**Turning Toxic Liabilities (Distressed Properties) into Community Assets**

**Notes from Committee Meeting**

**Rowan University, South Jersey Technology Park**

**February 27, 2019**

**Attendees:**

* Pastor Derick Gatling, First Baptist Church of Jericho
* Richard Feldman, Consultant
* Andy Frazier, Community Foundation of South Jersey
* Rosemarie Parker, Family Promise of Gloucester County
* Laura Wallick, New Jersey Community Capital
* Mariya Burnell, TD Bank
* Paul Smith, Smith and Smith Development
* Kaycee Ensign, University of Pennsylvania
* Barbara Wallace, former Mayor of Washington Township
* Wanda Hardy, Financial Wellness Institute
* Terri Benson, Housing and Community Development Network of New Jersey
* Janice Kaighn
* Theresa DiVietro, Land Dimensions
* Nathaniel Borek, Federal Reserve Bank of Philadelphia

**Our Process**

We would like to thank everyone for participating in the first committee meeting, your input was, and will continue to be an instrumental part of the process. We believe it is important to frame the expected outcomes of the committee’s work to ensure that we are able to best utilize our meetings to obtain the information and input needed to move the project forward. The charge of the committee and its members is to:

* Provide information that helps inform the development of a model that will address the issues identified in our report.
* Connect the committee with additional stakeholders relevant to the project. The identified stakeholders can help with the development, funding, and/or implementation of the project.
* Identify the individual role your organization will play in achieving the goals of the project.

Please review the charge of the committee and provide feedback. Future committee meetings, and communications between meetings will be centered on achieving the goals of the project.

**Notes from the Meeting and Next Steps**

**Note 1:** The committee discussed the need for a multi-sector stakeholder effort to draw on professional and personal networks for the purpose of gaining awareness concerning the project and increasing resources to help develop a model and raise funds to pilot a model. **Sectors** to include in additional committee meetings and outreach:

* Real estate
* Healthcare Sector
* Education
* Government Sector and Elected Officials (and their staff)
* Business Owners
* Housing Developers
* CDCs and other NPOs
* Financial Sector
* Foundations

**Next Step 1:** The committee members should reach out to Theresa DiVietro or Wanda Hardy with suggestions regarding stakeholders in the abovementioned sectors:

Theresa DiVietro – 609-221-0079 – theresa@landdimensions.com

Wanda Hardy – 856-251-0311 – wphardy@financialwellnessinstitute.org

Committee members can connect Theresa or Wanda with the prospective partner(s) through email or phone. Please reach out to us as soon as possible, the success of the project is largely dependent on having the right partners at the table.

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**Note 2:** Regarding a **pilot as a model to purchase a set of properties** in a neighborhood or community, the committee discussed the following potential obstacles including the:

* + Stigma and “Not-In-My-Backyard” sentiments regarding “affordable housing”.
	+ Unwillingness of banks to sell properties at a non-market driven price.
	+ Scale of the foreclosure issue.

**Note 3**: Potential opportunities, strengths, and solutions to the issues identified at the committee meeting include:

* + Bulk purchases will allow for economies of scale.
	+ The creation of a landbank to address foreclosures has worked in other communities in the region, and we should be able to replicate parts of those strategies.
	+ Opportunities to communicate and educate affected stakeholders about foreclosures and their broad impacts on communities.
	+ First-person perspectives from individuals impacted by foreclosures which will help inform the committee.

The committee noted obstacles and opportunities for engagement with **financial institutions**:

* Potential obstacles include:
	+ Lack of awareness about foreclosures.
	+ “Silo” issue within an institution and internal bureaucracy .
* Potential opportunities, strengths, and solutions include:
	+ Corporate social responsibility and regulatory requirements may be motivations for financial institutions to participate.
	+ Some financial institutions have foundations that may be interested in participating on the committee or in a pilot.
	+ Community development managers at financial institutions are a potential partner.
* Additional notes:
	+ These mortgages often go through multiple modifications; thus the properties can be in the foreclosure process for many years.
	+ Some financial institutions are aware they are holding deed-restricted properties and are unaware of that restriction.

At the **municipal** level:

* Potential obstacles include:
	+ Identifying properties is difficult due to data access, accuracy, and resources for analysis.
	+ Lack of capacity: recent parcel survey lead to results that differed from other available information.
	+ Differing priorities for local elected officials.
* Potential opportunities, strengths, and solutions include:
	+ Need to highlight and communicate about positive examples: Pennsauken and Abandoned Property Act.
	+ Need an entity (or entities) that has (/have)
		- The balance sheet to purchase.
		- Expertise on rehabbing and reselling.

**Next Steps 2:** Develop data driven talking points that will help inform community members and homeowners, banks and elected officials on the scope of the housing issue and how it affects each stakeholder group.

**Next Step 3:** We have identified an agency to develop a brand for the housing initiative, to include marketing materials and marketing strategies.

**Next Step 4:** The Water Rand Institute and Paul Smith from Smith & Smith Development will provide research support to the project. Support will include analyzing housing data to help inform the creation of a model that will address the issues identified in the report. Additionally, Paul Smith will identify best practices and will communicate with stakeholders between meetings when necessary.

**Next Step 5:** The committee will hold 3-4 structured meetings, in person and/or through video-tele conference to advance the work of the committee.

We will be reaching out to you in the upcoming days to schedule the next meeting.