



THE UNITED STATES CONFERENCE OF MAYORS

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# FOREWORD

This is the third in The U.S. Conference of Mayors' series of reports on the efforts being made by mayors across the nation to minimize the problems that vacant and abandoned properties are creating in their cities, and to restore these properties to productive use as homes and businesses.

In recent years the costly problems these distressed properties create have been exacerbated by the nation's mortgage foreclosure crisis. Homeowners in unprecedented numbers have been forced to abandon properties in neighborhoods scattered across our cities, and the greatly increased numbers of these properties have caused problems for greatly increased numbers of neighbors. They detract from their quality of life, depress their property values and, ultimately, can limit their economic opportunities. For city governments, these properties represent increased demands for services to maintain them physically, to secure them and, in many cases, to keep them from attracting the kind of criminal activity that further distresses neighborhoods and adds even more to city costs. And over the past year, obviously, cities have had to meet these demands in an environment in which a dramatic national economic downturn has translated into a dramatic drop in local revenues.

In 2006 the Conference's Task Force on Vacant and Abandoned Properties developed its first publication on the successful strategies that mayors have developed to combat the problems posed by distressed properties. A year ago, in light of the severity of the mortgage foreclosure crisis, we updated and expanded the information contained in that first report. We also asked mayors to respond to a brief survey on the impact that the mortgage crisis was having on the existing problems of vacant and abandoned properties in their cities. The goal was to provide a context in which the cities' responses to the problems could be viewed.

Mayors in 71 percent of the cities reported last year that the number of vacant and abandoned properties had increased during the previous year as a result of the mortgage crisis. Well over half of the cities reported that the crisis had affected their ability to manage problem properties, and well over half rated the foreclosure problem in their cities as serious or very serious.

The response to this year's survey is an indication of how much more serious the problems of distressed properties have become as mortgage foreclosures continue to mount.

- This year almost half again as many mayors responded to the survey.
- Cities reporting increases in vacant and abandoned properties jumped to 93 percent.
- Those reporting that the crisis had affected their efforts relating to these properties jumped to 83 percent;
- Those rating the foreclosure problem as serious or very serious jumped to 67 percent.

It is significant, we think, that cities saying their foreclosure problem is not serious dropped from about one in five last year to only one in 20 this year.

Again this year, mayors' descriptions of their most successful responses to problem properties ranged from sweeping, comprehensive programs representing major investments of city resources, to innovative and focused efforts to solve particular aspects of the overall problem. Some describe citywide initiatives, others describe programs targeting particular neighborhoods. For many, results are seen in significant numbers of properties being rehabilitated and resold, to the benefit of homeowners, neighborhoods, and cities as a whole.

In survey responses and in descriptions of their successful initiatives, many cities describe their use of a new tool from HUD, the Neighborhood Stabilization Program (NSP), which provides targeted emergency assistance to state and local governments to acquire and redevelop foreclosed properties that might otherwise become sources of abandonment and blight. These funds, first available last year, may be used to acquire land and property, to demolish or rehabilitate abandoned properties, or to offer down payment and closing cost assistance to low- to moderate-income homebuyers. They also may be used to create "land banks" to assemble, temporarily manage, and dispose of vacant land in order to stabilize neighborhoods and encourage re-use or redevelopment of urban property.

There are references in this report to both NSP1 and NSP2: NSP1 refers to the funds authorized under the Housing and Economic Recovery Act of 2008, which were distributed last year through a formula to all states and selected local governments. NSP2 refers to the funds authorized under the American Recovery and Reinvestment Act of 2009, which are being provided to states, local governments, and nonprofits on a competitive basis.

Again this year, through the Conference of Mayors Web site, our report is being made available to mayors nationwide as part of the Task Force's plan to equip all mayors with resources they can use to combat our increasingly serious abandoned property problems. As always, we are grateful to the mayors and staff who participated in the survey and provided information on their problem property initiatives. Their willingness to share their experiences will benefit all mayors whose problems with vacant and abandoned properties have been exacerbated by the current foreclosure crisis.



Tom Cochran  
CEO and Executive Director

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# EXECUTIVE SUMMARY

This is the third in a series of reports prepared by The U.S. Conference of Mayors on cities' efforts to combat problems of vacant and abandoned property. It updates and expands upon reports published in 2006 and 2008 and focuses on the impact of the mortgage foreclosure crisis on the problems created by vacant and abandoned properties and on cities' efforts to manage them. Sixty cities responded to a set of survey questions sent to mayors at the end of April; 24 cities submitted descriptions of one or more "best practices" that have been or are being implemented to address their problem properties.

## **Increase in Vacant and Abandoned Properties**

Ninety-three percent of the survey cities have seen an increase in the number of vacant and abandoned properties during the last year as a result of the mortgage foreclosure crisis. There are an estimated 92,321 vacant and abandoned properties in the 53 survey cities able to produce an estimate. Numbers range from 15,078 in Las Vegas, 13,500 in St. Louis, 8,306 in Louisville, 7,700 in Port St. Lucie, and 7,000 in Cape Coral to 25 in Stow, 21 in Menlo Park, and 11 in Bell Gardens.

## **Impact of the Foreclosure Crisis on Vacant and Abandoned Property Efforts**

Eighty-three percent of the survey cities report that the mortgage foreclosure crisis has affected their efforts relating to vacant and abandoned properties. The cities have seen a strain on their code enforcement and maintenance staff and budgets, have had to develop new policies and procedures, and have had to allocate additional funds.

## **Neighborhood Stabilization Program**

Nearly three-fourths of the survey cities (73 percent) are receiving funds through the first round of the Neighborhood Stabilization Program established in the Housing and Economic Recovery Act of 2008.

Among these, the funds are used most frequently to:

- rehabilitate structures on properties (by 87 percent of the cities),
- acquire vacant or abandoned properties (by 80 percent of the cities),
- demolish structures on properties (by 58 percent), and
- provide assistance with down payments and closing costs to low- and moderate-income homebuyers (by 53 percent).

Among those cities not receiving NSP funding, all but two are using or planning to use other resources to respond to mortgage foreclosure problems affecting vacant and abandoned properties.

Four of five of the survey cities said that the resources available to them through HUD's Neighborhood Stabilization Program or other sources were not sufficient to address the problems associated with mortgage foreclosures.

Eighty-six percent of the cities plan to apply for the second round of the Neighborhood Stabilization Program funds provided through the recently-enacted American Recovery and Reinvestment Act. Eighty-seven percent of these anticipate partnering with nonprofit organizations in the efforts they will propose to conduct.

### **Changes in Local Ordinances and Policies**

One-half of the cities have had to change local ordinances and/or policies to respond to problems resulting from the mortgage foreclosure crisis. These changes most frequently involved property and bank registration requirements and property maintenance standards.

### **Seriousness of the Mortgage Foreclosure Problem**

Two-thirds of the survey cities rate the mortgage foreclosure problem in their city as very serious (31 percent) or serious (36 percent). An additional 29 percent of the cities say it is moderately serious, and only three of the cities say it is not serious.

### **Impact of the Current Economic Recession**

Fifty-nine percent of the cities say the current economic recession is significantly exacerbating vacant and abandoned property problems in their city; the balance of the cities, 41 percent, say it is moderately exacerbating these problems.

Forty-eight percent of the cities report that the current economic recession is significantly limiting their ability to respond to vacant and abandoned properties; 45 percent say it is moderately limiting their ability to respond, and only four say the recession is not limiting their ability to respond.

### **Mortgage Foreclosure Problems in the Next Year**

Sixty-eight percent of the cities anticipate that mortgage foreclosure problems will increase over the next year; 29 percent expect them to remain the same. Just two cities expect the problems to improve.

## SURVEY FINDINGS

This report updates and expands upon The U.S. Conference of Mayors' 2006 and 2008 reports on cities' efforts to combat problems of vacant and abandoned properties. At the end of April mayors were invited to submit information on the approaches they were taking to these problems, and to respond to a brief set of questions on the impact that the mortgage foreclosure crisis was having on their vacant and abandoned properties and on their efforts to manage them. Responses to the survey questions were received from 60 cities of all sizes in all regions of the country; 24 cities submitted descriptions of one or more "best practices" that have been or are being implemented to address their problem properties. The cities responding to the survey are listed at the end of this report.

### **Increase in Vacant and Abandoned Properties**

Ninety-three percent of the survey cities have seen an increase in the number of vacant and abandoned properties during the last year as a result of the mortgage foreclosure crisis. There are an estimated 92,321 vacant and abandoned properties in the 53 survey cities able to produce an estimate. Numbers range from 15,078 in Las Vegas, 13,500 in St. Louis, 8,306 in Louisville, 7,700 in Port St. Lucie, and 7,000 in Cape Coral to 25 in Stow, 21 in Menlo Park, and 11 in Bell Gardens.

### **Impact of the Foreclosure Crisis on Vacant and Abandoned Property Efforts**

Eighty-three percent of the survey cities report that the mortgage foreclosure crisis has affected their efforts relating to vacant and abandoned properties, and 47 percent report that their efforts relating to vacant and abandoned properties have lost ground since the crisis began. The cities have seen a strain on their code enforcement and maintenance staff and budgets, have had to develop new policies and procedures, and have had to allocate additional funds. Many described how their efforts to address problems have been affected:

**Tucson:** Previously, our vacant and abandoned properties were older properties with deceased or unidentified owners. Today, the issue may involve banks, mortgage companies, or investors who are unresponsive. Legal research has slowed response.

**Pine Bluff:** It has increased the number of houses we have to deal with regarding code violations. There are currently 44 residential properties listed either in foreclosure (nine) or pre-foreclosure (35). As a result, it has likely strained our code enforcement budget.

**Temecula:** It has changed code enforcement efforts to deal with pools not being cared for and unkempt yards.

**Bell Gardens:** Code enforcement officers have been forced to dedicate more time to the upkeep of vacant and abandoned properties. Homeless individuals taking up residence within abandoned homes have also been an issue.

**Riverside:** In October of 2008, the City Council authorized the creation of an enterprise fund (Neglected Property Abatement Team), including staffing and contract abatement services, to address the growing number of vacant and abandoned properties. Since the inception of this team, more than 2,000 cases have

been initiated on vacant and abandoned properties, with nearly 50 percent of those properties coming into compliance with all municipal code provisions.

**Yuba City:** Our code enforcement officer has seen a small increase in code enforcement cases with regard to blight, graffiti, and vandalism.

**Menlo Park:** The City Council authorized an acquisition and rehabilitation program funded through the City's Below Market Rate Housing Fund.

**Turlock:** We have had to maintain these properties by cutting weeds and grass, removing debris, and boarding when necessary.

**New Haven:** In November 2008 the Board of Aldermen passed a comprehensive ordinance in response to the increased number of mortgage foreclosures.

**Cape Coral:** We have been forced to adjust our efforts to maintain a high level of proactive enforcement to combat blight and the out-reaching effects foreclosures have had on our community. Every hour that a code officer spends handling a foreclosure is one less hour they have to address other health, safety, and welfare issues. We estimate that our officers spend 60 percent of their work day, our customer service staff spends 40 percent of their work day, and our administrative staff spends 75 percent of their work day on a foreclosure or foreclosure-related issue.

**Miami:** Effects include more crime, citizen complaints, decrease in value of adjacent properties, increased usage of police and code enforcement inspectors, and strain on limited financial resources to secure and maintain vacant properties.

**Titusville:** The City has been overwhelmed with code enforcement complaints regarding foreclosed properties.

**Clearwater:** There has been a significant financial impact, significant impact on ability of personnel to do their job, and significant impact on quality of life, sense of place.

**Hollywood:** It has been necessary to allocate additional funding to address maintenance issues at abandoned and foreclosed properties.

**North Miami:** A considerable amount of time is dedicated to identifying and locating the person(s) or entity responsible for maintaining the property. The costs associated with maintaining these properties are steadily increasing.

**Port St. Lucie:** There have been code enforcement problems, lowered assessed valuation.

**Lombard:** For nonresidential properties we have undertaken greater economic development and outreach efforts.

**Fort Wayne:** There is so much emphasis on Neighborhood Stabilization Program planning that energy and resources have been pulled from efforts to address the larger abandonment issues.

**Evansville:** The mortgage foreclosure crisis has affected the time frame for acquisition.

**Muncie:** There are more vacant properties, and banks are not taking title to properties when the original owners leave after being forced out by a foreclosure action.

**Lexington:** The Division of Code Enforcement has seen a dramatic increase in vacant properties in which we must abate the nuisance issues.

**Louisville:** Metro is pursuing demolition in cases with non-responsive owners.

**Everett:** The crisis has made it harder for us to determine who owns or who is responsible for what properties, which makes it harder to hold people accountable.

**Boston:** The foreclosure crisis has affected our on-going efforts related to vacant and abandoned properties for the simple reason that we now have hundreds more empty homes in our neighborhoods than anyone could have forecast. While we are working to prevent foreclosures from ever happening, we are also focused on restoring some of the 900+ empty houses so that our neighborhoods remain stable.

**Southfield:** City has increased staff time to identify properties and ownership and perform administrative functions necessary to secure open and unguarded properties. City conducts follow-up inspections on a regular basis to insure basic maintenance is being done to prevent blight or vandalism, thus safeguarding property values as best we can.

**Southgate:** More time and expense are involved in keeping the grass cut and debris removed.

**Taylor:** Management efforts, increased blight, vandalism, reduced property values, budgetary issues with board-ups, grass cutting, water damage, increased use of City services, public safety, City's image, loss of neighborhood identity and the overall feeling of residents' well-being are compounding the problem. The City is trying to assist local families, but the lack of bank mortgages available is making it very difficult to make an impact on the problem.

**Minneapolis:** The City has had to evaluate and revise the current regulatory and statutory tools available to manage the increase including: increased vacant building registration fee to manage actual cost of abandoned properties on local government; re-focused/accelerated efforts to demolish worst properties, which has required budgeting solution to dedicate resources to address problem (created a Revolving Fund); and increased staff assigned to managing boarded and vacant properties.

**Saint Paul:** We have increased property monitoring, clean-up and demolition of nuisance properties by more than 400 percent.

**Florissant:** We've had to increase weekly inspections, cut grass, pick up trash and debris, clean up vandalism, and do board-ups.

**St. Louis:** Using Neighborhood Stabilization Program Round 1 funds, staff is active in working with neighborhood-based nonprofits and others to acquire foreclosed and abandoned properties in target neighborhoods for comprehensive rehabilitation. Through acquisition/rehabilitation, limited land banking, and specialized financing mechanisms, the City expects to stabilize and redevelop as many as 100 properties.

**Las Vegas:** Due to the high rate of foreclosure in the Las Vegas area, blighted and abandoned properties continue to be a code enforcement challenge. Homeowners often walk away from the property months

before the foreclosure process takes place, leaving the property unsecured with stagnant pools, broken windows, overgrown weeds, and dead vegetation.

**Perth Amboy:** Banks and financial institutions that hold properties are reluctant to reduce prices for quick sales. It is difficult for families to obtain down payments and mortgage financing. The unemployment rate is over 15 percent.

**Trenton:** We have received Neighborhood Stabilization funds to assist with foreclosed properties.

**Albuquerque:** City has more board-ups, people breaking in, more weed and litter control problems.

**Binghamton:** We have needed to line up more resources and partners to land larger grants for more expansive revitalization efforts.

**Stow:** It's hard to contact mortgage companies located out of State.

**Allentown:** A substantial number of properties passing through the City's Blighted Property Process are involved in foreclosure and pass to the lender prior to the Redevelopment Authority's completion of its condemnation.

**Jackson:** Trying to locate property owners has caused a time delay in working with the affected properties.

**Houston:** While the foreclosure crisis is not as pronounced in Houston, the tightening of credit and the resetting of adjustable rate mortgages have caused some problems.

**Denton:** Staff has more properties to secure and ensure that required maintenance is conducted.

**Salt Lake City:** The State of Utah has lagged behind the national trend on foreclosures, but the number of foreclosures has started to increase during the last six months and local economists have estimated that it will increase substantially over the next year.

**Norfolk:** Vacant and abandoned properties are attractive nuisances to those who have undesirable acts to commit. Their acts affect the quality of life for those who remain in the neighborhood and place a drain on precious local resources such as fire, police, inspection staff, etc. to respond to calls ranging from nuisances to life/safety issues.

**Lakewood:** It's been slow to develop, but within the past 30 to 45 days there have been a significant number of residential structures up for sale. We're also seeing some interesting mortgage auctions for the first time. We predict that we will see a bigger problem with abandoned properties within three months.

**Milwaukee:** In addition to the significant increase in the numbers of these properties, the foreclosure crisis has left large numbers of foreclosed properties under control of out-of-state servicers and lenders, with no local presence. These properties are more likely to be unsecured and poorly maintained. Establishing contact with the entity responsible for property upkeep is often impossible, creating challenges in gaining compliance with local ordinances, and driving up the need for City services.

**Green Bay:** Nuisance issues such as long grass complaints, snow removal, etc. increased.

*Allocation of Funds* – Fifty-five percent have been able to allocate more money for the upkeep of these properties. These funds are used most frequently for maintaining and securing the properties. Among the cities' specific comments about how the additional money is being used:

**Little Rock:** The City of Little Rock has dedicated more money for boarding and securing these properties. We are establishing a revolving fund to acquire vacant and abandoned homes.

**Yuba City:** Though small in nature, we have found it necessary to establish a fund to assist code enforcement efforts. Case complaints have increased and we will continue to take care of them on a case by case basis.

**Menlo Park:** When owners are not responsive to code citations, the City has paid for mowing, attaching liens to those homes.

**Turlock:** Additional funds are being used to cut weeds and grass, removing trash and debris, and boarding up the homes.

**Miami:** No additional funds have yet been allocated to the involved department; however, internal budget allocations have been re-directed to cover this need. Funds have been used for securing and maintaining abandoned structures, demolition of unsafe structures, and maintenance of vacant lots.

**Titusville:** Funds go to lot cleaning, boarding and securing buildings, demolition of hazardous buildings.

**Clearwater:** Funds go to maintain problem properties and to pay for additional staff time and resources.

**North Miami:** Funds are earmarked to continue our property maintenance efforts such as emergency board-ups, pool pumps, and lot-clearing.

**Port St. Lucie:** \$100,000 being used for upkeep.

**Evansville:** The City has been required to allocate more money for mowing, sealing, demolition, police patrols, and the fire department as a result of the mortgage foreclosure crisis.

**Muncie:** Funds go to staff the unsafe building hearing authority, demolish properties, form a land bank.

**Lexington:** Funds go to abatement and board-up of abandoned property.

**Louisville:** Additional funds were allocated to code enforcement and demolition activities.

**Everett:** The funds are being used to take homeowners, property managers, etc. to court.

**Boston:** Additional funds to maintain vacant properties and target related issues to empty properties have been allocated primarily within Boston's Inspectional Services Department and the Boston Police Department.

**Southfield:** Funds are being used to board openings, replace broken windows, clean up litter and debris left behind, cut lawns, and make some repairs ordered by the courts.

**Southgate:** Funds go for cutting grass, removing debris, and boarding up vacant homes.

**Minneapolis:** The crisis has forced the City of Minneapolis to improve several programs. However, the number of abandoned properties has not gone down over the past few years despite an increase in demolitions by the City or private rehabs by owners. We increased the budget for the Vacant Building Program which now employs 14 staff full-time to manage the program and includes collecting/assessing fees, monitoring/tracking properties to ensure that they remain boarded/secured, identifying properties for demolition, processing appeals of demolitions, and managing restoration agreements.

**Saint Paul:** Funds go for monitoring, property maintenance and clean-up, property demolition and inspection, and supervision of rehabilitation of vacant properties.

**Florissant:** Funds go for clean-up and exterior property maintenance.

**Las Vegas:** The City is spending more money on the abatement of vacant properties to board and secure the property, remove dead vegetation, drain pools, etc.

**Elizabeth:** More properties are boarded and/or cleaned. We recoup these funds, however, by placing a lien on the property.

**Trenton:** Funds go to secure buildings (boarding) and to maintain properties that would become health and safety hazards.

**Stow:** Funds go for mowing, trash clean-up, and razing.

**Allentown:** More properties are being acquired by the Redevelopment Authority instead of being removed prior to condemnation from the Blighted Property Process. The City also has to secure properties caught in the foreclosure process.

**Denton:** More funds are being allocated to secure abandoned properties.

**Norfolk:** We are starting to see more properties that are required to be secured and this places a drain on local resources at the departmental level.

**Milwaukee:** The City has been forced to reallocate resources to secure and maintain foreclosed properties. Board-up orders have increased over 50 percent from 2005 levels. Code inspections have increased correspondingly.

Several cities which have not allocated more money described their situations and what they are doing:

**Tucson:** This newer group of vacant properties requires less intensive abatement of boarding or demolition. There are, however, more nuisance calls relating to unsecured properties. Weeds, overgrowth, and brown lawns are not currently an issue in desert areas.

**Riverside:** The City doesn't perform "upkeep" on abandoned properties. Per Riverside Municipal Code Section 6.11, banks and other property owners are held responsible for the maintenance of their property; the City does abate public nuisances (pump green swimming pools, board up windows, cut down weeds, etc.), and has budgeted funds (approximately \$500,000) within an enterprise fund to address these costs.

**Fort Wayne:** Fort Wayne is trying to address an increased need with a budget that remains flat as it relates to code enforcement and responding to abandoned property. This often means a delayed response to issues, which increases the negative impact on nearby properties.

**Lakewood:** Lakewood already has in place a revolving abatement fund account to deal with abandoned properties. On average we have about 20 properties in process at any given time. This program was in place prior to the mortgage foreclosure crisis.

### **Neighborhood Stabilization Program**

Nearly three-fourths of the survey cities (73 percent) are receiving funds through the first round of the Neighborhood Stabilization Program, which was established in the Housing and Economic Recovery Act of 2008. Among these, the funds are used most frequently to rehabilitate structures on properties (by 87 percent of the cities), acquire vacant or abandoned properties (by 80 percent of the cities), demolish structures on properties (by 58 percent), and provide assistance with down payments and closing costs to low- and moderate-income homebuyers (by 53 percent). Approximately one in five cities used the funds to clean up land or maintain already acquired properties.

Other cities using the NSP funding are establishing land banks (Tucson and Muncie), funding new construction (Allentown and Milwaukee), purchasing foreclosed properties to rehabilitate them and then rent them to low- and moderate-income families (Yuba City), financing the acquisition and rehabilitation of the property by private sector partners (Fort Wayne), providing rehab assistance to homebuyers who acquire foreclosed properties (Boston), offering a Scattered Site Rental Housing and Lease to Own program (Las Vegas), providing homebuyer counseling and education (Albuquerque), and providing assistance to current homeowners to stay in their homes and avoid foreclosure (Everett).

Among those cities not receiving NSP funding, all but two are using or planning to use other resources to respond to mortgage foreclosure problems affecting vacant and abandoned properties. These cities are using the resources most frequently to demolish structures on properties (62 percent), clean up land (also 62 percent), provide assistance with down payments and closing costs to low- and moderate-income homebuyers (54 percent), maintain already acquired properties (46 percent), rehabilitate structures on properties (38 percent), acquire vacant or abandoned properties (31 percent), and establish financing mechanisms for purchase and redevelopment of vacant or abandoned properties (also 31 percent).

Four of five of the survey cities said that the resources available to them through the Neighborhood Stabilization Program or other sources were not sufficient to address the problems associated with mortgage foreclosures. These cities identified additional funding or other resources they need. Most frequently mentioned were funding for acquiring and rehabilitating properties and demolishing structures.

**Tucson:** Legal research staff is an issue as is the cost of legal publication required during search for owners. Further funding to buy, rehabilitate, and resell homes would be helpful.

**Pine Bluff:** At approximately \$3,500 per structure to demolish our dilapidated structures, we estimate we will need approximately \$1,750,000 to clear our City of these unsafe, uninhabitable structures.

**Colorado Springs:** Additional CDBG funds would be helpful, or additional funding through a simplified NSP program. The funding level of just over \$3 million hardly puts a dent in obtaining and rehabilitating the number of foreclosed properties in our community. Due to budget uncertainty regarding general fund dollars, the NSP or other federal program is actually the bulk of funding that is available for this type of program in our community.

**New Haven:** New Haven expects approximately \$3.2 million in NSP funds. We anticipate that this will allow us to purchase and rehab 12 two- to three-family homes. Considering that we have over 800 vacant properties, this investment is a drop in the bucket. We are targeting our investment in neighborhoods with other significant community investments (such as schools, nonprofit housing developments, etc.) in the hopes of keeping those neighborhoods from tipping. Many of the properties will require significant subsidy to bring them up to code. We are also facing a shortage of buyers who qualify for mortgages. We could use access to additional tax credit programs as well as additional subsidy funds.

**Cape Coral:** We need funding to mitigate blighted conditions due to abandonment, and to sustain our proactive and aggressive efforts in combating the effects of this crisis. Without funding we will be forced to eliminate the programs we have brought on board to address these issues. The key to our success has been a high level of proactive enforcement of maintenance and health and safety codes through our Code Compliance Division. Any loss of funds in this area will decrease proactive enforcement and will sacrifice the programs we have instituted to address these issues.

**Miami:** As the rate of foreclosures increases, and the banks do not proceed past the *Lis pendens* stage, the number of abandoned and vacant properties is increasing, along with the deterioration of properties. Therefore, substantial additional funds will be needed to address these issues.

**Titusville:** The \$2.2 million we are receiving is just not enough. We have large apartment complexes that have been abandoned and need to be acquired and demolished. The current funds only allow us to acquire two of the five that are affecting the community.

**Valdosta:** We need additional funding through the CDBG and HOME program, as well as private financing.

**Evansville:** We need funds without new regulations that conflict with existing regulations and funds stripped of regulations.

**Fort Wayne:** More funding is needed for dealing with the increasingly serious problems associated with surplus housing stock. We need to be in a better position to demolish structures that the market fails to deal with in a productive way. Estimates for the local surplus in housing range from 25 to 33 percent.

**Muncie:** We need a couple of million more for demolition.

**Louisville:** Metro has \$10.4 million in NSP targeted to 14 of 75 eligible census tracts. We have identified approximately 641 foreclosed and 1,563 vacant/abandoned properties in those targeted tracts. We estimate addressing 105 properties, or about five percent of the problem properties identified.

**Southgate:** The allocated amount is a start to address the problem, but the problem is much larger in scope. The funds will help but more is needed. Several of the residents that need the help are unable to obtain mortgages. We need more help with the banks to assist these families in need to obtain mortgages for affordable housing.

**Minneapolis:** Additional funding may be required to address the long term impacts of the foreclosure crisis including: devaluation of residential properties in areas hardest hit by foreclosure – specifically plummeting property values caused by massive discounts on bank-owned properties (being sold for as little as \$6,000); major increase in traditionally single-family owner-occupied housing being converted to rental; lack of funding for exterior maintenance of abandoned properties (not bad enough to demolish, but no willing or

able party to fully rehab); insufficient authority to control speculative buying – converting to rental or flipping properties which continues to exacerbates problems in neighborhoods; ongoing staffing costs at a time when Local Government Aid is being cut and property tax values are falling; lack of sufficient staffing and analytical tools to help forecast the next wave of problems and get in front of them (pro-active versus re-active).

**Saint Paul:** We are anticipating the submission of an application for the new competitive round of NSP. We believe that at least \$50 million in new sources including mortgage products are needed.

**Florissant:** We need resources for clean-up, grass cutting, and exterior property maintenance.

**St. Louis:** No NSP funds may be used to avert foreclosures. The City is funding such an effort on its own, but resources are limited. The program is effective both in human terms and in terms of cost. Allowing the use of NSP funds for foreclosure prevention would be very helpful.

**Las Vegas:** Given the magnitude of the foreclosure crisis in Southern Nevada, it would take \$2 billion dollars to adequately address the foreclosure problem. Furthermore, the Making Homes Affordable Initiative has not been effective in helping existing troubled borrowers because of the significant loss of value/negative equity. Homes in the Las Vegas area have up to approximately a 50 percent loss in value.

**Elizabeth:** With so many foreclosures in the City, the amount of funds needed is significant.

**Irvington:** We need funding for acquisition of private abandoned property through eminent domain.

**Perth Amboy:** We have been approved to receive funds but haven't received them. We will need more.

**Trenton:** Additional funds would be required. In particular we would require funds to bring additional staff members on board.

**Albuquerque:** Additional funds would allow the City to purchase and rehab more of the foreclosed properties than are available.

**Allentown:** Resources for property acquisition and demolition are needed.

**Harrisburg:** Presently available funds are insufficient to restore or maintain vacant structures.

**Charleston:** We need private financing and CBDG/HOME funds, as applicable.

**Denton:** City needs additional resources provided directly to CDBG entitlements and HOME participating jurisdictions to set up programs similar to what NSP funds can be used for. However, the funds should allow more flexibility to local governments in setting up these programs.

**Salt Lake City:** The State of Utah received the NSP funding and they have not fully identified where they will be spending the funds. The City could use those resources and awaits final decisions from the State on the use of NSP funds.

**Everett:** We do not know of any additional non-City sources of funding available to help keep homeowners facing foreclosure in their homes.

**Lakewood:** Lakewood was provided roughly \$627,000 in NSP funds. We already have in place a revolving fund of \$250,000 for the same purpose. The NSP funds are adequate. The problem is the State of Washington's bureaucracy. We have doubts we will be in a position to use all of the funds because of the State's restrictions.

**Milwaukee:** NSP funding is not in line with the scope of the problem. Short of additional NSP or other similar funds, the most useful supplementary resources would be in the form of foreclosure prevention efforts at the national level combined with funds for increased foreclosure counseling at the local level, capacity building efforts to strengthen local nonprofit developers, and greater availability of private development and mortgage financing.

**Green Bay:** We made an application for \$8 million and only received \$2 million. We know we have the ability to utilize \$8 million-plus.

*NSP Second Round* – Eighty-six percent of the cities plan to apply for the second round of Neighborhood Stabilization Program funds provided through the recently-enacted American Recovery and Reinvestment Act. Eighty-seven percent of these anticipate partnering with nonprofit organizations in the efforts they will propose to conduct.

### **Changes in Local Ordinances and Policies**

One-half of the cities have had to change local ordinances and/or policies to respond to problems resulting from the mortgage foreclosure crisis. These changes most frequently involved property and bank registration requirements and property maintenance standards. Among them:

**Pine Bluff:** We are in the process of revising our house condemnation code language to strengthen them and to improve our outcomes.

**Temecula:** We have changed ordinances to require the registration of foreclosed properties.

**Yuba City:** The City Council approved a Property Acquisition Process on December 16, 2008 which set forth guidelines for the purchase and rehabilitation of blighted properties in Yuba City.

**Menlo Park:** The City Council authorized an acquisition and rehabilitation program funded through the City's Below Market Rate Housing Fund.

**New Haven:** We enacted an ordinance requiring foreclosing banks to register with the City. The registration requires the entity to provide contact information for a local property manager.

**Miami:** The City passed two city ordinances. The first covered vacant, abandoned, or blighted properties. The second ordinance covered empty lot maintenance. They both allowed the City to enforce trespassing laws, secure properties, identify and register these properties; they established owner responsibilities, established penalties for non-registration, and established a special assessment lien, which is a priority lien to mortgages. In addition, the lot maintenance ordinance allows the City to clean and maintain the lots.

**Titusville:** Changes affected policies and priorities of code enforcement.

**Clearwater:** A draft ordinance on registration of abandoned or foreclosed properties is under review.

**Hollywood:** Hollywood implemented a Vacant and Abandoned Building Monitoring Program to monitor foreclosed properties from the time they are sold at a foreclosure auction at the County Courthouse.

**Arlington Heights:** We are currently reviewing fee increases and a vacant building registry.

**Fort Wayne:** The Fort Wayne City Council has recently adopted a new ordinance that sets minimum maintenance standards for non-residential structures (this includes apartment communities). The City Council has also adopted significant revisions to the minimum housing maintenance standards in order to streamline enforcement.

**Boston:** In February of 2008, Boston passed an ordinance that requires all property owners of vacant and/or foreclosed properties to be registered with the City for a fee of \$100 per year. This new registration process gives the City the ability to contact those responsible for the upkeep and maintenance of these properties and the tools needed to ensure the property is secured and maintained. Owners of properties that do not comply or that do not address violations can be fined up to \$300 per week.

**Everett:** City is requiring property managers to register foreclosed and abandoned homes.

**Southfield:** We have enacted a Vacant Property Registration Ordinance; its purpose is to help establish who the owner is and who is responsible for maintenance of properties. Additionally, it is to help in recovery of costs added to tax rolls for corrective measures conducted by the City and/or ordered by the courts. The ordinance further enhances what is blight and what is required for maintenance of a vacant property.

**Southgate:** Grass cutting policies have been revised.

**Minneapolis:** The City of Minneapolis has made some significant changes to local ordinances to help manage the increase in boarded and vacant properties. Efforts include use of alternative boarding practices (artistic boards) to minimize the impact of vacant properties, change in the public hearing process for appeal of demolition actions, and use of Restoration Agreements to minimize the impact of our Vacant Building fee requirements (\$6,360 annually) and provide incentives for rehabilitation.

**Saint Paul:** The City has adopted an ordinance preventing the sale or transfer of property that is in a very deteriorated condition as determined by code inspection unless correction is completed by the owner.

**Las Vegas:** The City of Las Vegas imposes civil penalties of \$500 per day on negligent property owners who fail to maintain their properties. Several banking institutions have been fined \$50,000 to \$100,000 in civil penalties by the City Council for allowing the properties to remain in a blighted condition.

**Elizabeth:** We now require financial institutions to register with the City any foreclosed property and identify a maintenance agent for it.

**Allentown:** The Bureau of Building Standards and Safety has thoroughly reviewed and revised the Rental Property Ordinance and made all necessary improvements.

**Jackson:** Foreclosed properties are cited into the newly developed environmental court.

**Milwaukee:** In December of 2008, the City enacted a property in pre-foreclosure ordinance which required lenders or servicers initiating a foreclosure action to periodically inspect the property for signs of vacancy. If

the property is determined to be vacant, the foreclosing lender must register the property with the City and is responsible for keeping it secure and maintained.

### **Seriousness of the Mortgage Foreclosure Problem**

Two-thirds of the survey cities rate the mortgage foreclosure problem in their city as very serious (31 percent) or serious (36 percent). An additional 29 percent of the cities say it is moderately serious. Only three of the cities say it is not serious.

### **Impact of the Current Economic Recession**

Fifty-nine percent of the cities say the current economic recession is significantly exacerbating vacant and abandoned property problems in their city; 41 percent say it is moderately exacerbating these problems. No cities say the current economic recession is not exacerbating vacant and abandoned property problems.

Forty-eight percent of the cities report that the current economic recession is significantly limiting their ability to respond to vacant and abandoned properties; 45 percent say it is moderately limiting their ability. Four cities say the recession is not limiting their ability to respond to vacant and abandoned property problems.

### **Mortgage Foreclosure Problems in the Next Year**

Sixty-eight percent of the cities anticipate that mortgage foreclosure problems will increase over the next year; 29 percent expect them to remain the same. Two cities expect the problems to improve.

# **BEST PRACTICES**

## **TUCSON**

**Mayor Robert E. Walkup**

### **VACANT AND NEGLECTED STRUCTURES PROGRAM**

Tucson is similar to many other Sunbelt cities that experienced rapid growth on its outer edges and disinvestment in its older, more centrally-located neighborhoods. Some of the aging houses become rentals, others are boarded up and left vacant. In Tucson these vacant properties are scattered throughout the older parts of the City, not clustered in one area, making the usual area-blight approaches ineffective.

The City instituted a Vacant and Neglected Structures (VANS) program in 2005 to identify such structures and provide an incentive for rehabilitation or demolition. The effort built on years of incremental work creating a more timely and effective response to citizens' complaints about substandard properties. Some of this work involved consolidating property maintenance and neighborhood nuisance codes under one section of the City Code, providing a legal framework for future development. An interdepartmental group was tapped to address the most difficult slum properties, and this effort, SABER, helped create a positive cooperative environment to jointly resolve housing issues. This was followed by a consolidation of the City's code enforcement staff into one department with comprehensive training and protocols. With this solid foundation in place, VANS came into existence with \$707,000 in Community Development Block Grant funds for rehabilitation and demolition.

The first task was an assessment of the number and condition of vacant and neglected structures. The VANS leadership group mined information contained in a shared database for reports of vacant buildings over the previous 10 years, yielding 887 properties. A team of inspectors sent to each address in September 2005 (a time of a vigorous housing market) found that 571 properties were reoccupied, 67 were vacant land, and 249 properties remained vacant.

The VANS team methodically examined each property, reviewed them monthly with the City Attorney's legal team and developed protocols and ordinance revisions to better address the problems they represented. The Mayor and Council were updated quarterly on the progress of the vacant properties, and the number of properties has decreased dramatically.

The City of Tucson's VANS protocol allowed an owner up to \$30,000 for rehabilitation of a vacant, neglected structure. More often, an owner opted for demolition, which was effective in eliminating neighborhood blight. The continuing challenge for the City is to preserve neglected historic buildings that the owner cannot rehabilitate without significant funds. Assistance for short-term stabilization to afford an owner the time and opportunity to come to a solution for the deteriorating property is currently being investigated.

A newer challenge has emerged: Foreclosed homes which are vacant but largely not neglected, in the sense of being structurally unsound. In late 2008 the City received \$7.5 million in Neighborhood Stabilization Funds to purchase foreclosed homes and make them available for habitation. The City also intends to apply for the

competitive Neighborhood Stabilization Funds for additional purchases, as the number of foreclosures in Arizona continues to climb.

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## **RIVERSIDE**

**Mayor Ronald O. Loveridge**

### **STRATEGIES FOR PROTECTING OUR NEIGHBORHOODS**

In response to the difficulties being experienced in the housing market, Riverside Mayor Ron Loveridge and County Supervisor John Tavaglione convened a time-sensitive Red Team comprised of representatives from the private and public sectors to identify and work to implement stimulus measures to address the housing issues, with a focus on vacant and abandoned properties. In January 2009 the Mayor reported the Red Team's recommendations to the City Council, and the report and its four major strategies were adopted.

**Identification/Mapping of Problem Properties** – The Development Department's Housing and Neighborhoods Division is maintaining a spreadsheet and GIS mapping of all foreclosed properties in the City and has included that mapping within the Neighborhood Stabilization Program (NSP) Foreclosure Risk Factor Map created as part of the NSP plan submitted to HUD. The Community Development Department's Code Enforcement Division has created a team made up of two Code Enforcement Officers, one Senior Office Specialist, two Planning Technicians, and a Senior Code Enforcement Officer to actively pursue all vacant and neglected properties through a comprehensive enforcement program. Officers use all the tools available (warning notices, administrative citations, civil penalties, and administrative hearings) to obtain compliance.

Approximately 4,000 single-family residences have been foreclosed in the City since July 2007. Many of these homes have been sold and are now occupied. The City's Neglected Properties Team has processed approximately 2,000 cases, the majority of which are vacant and abandoned structures, and is working on an estimated 500 more that have become vacant and abandoned. Code Enforcement provides Active Tracking of foreclosed/vacant/neglected properties in violation and uses the Department's Community Volunteers to monitor the properties and ensure they are secured and maintained to minimum standards. The team also records Notices of Pendency against the property; these cloud the title and are not released until all violations have been resolved and fines are paid. In addition, Code Enforcement is now declaring some of these properties "permanent public nuisances" until they are in compliance. This allows officers to pursue other enforcement methods and legal action such as receivership and demolition. Code Enforcement works with Development Department staff to identify properties that are candidates for City acquisition and rehab due to their public nuisance status, and works with the City Attorney's Office on the best approach to each property.

**Ordinances** – In 2003 the City Council established a Neighborhood Livability Program (NLP) and multi-departmental task force to enhance existing code enforcement efforts aimed at maintaining and improving the safety, cleanliness, and aesthetic appearance of Riverside' neighborhoods. A major component of the NLP focuses on housing issues, particularly vacant and unmaintained or substandard structures, vacant buildings constituting blight in residential neighborhoods, and transitional and group

housing. Property owners (including banks, lenders, and financial institutions) are subject to administrative fines up to \$1,000 per day up to \$100,000 per property through the Administrative Civil Penalties process which directs that, after a property has been vacant/neglected for 180 days it is subject to “public nuisance” declaration which allows the City to begin a receivership action and even, in extreme cases, to demolish the property. To date, through NLP, over 250 vacant foreclosed homes have been brought into compliance with City Standards within 30 days of the City’s first notice; 62 vacant and neglected properties have been demolished; there has been voluntary rehabilitation of 21 substandard single-family residences; there have been five successful judicial foreclosures/receiverships of vacant and neglected properties; and voluntary compliance has been at the 80 percent level. NLP has been effectively used in receiverships and judicial foreclosures resulting administrative civil penalties of \$267,948 and attorney’s fees of \$36,225.

**Code Enforcement** – As part of the NLP effort, the City established an ordinance in November 2007 holding lenders responsible for bank-owned property maintenance. Since the adoption of the ordinance, the Code Enforcement Division has created the “Foreclosure/Vacant Property Handbook” as a training and resource tool for Code Enforcement Officers, received training in foreclosed property enforcement through the California Association of Code Enforcement Officers, and assigned an Officer to specifically address all “high profile” vacant properties. It is also responding proactively to the most egregious violations and developing a marketing plan to educate lenders about their exposure under the ordinance. Many jurisdictions have contacted the City to request information on the ordinance and its success. Since the inception of the Neglected Property Abatement Program in October 2008, enforcement staff have investigated 2,190 abandoned structures, gaining compliance with the guidelines of the ordinance on 987 properties, while issuing over \$342,000 in citations, \$425,500 in abatement invoices, and almost \$614,000 in administrative civil penalties.

**Foreclosed Homes** – Riverside offers a range of programs as part of its effort to put first-time homebuyers in foreclosed homes, rehabilitate foreclosed homes, and prevent foreclosures from occurring.

- **First-Time Home Buyer Program:** This program is providing funding for an estimated 115 qualifying residents, offering them loan and down payment assistance for the purchase of foreclosed properties. To date, two loans have been completed and three are in escrow. Others are in process. The program recently was amended to allow greater flexibility so that more residents can qualify for it.
- **Neighborhood Stabilization Program/Targets of Opportunity Program:** The City of Riverside was the first in the nation to submit its NSP Plan to HUD for consideration (on November 7, 2008). The City’s allocation under NSP was \$6,581,916. The NSP program requires that acquisitions be concentrated in areas of greatest impact and risk. The City Council approved agreements with rehabilitation specification consultants, contractors, property managers, and others to assist in the process. To date, 380 properties have been identified and inspected for purchase, 12 offers are in process, three are in escrow, and three have closed escrow. Additional properties are added weekly to the list of potential purchases, and a development staff team, including the City Treasurer, is aggressively pursuing financing for home purchases through a variety of mechanisms and banking institutions. A local bank has committed to an \$18 million line of credit to leverage the above dollars, and staff is actively engaged in the National Community Stabilization Trust’s First Look Program, which has resulted in the past week in potentially four purchases.
- **Foreclosure Mitigation Counseling:** Since October 2007 the City and the Fair Housing Council of Riverside County have operated under a public services agreement to provide foreclosure prevention

counseling services. Over the term of the agreement to date, Fair Housing has assisted 152 families; for approximately 30 percent, some modification to the existing loan allowed the family to make affordable payments and keep their home. Fair Housing has conducted numerous workshops, including one that was attended by 400 residents and provided the model for subsequent HUD workshops nationwide, and the City has presented seven Town Hall Meetings on preventing foreclosure.

- **Housing Renewal Program:** A new HOME-funded initiative under development is intended to expand the NSP program to include properties acquired through receivership, auction, short sale, and foreclosed and abandoned units. A panel of nonprofit housing developers will be established; over a three-year period, as the City acquires properties in this manner, the panel will be asked to bid on their rehab and disposition (sale or rental). At least 20 properties will be handled by the program.

Other initiatives include a Foreclosure Prevention and Financial Management Information Center that is now available on the City's website to direct people to the resources that can help them address foreclosure issues, and a Buy Riverside Campaign being developed by the City's marketing staff to attract potential homebuyers to Riverside over the next three years and promote Riverside as a great place to live. Riverside officials say that the keys to responding to the problems created by the housing crisis are interdepartmental collaboration and communication, looking "outside the box" at processes and initiatives, using all tools at your disposal to focus on vacant properties, and perseverance.

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**WEST HOLLYWOOD**  
**Mayor Abbe Land**

**PRO-ACTIVE DISTRESSED PROPERTY TEAM**

While West Hollywood has experienced smaller declines in property values and business activity than other Southern California municipalities, it is not immune from distress. Within the 1.9 square-mile City are a growing number of vacant or abandoned residential units and commercial properties – single-family homes, smaller multiple-family rental properties, and commercial spaces that had been removed from service in anticipation of new development which now is stalled indefinitely. Initially, Code Compliance Officers responded to the occasional problems that arose on a case-by-case basis, but a growing case-log and lack of response from owners led to a recognition that a more pro-active approach was needed.

In response to City Council direction, the Assistant City Manager and the Director of Public Information established a pro-active, interdepartmental team encompassing the City Manager's Office, Public Information, Sheriff's Department, Public Safety, Housing/Residential Code Compliance, Commercial Code Compliance, Planning, Building and Safety, and Rent Stabilization - Information & Records.

Code Compliance Officers visit each vacant or abandoned site at least twice each month and go on-site with a Sheriff's Deputy at least once a month, and more frequently if needed. The team meets monthly and reviews each property on the list. In addition to discussing conditions staff members have observed during visits to a site, the Sheriff's Department confirms that it has an active "letter of agency," which authorizes

law enforcement officers to enter the site. In addition to conducting site inspections, staff began monitoring public databases to track pre-foreclosure activity, short sales, and other indicators of impending distress. Staff members pro-actively contact property owners, tenants, and lenders to make sure that all are aware of their responsibilities and rights under changing circumstances.

Even before the recent economic decline, West Hollywood required that all properties be landscaped, permanently fenced, and free of weeds, trash, and inoperable vehicles. Vacant buildings needed to be boarded up in accordance with FHA standards. Based on the experience of the pro-active team, the City Council adopted additional code provisions for vacant and abandoned properties that give staff authority to insist on more specialized remedial actions when needed, including: filling in or covering swimming pools; documented inspections by the property owner; installation of security lighting, locks, and security bars; use of security patrols or video surveillance cameras; abatement of pest and rodent infestation; removal or landscaping that detracts from safety; and signage with a 24-hour emergency contact.

As of May 2009, the pro-active team was working more than 60 active cases, had issued hundreds of notices of violation and citations, had referred more than 20 cases for criminal prosecution, and had resolved multiple potential public nuisance cases. Although the number of vacant properties has increased since the pro-active program was established, complaints have remained steady or declined.

What has been learned in West Hollywood since the formation of the pro-active team can be summarized as follows:

- Vacant properties can adversely affect any community, even one that has not experienced steep declines in property values.
- Pro-active, interdepartmental teamwork is needed. Responsive code compliance alone cannot anticipate problems, and no single department can address the full spectrum of issues.
- Educating owners, tenants, and lenders is essential.
- Owners need to be trained to manage their properties actively, rather than have City personnel serve as de-facto property managers.
- To protect tenant rights, lenders and new owners need to be made aware of their responsibilities under local and state laws.
- Cities should consider adding provisions to their municipal codes to enhance flexibility in addressing special conditions.

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## **WILMINGTON**

**Mayor James M. Baker**

### **VACANT PROPERTY REGISTRATION FEE PROGRAM**

Wilmington City code defines a vacant property as any structure that is not used as a primary residence (on a permanent, non-transient basis) or not occupied by a lawfully licensed business. All properties vacant in excess of 45 days must be registered with the Department of Licenses and Inspections; those that are vacant in excess of one year are assessed a Vacant Registration Fee. The fees are assessed yearly, are cumulative, and are determined by the total number of years the property is vacant, regardless of varying

ownership. The fee structure is: \$500 for the first year of vacancy, \$1,000 for the second year, \$2,000 for years three and four, \$3,500 for years five through nine, and \$5,000.00 for the 10<sup>th</sup> year, with \$500 added for every year over 10 years. These substantial fees have served as a deterrent to owning vacant property and, since 2003, they have generated over \$3.1 million dollars for the City.

The Vacant Property Registration Fee Program is run out of the City's Department of Licenses and Inspections, with the Commissioner of Licenses and Inspections overseeing it. At the inception of the program, a full-time administrative position, paid through the City's General Fund, was added to the department to supplement the two vacant property inspectors already in place. These inspectors, who enforce the sanitation and building codes of vacant structures, now have the added responsibility of issuing summonses for failure to register vacant properties and failure to pay the applicable fee.

Getting vacant property owners to take the Vacant Registration Fees seriously was the most challenging aspect of the program, but this was quickly resolved when the Delaware General Assembly added Vacant Registration Fees to the list of liens that could be placed against a property – leaving vacant property owners no choice regarding the fees. This was significant: With liens, vacant property owners have a financial incentive to sell, demolish, or get their properties occupied. Other than applying for and receiving a one-time, one-year waiver of the fees, there is no relief from paying them.

The next biggest challenge may have been locating the owners of the vacant properties. When owners are absent, it can take time to track them down; when they are deceased, as they are in many cases, it can take time to track down their heirs. Monitoring the properties for sheriff sale has helped flush out owners and other responsible parties.

Until the mortgage crisis hit, Wilmington had experienced a steady drop in the number of vacant properties throughout the City; last year there was a 24 percent decrease in vacant properties. With the foreclosure rate hitting an all-time high, these decreases have ended, but banks and mortgage companies are taking responsibility for their vacated properties.

At the start of the program, abandoned properties owned by banks and mortgage companies were not being registered, making it difficult to find a party responsible for maintenance and upkeep on the properties. Often, City funds were used to pay for cutting grass or removing debris. But the fee program, which was highly controversial and widely publicized, has prompted banks and mortgage companies to register their vacant properties, often before the City knows the properties are bank-owned. With the names, addresses, and phone numbers of the parties responsible for a property in hand, it often takes only a phone call to arrange to have that property maintained.

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## MIAMI

Mayor Manuel A. Diaz

### VACANT AND ABANDONED PROPERTY ORDINANCES

The housing crisis has had a very significant impact on the City of Miami and metropolitan area economies. The numbers of foreclosures during the economic downturn required a definitive City response to the issues surrounding vacant and abandoned properties. In January 2009 the City implemented two ordinances geared to combating problems relating to these properties. This followed a comprehensive and deliberate development process aimed at ensuring the effectiveness of the ordinances in combating public safety and quality of life problems such as crime, substance abuse, prostitution, decreasing property values, and a lowering of quality of life in affected Miami neighborhoods – all problems which often can be attributed to increased numbers of vacant and abandoned properties. The ordinances provide a coordinated strategy of enforcement and property maintenance.

**Securing Structures** – The first ordinance comprehensively deals with vacant, abandoned, unsecured, and blighted homes and buildings in a way that preserves and promotes the quality of life of neighborhoods and protects neighborhood residents from hazards and public safety issues generated by and associated with these properties. The ordinance:

- establishes a program for the identification and registration of vacant, blighted, unsecured, and abandoned structures;
- expands the definition of property owners and identifies property owner responsibilities.
- allows the Police Department to enforce trespassing penalties in accordance with Florida Statute 810.08;
- allows for a process whereby the City can secure vacant and abandon properties where they pose a serious threat to the public safety, health, and resident welfare;
- allows the City to place special assessment liens on a property for services associated with the securing of the structure; and
- provides for program administration, enforcement, and the imposition of penalties.

**Vacant Lot Maintenance** – The second ordinance deals specifically with the maintenance of vacant lots which too often pose problems similar to those identified with building structures. It mirrors the first ordinance in providing for the establishment of a program for the identification and registration of vacant, blighted, unsecured, and abandoned lots with expanded definitions of owners and their community responsibilities; permitting the police department to enforce trespassing penalties in accordance with Statute 810.08; and providing for program administration, enforcement, and penalties. Beyond these similarities, this ordinance permits the City to clear and maintain vacant lots (including, for example, grass cutting) and to place special assessment liens on the property for the cost of services associated with the clearing and maintenance.

The successful implementation of the two measures has produced results in a number of areas:

- The required registration of these properties at the City's 15 Neighborhood Enhancement Team offices has resulted in better and more accurate data and information regarding where the problem properties are located – an important management tool in responding to and remedying issues before they grow in scope and magnitude.

- With the expanded definitions of owners and owner responsibility, the City is better able to identify responsible parties.
- Police authority and enforcement of trespassing penalties have provided important and necessary public safety tools to deal with criminal activities as well as illegal squatters.
- The authority of the City to secure structures has given the City's Code Enforcement officers the ability to promptly resolve issues affecting the City's neighborhoods. In addition, the ability to place liens on these properties has allowed the City to recuperate resources invested. Importantly, the measures prevent the transfer of properties without liens having been cleared, thereby preventing the transfer of responsibility.

Funds for the implementation of these ordinances have come from a previously-established Lot Clearing Fund included in the Office of Code Enforcement budget. While future increases in the numbers of vacant and abandoned properties would ultimately generate costs exceeding the fund's capability, the new measures now afford the City the opportunity to recoup the costs involved.

Miami's experience makes clear the importance of inter-departmental coordination and resident participation in the development and implementation of effective responses to distressed properties. The Code Enforcement department has worked in close coordination with the Department of Community Development in identifying and referring properties that qualify for rehabilitation. In coordination with the Building Department, they jointly developed a list of blighted properties with unsafe structures requiring demolition.

Perhaps the most serious challenge was the development of the ordinances themselves. Of necessity, the issues they addressed related to different chapters of the City Code. As a result, enforcement became the responsibility of a number of different City departments. The creation of a working group of representatives of the affected departments served to resolve these issues. Adding representatives from neighborhood associations in the most troubled areas ensured the group was working with a clear picture of how residents were being affected by these property problems. Following a series of meetings and the development of draft proposals, discussions were held with the Mayor, City Commission, and City Manager. After consultation with the City's attorneys, the measures were finalized and, following their first and second public readings, were passed unanimously.

Miami's experience also illustrates that, to be truly effective, measures responding to distressed property problems must be designed around the local conditions, the local environment, and neighborhood needs. A number of model ordinances from several other cities were reviewed and considered during the development of Miami's measures, but it was clear that Miami's local market and neighborhood conditions, as well as existing enforcement mechanisms and structures, varied considerably from those of other cities, and that Miami's ordinances would have to be developed from the ground up.

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**NORTH MIAMI BEACH**  
**Mayor Myron Rosner**

**NEIGHBORHOOD ENHANCEMENT PROGRAM**

North Miami Beach's Neighborhood Enhancement Program was created to reduce crime, the deterioration of the City's housing stock, and neighborhood blight. Through it, the Code Compliance Division works to preserve neighborhoods by citing properties and following the code enforcement process to achieve voluntary compliance. If the property remains neglected, the City proceeds with emergency boarding-up, pool pumping, and/or lot clearing.

Interdepartmental coordination has proven to be an effective tool in combating problems related to vacant and abandoned properties. Law enforcement officers and code enforcement officers routinely drive through neighborhoods, identifying distressed properties. The two groups work collaboratively to rectify the situation – getting the owner involved in the remediation process, securing the property, and alerting outside agencies to attend to environmental hazards. Additional City departments and staff are involved in neighborhood clean-up and beautification efforts in which volunteer groups, local businesses, and residents participate. The Neighborhood Enhancement Program is funded by the City's general fund.

Perhaps the most serious challenge faced by the City is the length of time it takes to rehabilitate and reoccupy abandoned buildings. A tri-party escrow agreement has been found to be an effective tool in addressing this challenge, facilitating the transfer of ownership of the property and providing the City with assurance that the violations will be corrected and the fines will be satisfied within a specified period of time. The parties to the agreement – the seller, buyer, and City – acknowledge that violations exist and that there are liens recorded against the property for noncompliance with the City's code. The seller typically pays a reduced amount to settle the fines and to release the liens; the buyer places an escrow deposit with the City and agrees to correct the violations. The process places the burden of improving the property on the buyer, who has to meet the deadline or forfeit the deposit.

Because the approach is customer-friendly – not punitive – and designed to work in conjunction with property owners, the City has seen an increase in voluntary compliance. Approximately 50 percent of properties that are cited for a violation of the City code achieve compliance within the initial specified timeframe. City officials are committed to partnering with residents to achieve the shared goals of increased property values and a more beautiful

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## CHICAGO

Mayor Richard M. Daley

### COMPREHENSIVE STRATEGY TO ADDRESS TROUBLED AND VACANT BUILDINGS

For years, the City of Chicago has recognized the impact that vacant buildings have on neighborhoods throughout the City and has worked to prevent foreclosures and abandoned properties. Continued goals are to prevent foreclosures, ensure owners maintain existing vacant properties, and return vacant properties to use as viable housing stock, instead of watching them fall into disrepair.

#### Foreclosure Prevention

Under the Homeownership Preservation Initiative (HOPI), the City and its partners have prevented more than 2,000 foreclosures, provided financial counseling to more than 12,000 homeowners, and reclaimed more than 550 vacant and abandoned buildings. The first partnership of its kind, HOPI has served as a national model. Building on it, the City continues to implement a variety of foreclosure prevention initiatives, including:

- Credit Counseling: Any Chicago resident who is having trouble paying their mortgage can be immediately connected to a free credit counselor simply by calling 311, the City's non-emergency number. The City served more than 7,500 callers in 2008.
- Early Warning System: The City sends foreclosure prevention information to homeowners within days of a foreclosure filing, giving them more time to get help from a source they can trust. Information returned to sender due to vacancy is immediately shared with City Departments such as Buildings, Police, and Fire so that they can begin monitoring the property.
- Borrower Outreach Days: In October 2007, Mayor Daley was the first mayor to launch a series of local Borrower Outreach Days that offer one-on-one loan work-out sessions with counselors and lenders, access to free legal assistance, and information about the City's financial literacy programs. To date, the City has assisted nearly 3,100 homeowners via 14 events.
- "Fix Your Mortgage:" In 2009, the City and its partners launched a new series of events to help Chicagoans determine if they are eligible for help under the new federal Making Home Affordable - Loan Modification program. At the events, HUD-certified counselors and pro-bono real estate attorneys determine if borrowers qualify for assistance, and paperwork for eligible borrowers is sent to servicers on the spot.

#### Maintaining Existing Vacant Properties

- Vacant Building Registration and Maintenance: Chicago has one of the most comprehensive vacant property laws in the nation. In 2008 the City's Vacant Building Ordinance was amended to create more stringent security standards, harsher penalties for irresponsible building owners, and increased opportunities for the City to inspect vacant buildings. All vacant buildings must be registered with the City and pay a registration fee every six months. Building owners can avoid increased fees by remaining in compliance. Buildings that do not comply can be declared a public nuisance, providing the City another avenue to force absentee owners to sell or lose their properties.
- Code Enforcement: The City has aggressively targeted enforcement against negligent owners and is currently pursuing over 2,100 buildings in demolition court and more than 1,800 in its Fast Track

Demolition program. In 2008 the City demolished more than 200 vacant, abandoned buildings and secured another 200 to increase public safety.

### **Returning Vacant Properties To Productive Use**

- **Troubled Buildings Initiative (TBI):** TBI has transformed nearly 6,800 units from abandonment to productive use as affordable housing. Despite aggressive prosecution and fines against owners of troubled buildings, many building owners historically have failed to make court-ordered repairs. In 2003 the City created TBI to preserve troubled multifamily housing stock in buildings of five units or more. A variety of City departments and a nonprofit partner meet regularly to identify and coordinate efforts for troubled buildings on a case-by-case basis. The City expanded the program in 2005 to include vacant, troubled single-family housing stock. The program works to maintain homes while under court-ordered receivership and assists private developers with financing to rehabilitate the properties for sale as affordable homes. In 2009 the City is expanding TBI to target distressed condominiums. These properties are in serious disrepair, subject to multiple foreclosures by numerous lenders, and have no operating condo association or management. The new program will facilitate the acquisition, rehabilitation and recovery of distressed condos and convert them into affordable rental properties.
- **Neighborhood Stabilization Program (NSP):** This federal program will allow the City to expand existing efforts to address vacant foreclosed properties. The City will use its NSP funds to put up to 2,500 vacant and foreclosed properties back to use over the next three to five years by facilitating the transfer of vacant properties owned by financial institutions to approved redevelopment partners. The City's strategy is to facilitate targeted revitalization efforts by identifying blocks where it can have the largest impact and build upon recent investments and community anchors. To increase efficiencies, an umbrella organization will serve as a single point of contact and be responsible for acquiring properties and overseeing disposition with a large network of pre-approved development partners. This facilitating entity will coordinate activities across multiple sectors, providing significant economies of scale.

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### **EVANSVILLE**

**Mayor Jonathan Weinzapfel**

### **FRONT DOOR PRIDE - NEIGHBORHOOD PRIDE INITIATIVE**

In Evansville, Neighborhood Pride is a neighborhood rehabilitation effort concentrated in a 50-square-block area within the larger 1,800-acre Front Door Pride Area. It is located in the heart of a historic inner-city neighborhood beset by an array of inner-urban problems: severely depressed property values; large numbers of vacant, abandoned, and dilapidated properties; high percentages of substandard rental units; a historic lack of reinvestment in both structures and infrastructure, which is deteriorating; and the perception of the neighborhood as a high crime area.

The City's Department of Metropolitan Development is implementing Mayor Jonathan Weinzapfel's Front Door Pride - Neighborhood Pride Initiative, a holistic approach to providing funds to rehabilitate and

rebuild the area; it combines a two-pronged approach that targets the existing low- and middle-income (LMI) population while attracting market rate reinvestment back to the neighborhood. Grants of \$8.5 million will fund a portion of the initiative over five to seven years, allowing for the building or rehabbing of as many as 60 to 75 homes to a high standard for existing LMI owner-occupants. Sources of grant funds include the Community Development Block Grant, HOME, the Neighborhood Stabilization Program, Emergency Shelter Grants, and the American Recovery and Reinvestment Act. Currently, non-federal funds totaling \$2.5 million are used as a catalyst for market rate investment and result in an additional 80 percent more market reinvestment producing homes, retail, commercial, entertainment, professional office space, and partnerships with local universities. Bonding of an additional \$5 million is being pursued.

The City has strengthened property maintenance codes and hired two new property inspectors in order to perform inspections of every property in the area. Faster noticing, and an increased fine schedule make for more effective enforcement. The goal is for properties to be repaired and for values to reach market rate. To date, 60 parcels have been purchased, 15 dilapidated structures demolished, and six new homes constructed and sold. Four new LMI homes and four market rate homes are now in the bidding process.

Being developed or implemented are police resources; infrastructure investment in parks, sidewalks, curbs, streets, gutters, hike and bike trails and lanes; signage; connectivity to the riverfront, downtown, and new arena; green and sustainable building; and an “Eco Depot” facility startup. Creation of an arts and cultural district will promote the district nationally through advertising and create a new economic engine for the area and the City. Organizations with which the program has partnered include HOPE of Evansville, Memorial CDC, Evansville Housing Authority, Habitat for Humanity, Aurora, CAPE, United Neighborhoods of Evansville, the Focus Council (LMI Neighborhoods), and others.

The City is investigating the feasibility of establishing a TIF district to provide funding over time for future incentives and improvements within the district. Structural design guideline will ensure appropriate compatibility with the historic design and context of the neighborhood.

Challenges facing the program include overcoming the “upside down” cost of construction vs. sales price, the prevalent negative perception of the area, and the neglect that has consumed the area over the last 40 to 60 years. Evansville officials believe that, ultimately, continuing attention, growing partnerships, and expenditures of sufficient resources necessary to make a real difference will overcome the ravages of years of neglect in the Neighborhood Pride area. The task is daunting, as the program must address all issues of design, financial issues affecting affordability, increasing vs. declining property values, construction and energy costs, transportation and connectivity to work, quality of schools, security, infrastructure, livability, sustainability, and attraction and retention of youth and other target populations.

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## **BOSTON**

**Mayor Thomas M. Menino**

### **FORECLOSURE PREVENTION AND INTERVENTION INITIATIVE**

The City of Boston's Foreclosure Prevention and Intervention initiative took off in late 2006 when the City's Department of Neighborhood Development (DND), which has been tracking foreclosure data since the late 1990s, noticed an unusual spike in foreclosure rates. Since that time, Boston has been affected by approximately 2,300 foreclosures. During this same period, however, the City has been able to help more than 575 homeowners avert foreclosure, preserving over \$170 million dollars in home values.

In February 2008, building on these early efforts to address the issue of foreclosure, Mayor Thomas Menino created the Foreclosure Intervention Team (FIT), an innovative and strategic approach to mitigating the potentially far-reaching impact of foreclosures in several of Boston's hardest-hit neighborhoods. The FIT draws on the expertise of nearly a dozen individual City agencies and departments to systematically address all foreclosure-related issues as they arise – crime and drugs, infrastructure deterioration, and general neighborhood decline, among them. This initiative has enabled the entire City bureaucracy to become aware of the impact of foreclosures and to work collaboratively to maintain neighborhood vitality.

When the FIT was created, the small, four-block Hendry Street area of Boston's Dorchester neighborhood was plagued by as many as 16 troubled properties and a host of related crime issues. The FIT immediately began to focus its resources and services in the area; these included an increased police presence, homeowner education workshops, and the provision of social services to residents. The City also made a variety of physical improvements to the neighborhood, including the removing of graffiti, repaving of roads, planting of new street trees, and replacement of streetlights.

Last spring, the City, acting through the Boston Redevelopment Authority, acquired four properties on Hendry Street (a total of 12 units) and issued a Request for Proposals for their rehabilitation and resale as four owner-occupied triple-decker homes. Local developer Bilt-Rite Construction was selected, began construction on the properties in December 2008, and expects to sell each three-decker to an owner-occupant this summer. In response to the overarching investment by the City, private homebuyers have since purchased homes in the area, and today, all but two of the original 16 troubled properties are being rehabbed and readied for new homeowners.

The FIT subsequently identified two additional, particularly fragile neighborhoods with a high number of foreclosed and petitioned homes in which the City continues to target resources. Recognizing the importance of helping homeowners who still live in these troubled areas to keep their home values from decreasing further, the FIT has already assisted or is currently working with well over 100 homeowners on home repair projects.

Financial support for the City's Foreclosure Prevention and Intervention initiative consists largely of general revenue funds from the City (as the FIT is made up of resources from many different City departments) as well as federal Community Development Block Grant funds and a small amount of State funding for homeownership counseling. (For the acquisition of the Hendry Street properties, an additional \$310,000 in funds from the Boston Redevelopment Authority was allocated; this was reimbursed by the developer of the

properties upon their sale.) In February, the City learned that it would receive upwards of \$8 million in State and federal funds to assist in its foreclosure prevention and reclamation efforts. The programming of these funds is currently underway.

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**MINNEAPOLIS**  
**Mayor R.T. Rybak**

### **FORECLOSURE RECOVERY PLAN**

Residential mortgage foreclosures in Minneapolis continue to increase, from 863 in 2005, to 1,610 in 2006 (over half of these in North Minneapolis), to 2,895 in 2007 (54.7 percent of these in three Northside wards), to 3,077 in 2008. Many of these foreclosures are on investment properties that house rental opportunities. South Central, Northeast, and North Minneapolis Neighborhoods have been hit especially hard. The City has responded with a strategic and timely intervention for prevention, reinvestment, and repositioning of the marketplace to the extent necessary to “tip” it toward health. The Minneapolis Foreclosure Recovery Plan identifies the more than 20 neighborhoods that have been hit hardest by foreclosures for strategic investment of Neighborhood Stabilization Program resources in an effort to protect public and private investment and restore a healthy housing market. The City is collaborating with nonprofit and for-profit developers and expects general contractors, property management companies, material suppliers, and marketing and real estate professionals to be significantly involved.

Minneapolis received \$14 million in NSP resources and has had an additional \$2 million dedicated to Minneapolis Advantage, which provides financing mechanisms and down payment and closing cost assistance. Reinvestment activities include demolition of over 200 blighted properties, acquisition and land banking of 120 properties, and rehabilitation of 236 units with the goal of returning them quickly to use as homes. Minneapolis Advantage will provide home ownership opportunities for more than 200 households who purchase foreclosed homes. With additional funding, the City and its community partners will be poised to put over 700 vacant and foreclosed properties back to use over the next one to four years.

Minneapolis was one of the first cities in the nation to partner with National Community Stabilization Trust to pilot the First Look Program, an innovative national program designed to help restore neighborhoods hit hard by foreclosures by allowing cities to acquire foreclosed properties before they are placed on the open market. A key component of recovery efforts is to gain control of properties and then manage the disposition and redevelopment of those properties at a scale large enough to build confidence and stimulate investment.

To reposition its housing markets, Minneapolis partnered with Saint Paul to launch Live MSP ([www.livemsp.org](http://www.livemsp.org)), an informational and marketing initiative that celebrates city living, showcases all of the 100-plus neighborhoods of Minneapolis and Saint Paul, and educates people about the dozens of home purchase and renovation incentives available. Live MSP’s mission is to recruit new residents and retain current residents in all of the Cities’ neighborhoods. Achieving this goal will reduce residential vacancy rates in neighborhoods; increase the Cities’ resource base; enhance overall City vitality; and improve

environmental outcomes by encouraging homeownership in existing, compact, walkable, and transit-rich neighborhoods.

## **VACANT BUILDING REGISTRATION PROGRAM**

In response to the increased demand for the resources that are consumed by abandoned properties, the City has developed regulatory processes to recover costs for managing properties, promote the rehabilitation of properties, and order the abatement of nuisance properties. The costs associated with the implementation of these processes are recouped through fees charged to nuisance vacant properties. The Vacant Building Registration (VBR) program is the City's primary tool for tracking, monitoring, and managing nuisance vacant properties in the City. The program is designed to ensure that a vacant property remains secure and is properly maintained. Owners of vacant properties must register and pay a fee of \$6,360 per year; this fee is due at the time of registration and each following year on the anniversary date of the property being found vacant. For a building to be required to register as vacant, it may be located in any land property zone and be:

- condemned, requiring a Certificate of Code Compliance before reoccupation;
- unoccupied and unsecured for five days or more;
- unoccupied and secured by means other than those normally used in the design of the building for 30 days or more (usually boarded);
- unoccupied with multiple housing maintenance, fire, or building code violations existing for 30 days or more; and/or
- unoccupied more than 365 consecutive days with an order having been issued to correct a nuisance condition.

City inspectors regularly inspect all properties registered vacant and issue orders to correct any nuisances that are found. Typically, properties need to have grass cut, garbage cleaned up and, sometimes, broken entrances boarded. All corrective action taken by the City results in more fees charged to the property; if left unpaid, these fees are applied to the taxes on the property.

To encourage the rehabilitation of buildings that qualify for the VBR program, the City allows the VBR fee to be held in abeyance for six months. During that period the owner must successfully rehabilitate the property as negotiated in a Restoration Agreement. If the owner fails to do this, the fee is imposed. Additionally, fees for liquidated damages will be applied if the project remains incomplete for a length of time after the agreement expires.

The Minneapolis Code of Ordinances allows the City to take appropriate abatement action, including demolition, for nuisance properties. Inspections Division staff periodically review properties registered as vacant to determine if they are in severe disrepair, meet the definition of nuisance, and should be demolished. The owners and all others with a financial interest in the property are sent an Order to Raze and Remove – a Director's Order. Owners are given an opportunity to appeal the order or demolish the structure on their own. If neither of these actions is taken, the City moves forward with demolition and charges all demolition expenses as a fee to the property. Any owner who successfully appeals an order to demolish will enter into a restoration agreement and must abide by the terms of that contract. The City is currently issuing between 100 to 150 Director's Orders annually.

The Minneapolis initiatives are showing results: The number of houses registered as vacant at the end of 2008 was 857. During 2008, the City completed 129 nuisance demolitions and 10 Restoration Agreements, and another 40-plus Restoration Agreements are pending. Voluntary rehabilitation has also increased significantly as a result of the increase to the VBR fee and increased awareness of aggressive nuisance abatement policies. The cumulative number of properties on the registry during 2008 was 1,366. Almost 40 percent of these were removed through demolition or rehabilitation; this is a significant increase from the 20 percent removed from the program in 2007, when the City mailed fewer Director's Orders and the VBR fee was set at \$2,000. The City's multifaceted approach to nuisance abatement has resulted in significantly fewer vacant and boarded buildings, contributing to significantly lower crime rates and improved quality of life in residential neighborhoods.

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## **SAINT PAUL**

**Mayor Chris Coleman**

### **INVEST SAINT PAUL**

The foreclosure crisis has had a major impact on the City of Saint Paul, with the number of foreclosed homes climbing from 500 in 2005 to nearly 2,300 in 2008. One of every 48 households in Saint Paul was foreclosed on in 2008. The number of vacant buildings has seen a fourfold increase in the last four years, and this has been a huge drain on City resources. In 2008 the City spent \$3.8 million maintaining vacant buildings.

In April 2007 Mayor Chris Coleman launched Invest Saint Paul (ISP), a comprehensive multi-pronged approach to neighborhood reinvestment and revitalization. The framework created under the ISP umbrella has allowed the City to move quickly and strategically to address the foreclosure and abandoned property issues. The ISP initiative calls for making smart capital investments, growing strong partnerships and engaging the community, improving City coordination, and tackling tough issues like foreclosure prevention and mitigation.

Among the more pro-active and direct activities that have had the greatest impact on the vacant housing issues has been the demand letter approach to working collaboratively with lenders on a common interest agreement under which the lenders take responsibility for maintaining properties and turning them over as expeditiously as possible. Likewise, utilizing code enforcement tools under the Department of Safety and Inspections (DSI) has allowed the City to force property owners to bring their vacant properties up to code or sell them to someone who is willing to invest the funds necessary to do so. This approach has produced more rehabilitation of sub-standard structures than Saint Paul has seen in the past 35 years. The City successfully reoccupied 282 vacant residential units in 2006, 447 in 2007, and over 900 in 2008. Most recently, the City coordinated national Multi-City Litigation, Code Enforcement, and Economic Development Working Groups in order to leverage municipal capacity, and to explore innovative strategies by sharing best practices.

Securing enough funding to achieve revitalization goals is the biggest challenge. A multi-million-dollar bond sale produced the capital needed immediately for community-based efforts to address vacant homes and multiple foreclosures. Additional funding from local nonprofits and the Neighborhood Stabilization Program has allowed Saint Paul to move closer to its goals, but greater resources are needed to achieve long-term sustainability.

The ISP Initiative has begun to stimulate change and restore confidence in the community; this success has been a direct result of collaborative working relationship among other government agencies, private and nonprofit partners, and neighborhood groups.

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## **ST. LOUIS**

**Mayor Francis G. Slay**

### **NEIGHBORHOOD LIFE INITIATIVE**

Since the 1960s many historically grand and ethnically diverse neighborhoods in the urban core of St. Louis have suffered from disinvestment, and improving the quality of life within these neighborhoods has been a priority initiative of Mayor Francis G. Slay. As a result of innovative and sustained efforts to promote and sustain development in these neighborhoods, these neighborhoods are returning; indeed, many are thriving.

The City's Neighborhood Life Initiative to revitalize, promote, and sustain City neighborhoods, begun in earnest in 2002, has driven revitalization efforts. It has received a positive response, shown positive results, and produced revenue that has enabled it to add personnel. At the core of the Neighborhood Life Initiative is the Problem Properties Unit, a group of attorneys and other personnel in the City's law department solely dedicated to solving City neighborhood property problems. Some Unit personnel have been successfully dedicated to behavioral nuisance problems, that is, conduct that constitutes a human blight on a given neighborhood.

Also included is a Problem Property Court, dedicated to cases of derelict, often vacant, properties, with a Judge solely committed to it. In contrast to a traditional housing court, punitive monetary fines assessed against property owners are not the focus; instead, the property's condition is addressed. The goals are restoration and/or sale of properties, which are the best outcomes for the City in its efforts to overcome the effects of vacant properties and get them back on the tax rolls and in productive use.

Priorities for the Problem Property Court, which is held several times each week, are the "the worst of the worst" properties or property owners. Beginning in mid-2002 and through the end of 2008, over 8,900 properties have been brought into building code compliance through the Court's actions. \$1,068,349 in fines have been paid on Court cases during this same period. Since late 2005 there have been 6,130 dumping and littering case settings, with 36 defendants sentenced to jail or community service. Since July 2004 there have been 1,738 lead paint case settings, with 156 properties being cleared of lead paint danger.

St. Louis City police officers are also assigned directly to the Problem Properties Unit. These officers get problem property owners with warrants into court by consent or arrest. Officers resolve court warrants on old court cases, dated and lingering, where property violations remain. The goal is for every owner of derelict property within the City to be held accountable.

An initial and significant challenge faced was the enforcement of outstanding warrants on stagnant court cases for problem properties that had developed in an inefficient court system that existed prior to the establishment of the Neighborhood Life Initiative. Over 9,400 warrants have been cleared by these police officers, resulting in long-time property issues between delinquent owners and the City being resolved. It is not uncommon for property owners who have lived outside Missouri for years to return for their court dates in Problem Property Court and to get their property issues addressed.

Problem Property officers continue to help the Unit locate property owners and accompany attorneys to visit and monitor properties. The cooperation between the Unit and the Police Department which began at the start of the Initiative remains a critical component of the program

Another vacant property initiative involved developing and implementing procedures to aggressively apply Vacant Property/Nuisance laws to problem properties, many the subject of long-term abandonment. For example, a City ordinance provides for the charging of a fee, which could become a lien against real property, for property that is vacant and in code violation. Steps have been taken to inventory these vacant properties and enforce this ordinance City-wide. The message is simple: The City will no longer be the caretaker of private property at its own expense. For anyone holding vacant non-code-compliant property, there will be a cost and other consequences, perhaps foreclosure of the property itself.

The Problem Property Unit also aggressively seeks to recover expenses the City incurs in its basic upkeep of vacant property, namely public safety/quality of life services such as building board-up, partial or full demolition, trash and debris removal, and weed and grass abatement. The Unit has been successful in attaching these expenses to the vacant property – going beyond the simple idea of collection. A system was constructed under State and local law whereby properties would be subjected to foreclosure for failure to pay City upkeep expenses. The system paralleled that used for the collection of real estate taxes; among positive results of the system is a clear title for a purchaser of the property at foreclosure sale. To date, 130 properties have been sold at foreclosure sale; the total bid amount is \$1,362,791.

The success of this program is measured in the many private sales of property, the rehabilitation of numerous long-time vacant properties, and the payment of the City's delinquent expenses in property upkeep. Liens have been placed on 1,247 vacant properties, representing \$ 3,208,504 in unpaid City services at those properties. Properties not purchased by others or redeemed by payment of the underlying expenses result in their being defaulted to the entity responsible for holding non-tax-producing property in the City. In some cases, this has resulted in the assembly of contiguous parcels which are easier to redevelop on a large scale. From there, the City has increased efforts to remarket these properties. Overall, the direction is always to get properties back into productive use.

Each year hundreds of abandoned properties in the City are seized by the Sheriff for back taxes. Prior to the inception of the Land Reutilization Authority (LRA), these vacant and derelict properties would wreak havoc on City neighborhoods. They can be havens for crime, structurally dangerous, and an added expense

to homeowners living next door who pay higher insurance premiums as their property values drop. The mission of the LRA, which was created in 1971, is to inventory and maintain these parcels and to facilitate their return to revenue production. As properties come into the LRA inventory they are boarded and secured and put on a maintenance schedule. The properties are available for sale to the public and can be viewed on the City's Web site. The LRA works closely with potential developers and homeowners to ensure the success of their projects. The LRA can also assemble and hold properties for future, large-scale developments.

St. Louis officials have learned that a comprehensive approach to vacant properties will not work if the effort is diluted by other pursuits. Success requires that resources be focused, often, it seems, on one property at a time. Systems must be integrated and priority must be given to getting every vacant property into the systems. A positive approach to problem properties can overcome long-established perceptions that "nothing can be done."

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**ALBUQUERQUE**  
**Mayor Martin Chavez**

### **SAFE CITY STRIKE FORCE**

During the past seven years the City of Albuquerque has taken an aggressive approach to vacant and abandoned properties, both residential and commercial. In 2002, Mayor Martin J. Chávez created by executive order the Safe City Strike Force, made up of representatives from five City departments that have the primary responsibility for enforcement of the City's housing codes and criminal nuisance abatement ordinance. In any given week, the Strike Force reviews or inspects between 150 and 175 properties identified as falling under the definition of nuisance properties where administrative action, including the boarding up and securing of the properties, has been taken. Vacant and abandoned properties, whether commercial or residential, are considered nuisance properties and are targets of the Strike Force.

The Strike Force has been successful in negotiating with property owners to designate "Consent to Demolish" structures. For these structures, demolition bids are secured and the work is awarded to the lowest bidder. The City places a "no interest" lien on the property and the property owner agrees to pay the lien off within a three-year period. To date the Strike Force has negotiated Consent to Demolish for an entire neighborhood block of 27 vacant homes, seven motels, three violent bars, an entire strip mall, a vacant cafeteria, two churches, and numerous residences.

The City's Residential Code Enforcement Division, which is part of the Strike Force, maintains a list of properties that have been posted substandard, boarded, and secured; the list averages 50 to 75 properties. In 2004 the City enacted a Vacant Building Ordinance, which requires that an owner of a vacant building must secure a license 15 days prior to vacating the building and declare all measures that will be taken to ensure that the building will be properly maintained and secured. The ordinance requires yearly inspections and identification of repairs to be made. In 2007 a City Council resolution established as a policy that, where a residential property has been boarded up for one year or more, it is presumed to be a nuisance and should be demolished by condemnation. On average, 25 structures a year are subject to City Council condemnation. These condemnations are resolutions enacted by the City Council which authorize the City to tear down the

structures and place liens on the property. The City does not take title to the property. Approximately \$500,000 a year is spent on the boarding, securing, or demolition of nuisance properties.

The strategy enacted through the 2007 resolution has proven very effective, as recalcitrant property owners have grown to understand that the City is serious about removing their blighted properties. In 2008 there were 22 structures “subject to” condemnation, but only two of these had to be taken through the lengthy and expensive condemnation process. The remaining 20 were brought back into compliance by the property owners at no cost to the City.

The Department of Family and Community Services (DFCS) works with the Strike Force, providing federal funds to board, secure, and demolish nuisance properties. Through its General Fund, the City provides one-time down payment and rental assistance to those residing in the nuisance properties who, through no fault of their own, are required to relocate because of Strike Force action.

In addition, the DFCS’s Planning and Community Development Division is charged with rehabilitation and redevelopment of areas where disinvestment has occurred. Over the past two years the City has purchased and demolished two blocks of blighted properties and is soliciting bids to develop new single-family housing. This department also manages the City’s Neighborhood Stabilization Program (NSP) and is receiving \$7,000,000 in federal 2008 Housing and Economic Recovery Act funds through the State of New Mexico. Through private contractors, Albuquerque’s NSP program will purchase and renovate houses and rental properties currently in foreclosure and resell them as affordable units.

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## **BINGHAMTON**

**Mayor Matthew T. Ryan**

### **RESTORE NY PROJECT TEAM: NEIGHBORHOOD REVITALIZATION THROUGH INNOVATIVE MEASURES**

In the State of New York, the Restore NY program encourages economic development and neighborhood growth by providing municipalities with financial assistance for revitalization of commercial and residential properties. Binghamton’s Restore NY Project Team has developed, secured, and implemented two Restore NY grants that focus on residential properties as part of a larger “Healthy Neighborhoods” initiative. Whereas Restore NY grant applications from most municipalities have targeted one or two key commercial parcels, the City’s Project Team has successfully applied to redevelop 70 residential properties through the program’s first two rounds. The City’s first grant, for \$1.67 million, and its second, for \$2.5 million, were the largest awarded in the region and among the largest per capita in the State.

The City seized on Restore NY as an opportunity to finally resolve the challenge posed by abandoned Municipal Bond Bank Agency (MBBA) properties that for years had troubled City officials and residents. Of the more than 350 properties for which liens were purchased by MBBA in 2003, approximately 100 blighted properties were still in legal limbo and in disrepair when Restore NY was announced. By using the Restore NY funds, the City negotiated an innovative deal with MBBA to buy back and regain control over 30 of the properties. While implementing the grant, properties slated for demolition have been used by a community preservation group for material salvage and by the City’s fire department for training purposes.

In keeping with the its goals of transparency and inclusiveness, the administration solicited redevelopment proposals for Restore NY properties and lots, set up an independent committee to screen the proposals, and sold 15 of the properties for \$1.00 each. The screening criteria enabled owner-occupancy, involved contractors with development experience, and served those affected by the 2006 flooding disaster. Four of the properties have become owner-occupied housing, four have been converted to parking space for local small businesses, and seven have become green spaces.

Part of Binghamton’s approach has already been duplicated: The City’s creative link to MBBA was immediately noticed by State officials and prompted MBBA to divest their entire portfolio, allowing other municipalities, such as Syracuse and Buffalo, to tap the second round of Restore NY funds to regain control of abandoned, blighted properties. Binghamton has applied for \$5.3 million in Project NY third-round funding, which would leverage \$23 million in additional investment and support 380 jobs.

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**CINCINNATI**  
**Mayor Mark Mallory**

### **REO NUISANCE ABATEMENT INITIATIVE**

Cincinnati’s REO initiative addresses the problem of mortgage- or lender-owned real estate (REO) properties that have been allowed to become dilapidated, and properties where lenders have walked away from foreclosure proceedings – the kinds of properties that harbor criminal activity and reduce surrounding property values. The initiative involves a civil lawsuit being filed against a mortgagee owning multiple dilapidated REO properties, or properties where the mortgagee has failed to complete the foreclosure proceedings. It requests that the properties be declared nuisances and that a receiver be appointed to abate the nuisance. An injunction is also filed to keep the lenders from selling the properties until the violations are corrected.

Community Development Corporations active in the neighborhood where nuisance buildings are located are sought by the City as receivers. To date, the only costs incurred have been for the City Solicitor’s office to prepare and file the complaints. If a receiver were to be appointed, however, funding would be required to correct the violations.

It is sometimes a challenge to serve notice of the court proceedings on the lenders so proceedings can move forward, and a challenge as well keeping the cases in State court after lenders attempt to move them to federal court. These challenges are overcome by persistence in locating plaintiffs and filing the appropriate motions with the court. The ability of the municipality to have receivers appointed or abate nuisances may depend on enabling legislation being present at the State level. Lenders facing significant punitive damages have come to the table to begin addressing code violations where criminal prosecution has failed. Rather than have a receiver appointed, the lenders and City file an agreed entry with the court that the lender agrees not to sell the property, to pay vacant building license fees, and to bring specific properties into compliance with the Municipal Code within a specified timeframe.

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## **COLUMBUS**

**Mayor Michael B. Coleman**

### **HOME AGAIN INITIATIVE**

In 2006 Columbus Mayor Michael B. Coleman launched a \$25 million initiative to tackle the problems of vacant and abandoned properties at every level, and to engage residents, nonprofit and private sector partners, and local government in the solution. The Home Again initiative recognizes that vacant and abandoned housing in neighborhoods constitutes blight having many causes, many legal complications, and few proven cures. The Mayor's eventual goal is to fix up or replace the 5,270 listed vacant homes in Columbus; it starts with a six-year plan to go after 1,000 properties. The overall Home Again strategy weaves together a number of individual strategies:

**Enforcement** – Through a unique partnership with the City Attorney, Safety Director, and Development Director, the Mayor has created an enforcement team to expedite the process of declaring an abandoned house a public nuisance. A code enforcement officer and Assistant City Attorney are assigned on a full-time basis to aggressively pursue the law and reduce the foreclosure process by three to six months. Police officers have the legal authority to arrest anyone found on “nuisance” property; the goal is to cut crime, arson, and vandalism in neighborhoods.

**Prevention** – Of the \$25 million dedicated for Home Again, \$5 million are earmarked for prevention efforts aimed at helping families remain in their homes. Building on existing City programs, these efforts include emergency shelter rehabilitation and roof repairs. By the end of 2008, the City already had initiated 251 roof repairs, at an average cost of \$11,000 each.

**Acquisition and Rehabilitation** – The City is partnering with the nonprofit Columbus Franklin County Affordable Housing Trust (AHT) and others to acquire property and spur housing rehabilitation. These private partners will help break through bureaucratic hurdles while allowing the City to retain oversight of rehabilitation specifications and inspections. Neighborhood redevelopment priorities will be identified by the City as part of an overall strategy guided by a public/private advisory committee. Once the properties are acquired, either by the City or its partners, AHT will write rehabilitation specifications and work with the partners to select an approved contractor to perform the work. From there, the AHT and local Community Development Corporation partners will market and sell the improved homes to families.

**Demolition** – The last-resort component of Home Again is demolition. By the end of 2008, the City had demolished approximately 90 vacant houses. The per-house cost of the demolitions averages \$8,000. Demolition costs for private properties that have repeatedly been cited as a dangerous nuisance will be assessed to the owner's property taxes.

## **COLUMBUS LAND BANK PROGRAM**

The City of Columbus adopted the Land Reutilization Program in 1994, establishing a Land Bank to address vacant and abandoned properties in our neighborhoods. The Land Bank acquires non-productive vacant and abandoned properties, tax delinquent properties, and other properties that support community redevelopment goals. These are made available to nonprofit and for-profit housing developers and others who can return them to productive uses and contribute to the improved quality of life in the City's neighborhoods.

Under the Neighborhood Stabilization Program (NSP), land banking efforts will focus on acquisition of abandoned and foreclosed properties, demolition of blighted structures, and rehabilitation and redevelopment of vacant properties in qualifying areas of the City. The goal is to increase the inventory of structures and lots that will provide sustainable redevelopment opportunities over the next few years.

**Acquisition** – Strategies are to acquire from entities that hold large inventories of foreclosed properties in order to facilitate bulk purchases; identify and acquire properties that complement those bulk purchase properties in order to assemble properties for greater impact; and acquire abandoned and blighted properties specifically for demolition.

**Maintenance and Demolition** -- Strategies include gutting to studs where appropriate, replacing roofs, boarding up, and performing other structure stabilization required for long-term holding until rehabilitation can occur. Mowing and maintenance contracts are increased to continue a high standard of care for all properties held in the Land Bank. Demolition contracts will include removal of foundations.

**Disposition** – Strategies include a market study to identify neighborhoods in which a market exists for newly constructed and rehabilitated units for homeownership or rental. The highest priority is given to projects that are either in the works or could be advanced to that point quickly. A priority is also given to the City's nonprofit housing developers. Properties are marketed to for-profit developers for the areas in which a market exists.

CONTACT: Hannah R. Jones, Special Projects Coordinator, (614) 645-7125 or [hrjones@columbus.gov](mailto:hrjones@columbus.gov).

### **TOLEDO**

**Mayor Carleton S. Finkbeiner**

## **CODE VIOLATION ASSISTANCE PROGRAM**

Toledo's Code Violation Assistance Program (CVAP) provides financial assistance to help low-income residents make improvements to their homes. It provides small grants (not to exceed \$4,500) to owner-occupants to make their homes safe and to bring them into compliance with the City's housing code. The funds target homeowners needing to make repairs that will result in substantial improvement in their living conditions, or homeowners needing the funds to complete repairs. The City believes that, by assisting homeowners in this way, neighborhood blight is stemmed, and the community as a whole benefits.

CVAP was created by the Department of Neighborhoods in 2001 in recognition of the fact that many low-income residents did not have the financial wherewithal to make improvements to their homes in response to nuisance code violations. These residents are good neighbors who want to remain in their community and not abandon their homes. CVAP's goal is to help them do that by bringing their homes into housing code compliance. Toledo Municipal Court Housing Specialists assess defendants who are arraigned for housing code violations for CVAP eligibility. Eligible applicants must be at or below 50 percent of the area median income, adjusted for family size.

Over the past eight years, \$800,000 in CVAP grant funds have been awarded to 178 low-income owner-occupants. The program continues to have positive effects on the many homeowners who have been eligible for assistance – the first and foremost being that the fear of not being able to meet the City's housing code standards because of a lack of funds has been eased. By making the needed repairs, the living conditions of the occupants have improved and their homes have become safe to live in once again. The neighborhoods where these homes are located continue to stave off blight.

By providing these small grants to individuals with little income, the City has been able to reduce its expenditures for demolition and shift additional resources to saving homes and neighborhoods. CVAP receives an annual allocation of Community Development Block Grant funding to pay contractors for repairs to correct the code violations. Because both the Department of Neighborhoods and the Municipal Housing Court personnel expenses for CVAP are paid through their existing personnel budget, over 99 percent of the CDBG funds allocated to the program go directly for the needed repairs.

CONTACT: Kattie M. Bond, Director, Department of Neighborhoods, (419) 245-1400 or [kattie.bond@toledo.oh.gov](mailto:kattie.bond@toledo.oh.gov).

**ALLENTOWN**  
**Mayor Ed Pawlowski**

### **PROPERTY INSPECTION AND PROBLEM RESPONSE INITIATIVES**

The City of Allentown's proactive approach to upgrading its housing stock and improving the quality of rental property begins with an expansive inspection program. Buyer Notification Inspections, the City's systematic inspections of all owner-occupied properties within a target area, and inspections of all rental properties citywide (conducted in five-year cycles), help identify properties with minor violations as well as those currently unfit for human habitation or abandoned by their owners. Staff members from Allentown's Bureau of Building Standards and Safety, Solicitor's Office, Department of Recycling and Solid Waste, and Redevelopment Authority work closely together to direct these especially problematic properties, many of which are somewhere in the foreclosure process, toward the City's three initiatives meant to best address them: the Landlord Hall of Shame, the Blighted Property Review Process, and Conservatorship.

**Buyer Notification** – Passed in November 2007, Allentown's Buyer Notification Inspection Program requires "the inspection of all residential properties...prior to the transfer of title for compliance with standards found in the City of Allentown, Property Rehabilitation and Maintenance Code, and the allowable use designation according to the City of Allentown Zoning Ordinance." Two inspectors assigned to owner-occupied properties and one assigned to rental properties complete Buyer Notification Reports following

their visits to properties that are for sale. These reports list any code violations, which must be corrected by the seller or buyer as a condition of sale. The resolution of issues identified in these reports (typically required within six months) is monitored through re-inspections by the same inspector who conducted the initial inspection. Prior to the program's implementation in February 2008, the City mailed information about the purpose and intent of the program, as well as the responsibilities outlined in the ordinance, to real estate brokers and lenders. To be sure that properties passing through foreclosure are also inspected for code violations, the City has been monitoring deed transfers as well property conveyances to successful bidders at Sheriff's Sales. To date, roughly 1,000 owner-occupied properties and 350 rental properties have been inspected through the program, resulting in nearly 600 owners and 175 landlords successfully addressing existing violations.

**Landlord Hall Of Shame** – This initiative was established in October 2008 to focus public pressure on investment owners who refuse to address substandard conditions and, as a result, bring down property values across the neighborhood. Multiple representatives from the City's Bureau of Building Standards and Safety, and representatives from the Zoning Office and Department of Recycling and Solid Waste nominate a landlord whose properties have unpaid municipal fees or have had their rental registration or license revoked, have been declared a public nuisance or unfit for human habitation, and/or have otherwise required the attention of the Health Bureau, the Police Department, or the Fire Department. Selected properties are posted with a sign indicating the owner's contact information and encouraging residents to follow up with the owners directly about their concerns.

**Blighted Property Process** – The Redevelopment Authority of the City of Allentown (RACA) has streamlined its Blighted Property Review process, targeting roughly 25 qualifying properties for condemnation each year (should their owners fail to address the problematic conditions). RACA staff members, working closely with inspectors and supervisors with the City's Bureau of Building Standards and Safety (BBSS), identify properties for inclusion in the process in January. The group prioritizes properties that have been declared unfit for human habitation and/or those located in areas where City inspectors are currently conducting inspections, so that their inclusion in the process can complement the inspection process as needed. Both BBSS and RACA reach out to owners to encourage compliance on an ongoing basis, including the offer of low-interest loans, even as properties are brought before the Blighted Property Review Committee and Allentown City Planning Commission to be determined and certified as blighted, and are presented to City Council. By November or December, RACA's solicitor initiates condemnation proceedings against properties that have not been brought into compliance.

**Conservatorship** – The General Assembly of Pennsylvania recently enacted a statute which empowers municipalities and organizations to petition the court to appoint a conservator in cases where owners fail to maintain their properties. Under the Abandoned and Blighted Property Conservatorship law, while owners remain responsible for all property-related expenses (such as taxes and other municipal fees), conservators are able to make all repairs necessary to bring the building back into code compliance. Just months after its passage, Allentown has already identified four potential candidates for this process and is working on the documents required to bring them before the Court. Similar to other efforts addressing vacant and abandoned properties, this is a collaboration involving the City Solicitor's Office, the Bureau of Building Standards and Safety, and the Redevelopment Authority.

According to a recent report published by the University of Pennsylvania's Fels Institute of Government, the City of Allentown “has achieved remarkable successes” in its implementation of an expanded housing strategy aimed at upgrading the City’s existing housing stock and improving the quality of rental property management and maintenance. This “proactive” approach, it says, puts Allentown “in the lead” among Pennsylvania municipalities, many of which are struggling to deal with property deterioration and abandonment, particularly during the present foreclosure crisis.

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**PITTSBURGH**  
**Mayor Luke Ravenstahl**

**GREEN UP PITTSBURGH PROGRAM**

Decades of population loss have left Pittsburgh with acres of vacant, blighted, unmanaged land. The City’s 23,000 vacant lots have contributed to the decay of neighborhoods, created financial burdens for the City, and hindered redevelopment. Shortly after entering office in 2006, Mayor Luke Ravenstahl convened nearly 500 people to discuss and recommend actions that could cover vacant lots from liabilities to assets for neighborhoods. Architects, environmental engineers, community leaders, and governmental entities interested in supporting green growth presented ideas for green spaces and networks using abandoned and vacant lots. Green Up Pittsburgh and complementary initiatives grew from that forum and from a group of policy students from Carnegie Mellon University.

The Mayor assembled a multi-disciplinary team to create a program aimed at stabilizing City-owned vacant lots with the goals of reducing blight, inspiring community pride, and promoting environmental values. The Bureau of Building Inspection; the City Planning, Finance and Law Departments; and the Urban Redevelopment Authority worked with outside environmental and “green groups” to create a program unlike any other in Pittsburgh’s past, one that would convert City-owned blighted vacant lots into stable, community green spaces. The pilot project utilized \$50,000 in Community Development Block Grant funding to partner with the Penn State Cooperative Extension and interested community groups to revitalize vacant lots in their neighborhood. Forty vacant parcels were “greened up” during the pilot project to become community farms, memorial gardens, and passive green space. The City remains liable for the parcels and can terminate the agreements in order to sell or develop the land at any time. The program, unlike other community garden projects of the past, relies on community stewards to maintain the lots.

The Pennsylvania State Department of Community and Economic Development funded an expansion of the Green Up Pittsburgh Program; the \$500,000 grant represents the first time that the agency has recognized and funded a large-scale green development strategy. The expanded program includes a three-pronged approach to vacant lots. The funding enabled the City to contract with a technical assistance provider and create an in-house five-person Green Team to perform maintenance, provide resources, and do preparatory work for the Green Up sites. There is community ownership and investment in the sites, and the City has provided the support necessary to ensure the program’s longevity.

The program also provides post-demolition greening. The Mayor has more than doubled the demolition budget and, as blighted structures are removed, they are replaced with a healthy green palate. Clean, organic topsoil is spread on the lots and low-maintenance grasses are planted.

A simple application is now available for community groups and groups of like-minded and interested residents who want to receive Green Up resources to create community gardens on the vacant lots in their neighborhoods. As part of this program, work is underway on large-scale greenprint plans and strategies to be implemented in transitional market areas in an effort to bridge gaps between weak and strong markets across the City.

In addition to greening up more than 100 vacant parcels to date,

- Pittsburgh's program has helped to spark many neighborhoods' interest in urban agriculture, stormwater management, and sustainability. Neighborhoods are starting to value open and green space and are incorporating green strategies in their community plans and agendas.
- The program has served as a catalyst for change in many of the other policies, programs, and planning efforts underway in the City. The reclamation, revitalization, and reuse of vacant parcels have become priorities for each City department and authority. A team of department and authority directors and representatives meet on a bi-weekly basis as part of the Open Spaces Planning Initiative to discuss all of the projects underway throughout the City that pertain to the development of open and green space.
- The City Planning Department plans to issue a request for proposals to create a City-wide open space plan.
- The City has created and revamped other programs to help eliminate blighted, vacant land: It offers a Side Yard Sale Program, which enables interested property owners to purchase lots adjacent to their homes for a subsidized price. The Garden Waiver and Greenway Programs also allow a community to designate vacant, unoccupied land as healthy green space.

Pittsburgh is currently creating a system to measure the quantitative success of its green development programs and strategies. The Green Up program, in conjunction with all of the City's other efforts, has improved the quality of life in many neighborhoods. It has engaged thousands of residents in cleaning and greening activities, has fostered community pride and ownership, and has provided gardening and stewardship knowledge and skills to youth and adults involved in the program.

CONTACT: Lauren Byrne, Neighborhood Initiatives Coordinator, (412) 255-4765 or [Lauren.Byrne@city.pittsburgh.pa.us](mailto:Lauren.Byrne@city.pittsburgh.pa.us).

## **SUMTER**

**Mayor Joseph T. McElveen**

## **SUMTER PRIDE**

In February 2002 the Sumter City Council adopted Sumter Pride, a program to help eliminate vacant dilapidated dwellings throughout the City's neighborhoods. Its Residential Demolition Assistance Program uses Community Development Block Grant funds to help demolish dilapidated structures and at the same time meet a HUD requirement to eliminate "slum and blight."

The program offers an incentive to the property owners of dilapidated dwellings who agree to allow the City to demolish their vacant dwellings, although property owners are required to meet income guidelines in order to benefit from CDBG funds. The program requires property owners who do not meet the income guidelines to pay \$400 toward the cost of the demolition.

Sumter Codes Enforcement personnel routinely patrol neighborhoods and contact owners of properties with vacant dilapidated dwellings to advise them of the demolition program and how they may apply for assistance. Neighborhood groups and associations wanting to help clean up their neighborhoods are continually involved in Codes Enforcement initiatives, including the Residential Demolition Assistance Program.

To date, the City has demolished over 240 vacant dilapidated dwellings under this program. The major difficulty in implementing this program has been contacting out-of-state absentee owners of vacant or boarded-up dwellings and getting them to respond.

CONTACT: Robert C. Fleury, Special Projects Manager, (803) 436-2664 or [rfleury@sumter-sc.com](mailto:rfleury@sumter-sc.com).

**ARLINGTON**  
**Mayor Robert N. Cluck**

### **VACANT STRUCTURE INITIATIVE**

While the effects of the housing and mortgage crisis have not been as severe in the North Central Texas area when compared to other parts of the country, the City of Arlington has seen an increase in abandoned and apparently foreclosed properties. In late 2008 Code Compliance officials responded by enacting the Vacant Structure Initiative (VSI), which seeks to hold noncompliant property owners responsible for the condition of their property, and aims to notify otherwise engaged property owners that further participation regarding their vacant property is required. The VSI also aims to integrate other established Code Compliance programs into the identification and processing of vacant structures.

The VSI process involves the identification, verification, and processing of vacant structures. Code Compliance staff initially identifies vacant structures based upon Water Utility records for those properties where water service has been disconnected for at least six months. These properties are then verified as vacant through on-site exterior inspections conducted by Code Compliance staff. Once verified as vacant, the property owner is notified of the VSI designation and required to register the property and pay annual inspections fees which are based upon the longevity of the vacancy. Once occupied, the property is removed from VSI oversight.

An important component of the VSI is the Code Ranger program, a volunteer program in which citizens are educated concerning the more common code violations and encouraged to report suspected violation locations. The training program includes a section covering vacant structures and their deleterious effects on neighborhood vitality. Also incorporated into the VSI is the Dangerous and Substandard Structure Program, through which dilapidated and dangerous properties are identified and processed by Code Compliance staff for either voluntary owner repair or demolition or, if needed, court-ordered demolition.

To date the VSI has verified the existence of 352 vacant structures; this is a preliminary count, as the true number of vacant structures varies constantly. With each month that the current financial crisis continues, more foreclosures are likely to occur and the number of non-verified vacant structures is likely to increase.

The City notes that its VSI initiates vacant structure verification at the six-month mark, not within the 30 to 45 days in which many other municipalities begin monitoring vacant structures. Arlington officials believe that it is at six months that problem properties begin to negatively affect property values and the livability of neighborhoods.

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## **EULESS**

**Mayor Mary Lib Saleh**

### **MONTHLY FORECLOSURE REPORT AND CODE ENFORCEMENT**

Currently, less than one percent of the City of Euless's available housing stock (approximately 11,587 single-family residential units and 12,103 multi-family housing units) has been posted for foreclosure auction. While the City has not had a formal process for tracking the number of residential and commercial property foreclosures in the community, it maintains a high standard for upkeep of properties and provides both reactive and proactive code enforcement programs.

Each month the City's Planning and Development Department formulates a list of all foreclosed properties within the City, using official postings of auctions by the Tarrant County Clerk's office. Cross referencing this data by address, legal description, the City's Geographic Information System, and Tarrant County Appraisal District data, staff is able to populate a database that tracks:

- the number of properties under foreclosure auction;
- the date of construction and square footage of the structure;
- the date of the last deed filed on the property;
- the lender/servicer from which the property may be acquired;
- the appraisal district valuation of the property; and, in many cases,
- the value of the original note under which the borrower was foreclosed.

This database is compiled, mapped, and provided to the Code Enforcement Officers who are the front-line users of the data, enabling them to perform daily patrols of properties showing the greatest potential for typical foreclosure-related problems such as high grass and weeds, lack of exterior building maintenance, and broken windows. In addition, if a problem is occurring with a foreclosed property, the Officer has a record of the lender/servicer for the property and a contact for that company's property preservation office. This results in faster compliance and reduced need for excessive citations.

Data gathering is the most time-consuming aspect of the process. Online foreclosure-tracking Web sites such as Realtytrac.com provide some additional information for tracking purposes, but there are questions as

to the reliability of the data they provide. The monthly report generation and code enforcement activities are handled by existing staff within the existing budget.

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**HOUSTON**  
**Mayor Bill White**

**HOUSTON HOPE**

Houston HOPE is an effort under Mayor Bill White to revitalize select inner-city historic neighborhoods through acquisition of high concentrations of abandoned tax-delinquent lots for affordable housing. While the neighborhoods are near Houston's employment centers, the areas have suffered from poor physical infrastructure, inadequate affordable housing and retail outlets, crime, and struggling public schools. In recent decades, many people with ties to the neighborhoods have left to seek affordable housing outside the City limits. Through land banking and neighborhood enhancements, the City seeks to draw people into these communities with revitalization that retains the historical fabric of the neighborhoods.

To acquire the tax-delinquent properties for redevelopment, the City partners with the Land Assemblage Redevelopment Authority (LARA), several other jurisdictions that tax the same properties, and Linebarger Goggan Blair and Sampson, LLP, the law firm responsible for delinquent property tax collections and foreclosure tracking within the City. The City has foreclosed on and acquired 1,041 lots in Houston HOPE neighborhoods since 2005.

Due to a two-year redemption requirement under State law, the first home was not built until 2007, but as of May 2009, 75 Houston HOPE homes have been completed and purchased by first-time homebuyers, and the State legislature has reduced the redemption period to six months. The affordable energy-efficient home construction which has begun in these neighborhoods in recent months will add to the affordability aspect of the homes.

Partnerships have led to the overall success of the program. In addition to the land bank, other taxing jurisdictions, and Linebarger, the City partners with builders, community development corporations, local churches, neighborhood centers, hospitals, and schools. The City provides downpayment assistance to qualified buyers; the City's Department of Public Works and Engineering is continuing to upgrade the physical infrastructure in the targeted areas to support the new housing development; and the Houston Police Department has an increased presence in these communities. Mayor White chairs monthly meetings of the intra-city working group in order to manage the many City departments involved, cut through red tape, and make needed decisions on the spot. The Mayor also chairs monthly meetings of an expanded working group that adds the City's many partners and places an emphasis on homebuilders' reporting their progress and troubleshooting any bottlenecks in the overall process. These meetings also provide transparency and accountability.

Funding for Houston HOPE comes from a variety of sources, including the City's Capital Improvement Plan fund, Community Development Block Grant and HOME Investment Partnership funds, the Houston

Housing Finance Corporation, and affordable housing set-aside monies generated through Houston's Tax Increment Reinvestment Zones.

Marketing to qualified buyers has been an obstacle but is being addressed. Many renters in Houston HOPE neighborhoods could be homeowners in those neighborhoods, building equity for the same amount of money that is going for rent. A new marketing position was created in February 2009, increasing advertising, community outreach, and visibility through community fairs, seminars for hospital employees, and other outlets. Houston HOPE builders are now required to post the homes on the Multiple Listing Service where realtors and individual buyers can search online. Social networking has also greatly increased; Houston HOPE now has its mark on the two popular networking sites, Facebook and Twitter.

The most visible result to date has been the increased number of homeowners in these neighborhoods. In addition to the 75 new homeowners on Houston HOPE lots, approximately 200 privately-acquired lots have been built on by developers recognizing that infrastructure upgrades and other improvements make these neighborhoods good investments. Community involvement has greatly increased, leading to a variety of neighborhood watch programs initiated by new homeowners taking pride in their communities. The effect of increased homeownership has led to a noticeable reduction in blight and illegal dump sites.

Cities wanting to replicate an initiative such as this one, Houston officials say, should engage all taxing jurisdictions of abandoned lots early in the formation of the initiative; research existing laws governing tax foreclosures; seek state legislative changes necessary to minimize the redemption period for foreclosed lots; undertake extensive due diligence to locate anyone with an interest in lots slated for foreclosure; work with the judiciary to revise unnecessary and lengthy court rules; engage all stakeholders in each step of the program planning and implementation; and have a marketing strategy prepared before houses are built.

CONTACT: Chris Butler, Special Assistant to the Mayor for Property Construction, (713) 837-7693 or [lara@cityofhouston.net](mailto:lara@cityofhouston.net).

**GREEN BAY**  
**Mayor James J. Schmitt**

### **NEIGHBORHOOD ENHANCEMENT FUND PROGRAM**

The Neighborhood Enhancement Fund Program was created in 1999 to enable the City of Green Bay to deal with blighted properties. To date, \$7.5 million borrowed from the State Trust Fund have been allocated to the acquisition of 102 properties which were demolished to create green space and additional park space, or were made available for new single-family construction. These funds also have been used to plant trees in City medians and assist in the construction of a cross walk across a busy street.

The funds have been used recently to create a new Conversion Grant Program which provides a matching grant of up to \$10,000 for persons who return multi-family houses to their original single-family configuration. Where owner-occupants are involved, they may apply for an interest-free \$5,000 loan which is paid back when the property is sold or transferred.

The number of properties currently in foreclosure has made it possible for the City to stretch its Neighborhood Enhancement Funds. Projects supported by the funds also allow the City to partner with other organizations to maximize investment dollars. Partnerships have been created with NeighborWorks Green Bay, Habitat for Humanity, the Brown County Housing Authority, private donors, and local lenders to target specific areas in need of improvement. Through these efforts, block faces have been transformed from blighted multi-family housing strips to newly-remodeled single-family owner-occupied houses.

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## SURVEY CITIES

Tucson	Arizona	Southfield	Michigan
Little Rock	Arkansas	Southgate	Michigan
Pine Bluff	Arkansas	Taylor	Michigan
Bell Gardens	California	Minneapolis	Minnesota
Menlo Park	California	Saint Paul	Minnesota
Riverside	California	Laurel	Mississippi
Temecula	California	Florissant	Missouri
Turlock	California	St. Louis	Missouri
Yuba City	California	Las Vegas	Nevada
Colorado Springs	Colorado	Elizabeth	New Jersey
New Haven	Connecticut	Irvington	New Jersey
Cape Coral	Florida	Perth Amboy	New Jersey
Clearwater	Florida	Trenton	New Jersey
Hollywood	Florida	Albuquerque	New Mexico
Miami	Florida	Binghamton	New York
North Miami Beach	Florida	Stow	Ohio
Port St. Lucie	Florida	Allentown	Pennsylvania
Titusville	Florida	Harrisburg	Pennsylvania
Valdosta	Georgia	Charleston	South Carolina
Lombard	Illinois	Sumter	South Carolina
Arlington Heights	Illinois	Jackson	Tennessee
Joliet	Illinois	Denton	Texas
Evansville	Indiana	El Paso	Texas
Fort Wayne	Indiana	Houston	Texas
Muncie	Indiana	Salt Lake City	Utah
Lexington	Kentucky	Norfolk	Virginia
Louisville	Kentucky	Everett	Washington
Boston	Massachusetts	Lakewood	Washington
Brockton	Massachusetts	Milwaukee	Washington
Everett	Massachusetts	Green Bay	Wisconsin