703	1.2	1.2	1.2	1.4	1.3	1.2	1.1	1.0	✓
Heritage Creek	011901	14.3	15.3	15.4	15.2	11.1	9.9	10.2	9.8	✓
Heritage Creek	012001	1.8	1.6	1.4	1.5	1.4	1.4	1.3	1.4	✓
Hickman	980200	13.6	14.3	12.9	13.8	13.5	13.8	13.6	14.0	✓
Hickory Hill	010403	0.4	0.4	0.4	0.4	0.4	0.3	0.3	0.4	
Hills and Dales	010308	0.5	0.4	0.5	0.4	0.4	0.4	0.6	0.5	
Hindman	960200	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	✓
Hindman	960300	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	✓
Hollow Creek	011508	0.8	0.8	0.6	0.4	0.3	0.5	0.7	0.6	✓
Hollyvilla	012001	1.8	1.6	1.4	1.5	1.4	1.4	1.3	1.4	✓
Horse Cave	970400	10.1	8.9	8.5	9.6	9.6	9.2	8.5	9.2	✓
Houston Acres	011101	0.8	1.1	1.0	1.4	1.9	1.7	0.9	1.0	

City	Census Tract	2nd Qtr 2008	3rd Qtr 2008	4th Qtr 2008	1st Qtr 2009	2nd Qtr 2009	3rd Qtr 2009	4th Qtr 2009	1st Qtr 2010	>5% No Status
Hunters Hollow	020600	2.8	3.2	3.0	3.0	2.9	3.1	3.8	3.7	
Hurstbourne Acres	010702	0.6	0.5	0.5	0.4	0.4	0.4	0.4	0.4	
Hustonville	980200	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	✓
Hyden	980100	0.5	0.5	0.5	0.0	0.0	0.0	0.1	0.1	✓
Inez	950100	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	✓
Inez	950200	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	✓
Irvington	960100	6.9	7.7	8.1	9.3	8.3	7.1	5.9	6.7	
Island	970400	16.2	17.1	18.8	19.3	19.0	18.8	18.5	17.3	✓
Jackson	980200	0.0	0.9	0.3	0.1	0.1	0.1	0.1	0.1	✓
Jackson	980300	6.5	6.0	5.5	5.5	5.9	5.7	5.4	5.3	✓
Jamestown	960100	11.8	11.4	10.5	10.0	9.4	8.8	8.9	9.1	✓
Jamestown	960300	8.5	8.5	9.3	9.4	9.1	9.4	9.6	10.3	✓
Jeffersonville	980500	0.0	0.0	0.0	0.0	0.0	0.1	0.1	0.1	✓
Jenkins	950100	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	✓
Jenkins	950200	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	✓
Junction City	980100	1.7	1.5	1.4	1.4	1.5	1.2	1.2	1.2	✓
Junction City	990500	0.6	0.6	0.7	0.7	0.6	0.6	0.6	0.6	✓
Junction City	990700	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	✓
Kenton Vale	065100	3.1	4.1	4.2	3.7	3.2	3.5	4.0	3.3	
Kenton Vale	065200	2.8	3.6	4.7	4.2	3.6	3.2	3.8	5.5	
Kevil	950100	4.7	4.2	4.5	8.2	9.0	8.8	9.0	8.8	
Kingsley	013100	1.3	1.2	1.2	1.2	1.2	1.2	1.0	0.9	
Kuttawa	960100	3.8	3.5	3.6	5.8	7.3	9.0	9.4	10.0	
La Center	950100	4.7	4.2	4.5	8.2	9.0	8.8	9.0	8.8	
LaFayette	201400	7.8	7.7	7.1	7.1	7.0	7.3	7.3	7.7	✓
Lakeview Heights	950200	3.5	3.1	2.9	2.9	2.9	2.5	2.5	2.5	✓
Langdon Place	010008	0.8	0.7	0.7	0.7	0.6	0.7	0.7	0.5	
Lebanon Junction	021200	2.2	2.2	2.4	2.4	2.3	2.4	2.3	2.2	✓
Lewisburg	960200	6.2	4.9	4.8	5.0	5.5	5.6	6.1	6.5	✓
Lewisport	990200	8.1	8.0	7.8	7.7	7.7	7.1	7.0	6.9	
Liberty	950300	9.3	9.0	9.0	9.0	8.8	8.9	8.1	8.7	✓
Lincolshire	010800	0.5	0.5	0.6	0.6	0.6	0.6	0.6	0.5	

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Livermore	970100	9.6	9.2	9.3	8.8	8.5	8.4	8.1	8.1	✓
Livingston	950400	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	✓
Lone Oak	031300	3.6	3.3	3.1	3.0	3.2	3.3	3.1	3.7	
Loretto	970400	4.6	4.3	4.3	4.3	4.5	4.8	4.7	4.8	
Louisa	990100	0.9	0.9	0.9	0.9	1.1	1.0	1.0	1.0	✓
Loyall	970700	13.0	13.3	12.6	13.0	13.0	12.7	13.1	13.2	✓
Lynch	970100	11.4	12.2	10.5	9.7	9.7	8.2	8.2	8.3	✓
Lynnview	011403	2.8	3.6	2.6	2.6	2.2	2.1	1.9	1.7	
Mackville	980300	7.8	7.6	6.8	7.0	6.7	7.0	6.4	6.1	✓
Manchester	950300	6.7	6.3	6.2	6.6	5.6	5.6	5.8	5.6	✓
Manor Creek	010309	0.2	0.2	0.1	0.1	0.1	0.1	0.1	0.1	✓
Martin	980600	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	✓
Maryhill Estates	010001	0.8	0.8	0.8	1.4	1.3	1.1	1.0	1.1	
McHenry	980600	4.4	6.6	6.3	6.7	6.6	7.1	6.6	6.7	
McKee	960100	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	✓
Meadow Vale	010006	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	
Meadow Vale	010309	0.2	0.2	0.1	0.1	0.1	0.1	0.1	0.1	✓
Meadowbrook Farm	010005	0.2	0.1	0.1	0.1	0.1	0.4	0.4	0.4	
Meadowview Estates	010800	0.5	0.5	0.6	0.6	0.6	0.6	0.6	0.5	
Melbourne	053100	1.7	1.8	2.0	2.2	1.7	1.4	1.3	3.1	✓
Mentor	052002	6.3	6.0	5.7	5.8	6.0	5.9	6.0	8.2	✓
Midway	050400	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	✓
Millersburg	030500	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.6	✓
Milton	100100	9.1	8.1	7.7	8.4	8.6	8.3	8.4	8.9	
Mockingbird Valley	007501	1.2	1.1	1.1	1.1	0.9	0.8	0.9	0.9	
Mockingbird Valley	007700	0.6	0.6	0.5	0.8	0.7	0.5	0.5	0.5	✓
Monterey	970300	1.6	1.6	2.1	2.3	2.3	2.3	2.0	1.8	✓
Moorland	010005	0.2	0.1	0.1	0.1	0.1	0.4	0.4	0.4	
Mortons Gap	970900	14.3	14.2	14.2	15.6	13.1	12.5	12.4	12.8	
Mount Olivet	970100	0.9	1.2	1.0	1.1	1.0	1.0	1.0	1.9	✓
Muldraugh	000200	4.5	5.6	5.6	4.7	5.1	4.3	4.0	3.8	✓
Muldraugh	970100	5.7	5.7	5.5	5.0	5.0	5.1	5.1	5.1	✓

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Muldraugh	970200	5.4	4.5	3.8	4.3	2.2	2.1	2.2	2.1	✓
Munfordville	970200	8.6	7.9	8.2	8.3	8.1	7.7	7.5	7.8	✓
Munfordville	970300	7.7	7.8	9.1	9.9	9.6	9.7	10.1	11.4	✓
Murray Hill	010008	0.8	0.7	0.7	0.7	0.6	0.7	0.7	0.5	
Nebo	970200	3.6	4.0	4.0	4.2	3.7	3.6	3.6	3.7	
New Castle	090200	10.6	9.9	10.1	10.1	10.2	10.2	9.6	10.7	✓
New Haven	990700	5.1	5.5	6.1	5.8	5.8	5.3	5.2	4.8	
Norbourne Estates	010600	1.1	0.9	0.8	0.7	0.7	0.5	0.7	0.9	
North Middletown	030600	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	✓
Northfield	007501	1.2	1.1	1.1	1.1	0.9	0.8	0.9	0.9	
Northfield	007502	1.7	1.7	1.6	1.4	1.9	2.0	1.9	2.0	✓
Northfield	010007	0.4	0.5	0.5	0.4	0.2	0.3	0.3	0.2	
Northfield	010308	0.5	0.4	0.5	0.4	0.4	0.4	0.6	0.5	
Nortonville	971300	12.3	12.3	12.5	13.4	13.3	13.0	12.9	12.9	✓
Norwood	010101	0.4	0.5	0.4	0.4	0.4	0.8	0.7	0.7	
Oakland	011600	3.8	3.7	3.2	3.4	3.7	3.3	3.0	3.5	
Old Brownsboro Place	010007	0.4	0.5	0.5	0.4	0.2	0.3	0.3	0.2	
Old Brownsboro Place	010008	0.8	0.7	0.7	0.7	0.6	0.7	0.7	0.5	
Olive Hill	960200	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	✓
Orchard Grass Hills	030601	1.6	1.4	1.4	1.7	1.7	1.7	1.7	1.9	✓
Owenton	970200	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	✓
Owingsville	970200	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	✓
Park City	950200	7.9	7.7	7.7	7.8	7.7	7.5	7.9	8.7	✓
Park City	950300	4.5	3.5	3.3	4.1	4.4	4.3	4.5	5.7	
Parkway Village	009300	1.1	1.0	1.1	1.1	1.0	1.1	1.1	1.4	
Pembroke	201300	5.1	4.9	3.7	3.6	3.5	5.3	5.8	5.5	✓
Perryville	990600	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	✓
Pewee Valley	030501	2.4	2.1	2.1	2.2	2.6	2.2	2.2	2.5	✓
Pewee Valley	030601	1.6	1.4	1.4	1.7	1.7	1.7	1.7	1.9	✓
Pineville	960200	6.9	7.1	9.1	10.7	8.8	5.5	5.3	5.1	✓
Pippa Passes	960300	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	✓
Plantation	010008	0.8	0.7	0.7	0.7	0.6	0.7	0.7	0.5	

City	Census Tract	2nd Qtr 2008	3rd Qtr 2008	4th Qtr 2008	1st Qtr 2009	2nd Qtr 2009	3rd Qtr 2009	4th Qtr 2009	1st Qtr 2010	>5% No Status
Sardis	960500	2.7	2.6	2.3	2.1	2.1	2.6	2.7	3.7	✓
Science Hill	990200	7.8	8.5	8.9	8.7	8.7	8.1	8.2	8.6	✓
Sebree	960100	9.4	8.8	8.2	8.0	8.1	7.8	8.0	7.4	
Seneca Gardens	013100	1.3	1.2	1.2	1.2	1.2	1.2	1.0	0.9	
Sharpsburg	970100	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	✓
Silver Grove	052900	3.2	3.1	3.3	3.6	2.9	2.7	2.9	3.4	✓
Silver Grove	053100	1.7	1.8	2.0	2.2	1.7	1.4	1.3	3.1	✓
Simpsonville	040500	3.4	3.2	3.1	3.5	3.4	2.8	3.2	3.5	✓
Slaughters	960100	9.4	8.8	8.2	8.0	8.1	7.8	8.0	7.4	
Smithfield	090300	5.1	4.5	4.1	4.3	4.9	4.9	4.4	4.4	
Smithland	040200	5.8	6.2	7.2	8.7	10.8	8.9	9.0	9.7	✓
Smiths Grove	011600	3.8	3.7	3.2	3.4	3.7	3.3	3.0	3.5	
Sonora	001600	5.2	4.9	4.7	5.3	5.2	5.5	5.7	5.5	✓
South Carrollton	960200	5.6	6.3	6.4	6.5	6.8	6.5	6.4	6.8	
South Park View	011901	14.3	15.3	15.4	15.2	11.1	9.9	10.2	9.8	✓
South Shore	040600	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	✓
Sparta	960100	5.7	4.9	5.7	5.6	7.1	7.3	7.5	7.8	✓
Sparta	970100	5.5	6.5	5.1	4.7	4.8	4.9	5.7	5.3	✓
Spring Mill	011505	0.6	0.8	0.8	0.8	0.7	0.8	0.7	0.8	
Spring Valley	010308	0.5	0.4	0.5	0.4	0.4	0.4	0.6	0.5	
St. Charles	971300	12.3	12.3	12.5	13.4	13.3	13.0	12.9	12.9	✓
St. Regis Park	010701	0.6	0.5	0.4	0.4	0.3	0.4	0.4	0.2	
St. Regis Park	010702	0.6	0.5	0.5	0.4	0.4	0.4	0.4	0.4	
St. Regis Park	010800	0.5	0.5	0.6	0.6	0.6	0.6	0.6	0.5	
Stamping Ground	040500	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	✓
Strathmoor Manor	008900	1.5	1.5	1.4	1.2	1.0	1.0	0.9	0.9	
Strathmoor Manor	009600	1.3	1.5	1.4	1.4	1.2	0.8	0.8	0.5	
Strathmoor Manor	013100	1.3	1.2	1.2	1.2	1.2	1.2	1.0	0.9	
Strathmoor Village	013100	1.3	1.2	1.2	1.2	1.2	1.2	1.0	0.9	
Sturgis	950300	7.1	6.9	7.5	7.1	6.9	7.4	7.2	8.3	
Sycamore	010404	0.4	0.4	0.5	0.5	0.4	0.5	0.4	0.4	
Taylorsville	080100	2.7	2.4	2.3	2.2	2.4	2.5	2.5	2.4	

City	Census Tract	2nd Qtr 2008	3rd Qtr 2008	4th Qtr 2008	1st Qtr 2009	2nd Qtr 2009	3rd Qtr 2009	4th Qtr 2009	1st Qtr 2010	>5% No Status
Taylorsville	080200	8.8	8.4	7.6	7.6	7.1	7.2	7.4	7.2	✓
Ten Broeck	010309	0.2	0.2	0.1	0.1	0.1	0.1	0.1	0.1	✓
Thornhill	010308	0.5	0.4	0.5	0.4	0.4	0.4	0.6	0.5	
Trenton	950400	6.5	6.8	6.8	6.3	4.9	5.8	5.9	6.8	✓
Uniontown	950100	9.0	9.5	8.7	7.7	7.4	7.8	8.1	7.5	
Upton	001600	5.2	4.9	4.7	5.3	5.2	5.5	5.7	5.5	✓
Upton	960300	7.4	7.4	7.7	8.7	8.7	8.4	8.1	8.2	✓
Vanceburg	990200	7.4	7.6	7.0	6.8	6.7	8.3	8.6	8.7	✓
Vicco	970700	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	✓
Wallins Creek	970600	10.6	10.5	9.9	10.9	9.9	9.8	10.5	10.7	
Warfield	950100	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	✓
Warsaw	960100	5.7	4.9	5.7	5.6	7.1	7.3	7.5	7.8	✓
Water Valley	020500	2.3	2.2	2.5	2.5	3.0	3.3	5.6	5.2	
Watterson Park	011002	1.5	4.3	3.8	3.5	3.4	3.3	3.1	3.2	
Watterson Park	011200	2.8	2.9	2.6	2.8	2.8	2.8	2.7	2.4	✓
Watterson Park	011301	3.3	3.1	2.8	2.5	2.5	2.2	2.3	2.3	
Watterson Park	011403	2.8	3.6	2.6	2.6	2.2	2.1	1.9	1.7	
Waverly	950200	7.0	7.4	6.8	6.7	6.4	6.2	5.9	5.9	
Wayland	980500	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	✓
Wellington	009700	1.1	0.9	0.8	0.7	0.7	0.7	0.7	0.7	
West Buechel	010901	0.8	0.8	0.7	0.7	0.6	0.7	0.6	0.5	
West Buechel	011002	1.5	4.3	3.8	3.5	3.4	3.3	3.1	3.2	
West Buechel	011200	2.8	2.9	2.6	2.8	2.8	2.8	2.7	2.4	✓
West Buechel	011301	3.3	3.1	2.8	2.5	2.5	2.2	2.3	2.3	
West Point	000100	20.9	21.8	21.8	22.7	22.6	23.2	22.2	22.0	
West Point	000200	4.5	5.6	5.6	4.7	5.1	4.3	4.0	3.8	✓
Westwood	010006	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	
Wheatcroft	960300	8.7	8.9	7.9	8.3	7.7	8.8	9.1	10.2	
Wheelwright	981000	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	✓
White Plains	971300	12.3	12.3	12.5	13.4	13.3	13.0	12.9	12.9	✓
Whitesburg	950400	1.3	1.3	1.3	1.3	1.2	1.2	1.2	1.2	
Whitesville	001602	3.9	3.8	3.3	3.9	3.4	3.7	3.7	3.6	

City	Census Tract	2nd Qtr 2008	3rd Qtr 2008	4th Qtr 2008	1st Qtr 2009	2nd Qtr 2009	3rd Qtr 2009	4th Qtr 2009	1st Qtr 2010	>5% No Status
Wickliffe	950300	10.9	10.8	11.0	11.6	12.0	11.6	11.7	11.5	
Wildwood	010102	0.3	0.6	0.3	0.3	0.3	0.3	0.3	0.3	
Willisburg	980100	8.7	8.8	9.2	10.4	9.8	8.7	8.5	8.4	
Wingo	020500	2.3	2.2	2.5	2.5	3.0	3.3	5.6	5.2	
Woodburn	011900	1.8	1.7	1.7	2.7	2.6	2.5	2.1	2.7	
Woodbury	990300	10.2	10.6	10.3	10.8	10.3	10.4	10.9	11.2	✓
Woodland Hills	010402	1.6	1.5	1.4	1.4	1.9	2.9	2.4	1.9	
Woodlawn	052301	5.1	5.1	5.3	4.2	4.5	4.1	5.1	7.1	
Woodlawn Park	010001	0.8	0.8	0.8	1.4	1.3	1.1	1.0	1.1	
Worthington	040300	3.1	3.5	3.4	3.2	2.5	2.6	2.7	2.9	
Worthington	040400	2.9	2.8	3.1	3.4	3.3	3.2	3.2	3.1	✓
Worthington Hills	010311	0.8	0.7	0.6	0.5	0.5	0.4	0.3	0.2	
Worthville	950100	3.4	4.0	3.8	4.7	5.4	5.1	5.2	5.1	✓
Wurtland	040400	2.9	2.8	3.1	3.4	3.3	3.2	3.2	3.1	✓

Source: City Solutions Center calculations based on HUD/USPS vacancy rate data, available at <http://www.huduser.org/portal/datasets/usps.html>.

Notes: Vacancy rates are calculated as the number of vacant residential units in each census tract divided by the number of units for which vacancy status was available (that is, the total number of residential units less the number of residential units for which no status was available). Percentages are provided for all quarters for which data are available, but only for census tracts that include cities with estimated populations of 2,500 or less in 2008. The last column indicates the census tracts for which more than 5% of residential addresses had no status; the vacancy rates for these tracts may not be accurate because the vacancy status is unknown for the no status units. The City Solutions Center cannot guarantee the accuracy of the HUD/USPS data.

Responding to Housing Foreclosures and Vacancies: A Handbook for Small Cities in Kentucky

July 2010

This report was written by Steven Bourassa of the Department of Urban and Public Affairs at the University of Louisville and edited by Patrick Piuma of the City Solutions Center. Some material was contributed by Lauren Heberle, of the Center for Environmental Policy and Management, and John Vick, of the City Solutions Center.



City Solutions Center

The City Solutions Center is a partnership between the Kentucky League of Cities, the NewCities Institute, and the University of Louisville. The Center draws on faculty, staff, and student expertise across the University to help communities throughout Kentucky address local issues through a process of community engagement.

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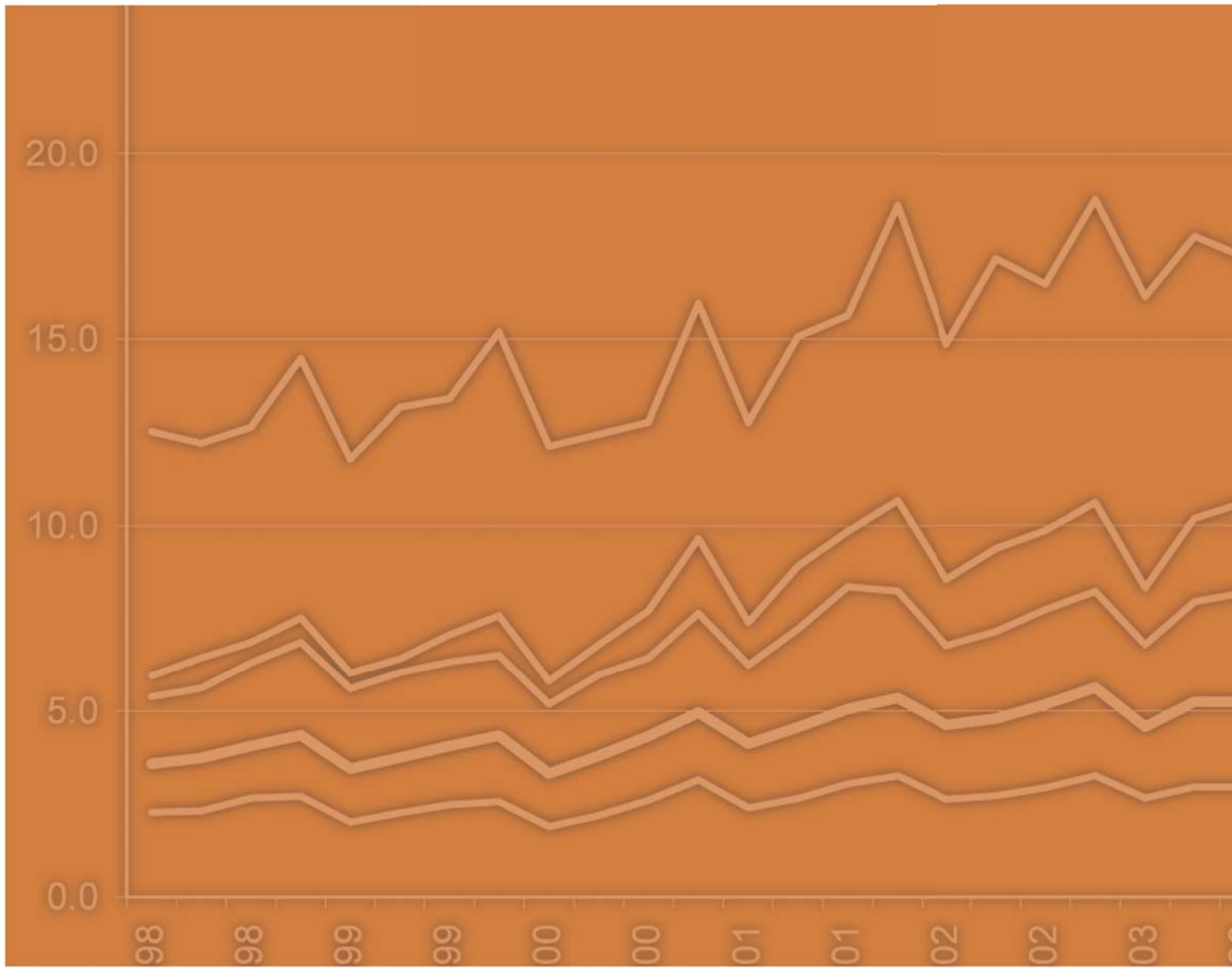
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