VACANT and ABANDONED PROPERTIES

Survey and Best Practices
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This report was prepared by City Policy Associates, Washington, D.C. It may be downloaded at The U.S. Conference of Mayors Web site, www.usmayors.org.
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FOREWORD

Vacant and abandoned properties, whether residential or commercial, create costly problems for cities – problems which have been exacerbated by the mortgage foreclosure crisis. These properties are a drain on city budgets. They detract from the quality of life, as well as the economic opportunities, of those living around them. They are an impediment to individual neighborhood redevelopment and, ultimately, to achievement of city-wide economic development goals.

Minimizing the harm done by vacant and abandoned properties and restoring these properties to productive use are priorities for mayors across the nation, and many have developed successful strategies to accomplish this. In 2006 our Task Force on Vacant and Abandoned Properties developed its first publication on city efforts. That report described best practices in 27 cities.

This year, in light of the severity of the mortgage foreclosure crisis nationwide, we have updated and expanded the information contained in that report. Again this year, mayors across the country provided descriptions of their most successful strategies and initiatives to combat problem properties. Their “best practices” compiled for this 2008 report feature a variety of abandoned property strategies – preemting the problem by preventing abandonment in the first place; inventorying and gaining control of the properties in order to minimize the problems they create; and fostering the reuse of the properties for the benefit of the neighborhood and the city as a whole. These best practices range from comprehensive city-wide strategies and initiatives that employ numerous remedies, to examples of programs that are effective in attacking a single aspect of the problem.

This report also presents the results of a brief survey of mayors’ views of the impact of the mortgage foreclosure crisis on the already-existing problems of vacant and abandoned properties. This survey was completed by many of the cities submitting best practices for this report, and many more. It found that the number of vacant and abandoned properties had increased over the past year in seven out of 10 survey cities, and that the crisis had affected the ability to manage problem properties in well over half of the cities. Well over half of the mayors in the survey rated the foreclosure problem in their cities as serious or very serious.

Through the Conference of Mayors Web site, this 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 abandoned property problems. As always, we are grateful to the mayors who participated in the survey and provided information on their problem property initiatives. Their willingness to share their experiences will benefit other mayors whose problems with vacant and abandoned properties have been exacerbated by mortgage foreclosures.

In November 2007 the Conference met with mortgage industry leaders in Detroit on the need to modify mortgage loans; at the same time we released a report on the mortgage crisis which called attention to the damaging ripple effects of the crisis on public safety in cities, property values, and the tax revenues on which most city services depend. In January, in our Winter Meeting in Washington, mayors called for action on many of the provisions of the
Senate’s mortgage foreclosure prevention proposal, including $4 billion in additional Community Development Block Grant funds that would help save foreclosed homes, stabilize neighborhoods, and protect the values of other homes in distressed areas. Mayors also called for FHA reform and modernization, higher loan limits for Fannie Mae and Freddie Mac, a higher mortgage revenue bond cap, and other tools to help state and local governments, housing finance agencies, and counseling agencies which must cope with the foreclosure crisis.

Over the past several months, pressing for Congressional action on legislation to mitigate the damage being done by this crisis has been one of the Conference’s highest priorities.

Tom Cochran

Executive Director and CEO

June 2008
SURVEY FINDINGS

This report, which updates and expands upon The U.S. Conference of Mayors 2006 report on cities’ efforts to combat problems of vacant and abandoned properties, is a compilation of “best practices” in place in 27 cities.

This year, in addition to inviting mayors to describe their approaches to problem properties, the Conference asked them to respond to a brief survey on the impact that the mortgage foreclosure crisis was having on the problem of vacant and abandoned properties in their cities. The goal was to provide a context in which the cities’ best practices could be viewed. Mayors were invited to respond to the survey even if they did not submit information on an exemplary program.

In the 42 cities for which survey responses were received there are an estimated 79,186 vacant and abandoned properties, ranging from about 16,400 in Baltimore, 10,000 in Buffalo, 8,000 in Las Vegas, and 4,900 in Columbus to as few as 12 in New Berlin and five in Santee and Linden. One city, Frisco, reported having no such properties.

Mayors in 71 percent of the cities report that the number of vacant and abandoned properties has increased during the last year as a result of the mortgage foreclosure crisis. In 55 percent of the cities they report that the mortgage foreclosure crisis has affected efforts relating to vacant and abandoned properties.

- Twenty-eight percent say their efforts relating to vacant and abandoned properties have lost ground since the mortgage foreclosure crisis began.
- Thirty-eight percent have been required to allocate more money for the upkeep of these properties as a result of the crisis.
- Forty-five percent have had to change local ordinances and/or policies to respond to problems resulting from the crisis.

The mayors were asked how additional federal resources, if they became available, would be used to mitigate the impact of the mortgage foreclosures on their vacant and abandoned properties.

- 61 percent said they would use the funds to acquire vacant or abandoned properties;
- 56 percent would clean up land;
- 56 percent would rehabilitate structures on properties;
- 54 percent would demolish structures on properties;
- 42 percent would maintain already acquired properties;
- 29 percent would establish land banks;
- 20 percent would establish financing mechanisms for purchase and redevelopment of vacant or abandoned properties;
- Several cities described a variety of other activities intended to prevent foreclosures and help residents keep their homes.

In 24 percent of the cities the mortgage foreclosure problem is rated as very serious, and in 29 percent as serious. Another 29 percent rate the problem as moderately serious, and 19 percent say it is not serious. Seventy-one percent of the cities anticipate that, over the next year,
their mortgage foreclosure problem will increase, 24 percent anticipate it will stay the same, and five percent expect it to decrease.

The mayors were asked to expand on several of their responses to survey items, and this additional information provides some added insights into what some cities are experiencing. When asked how the mortgage foreclosure crisis has affected their efforts regarding vacant and abandoned properties, mayors most frequently responded that it has increased the workload of code enforcement and other city department staffs and has had a negative impact on neighborhoods. Among specific comments:

**Pine Bluff:** It has increased the number of cases we respond to and complicated efforts to track ownership of problem properties.

**Temecula:** We are bringing an ordinance to address abandoned homes that will go before the City Council and meeting with homeowners’ associations to help keep up properties.

**Hollywood:** We are maintaining a larger number of properties at greater expense than in previous years.

**Waukegan:** There has been an increase in gang activity, a decrease in neighborhood property values, and an increase in workload for inspectors.

**Louisville:** There have been enforcement difficulties relative to maintenance and ownership.

**Boston:** Ninety-two additional abandoned properties have been added to the abandoned property inventory due to mortgage-foreclosed properties.

**Southfield:** The number of code enforcement cases has increased. The amount of time spent on vacant properties has increased. The Police and Building Departments are conducting inspections as well.

**Westland:** Building, Parks and Recreation, and Public Services Department crews are being taxed as they try to maintain lawns at these homes to satisfy adjoining residents.

**Kansas City:** It has increased the number of properties that need to be returned to productive use.

**Hackensack:** There is an increased administrative burden.

**Las Vegas:** The destruction and deterioration of property has become more evident. Code enforcement case loads on vacant and abandoned structures have increased by 35 percent over the past year.

**Buffalo:** The Empire Justice Center estimated that 27 percent of sub-prime mortgages in Erie County will reset by October 1, 2009. As more homes go into foreclosure, the inventory of vacant and abandoned homes will increase. Already, the City has seen increased labor and supply expenditures for the clean and seal team and the Mayor's impact team, including boarding up vacant homes.

**Cincinnati:** Banks are difficult to get in contact with and are reluctant to improve a vacant property and maintain it. It has also caused the market to be flooded with these buildings.

**Columbus:** The mortgage crisis has forced the City to allocate more money to housing initiatives dealing with vacant and blighted properties. [While a program to address problems was created by the Mayor in 2006] it was impossible to predict the toll that this tsunami of foreclosures would have on the housing stock here.
Canovanas: Its effect is in visual and environmental pollution.

Cities which have been required to allocate more money for the upkeep of vacant and abandoned properties as a result of the mortgage foreclosure crisis have used the funds primarily for property maintenance and code enforcement. Among their specific comments:

Temecula: Staffing in code cases to address weed, fire hazard, backyards, pools/spas, and maintenance;
New Haven: Increased property management by the City, including but not limited to securing and maintaining additional properties;
Hollywood: Requesting additional funds for routine grounds maintenance;
Schaumberg: Current code enforcement budgets;
Louisville: Increased legal, maintenance, and enforcement costs;
Baltimore: Increased costs for the boarding and cleaning of vacant properties which are partially offset by liens placed on the subject properties;
Jackson, MI: Increased expenditures due to extra maintenance in clean up efforts, degradation of neighborhoods, and increased blight;
Southfield: Increased court-ordered clean ups by the City, and increased contractor clean ups and litter removal requested by the City;
Westland: Payment to outside contractors to maintain grass cutting, with costs added to property tax bill;
St. Paul: Nuisance abatement;
Kansas City: Additional code enforcement staff and nuisance abatement actions;
Las Vegas: Bringing vacant and abandoned properties into compliance, resulting in large upfront costs until the costs can be recovered through the lien process;
Buffalo: Upkeep, particularly supplies;
Cincinnati: Mortgage foreclosure prevention and barricading and demolition;
Columbus: Funding Home Again (described later in this report) and to enable non-profit housing counseling agencies to do more. Further, these funds have been used to enable our non-profit housing counseling agencies to do more pre-purchase counseling and foreclosure mitigation and intervention counseling.

The cities were also asked to describe changes they have made in local ordinances and/or policies in order to respond to problems resulting from the mortgage foreclosure crisis. Most frequently, they strengthened their property maintenance and code enforcement ordinances and undertook preventive measures. Among their responses:

Pine Bluff: We are in the process of revising and strengthening our City code regarding the boarding up of abandoned and vacant properties.
Santee: We have an ordinance that requires the mortgage lender to do upkeep on the property.
Boston: The City passed an ordinance requiring owners of foreclosed properties to register and maintain their properties.
Baltimore: The City has intensified outreach and foreclosure counseling efforts, initiated efforts to expand the reach of asset control mechanisms, and sought additional funding from private and public partners to support restructuring of mortgages.
St. Paul: We need to change State law to assess our vacant building fees.

Kansas City: Some ordinances are in the design stage. We do expect to adopt ordinances soon to address some of the issues.

Las Vegas: The City is looking into drafting an ordinance change to shorten the compliance timeframe and to revise definitions.

Cincinnati: We are taking lenders to court for failure to comply with orders and providing family relocation assistance when multi-family buildings are walked away from, leaving occupants with no heat or water.

Columbus: The City Attorney and Mayor worked collaboratively to modify Nuisance Abatement Codes to give code officers more latitude in declaring structures a nuisance and providing stiffer fines for negligent property owners.

Canovanas: We have to make changes to the ordinance to adjust periods of expropriation and specify the obligation for vacant and abandoned property.

Buffalo: Local procedures have changed to include more aggressive prosecution of banks with control of vacant properties. Maximum fines are levied and liens are placed on the properties with violations, impeding buying and selling of other properties. This gets the attention of the banks and forces them to come to court and settle arrangements for upkeep of vacant properties under their control.

Seattle: Ordinance 122689 was adopted May 12 and signed by the Mayor May 20; 30 days later, it is in effect. The ordinance establishes the Low-Income Housing Fund of $200,000 to fund loans to low-income homeowners (80 percent of area median income or below). Up to $10,000 may be paid to nonprofit organizations for administrative or loan origination costs. The maximum loan per household is $5,000.

A list of survey cities is contained in the Appendix.
BEST PRACTICES

CHULA VISTA, CA
Mayor Cheryl Cox

RESIDENTIAL ABANDONED PROPERTIES PROGRAM

With 1,000 to 1,500 foreclosures (Real Estate Owned properties) and an additional 2,000-plus recorded defaults, or pre-foreclosures, the City of Chula Vista has the highest foreclosure rate in San Diego County. It is estimated that all the REOs and approximately one-third of the recorded defaults are vacant – a total of over 2,100 vacant abandoned properties. As a business practice, beneficiaries of mortgages (lenders) will not take any responsibility for or action on a vacant defaulted property until the foreclosure sale has been completed, and even then their response can be slow. The foreclosure process can take months, and in some cases years, to complete, all the while the property sits abandoned, subjected to the elements and whims of trespassers and vandals. These types of conditions lower the livability of neighborhoods, reduce property values and marketability, and can increase crime and calls for emergency services, all of which put additional strains on already taxed local budgets.

Chula Vista drafted and passed an Abandoned Property Registration/Maintenance Ordinance which requires lenders to act on the “Abandonment and Waste” clause within their mortgage contract. Simply stated, this clause gives lenders the authority to enter onto vacant abandoned property in which they hold a beneficial interest and secure and maintain the property against vandalism and deterioration. Although most lenders agree this clause provides them the right to maintain the property, they state it does not provide an obligation to do so. This ordinance makes acting on the clause a requirement. It also requires that the lenders register the property with the City (and pay a $70.00 fee), hire a local property management/maintenance company to maintain it, and post their name and contact number on it. There are significant fines for non-compliance. There are similar ordinances in other jurisdictions that make reference to the “owner” of the property, but such a reference does not allow the jurisdiction to hold the lender responsible until after the foreclosure is complete.

Chula Vista’s program is managed by the City’s Code Enforcement Section within the Planning and Building Department. Although the ordinance authorizes staff to be proactive and inspect every recorded default and REO, staffing levels don’t allow for such activity. Officers are reactive and respond to resident complaints of vacant abandoned properties. Currently, there are 500 properties registered in the program. About 10 percent of those are in violation of the maintenance and/or posting sections of the ordinance. On the other hand, the City reports, several properties are in compliance with the ordinance – clean, green, secure, and posted – but are not registered and are not a priority for the staff. The City is less concerned with collecting the registration fee than with the elimination of visual blight and attractive nuisances. The staff currently has approximately 125 open reactive cases in process.

Additional staff and funding sources were not available at the implementation of the program. Twenty percent of existing reactive staff was assigned to the program. To date, the program has generated $35,000 in revenue through registration fees, and an additional $200,802
has been assessed in fines, penalties, and full cost recovery. Of that, $26,500 has been paid and the remaining $174,302 has been recorded as special assessment liens with the County Tax Assessor’s Office. The total revenue received to date, $61,500, has nearly covered the cost of the program, which is only in its ninth month of operation.

Chula Vista’s three biggest challenges were notifying the multinational lending/foreclosure industry of its local ordinance and program, locating the current beneficiaries of the mortgages on properties in violation, and providing adequate staffing.

Getting the word out on the City’s ordinance was handled with little difficulty by the City’s Code Enforcement Manager, who had previously been involved with the lending/foreclosure/loan and field servicing industry and had contacts within national organizations such as the Mortgage Bankers Association, Real Estate Owned Management Association of California, and United States Foreclosure Network.

Locating the current beneficiaries of mortgages is one of the single largest obstacles in dealing with financially distressed properties. Often, mortgage loans are issued and then the beneficial interest is sold to another company/lender, security or trust, and that transfer is not recorded. Without a recorded transfer or substitution of beneficiary, the local jurisdiction has no way to contact the individual or corporation that has authority over the property. The time spent in research and phone calls attempting to track down the current beneficiary is crippling. (The California State Assembly is currently reviewing a bill that would make recording of such changes mandatory.)

To help meet staffing needs, the City’s building inspectors are monitoring the registered properties for continued compliance, and they notify the code enforcement officers of violations. The City is also assigning an additional staff member to the program. This means that 40 percent of the reactive staff will be responding to vacant, abandoned, financially distressed properties exclusively. The City is currently unable to respond to other, less urgent issues.

Officials report that, although vacant abandoned properties remain an issue within the City, the negative effects are being greatly reduced as lenders begin to understand the consequences of non-compliance.

CONTACT: Doug Leeper, Code Enforcement Manager, City of Chula Vista, (619) 585-5622 or dleeper@ci.chula-vista.ca.us.
HARTFORD, CT
Mayor Eddie A. Perez

ANTI-BLIGHT INITIATIVES

While the City of Hartford has seen a 55 percent reduction in the number of blighted buildings since 2002, Mayor Perez says the City continues to examine the issue of “problem properties” and is pursuing a plan of action that involves the Mayor’s Office and the Departments of Development Services (which includes the Housing and Property Management, Licenses and Inspections, Economic Development and Planning Divisions), Health and Human Services, Public Works, Fire, and Corporation Counsel. Since January 2007, when the new plan got underway, bi-weekly meetings of interdepartmental teams have increased coordination of municipal activities such as building, health, and fire inspections; property clean-ups; mothballing of properties; emergency demolition; tax foreclosures; redevelopment planning; and general assistance to struggling property owners.

The effort has also led to creation of a citation process that has proven to be a powerful new weapon to combat urban blight. It involves the issuance of $99 tickets for violations of Hartford’s Municipal Code, which covers such items as garbage on premises and tall grass and weeds. Prior to this, the City used public resources to clean up properties and charged the violators for the cost. If the bills were not paid, a lien was placed against the property. The City can still resort to this action, but the citations are proving effective. In less than a year, 970 notices were issued, 150 citations were handed out, and the City imposed over $43,000 in fines.

“The Hartford Neighborhood Development Fund” is the next step in the City’s long-term campaign to reduce blight, promote development, create jobs, and increase homeownership. The Fund will be used to support public-private partnerships to develop housing and businesses in areas of the City the Mayor says “need a little extra incentive and push to better connect the progress that we have already made Downtown to the City’s other culturally diverse neighborhoods.” The planned investment of $50 million in capital funds over the next five years is expected to leverage at least another $100 million in private and other public investment to transform blighted areas, create new homeowners, provide quality rental units, and develop new neighborhood retailers.

Hartford’s effort is currently focused in four areas of the City:

- Downtown North and Asylum Hill, where highly visible vacant buildings can be re-developed and neighborhoods separated by a major interstate can be reconnected;
- the Northeast, where the Grandparent Housing that has been developed can be expanded;
- the Frog Hollow section, where the Mayor wants to draw upon the vibrancy of Park Street, which is the heart of the Latino business district, and expand it by developing housing and small businesses; and
- the South End, where development can be linked to Hartford Hospital, one of the nation’s leading medical facilities.
In the early stages of its economic development push, Hartford has learned that it can’t go it alone. Mayor Perez acknowledges that government dollars are scarce and that outreach to corporate citizens is essential.

**CONTACT:** Mark McGovern, Acting Director, Department of Development Services, City of Hartford, (860) 757-9071 or mmcgovern@hartford.gov.

**NEW HAVEN, CT**
Mayor John DeStefano, Jr.

**LIVABLE CITY INITIATIVE**

Since 1996 the City of New Haven’s Livable City Initiative (LCI), under the leadership of Mayor DeStefano, has systematically and aggressively tracked and addressed blighted conditions that cause urban decay. In 1996 there were 1,400 vacant buildings in the City; through its demolition program, LCI removed 700 vacant and boarded-up properties. By 2000 the number of vacant buildings had decreased to 1,000 buildings; by 2003 the number had dropped to 517. At its lowest point in 2006, the vacant building count was 300.

Neighborhood Specialists, community involvement, partnerships, and blight reduction initiatives have been instrumental in helping the LCI resolve problems and achieve a better quality of life for New Haven residents. Neighborhood Specialists work hand-in-hand with residents to address issues that are unique to each neighborhood. The LCI relies on the input of diverse neighborhood groups to help coordinate removal of blight through demolitions and rebuilding of neighborhoods through replacement housing. It also works with the Police Department, community groups, State agencies, nonprofit groups, and other City departments in a collaborative approach to community development and community maintenance that has proven to be successful.

The current mortgage foreclosure crisis has had a negative impact on New Haven neighborhoods, pushing the City’s vacant building count from its low of 300 in 2006 to just over 500 residential vacant buildings today. In addition to the residential vacancies, there are 82 vacant commercial buildings in the City.

A ROOF (Real Options Overcoming Foreclosure) Task Force was recently formed to reach out to thousands of New Haven residents at risk of losing their homes, offering them preventative assistance and acquiring control of houses lost to foreclosure. The Task Force includes representatives of the City, Yale Law School’s Legal Services Unit, the Greater New Haven Community Loan Fund, and Neighborhood Housing Services.

The ROOF initiative will use a 211 hotline and will target the hardest hit neighborhoods. It will reach out directly to the 4,000 households currently at risk of foreclosure and will refer the homeowners to local nonprofit agencies for help in renegotiating their loans. It will also secure additional funding to assist these homeowners. ROOF plans to create a community investment fund to acquire target properties in the foreclosure pipeline for rehabilitation and owner
occupancy, focusing on streets most affected by foreclosures. The fund would seek to obtain abandoned homes before speculators become involved.

CONTACT: Frank D'Amore, Deputy Director, Livable City Initiative, City of New Haven, (203) 946-2258 or FDAmore@newhavenct.net.

HOLLYWOOD, FL
Mayor Peter Bober

VACANT AND ABANDONED BUILDING MONITORING PROGRAM

In anticipation of the housing foreclosure crisis affecting much of the country, and particularly South Florida, the City of Hollywood put in place a program to monitor foreclosed properties from the time they are sold at a foreclosure auction at the County Courthouse. By monitoring the properties quickly, the City is better able to encourage the maintenance of the properties and keep the neighborhood residents informed of their status.

Hollywood’s Vacant and Abandoned Building Monitoring Program is a joint effort of the Department of Housing and Community Redevelopment and the Office of Code Enforcement. Housing and Community Redevelopment records foreclosure sales on a daily basis and distributes the information to Code Enforcement, the Mayor, and the City Commission. Code Enforcement Officers, who identify vacant and abandoned properties based upon conditions observed during routine patrols of neighborhoods, use the lists of foreclosed properties provided by Housing and Community Redevelopment and also receive helpful information from concerned citizens and neighborhood civic and homeowner associations.

Conditions commonly observed on the target properties include unkempt grounds and surroundings; short-term solutions may involve inventorying and monitoring the properties and engaging a contractor to mow grass, trim hedges, remove garbage and junk, and sanitize and secure unguarded swimming pools. Problem conditions often continue to exist on foreclosed properties until the lender involved obtains authority to implement a schedule of periodic maintenance, which sometimes takes several months. And lenders generally do not address additional maintenance concerns such as paint, deteriorated roofing, and dilapidated fences unless the conditions create a potentially hazardous condition. The City, unfortunately, is generally unable to recover costs of maintaining a foreclosed property due to its legal status.

Additional funding has been requested in Fiscal Year 2009 to address an anticipated increase in code enforcement activity associated with vacant and foreclosed properties. Hollywood officials stress the importance of being proactive early in the foreclosure process and maintaining a system to monitor new additions to the vacant and abandoned property inventory.

CONTACT: Clay Milan, Director, Office of Code Enforcement, City of Hollywood, (954) 921-3061 or cmilan@hollywoodfl.org, or Neal Herst, Director, Department of Housing and Community Redevelopment, City of Hollywood, (954) 921-3271 or nherst@hollywoodfl.org.
JACKSONVILLE, FL
Mayor John Peyton

PROACTIVE CODE ENFORCEMENT INITIATIVE

Jacksonville-Duval County, a consolidated municipal government, has the largest land area of any city in the continental United States; approximately 767 square miles of Jacksonville’s 885 total square miles are land. In addition, Duval County’s 2007 tax rolls list 343,699 real estate parcels. As these numbers suggest, the sheer size of Jacksonville makes code enforcement on private properties a major challenge, even with most owners maintaining their properties in compliance with the codes.

The City addresses thousands of code enforcement issues received through citizen referrals and observed by code enforcement officers during routine inspections and monthly designated neighborhood street-by-street inspections. Jacksonville encourages and empowers citizens to report their concerns to its central City service call center – 630-CITY – which immediately transfers them to the Municipal Code Compliance Division for investigation.

In Fiscal Year 2006, 9,097 nuisance cases were cited by compliance officers and 2,563 nuisance properties were abated by City contractors. The following year, 9,707 cases were cited and 1,423 were abated. This fiscal year, through April, 5,660 cases were cited and 1,141 were abated.

Jacksonville utilizes two primary methods to abate vacant, neglected, and/or abandoned properties if owners fail to remove code violations. The first, the Municipal Code Compliance Special Magistrate process, is authorized by local ordinance and Florida statute. The second is nuisance abatement by a City contractor. Both methods result in municipal property debts, which ultimately affect the owner’s credit and ability to obtain loans.

In May 2007, recognizing the need for additional funding to maintain its proactive approach to code enforcement and keep pace with growing property-related problems, City leaders approved legislation allowing the use of nuisance abatement, demolition, board-up, and administrative lien revenue for contractual services. This action provides additional funding for Jacksonville’s local code enforcement – funding needed to support the increased nuisance abatement contracting workload produced by the City’s proactive code enforcement policy.

CONTACT: Kimberly Scott, Chief, Municipal Code Compliance Division, City of Jacksonville, (904) 391-3580 or kscott@coj.net.
BOWLING GREEN, KY
Mayor Elaine N. Walker

PROPERTY DONATION, MAINTENANCE, REHABILITATION PROGRAMS

The City of Bowling Green has systematically reviewed its property inventory and donated excess parcels to three local nonprofit housing agencies to develop affordable housing, including single family in-fill housing and senior apartments. Donation of the land by the City reduces the cost of the project and often adds points on the nonprofit agencies’ funding applications. The property is placed back on the tax rolls, the City no longer has to maintain the property, the neighborhood’s stability is positively affected, and the end product is attractive, affordable housing stock. When the City obtains property through tax foreclosure, it often donates these properties to the housing agencies as well.

Bowling Green has an aggressive Property Maintenance Code Enforcement program that performs proactive target area enforcement and responds to citizen complaints. In the proactive enforcement program, code inspectors travel parcel-by-parcel to inspect the exterior premises of residential, commercial, and industrial sites. When dilapidated structures are observed, the property owner is given the option of renovating the property or demolishing it; either must be accomplished in a timely manner. Where property owners are non-responsive, the Code Enforcement Board may order demolition of dilapidated structures; the City maintains an annual demolition contract to provide these services. In some cases, the Code Enforcement staff teams with the City’s legal staff to investigate the property ownership, especially in the case of foreclosures and estates. When one of the housing nonprofits acquires a parcel that requires demolition of a dilapidated structure, the City provides that service at no cost to the agency, helping the City’s property maintenance Code Enforcement Division meet its goals of cleaner, safer, and more livable neighborhoods.

Through the City’s Rental Conversion Program, the Housing Authority of Bowling Green acquires vacant houses that have previously been rentals, or are at risk of becoming rentals, and uses the City’s Community Development Block Grant funding to renovate the house to meet all codes. The home is then sold to a low-income family for homeowner occupancy.

The target area for the City’s Westside Initiative, located just across the railroad tracks from Western Kentucky University, had steadily declined for several years. The City Manager initiated a comprehensive plan to turn around the neighborhood, involving both rehabilitation of existing, vacant structures and construction of new homes on vacant lots. Funding from the City’s General Fund is provided to two local nonprofit housing agencies to undertake these efforts.

CONTACT: Alice Burks, Director, Department of Housing and Community Development, City of Bowling Green, (270) 393-3023 or alice.burks@bgky.org.
LOUISVILLE, KY
Mayor Jerry E. Abramson

VACANT PROPERTY PREVENTION AND RE-USE STRATEGY

Eradicating vacant properties has long been a priority for Louisville’s Mayor Jerry and the Louisville Metro Government, and the effectiveness of Louisville’s specialized tools for dealing with property problems, including the Abandoned Urban Property Tax and the Louisville/Jefferson County Landbank Authority, has been well documented. The most recent tool introduced by the Metro government is a response to mounting foreclosures in the community.

The Louisville Foreclosure Task Force, comprised primarily of lending institution presidents, key counseling agencies, and realtors, was created by Mayor Abramson in October 2007. Based on the group’s recommendation that distressed borrowers be urged to contact their lenders, the Mayor launched the Louisville Foreclosure Prevention Initiative, which uses Metro United Way’s 2-1-1 hotline as the central resource to connect distressed borrowers with professional counselors and, ultimately, their lenders. To date, the initiative has resulted in 1,600 calls being placed. Through the efforts of certified counselors from the Housing Partnership, Inc. and the Louisville Urban League, callers have received guidance and, where appropriate, referral to the Mortgage Assistance Program of the Louisville Metro Department of Housing and Family Services. On May 12, the initiative opened a foreclosure counseling office which is funded, in part, by a $1 million NeighborWorks grant to the Housing Partnership, Inc. The new office also received in-kind contributions of space, equipment, and personnel from Housing and Family Services.

The Louisville Metro strategy involves the use of several other tools.

Louisville/Jefferson County Landbank Authority, Inc. – Through tax foreclosures and donations, the Metro government acquires properties which would otherwise remain vacant or abandoned. When a vacant structure is acquired, the Landbank Authority clears the title and works with an appropriate buyer to provide an affordable housing opportunity for someone in need.

Abandoned Urban Property Tax – Owners of vacant properties which are tax delinquent or active, unresolved code enforcement cases are required to pay much higher property taxes – generally three times the normal tax rate. With this tool, the Metro government works aggressively with non-compliant property owners to deter property neglect.

Vacant Properties Program – Community Development Block Grant and HOME funds are prioritized to support the Vacant Properties Program which, in turn, funds maintenance of non-compliant vacant properties, rehabilitation efforts, new construction, streetscaping, and other projects designed to eliminate vacant properties.

Affordable Housing Trust Fund – This is a tool to create new housing and preserve existing housing stock, and leaders from all areas and disciplines have participated in planning
sessions. Neighborhood groups have formal processes in place to present their top problem properties to the Mayor’s staff for review and action.

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SOUTHFIELD, MI
Mayor Brenda L. Lawrence

COMPREHENSIVE FORECLOSURE RESPONSE

Southfield’s Mayor Lawrence reports that her City is among those facing a crisis caused by the growing number of foreclosed properties, and that Southfield has responded with a comprehensive plan to combat the problems associated with vacant properties, including the increased criminal activity that reduces the sense of security felt by neighboring residents and requires increased police surveillance.

As soon as the City identifies a foreclosed and vacant home it is inspected immediately to ensure that it is secure; if it is not, the City secures it, boarding it up if necessary. Utilities are checked and shut off if necessary to avoid problems such as freezing pipes. The mortgage lender is identified from the foreclosure posting and is held accountable if the property is not maintained. All information on the property is maintained in a database and all homes in the database are re-inspected on a monthly basis. A listing of the properties is provided to the Police Department so that police patrols in the neighborhoods in which the properties are located can be increased.

The City’s Code Enforcement Department is charged with the primary responsibility for the implementation and maintenance of these procedures. The Department has instituted a City-wide program, “Eyes on Southfield,” which allows any member of the community to call 24 hours a day, 7 days a week to report properties that are in poor condition. Code Enforcement, along with the Building, Fire, and Police Departments, if needed, will investigate the call and address the problem; the response may involve securing the property, cutting the grass or weeds, or inspecting the property to ensure it is in safe condition.

Mayor Lawrence says one goal of Southfield’s foreclosure response plan is to maintain the curb appeal of the properties involved. The City has instituted a 48-hour emergency litter removal ordinance calling for the cleanup of properties at which any type of legal action, such as a foreclosure, has occurred.

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HIGH GRASS ORDINANCE

In Westland, the impact of the mortgage foreclosure crisis was felt in many ways, including a large number of complaints registered with the City by residents concerned about the condition of homes left unattended in their neighborhoods and the effect that those homes were having on their own properties. By early spring 2007, the number of complaints had reached 814. In response, Mayor Wild enlisted the City Council in the drafting of a solution – an ordinance that stipulates grass in excess of eight inches high is a problem, and that it must be cut.

The ordinance, which increased the rate at which lawns must be cut and the size of the penalties for those refusing to comply, was adopted on June 18 and went into effect immediately. The result: By August, the number of complaints had dwindled to 14.

The City’s effort to reduce the number of properties with high grass involved public service, court, and police personnel, along with outside contractors. The grass-cutting program is funded through the City’s general maintenance budget, and a contractor (the low bidder) is paid to cut grass that violates the ordinance. For each property requiring grass cutting, the cost of cutting is passed on to the owner. If the owner fails to pay, a 30 percent surcharge is added to the winter tax bill for the property.

To implement the grass-cutting ordinance, the City developed a system to accept calls from residents, alert the contractor, and track the billing involved. The key to successful implementation of an effort such as this, officials say, is maintaining good communication with all involved.

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MINNEAPOLIS, MN
Mayor R.T. Rybak

NORTH MINNEAPOLIS PROPERTY INITIATIVES

Within the timeframe of the current foreclosure epidemic, the number of vacant and boarded houses in the City of Minneapolis has doubled, and more than half of these units are in a concentrated geographic area of the City – two zip codes that make up the northwestern quadrant of the City, an area called North Minneapolis. The City has developed strategies to address this imbalance that involve eliminating boarded and vacant properties, and preventing properties from becoming boarded and vacant. Although the programs that have been developed have a North Minneapolis focus, officials believe the approach is applicable citywide and adoptable by other cities.

The Northside Home Fund (NHF) was launched in 2004 in response to North Minneapolis community interest in partnering with the City in neighborhood revitalization. The NHF is a partnership of neighborhood organizations, nonprofit housing organizations, governmental agencies, private and nonprofit developers, and financial institutions. It is staffed by a coordinator based with the City, with funding from the Family Housing Fund, a private nonprofit organization, and overseen by a board that meets quarterly and is open to representation from any organization having an interest in housing in North Minneapolis.

The NHF targets its work in specific geographic areas, termed “clusters,” which were identified by the community because of their concentration of boarded properties, and because of the likelihood that targeted investment in the areas would have a catalytic impact on the surrounding neighborhoods. Six clusters have been identified and, for each, the neighborhood organization has identified a primary development partner to help develop and implement an aggressive, multi-faceted redevelopment strategy.

The cluster approach eliminates vacant and boarded properties through rehabilitation and new construction; it prevents properties from becoming boarded and vacant through home repair assistance for existing homeowners and foreclosure prevention programs. The partnership of the private partners, community, and City takes back properties one at a time.

One example is the Cottage Park cluster. Cottage Park is located just off West Broadway, the main retail/commercial and transportation corridor in North Minneapolis. It was chosen as a cluster because of its high crime rate and multiple vacant and boarded properties surrounding an underutilized but promising pocket park. The redevelopment plan designed in conjunction with the neighborhood included a parcel-by-parcel strategy for new and rehabilitated housing, renovation of the park, and realignment of the street to calm traffic around the park to make it more inviting to area residents. The cluster also includes a historic church, and the NHF plan includes working with the congregation to rehabilitate the church and open its doors again for worship.

Minneapolis officials stress the importance of partnerships, collaboration, networking, and shared decision-making in an effort such as this. The biggest challenges, they say, are
managing the tension between competition and collaboration, and keeping everyone on the same page. More specific problems, such as poor housing market conditions, title issues with foreclosed properties that complicate ownership and responsibility, and the increased number of vacant and boarded properties in North Minneapolis, have forced cluster development partners to slow production of new housing units and increase efforts to improve the Northside market.

The NHF and cluster strategies are complemented by other City initiatives.

- The recently-established Minneapolis Advantage homeownership program is designed to help rebuild the housing market in the neighborhoods hardest hit by the foreclosure crisis. Each buyer will receive a five-year $10,000 forgivable loan to apply toward the purchase of a home in a block that has at least one foreclosed or vacant and boarded building. In return, the buyer must live in the home, go through homebuyer training, and obtain a prime mortgage. Funds can be used for down payment assistance, closing costs, or rehabilitation of the home. The pilot phase of the program will fund 50 loans. In its first two weeks, more than 450 people inquired about the program.

- The City established the Strategic Acquisition Fund in 2007 through a partnership with the private nonprofit Family Housing Fund and Greater Metropolitan Housing Corporation (GMHC). GMHC, which can act more nimbly than the City government, uses the fund to purchase troubled properties, rehabilitate them, and return them to the market for homeownership. In some cases, properties are demolished. To date, the Strategic Acquisition Fund has been capitalized with $12 million – a $10 million loan, a $1 million grant from the Minnesota Housing Finance Agency, and $1 million from the City – and has obtained over 50 foreclosed or boarded and vacant properties.

- The City is aggressively employing legal strategies to address the foreclosure crisis, especially where fraud is suspected. In partnership with three Northside neighborhoods, the City joined in a lawsuit with three neighborhood organizations, the nonprofit Family Housing Fund, GMHC, and two residents against TJ Waconia, a real estate company. Neighbors in North Minneapolis noticed a pattern of property purchases followed by quick refinancing at higher amounts to a set of similar-named investors. The lawsuit alleges that TJ Waconia engaged in a complex and fraudulent residential real estate scheme that drove down the housing market. Within two weeks of filing the lawsuit, a judge ordered the appointment of a third party receiver to take control of TJ Waconia’s 141 properties. The order gives the court-appointed receiver the authority to manage the properties, a first step towards getting these homes into the hands of new, responsible owners.

- For a property to be vacant and boarded in the City of Minneapolis it must be registered. Recently, in an effort to discourage property owners from having boarded and vacant properties, the registration fee was increased from $2,000 to $6,000. In another effort to mitigate the problems created by these properties, the City is testing the use of boards painted to look like windows as an alternative to traditional methods of boarding-up houses.
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MERIDIAN, MS
Mayor John Robert Smith

VACANT AND ABANDONED PROPERTIES PROGRAMS

In Meridian, a city with a large stock of older homes, many with absentee owners, City staff administers several programs to aggressively address the problems created by vacant and abandoned properties.

Meridian’s Housing Condemnation Project, initiated by the Mayor and City Council, includes a partnership with the Lauderdale County Board of Supervisors under an inter-local agreement approved by the Mississippi Attorney General’s Office. Through the partnership, County equipment and personnel demolish vacant, dilapidated houses, the majority of which are in low-income neighborhoods. The City, through contracts, abates asbestos, and the City’s Public Works Department caps utilities. To date, 156 units have been demolished, and 71 units await demolition.

The Mayor’s Affordable Housing Program acquires vacant lots where ownership has reverted to the Mississippi Secretary of State’s Office due to non-payment of property taxes. Most of these lots are located in low- to moderate-income neighborhoods. To date, the City has acquired 34 buildable lots and is in the process of abating City and County taxes due on these properties, as well as any special assessments for demolition. The City Attorney’s office is in the process of obtaining tax titles through the Chancery Court. Once tax titles are obtained, the City plans to make these lots available to developers who will commit to building new, single-family units for low- to moderate-income purchasers within a specified timeframe.

Meridian staff, with the assistance of the Mississippi State Legislature, obtained an amendment to State law (House Bill 1150) which gives cities and counties the right to donate property that is: acquired by reason of tax sale; blighted; located in a blighted area; not needed for governmental or related purposes; and whose conveyance will promote and foster development and improvement of the community’s civic, social, educational, cultural, moral, economic, or industrial welfare. Meridian’s intent is to use this amendment in concert with the acquisition of tax forfeited property from the Secretary of State’s office to donate property to developers for low- to moderate-income housing. The quit-claim deed of conveyance includes a clause stating that, if the property is no longer used as a homeownership unit, it shall revert back to the City.

An ongoing project uses recycled Community Development Block Grant rental rehabilitation funds to acquire demolished, dilapidated houses within a designated area in order to make lots available to Habitat for Humanity for the construction of new, single-family houses for low- to moderate-income persons. This Mayor’s initiative targets two neighborhoods for revitalization in response to the neighborhoods’ own desire and action. To date, in an area
known as Project Pride, 17 lots have been donated to Habitat for Humanity and 15 single-family units have been constructed.

Using HUD’s HOME grant funds, the City sponsors a down payment assistance program for low-income home buyers. This assistance comes in the form of a $10,000 loan that is forgivable at the rate of $2,000 per year. City officials believe that, although this program is not directed specifically at vacant and abandoned properties, some potential homeowners may be attracted by the low prices of these properties and would be willing to buy and rehabilitate them for use as personal residences.

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ST. LOUIS, MO
Mayor Francis G. Slay

PROBLEM PROPERTIES INITIATIVE

Historically grand, ethnically diverse neighborhoods in St. Louis that experienced decades of disinvestment beginning in the 1960s are today experiencing a renaissance as a result of innovative, sustained promotion of development and investment of City resources. The effort, officials report, has included a plan to combat vacant and abandoned properties.

The foundation for the City’s neighborhood revitalization efforts is the Neighborhood Life Initiative. Begun in earnest in 2002, the initiative’s success has produced an overwhelmingly positive response, officials say, and it has been able to expand its personnel, thanks to the investment of additional resources generated by the City’s vacant property initiative.

The Problem Properties Unit, a group of attorneys and other personnel in the City’s Law Department dedicated solely to solving City neighborhood property issues, is the core of the Neighborhood Life Initiative. In addition to their work on property issues, some Unit personnel continue to focus on behavioral nuisance problems, that is, conduct that represents a human blight on a neighborhood.

The Slay administration also formed a Problem Property Court, dedicated to cases of derelict properties, many of which are vacant, and a Judge was appointed to work exclusively on this Court. In contrast to a traditional housing court, the focus is not on assessing punitive monetary fines against a property owner; rather, it is on addressing a property’s problem conditions. Restoration or sale of subject properties are the best outcomes for the City in its efforts to overcome the negative impact of vacant properties and to return those properties to the tax rolls and productive use.

The Problem Property Court, held several times each week, also addresses “the worst of the worst” properties or property owners, that is, those of the greatest concern to City
neighborhoods. Beginning in mid-2002, through the end of 2007, over 8,900 properties were brought into building code compliance through Court action. During the same period, more than $993,000 in fines were paid on Court cases.

Cooperation between the Unit and the Police Department has existed from the start of the initiative and is considered a critical component. St. Louis police officers were assigned directly to the Unit. Where warrants have been served on problem property owners, the officers get them to court, by consent or arrest. The goal is for every owner of derelict property within the City to be held accountable for their properties. The officers also resolve court warrants on old cases in which property violations remain. A large backlog of such cases existed in the inefficient court system used prior to the Problem Property Court. Over 9,600 warrants have since been cleared by these officers, and long-running property issues with delinquent owners have been resolved. Officials report that it is not uncommon now for property owners who have lived outside Missouri for years to return for their court dates in Problem Property Court.

The Problem Property officers also help Unit personnel locate property owners and accompany attorneys who are visiting and monitoring properties.

Another Unit initiative involves aggressive enforcement of vacant property/nuisance laws. For example, a City ordinance provides for the charging of a fee which could become a lien against real property that is vacant and in code violation. These vacant properties are being inventoried. The message is simple: the City will no longer expend funds to serve as the caretaker for problem private property. If one is going to hold vacant, non-code-compliant property, there will be a cost and other consequences, including foreclosure.

The Problem Property Unit aggressively pursues the recovery of expenses the City incurs in its basic upkeep of vacant property, including public safety and 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 vacant properties. The Unit constructed a process under State and local law whereby properties would be subjected to foreclosure for failure to pay City upkeep expenses. The process paralleled the one used for the collection of real estate taxes and utilized the same laws – among them, a clear title for a purchaser of a property at a foreclosure sale. Seventy-two such properties have been sold at foreclosure sales; the bid amount totaled $976,947.

St. Louis officials label the Problem Property initiative an overwhelming success resulting in many private sales of property, rehabilitation of numerous properties which have been vacant for a long period of time, and payment of the City’s expenses for property upkeep. Liens have been placed on 990 vacant properties, representing $2,705,824 in unpaid City services for those properties. Properties not purchased by others or redeemed by payment of the expenses incurred are defaulted to the entity responsible for holding non-tax-producing property in the City. In some cases, this has resulted in the formation of contiguous parcels which are easier to redevelop on a large scale, and the City has increased efforts to remarket these properties.
Successful efforts to combat problem properties must raise expectations and counter perceptions that “nothing can be done,” officials say. They advise that a comprehensive approach to vacant properties will not work if the effort is diluted by other pursuits. Existing City systems and resources must be focused on an effort that often may seem to involve “one property at a time.” In dealing with a large volume of vacant properties, it is important to get each into the systems, update information, ensure that all fees have been assessed and any resulting liens asserted, get cases into Problem Property Court, and use Equity Circuit Court divisions when necessary to resolve unique and difficult property disputes.

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HACKENSACK, NJ
Mayor Jorge E. Meneses

ABANDONED PROPERTY REHABILITATION ORDINANCE

The City of Hackensack modeled its Abandoned Property Rehabilitation Ordinance after a New Jersey statute that provides municipalities with certain powers to address the issue of dilapidated and unused properties (N.J.S.A. 55:19-55, et. seq. and N.J.S.A 55:19-78, et. seq.). The ordinance and statute permits the City to file a “notice of determination” which acts to encumber an offending property and prompts owners to take action. Following a brief appeal period, the City can file a lawsuit to gain entry and start rehabilitation, and can also designate a “rehabilitation entity” to do the necessary work. After the rehabilitation is complete, the City can sell the property and compensate the offending owner, to the extent that any money remains after deducting costs associated with the rehabilitation.

After passage of the ordinance, Hackensack’s administration made a concerted effort to put abandoned property owners on notice that the City was fully prepared to pursue all legal remedies to ensure that owners rehabilitated offending properties. About 40 properties were originally placed on the target list; that number was reduced to about 28 after several owners took immediate action. In some cases properties were contaminated and subject to lengthy review by the State’s Department of Environmental Protection.

Allowances are made for hardships. The City’s goal is to prevent blight and have owners take the necessary action; it is less interested in becoming a “property manager” and does what it can, short of filing a lawsuit, to bring properties “within tolerance.” Only the most egregious offenders will face lawsuits and, to date, no lawsuits have been necessary.

Implementing the ordinance has resulted in the demolition of dilapidated structures, the sale of properties to engaged investors, and the successful, voluntary rehabilitation of several homes and structures. The effort is administered by the head of the Building and Land Use Department, the City Attorney, and the City Manager. Program expenses have been relatively minor – filing fees at the County recording office and legal fees – but also include costs associated with diverting resources from other routine functions.
A significant challenge, officials say, is the ability to track the progress of each property and communicate effectively with disinterested, financially-strapped owners who generally view the process with disdain. Moreover, they say, funding limitations require careful deliberation concerning which properties to actively pursue. How to “triage” several dozen properties is the question: With limited resources available, it can be difficult to decide which properties will be targeted.

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ALBUQUERQUE, NM
Mayor Martin J. Chavez

SAFE CITY STRIKE FORCE

The City of Albuquerque’s Safe City Strike Force, created by an executive order of the Mayor in March 2002, brings together representatives of the City’s Legal, Planning and Zoning, Police, Fire, and Family Community Services Departments. The primary responsibility of the Strike Force is to enforce the City’s codes and ordinances with specific emphasis on the Criminal Nuisance Abatement Ordinance and the Uniform Housing Code. The Strike Force seeks remedies allowed under State law and municipal ordinance to abate public nuisances.

On a weekly basis, the Strike Force reviews between 125 and 150 residential properties and commercial properties in the Albuquerque area that may be involved with criminal activity or classified as substandard as a result of commercial code or housing code violations, and aggressive administrative and enforcement actions are taken. Enforcement actions include the boarding up of substandard or vacant buildings, an activity on which the City spends approximately $500,000 annually.

During the last six years, the Strike Force has averaged between 30 and 35 condemnations and demolitions per year. The condemnations of both residential and commercial properties involve resolutions enacted by the City Council which authorize the City to tear down the structures and place liens on the properties; the City does not take title to them. Condemnation teardowns have included five motels, three bars, a strip mall, two churches, and numerous residential homes – in one instance, an entire downtown block.

The City has enacted two major ordinances targeting vacant and abandoned properties, the first addressing the registration and mandatory maintenance of vacant properties, the second stating that buildings that have been vacant for 12 months or longer are declared a public nuisance and should be demolished.

- The Vacant Building Maintenance Ordinance, enacted in 2004, provides that an owner of a vacant building must apply for and secure a Vacant Building Maintenance License 15 days prior to vacating the property. The license must be renewed annually. The
application and license requires the owner to declare all measures that will be taken to ensure that the vacant building will be kept weather-tight and secured from trespassers and damage. At the time of application, an inspection is performed by the City’s Code Enforcement Division to determine the structural integrity of the building and identify needed repairs. Code Enforcement issues orders covering the actions that must be taken to ensure the protection of the structure.

- The Substandard Building Ordinance, enacted in 2007, states that all residential buildings which are determined substandard are declared a nuisance and the nuisance must be abated by repair, rehabilitation, demolition, removal, or securing of openings, and that the required action must be taken within 12 months of the building being secured. Failure to repair, rehabilitate, demolish, or remove such a building within 12 months is “prima facie” evidence that the building is a menace to public comfort, health, peace, or safety and so should be condemned. The ordinance specifically requires the introduction to the City Council of a condemnation resolution for demolition of the structures on the property. The result of this ordinance is that property owners either repair the buildings within 12 months or the City demolishes them and places a lien on the real property.

In 2003, pursuant to an executive order of the Mayor, Albuquerque initiated the Trumbull Metropolitan Redevelopment Pilot Project. The Trumbull Village was an area of the City plagued by an extremely high crime rate and an extraordinarily large number of rental properties and multiple housing structures. As a result of aggressive law enforcement and code enforcement efforts, a number of the residential structures in the area were boarded up and secured and the entire area was declared a blighted area by the City. Over the last five years Albuquerque has made steady progress in acquiring roughly 40 residential properties in the area at fair market value and demolishing the structures. The City is now securing private bids to redevelop the entire area and to build and make available single family residences in the area. Most recently, the television show “Extreme Makeover” identified a home occupied by a minister who provides housing and assistance to homeless families. The minister’s home and an adjacent structure were demolished and new structures built on the property.

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ALBANY, NY
Mayor Gerald D. Jennings

BLOCK-BY-BLOCK INITIATIVE

In recent years, the Capital Region of New York State has witnessed a three percent growth in population and a 10 percent growth in land use. Coupled with other effects of urban sprawl, the City of Albany (the region’s major city) has seen a significant number of vacant buildings dot its neighborhood landscape. This “blight” has not only affected the appearance of a neighborhood, but also its function. It is clear that vacant and/or abandoned buildings often lead to increased crime and a decline in economic development that, ultimately, threatens a city’s
other vibrant neighborhoods and commercial districts. Reducing the number of such buildings has presented Albany with a major challenge.

The City’s Block-by-Block initiative utilizes the resources and expertise of all City agencies in targeting four specific geographic zones. State and federal funding have been required to assist in the acquisition, stabilization, rehabilitation and, in some cases, demolition of the identified structures. While there has been an increase in departmental budgets to fund Block-by-Block, there also has been a thorough reevaluation of how to better utilize existing resources.

Significant collaboration between many City and State governmental departments has been required in order to prosecute absentee landlords, increase code enforcement, reduce crime, and revitalize neighborhoods; this, in turn, has increased the overall quality of life in the City. Mayor Jennings has created a task force incorporating the departmental resources of Police, Fire, General Services, Planning, Community Development, and Law. This collaboration also extends to the Office of the New York State Attorney General and the Albany County District Attorney. In addition, the Albany Local Development Corporation has created a new Division of Neighborhood Revitalization to oversee the abandoned building initiative. This new division’s goal is to increase neighborhood investment and home ownership, and leverage institutional partnerships.

The initial efforts of Block-by-Block have been designed to produce an overall evaluation and analysis of the most troubled areas to be targeted for neighborhood revitalization. Once identified, a multi-phase approach to crime suppression, building and code enforcement, neighborhood clean-up, and economic development has been instituted. These neighborhoods have been physically inspected, issues affecting quality of life have been documented, and an aggressive approach to improving the target areas has been developed.

Mayor Jennings has proclaimed that the success of the Block-by-Block program is measured daily—building by building, block by block—as crime recedes, economic development increases, and the quality of life improves. For other urban centers facing similar increases in abandoned and vacant structures, the keys, he believes, are state and federal aid, the formation of a task force, and the willingness of public and private organizations to join collectively in combating blight and fostering revitalization.

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BUFFALO, NY
Mayor Byron W. Brown

VACANT PROPERTY INITIATIVES

Buffalo is among the top five U.S. cities in number of vacant properties and, at 7.7 vacant housing units per 100 residents, has the highest rate of vacant housing in New York State. The vacancies are a source of blight, crime, fires, and other problems that compromise public safety. Mayor Brown recognizes that the blight impedes economic development and reduces the quality of life for Buffalo citizens. Buffalo’s Vacant Property Initiatives employ prevention, prosecution, and elimination in a three-pronged attack on the problem properties.

Prevention – Organized in 2005 under then-Mayor Anthony Masiello and now fully supported and funded by Mayor Brown, the Mayor’s Anti-Flipping Task Force (AFTF) prevents vacancies by uncovering and prosecuting house-flipping schemes. Chaired by elected officials, staffed by law professionals, and drawing upon the input of dozens of volunteers who are also professionals in real estate, planning, banking and law, the AFTF conducts analysis; investigates complaints; evaluates procedures, policies and laws that create conditions conducive to flipping; and conducts education campaigns. A new contract provision at the annual City In Rem auction offers an example of a policy revision credited with reducing house flipping: As of October, 2006 In Rem bidders and purchasers are required to sign an affidavit in which they agree not to resell an acquired property for a value over 120 percent of the purchase price for a period of six months.

Prosecution – The Buffalo Office of Corporation Counsel and Housing Court received national recognition in a January 2008 Business Week article, “Dirty Deeds,” for aggressively fining banks holding vacant foreclosed properties in order to force the banks to maintain the properties. The maximum penalties give the City a lien that impedes the banks’ ability to buy or sell other properties in the area.

Elimination – With Buffalo’s population dropping almost 50 percent since 1950, the majority of vacant housing has no market potential, is unsalvageable, and requires demolition. The Mayor’s “5 in 5” plan, which calls for demolishing 5,000 structures in five years, represents an aggressive approach to remove blight and create space for modernized housing stock or economic development projects. While the City pledges a minimum of $20 million for demolitions over five years, the plan calls upon the state and federal governments, as well as the local community, to assist in reaching an estimated $100 million goal over the period. To codify some of the state funding, the City successfully lobbied for the establishment of a statewide grant program, “Restore New York,” which allocated a $300 million fund over three years for demolition, deconstruction, and rehabilitation of blighted properties.

Buffalo is also poised to launch new initiatives, outlined in a landmark research project funded by the Surdna Foundation and conducted by the National Vacant Properties Campaign: “Blueprint Buffalo, Regional Strategies and Local Tools for Reclaiming Vacant Properties in the City and Suburbs of Buffalo.”
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CINCINNATI, OH
Mayor Mark Mallory

VACATED BUILDING MAINTENANCE LICENSING PROGRAM

Cincinnati’s Vacated Building Maintenance License (VBML) program generates funds to reimburse the City for municipal costs associated with vacated buildings, including property maintenance inspection costs, barricading and demolition costs, increased police and fire run costs, and others. Created 10 years ago, the program reduces the number of vacant buildings by increasing their holding costs and requiring owners to comply with a 13-point maintenance standard to aid in future development. Currently, 1,523 buildings are subject to the license ordinance.

In 2006, program-imposed fees were raised from a flat $300 annually to $900 for buildings vacated for less than one year, $1,800 for buildings vacated for between one and two years, $2,700 for buildings vacated between two and five years, and $3,500 for buildings vacated over five years. Fees continue to rise even if a building changes hands. Fees become a debt to the City and, if they are left unpaid, a lien is placed against the property. The Law Department works in tandem with code enforcement officials in filing for civil judgments to collect fees.

The VBML program applies only to buildings with vacate orders due to their being uninhabitable and dilapidated. Owners must apply for the license within 30 days of orders and must obtain general liability insurance on the building. After applying, owners have 60 days to conform with the 13-point preservation criteria which includes: water tight roof and gutters, painted and weather protected exterior, repaired or secured windows, clean yard, building interior safe for entry by police and firefighters in time of emergency, and other items. Once the building meets the preservation criteria, the license is issued; it expires a year after the initial orders were filed. Non-compliance is a first-degree misdemeanor. Officials say that since the ordinance only applies to buildings with code violations, it is an appropriate use of police powers. Buildings with no code violations are not required to obtain the license.

Modifications to the ordinance in 2006 were the result of collaboration among the City, Legal Aid Society of Greater Cincinnati, Community Development Corporations, Multi-Neighborhood Task Force, and neighborhood leaders. The Property Maintenance Code Enforcement Division created a Vacant Building Task Force comprised of one supervisor and five inspectors who enforce the ordinance.

Since the ordinance was revised, $627,600 in fees have been collected, over 30 buildings have been demolished, and more than 100 have been barricaded. In addition to paying for itself, the program has actually reduced the number of vacant buildings, since owners demolish or restore buildings for re-occupancy or sell them to avoid fees. The ordinance also has a refund clause if a building is reoccupied within one year of paying the fee. Proceeds are used to operate
the Vacant Building and Demolition/Barricade Programs and to reimburse owners entitled to the refund.

When the VBML was created, building owners viewed it as an illegal tax. City officials had to ensure the public understood that the fee imposed was for a specific service and so did not represent a tax. Community Development Corporations began to land bank as fees moved toward the $2,700 level. The license ordinance includes a fee waiver provision for owners with a development plan. Recognizing the important role of responsible land banking in today’s market, the City created a Board of Appeals to act on requests to waive requirements when good cause is shown, and under specific parameters for nonprofits with land bank plans endorsed by the City and operating in designated redevelopment areas.

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COLUMBUS, OH
Mayor Michael B. Coleman

HOME AGAIN PROGRAM

Created by Mayor Coleman in 2006, Home Again is a $25 million neighborhood revitalization program that aims to eliminate the "worst of the worst" vacant properties in Columbus using a five-pronged attack: prevention, enforcement, acquisition, rehabilitation, and demolition. It is a partnership of the City and the local Affordable Housing Trust, as well as local Community Development Corporations and neighborhood leaders.

The program was created as a direct result of the Mayor’s dissatisfaction with the number of vacant and abandoned properties in Columbus – even though the number of such properties in the City is relatively low. With many programs now focusing on providing home ownership opportunities – and this is a secondary goal of Home Again – this program’s number one goal is neighborhood revitalization. The result of fixing up neighborhoods street by street, the Mayor believes, is that existing homeowners will begin to assist in their neighborhood’s transformation.

Studies of vacant and abandoned property programs in other cities pointed to the need to combine a variety of strategies into a single holistic approach, and to provide a level of funding sufficient to make the desired changes in neighborhoods. As a result, $25 million has been committed to the five strategies that make up the Home Again program.

Since its inception, Home Again has funded the replacement of 164 roofs in an effort to prevent a home from becoming vacant and abandoned, and has initiated 323 nuisance cases that have been filed in court by the City Attorney’s Office. In 2007 the City acquired and rehabilitated 27 homes in a neighborhood that hadn't seen a new home constructed in nearly 50 years. As a result of Home Again, 165 blighted homes have been demolished.
The Mayor’s 2008 goals are 84 new roofs; 220 additional nuisance filings; 50 acquisitions/rehabs/new builds; and 90 demolitions. In the neighborhoods where Home Again has been implemented, property values have increased in and around the targeted streets.

CONTACT: Derrick Pryor, Program Coordinator, Home Again, Department of Development, City of Columbus, (614) 645-2588 or djpryor@columbus.gov.

NORTH OLMSTED, OH
Mayor Thomas O’Grady

REAL PROPERTY MAINTENANCE INITIATIVE

The City of North Olmsted’s Real Property Maintenance Initiative is focused on the blighting influence of an increasing number of homes that are vacant due to the mortgage foreclosure crisis. North Olmsted is a city of 7,000 single-family homes; approximately 100 are vacant or bank-owned at any given time.

The initiative is a coordinated effort of the municipal Law, Building, Police, Fire, and Service Departments. Using an inventory system created by the Law Department, an updated listing of vacant homes is circulated monthly to the Police and Fire Departments. Police monitor the properties to prevent the theft of copper piping and lower the possibility of breaking and entering; the Fire Department monitors for frozen pipes and possible arson attempts.

The Building Department conducts a complete exterior inspection and cites the owner, as necessary. This inspection has proven effective in eliminating hazards such as decrepit swimming pools and hanging wires; reducing trash and unsightly debris such as flyers, handbills, and soggy telephone books; and preventing further damage to homes with unlocked doors or open windows. The Service Department refers all high grass and weed complaints to a mowing service and a lien is filed against the property for the cost of the mowing.

The objective of the initiative is to maintain the high standards of North Olmsted home ownership through aggressive enforcement, vigilant security, and direct action – to ensure that vacant properties look as good as occupied properties on every street.

Mayor O’Grady recommended the Real Property Maintenance Initiative to the City Council as a city-wide exterior inspection program for all residential properties. The recommendation gained steam with the increase of vacant and bank-owned properties that were left to deteriorate. Using the resources of two full-time inspectors assigned to the initiative, all vacant, foreclosed, and bank-owned properties are given extra attention, including a complete inspection and the special monitoring by Police and Fire personnel.

North Olmsted officials say the most serious challenges they have confronted concern property ownership records. Between the filing of the foreclosure and the sheriff’s sale, property deeds and other records can be elusive. Changes to State law regarding the recording of deeds has proven useful, as has development of relationships with mortgage holders who want to assist
in the protection of property values. An Assistant Director of Law has had success in developing and nurturing these relationships, and this has resulted in more accurate record-keeping. Now, when a property needs to be cited for code violations, the Building Department has a responsible party to name and contact information to use. Officials stress the importance of this aspect of the overall effort to combat the problems of vacant and abandoned properties.

As a result of their initiative, officials say, most vacant properties in the City are undistinguishable from those that are occupied, real property values have been maintained, properties have been sold quickly following completion of the foreclosure process, investment buying has been kept to a minimum, and new families are moving into the City.

CONTACT: Lisa Thomas, Director of Public Safety, City of North Olmsted, (440) 716-4137 or thomasl@north-olmsted.com.

TOLEDO, OH
Mayor Carty Finkbeiner

CODE VIOLATION ASSISTANCE PROGRAM/
HOMEOWNERSHIP OPTIONS PRESERVING EQUITY PROGRAM

The City of Toledo’s Department of Neighborhoods has created two new programs that provide grants to low-income families to resolve outstanding code violations. Targeted are the kinds of residents who, while lacking the financial wherewithal to make improvements in their housing, are good neighbors and want to remain in their community. Both the Code Violation Assistance Program and the Homeownership Options Preserving Equity (HOPE) Program provide small grants (not to exceed $4,500) to low-income owner-occupants who have housing code violations. Each grant permits the owner-occupant to make their home safe and bring it into compliance with the City’s housing code. The funds target homeowners who need to make repairs that will make substantial improvements in their living conditions, or who need the funds to complete the repairs. By assisting homeowners in maintaining their homes, officials say, neighborhood blight is stemmed, benefiting the community as a whole. While both programs provide small grants to address code violations as identified in housing orders, there are significant differences in their partners, the timing of their interventions, and the sources of their funding.

Code Violation Assistance Program – CVAP’s goal is to help low-income families bring their homes into housing code compliance and keep them from abandoning their homes. The Toledo Municipal Housing Court Housing Specialists assess the program eligibility of defendants who are arraigned in court for housing code violations; those who qualify are invited to apply. When the application process has been completed and total household income is verified to be at or below 50 percent of the area’s median income adjusted for family size, the paperwork is forwarded to the City’s Department of Neighborhoods for a historical and environmental review. Following a positive review, Housing Specialists complete rehabilitation specifications and a contractor is selected from a list provided by the Department of
Neighborhoods. After contractor selection, all parties participate in a home walk-through to ensure that both the contractor and the homeowner understand the work to be completed. After completing all appropriate paperwork and the execution of a contract, work is started. When it is completed, the homeowner and the Housing Specialist conduct a final inspection; a satisfactory final inspection results in the Housing Specialist invoicing the Department of Neighborhoods for contractor payment. The Housing Specialist then reports completion of the project to the Municipal Housing Court and the judge closes the case.

The CVAP receives an annual allocation of Community Development Block Grant funding to pay contractors to correct code violations; over 99 percent of these funds go directly into needed repairs. Both Department of Neighborhoods and Municipal Housing Court personnel expenses are paid through their existing personnel budgets. Since the program’s inception in July 2001, over 200 homeowners have been helped to alleviate housing orders and remain in their homes.

Homeownership Options Preserving Equity Program – The HOPE program goal is to help low-income families bring their homes into housing code compliance, and to keep them from abandoning their homes. The Court’s Housing Specialists identify participants in the HOPE program but it is the General Inspectors of the Division of Code Enforcement who review their caseload to identify potential program participants – those with housing code violations and limited income. Their recommendations and applications are sent to the Division of Housing staff for processing. This staff verifies income – the same standard as used for the CVAP – and forwards approved paperwork for historical and environmental review. The remaining steps follow the same basic pattern as the CVAP.

The HOPE program uses funds from the Nuisance Abatement Trust Fund (revenue from nuisance tickets and nuisance re-inspection fees) to pay the contractors who correct the code violations, and all of the funds are spent directly on the repairs. Both the Division of Housing and the Division of Code Enforcement pay personnel expenses associated with this program through their existing personnel budget. Since its launch in March the program has assisted six families.

Prior to the creation of the CVAP and HOPE Programs, the City relied on HUD’s HOME funds to address code violations. HOME funds require that the whole house be brought up to code; CDBG and the Nuisance Abatement Trust Fund provide the flexibility to address major code violations short of whole-house compliance – flexibility that is key to the success of both the CVAP and HOPE programs.

In situations in which CVAP or HOPE funding alone do not provide adequate funding to bring a home into code compliance and resolve all the major health, safety, and welfare issues that affect a homeowner, program staff identifies other community agencies or organizations, both governmental and non-governmental, that may be able to provide funds, material, and labor. In these situations, the staff assists the homeowner in applying for the needed resources, monitors the funding application process for the homeowner, and coordinates the various funding sources.

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Mayor Joseph P. Riley, Jr.

HOMEOWNERSHIP INITIATIVE

In 2000, noting the need for residential development and community revitalization in some of Charleston's depressed neighborhoods, the City adopted a redevelopment plan which established the Homeownership Initiative. The Initiative called for the acquisition of abandoned properties and small, infill vacant lots which would be transferred to local nonprofit organizations for redevelopment as affordable housing. The homes would then be sold to first-time low- to moderate-income home buyers.

Using Community Development Block Grants and general revenue funds, the City acquired approximately 100 residential lots through both direct purchase and condemnation. Many of these properties included rundown, vacant houses which could not be demolished because of their historic character. In fact, the majority of the properties acquired fell into this category, thus allowing the program to serve the dual purpose of providing affordable housing and rescuing this historic housing stock. The most significant challenge has been maintaining the lots after acquisition while waiting to transfer them to nonprofit organizations for redevelopment. This process has taken several years because of the intricacies involved in financing affordable housing and rehabilitating historic structures. The Initiative is currently funded by Special Economic Development Initiative funds and Section 108 loan proceeds.

The City's Code Enforcement Division has been monitoring these properties and contracting with local companies to stabilize them as needed. Two contracts, one for boarding and securing the buildings and one for cleaning the lots, are bid out on an annual basis. Working in collaboration with Housing and Community Development staff to maintain a current list of addresses, the Code Enforcement Division staff members conduct regular inspections to ensure that the properties are maintained in an acceptable condition. Houses are checked to be sure they are adequately secured from the elements and from potential illicit activity. If any break-ins or imminent problems are noted, a contractor is on standby to board them up or perform necessary short-term repairs pending redevelopment. Litter is picked up and vegetation cut on a regular schedule, which varies with the time of year.

One of the most important lessons the City has learned is the importance of phasing the acquisition of such properties: A large number were purchased at the same time, increasing the carrying costs for the Initiative since the properties have to be maintained before and immediately after construction and rehabilitation.

To date, the City has completed 41 houses, and an additional 53 units are at various stages of development. As a result of the Initiative, these homes have been returned to the tax rolls, increasing local revenues, and are serving as an impetus for private redevelopment of adjoining properties. The Initiative has also allowed local nonprofit organizations to build capacity in developing affordable housing. To date, 37 first-time, low- to moderate-income persons have become homeowners through the Initiative, providing economic and social
diversity in Charleston’s downtown neighborhoods and enabling the City to serve as a model in efforts to rehabilitate historic housing.

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GERMANTOWN, TN
Mayor Sharon Goldsworthy

NEIGHBORHOOD PRESERVATION PROGRAM

Germantown developed rapidly in the 1970s and 1980s from a small outlying community to a heavily-residential suburban city. In the early 1990s, the older subdivisions began to show slight signs of aging: houses with roofs needing replacement, cracked driveways, and overgrown landscaping. In the mid-1990s Mayor Goldsworthy formed a Neighborhood Preservation Task Force to examine the condition of the neighborhoods. The task force ultimately became the Neighborhood Preservation Commission (NPC), composed of a dozen citizens whose expertise included landscape architecture, realty, home building, and home ownership. Their research found considerable information on rehabilitation of neighborhoods but virtually none on prevention of decline.

The NPC and the City have initiated several programs to encourage homeowner reinvestment, improve service delivery to neighborhoods and residents, compel minimum maintenance of homes, and assure adequate infrastructure in the neighborhoods. These programs have:

• Broadened the “nuisance” ordinance to cover more aspects of housing conditions and property use. Enforcement of new ordinances improved compliance on problem properties, especially some long-existing ones.
• Pulled together code compliance, solid waste service contract oversight, and the Mayor’s Action Center into a single division, Neighborhood Services, which serves as a one-stop shop for all issues affecting homeowners.
• Produced and distributed to every household “Living in Germantown,” a guidebook describing all City resources, procedures, and contacts, and explaining relevant codes in layman’s language.
• Focused on nurturing neighborhood associations, creating a staff position with that as a primary responsibility. Associations have grown in number from a total of about 50 (20 active) to 85 (60 active).
• Fostered the organization of a Council of Neighborhood Associations which meets bi-monthly at City Hall, is run by association representatives, promotes City-wide initiatives such as Night Out, and features presentations and Q&A involving City staff and the Mayor at each meeting.
• Developed a monthly newsletter, “Talk of the Town,” which is an insert in utility invoices. It features events, activities, and services of interest to residents, and reminders about maintenance ordinances.
• Created an annual tour of remodeled homes and landscapes. NPC organizes and hosts a tour of five or more such homes each April, attracting hundreds of people who want to view the updated houses and yards.

• Initiated a decorative street signage partnership with neighborhood associations. The associations fund half the cost of the decorative poles, sign strip, and logos; the City matches that and covers the full cost of stop sign poles. The project updates older neighborhoods with an attractive feature found in new subdivisions.

• Expanded the scope of annual solid waste “amnesty days” each Spring and Fall, partnering with the private sector to handle additional materials by paper shredding, computer recycling, grill natural gas bottle disposal, and reusable “junk” collection, and encouraging property cleanup.

• Developed a systematic approach to infrastructure replacement. Through the Neighborhood Improvement Program, which began with the oldest subdivisions, City staff analyzes infrastructure condition, surveys residents to identify needs and interests, plans improvements, and schedules them in annual Capital Improvement Program.

Nearly all activities and services are financed from the general fund. Some of the Neighborhood Improvement Program costs may be covered from reserves or bond issues. While the City does not have many residents who qualify for home improvement assistance grants, they are offered through the County.

Germantown officials report that the City’s efforts have produced a reduction in problem properties, considerable reinvestment in older homes, young families being attracted to older neighborhoods, newly-invigorated connectivity among neighbors, and a “holding our own” status against declining properties. It should be understood, they say, that younger generations of homeowners may not view ownership in the same way their parents have, that is, as a major life investment. Because many see a house as a place to live until they move somewhere else, equity and appreciation may not be important to these homeowners. The Mayor urges suburban communities not to wait to counter decline. She reports that the conventional thinking on urban residential decline is that when 15 to 20 percent of the properties within a defined neighborhood decline, it is extremely difficult to reverse the trend, leading eventually to blight that then requires a massive rehabilitation effort. Just as decline tends to gain momentum, she says, so does reinvestment.

CONTACT: Mayor Sharon Goldsworthy, City of Germantown, (901)757-7201 or mayor@germantown-tn.gov.

BRYAN, TX
Mayor D. Mark Conlee

BRYAN’S UNIFIED INFILL LOT DEVELOPMENT (BUILD) INITIATIVE

The creation of Bryan’s Unified Infill Lot Development (BUILD) Initiative by Mayor Conlee and the Bryan City Council was a response to the growing problems posed by vacant and abandoned properties: Their costly maintenance drains the City budget, they erode civic pride,
and they impede economic development. The goal of the initiative is to “recycle” unproductive properties that are vacant and abandoned due to non-payment of taxes by returning them to the tax rolls as revenue producing parcels.

The targeted lots are not desirable; they usually do not sell at the sheriff’s sales due to exorbitant taxes due on them or their location in depressed areas. The initiative acquires the parcels after they have gone through the sheriff’s sales and makes them available to qualified builder or individuals for $1,000. When a parcel is purchased from the BUILD land trust, all taxes are abated and they are issued a special warranty deed which allows them to obtain bank financing for possible construction. The $1,000 covers the title insurance and allows BUILD some resources to avoid over-burdening the General Fund. To be deemed qualified for a parcel, for-profit and nonprofit builders and individuals must prove they have the capacity to construct a single family residence within 12 months; if they cannot, the parcel reverts to BUILD.

Within City government, the initiative coordinates intra-departmental feedback from Legal, Development Services, Public Works, Code Enforcement, Economic Development, and Community Development and Real Estate Services Departments. The most serious challenge faced is the inter-local agreement that must be reached among the three taxing entities – the City, County, and school district. These entities have to agree to allow BUILD to operate as trustee for the lots; they must also agree to abate all past taxes. BUILD also clarifies insurance responsibility, maintenance responsibility, and revenue reinvestment protocol.

Bryan officials believe BUILD’s financing approach makes the initiative attractive. It offers down payment assistance to buyers of homes on BUILD lots, so long as they meet HUD guidelines. Conceivably, a builder can obtain a lot for $1,000 and the buyer can receive $7,500 in down payment assistance – assistance that makes building in the City less risky and potentially more profitable. BUILD is also pursuing a DREAM (Direct Reinvestment Area Mortgage) loan program for loan loss reserves utilizing a local bank’s Community Reinvestment Act funds. The builders on the BUILD ad hoc committee repeatedly indicate that more infill building is possible if buyers can obtain more financing.

BUILD is making progress, according to officials. Citizens have bought in and now call to donate tax delinquent properties; Code Enforcement is recommending properties in an effort to prevent abandonment; 10 lots formerly valued at $67,000 in delinquent taxes now have taxable value of $750,000; and the program’s recycling efforts are being extended to commercial and industrial properties. Keys to success, officials say, include mustering the political will to leverage the participation of other local government entities; being inclusive of other entities and all stakeholders during the formulation stage of the effort; coordinating through community development or planning departments; and keeping the economic end in sight and not allowing small issues to highjack the effort.

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URBAN LAND BANK DEMONSTRATION PROGRAM

The goal of the Urban Land Bank Demonstration Program is to develop a significant quantity of affordable single-family homes on vacant, tax-delinquent properties in Dallas neighborhoods. Specifically, the program’s objective is to acquire up to 2,000 unproductive, vacant and developable lots in the inner city to be “banked” for affordable housing development that will provide housing for 2,000 low- and moderate-income homeowners. This is being accomplished, officials say, through foreclosure on tax-delinquent vacant properties.

The program is being undertaken to stabilize “at risk” communities and enhance quality of life; reverse the trend toward underutilized neighborhood schools; address the shortage of affordable workforce housing; stimulate community investment and growth, creating jobs, retail and commercial services for neighborhood residents; reduce local government expenditures to maintain unproductive properties; and increase local government property tax, sales tax and fee revenues. It requires the cooperation and assistance of the Dallas taxing entities.

The major steps in the process are identification of target properties; tax foreclosure and sale of the properties to the Land Bank; land banking and sale of the properties to developers; and development and sale of housing to home buyers. The pilot began in 2004 with the Land Bank submitting 481 properties in five census tracts identified by the City as Neighborhood Investment Program (NIP) target areas. An additional 606 properties were submitted from 2005 thru 2006, including four additional census tracts in NIP target areas and other census tracts in Southern Dallas where the potential exists for transit-oriented development. An annual submission of 300 lots in the same areas is planned for the future, based on the capacities of the law firm, tax court, and title companies involved.

As of April 30, 1,391 properties have been referred by the Land Bank for tax lawsuit, 782 lawsuits have been filed, 231 parcels have been purchased, 43 properties have been sold, and 58 sales to Community Housing Development Organizations for development of affordable houses are pending. Twenty-two homes have been completed and sold to qualifying families.

The City funds salaries and operating expenses including insurance, audit fees, recording fees, supplies, maintenance, environmental assessments, and marketing. $300,000 in Community Development Block Grant funds are made available for private land acquisition and related costs. In 2003, voters approved $3 million in general obligation bond funds for the purchase of the lots; in 2006, an additional $1.5 million in general obligation bond funds were approved.

It is estimated that the original City bond funds will be sufficient to cover the usual and customary Court and Sheriff costs for 2,000 cases with an additional 1,000 cases covered by the 2006 bond funds. The goal of the Land Bank is to become self-sustaining after five years.
LAREDO, TX
Mayor Raul G. Salinas

VILLA ANTIGUA PROJECT

While the City of Laredo continues to experience growth, it still must contend with a large number of vacant and abandoned properties that are in various stages of dilapidation. In addition to the properties that have become vacant due to foreclosures, there are numerous vacant historic properties within Laredo’s downtown. Partnerships with private and public entities have been the key to bringing many of these historic properties back to their original glory. Without them, officials say, many monuments to Laredo’s history would have faded into ruin.

An example of such a partnership is Villa Antigua, a complex of cultural heritage tourism venues in several historic buildings in downtown Laredo. Located in the heart of the San Agustín National Register District, the complex includes a Border Heritage Museum, shops, a restaurant, meeting rooms, and parking. A groundbreaking ceremony for this project took place in May 2005. Phase I construction of the Border Heritage Museum was completed in 2006, and 2007 marked the first year of full operation. Villa Antigua now boasts three museums – the Republic of the Rio Grande Museum, the Washington’s Birthday Celebration Museum, and the Border Heritage Museum.

The Villa Antigua project was spearheaded by the Webb County Heritage Foundation, a nonprofit organization funded in part by Hotel-Motel funds. The first step in the project involved the rehabilitation of the Gonzalez-Montemayor home, a circa-1920s Italianate-style home representative of the grand houses that once populated the San Agustín district. Long abandoned and slated for demolition by the City of Laredo, the house was a haven for vagrants who had caused numerous fires within the structure over several years. There were obvious signs of drug use there and at least one area business referred to it as “the crack house.” Surrounding properties in the same block, which included at least two adjacent historic structures in advanced stage of disrepair, created an eyesore and seriously discouraged any new business or residential interesting the area.

The Foundation undertook to stop plans for demolition and to begin securing funding for the structure’s rehabilitation. With help from a Texas Historical Commission Preservation Trust Fund planning grant, the Foundation was able to begin structural and engineering feasibility studies; these led to a formal request to partner with Webb County to acquire the property. The County acquired the property using a bond initiative backed by the Hotel-Motel fund. A Management Agreement was entered into with the Foundation for operation of the structure as a Border Heritage Museum.
Phase I construction included the exterior restoration and rehabilitation of the house and construction of a parking facility on adjacent property (an overgrown empty lot) that was gifted to the Foundation by the International Bank of Commerce, along with an additional $100,000 donation to be used in the construction of the lot.

The most serious challenge encountered in this project was the universal skepticism with which the project was met, given the seriously deteriorated appearance of the building, its grounds, and the surrounding neighborhood. Once engineering and architectural studies were presented, and the feasibility studies and success of similar projects in other communities were provided, this project began to be accepted and embraced as a major initiative capable of providing a long-blighted neighborhood with a viable, long term tool for economic development.

Today the Villa Antigua area continually hosts events for the public – historical and art exhibits, lectures, book-signings, workshops, and school tours – and has served as the site of a State-wide heritage tourism publicity event. Since the opening of the Border Heritage Museum, a neighboring historic property, Casa Ortiz, was acquired by the County for use as the downtown campus of Texas A&M International University. This campus will provide programs and services for small business development, as well as cultural events and educational activities. More recently, a new private investment initiative was announced that will acquire and rehabilitate several historic structures in the same downtown area for restaurants, an art gallery, and other retail businesses.

Laredo’s initiative demonstrates that rehabilitation projects can effectively serve multiple purposes, such as the rescue and preservation of endangered historic architecture, downtown revitalization, and economic development of previously underserved areas. In Laredo, officials say, the preservation of historic homes and neighborhoods keeps alive a community’s identity which, in turn, serves to produce a population that is more educated about its past and more aware of its own worth.

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ALEXANDRIA, VA
Mayor William D. “Bill” Euille

BLIGHTING INFLUENCES PROGRAM/
SPOT BLIGHT ABATEMENT PROGRAM

Alexandria’s Blighting Influences Program was terminated in 2003, as its goals had largely been met. Staff continues to monitor one property through this program but no new properties are being added to the Blighting Influences list. The Spot Blight Abatement Program, discussed below, continues to address blighting conditions in the City.
Through 2003, the removal of blight in the City of Alexandria’s Potomac East and Potomac West areas was the focus of the City’s Blighting Influences Program, which required owners of blighted properties to perform needed improvements or demolition or, where this was not successful, provided for City acquisition in order to remove the blight. Acquired properties were rehabilitated by the City and sold to low- and moderate-income families; sold to the private sector in "as is" condition for rehabilitation or redevelopment; transferred to City agencies for use as a public facility; or sold or leased to nonprofit corporations for City-supported purposes.

The program was administered by the City’s Office of Housing in cooperation with the Office of Code Enforcement’s Existing Structures Division. Code Enforcement identified the properties at the start of the process, inspected work performed, and ultimately cleared properties from the list. The Office of Housing worked with owners to see that work plans were developed, and monitored the owners’ progress from start to finish. Funding was provided through the Community Development Block Grant.

The number of properties added to the program’s list each year averaged 17 from 1975 to 1995 but the number dwindled during the following years. As its goals had largely been met, the program was terminated in 2003. It had created 20 affordable homeownership opportunities for first-time home buyers, and properties acquired ultimately became the City’s Battered Women’s Shelter, a State-licensed home for elderly persons, a park and recreational area, and nine new housing units.

The problems of blighting properties are now addressed through the Office of Code Enforcement’s citywide Spot Blight Abatement Program. Adopted by City Council in 1999, it authorizes the City to repair, or to acquire and repair, a property designated by the program as blighted, pursuant to a plan approved by the City Council following a public hearing. The City may recover its repair costs either from the owner or from the proceeds of the sale of the property. An owner may avoid any repair or other action by the City if an acceptable work plan for the elimination of the blight-causing condition is prepared and implemented.

CONTACT: Mildrilyn Davis, Director, Office of Housing, City of Alexandria, (703) 838.4990 or mildrilyn.davis@alexandriava.gov.

MILWAUKEE, WI
Mayor Tom Barrett

TAX-FORECLOSED PROPERTIES STRATEGY

The City of Milwaukee has developed several innovative projects as part of an overall strategy to address both vacant lots and improved properties that have been acquired through the tax foreclosure process. Several of the City’s most successful projects involve new construction on vacant lots.

In 1994, in an effort to make productive use of vacant land inventory and demonstrate a market for high quality new single family homes, the City’s Redevelopment Authority developed
“CityHomes,” a new in-city subdivision. The Redevelopment Authority subdivided two vacant blocks, selected a builder, and worked with lenders and appraisers to show them that City locations offered value in both location and amenities. A tax incremental district and other City funding provided dollars for infrastructure and early development subsidies. The effort was considered a tremendous success and led the way to additional single family development efforts utilizing the City’s vacant lot inventory.

While large contiguous sites were not available, several hundred vacant scattered-site lots were. This led to a number of efforts that have resulted in significant new single family construction and investment in Milwaukee neighborhoods. One of these, the Lindsay Heights Initiative, was a collaborative effort between the City and several private sector and community partners which aimed to improve housing conditions and quality of life in Milwaukee’s Lindsay Heights neighborhood.

Key to the initiative was encouragement of new home building on the almost 200 vacant scattered-site lots the City owned in the neighborhood. These lots were offered for sale for $1 for new single family owner-occupied home construction. A tax incremental district that was created provided $10,000 forgivable grants for construction. The TID also made similar resources available to existing property owners to renovate the exteriors of their structures. This rehabilitation component complemented the new home construction and provided resources for existing residents. Since its inception in 2001, this project has resulted in the construction of more than 160 homes representing over $28 million in investment. Additionally, 185 properties have been rehabbed, representing total investment of over $1.8 million. The Lindsay Heights model is now being replicated in other City neighborhoods.

The “Milwaukee New House Catalog” represents another element of Milwaukee’s strategy. One of the major challenges with new single family infill (scattered-site) construction is the lack of home designs that are compatible with older city neighborhoods and smaller lot sizes. Suburban builders generally utilize stock plans, designed for subdivisions with vastly different characteristics. Milwaukee engaged architects to provide affordable house designs that would be compatible with the City’s infill lots. These have been compiled in the “Milwaukee New House Catalog” which will soon be available to all City home buyers. Builders were also asked to submit designs that would work on City lots. A “Builder Model Certification Program” is being launched to streamline the homebuilding process for both builders and buyers.

To encourage the sale of City-owned lots for new single family home construction, the City’s real estate Web site – www.mkedcd.org/realestate/vacant.html – describes a step-by-step process that can be followed when purchasing a lot and building a home. Useful links and references include design guidelines, green building techniques, and lender information.

Vacant homes acquired through the tax foreclosure process have posed another kind of challenge for Milwaukee because, when owners stop paying taxes, they also stop investing in the maintenance of their properties. The City wanted to be sure that once it acquired ownership of these properties, subsequent owners would reinvest in them and they would become an asset, rather than a detriment, to City neighborhoods. In a public bidding process, however, prospective homeowners can come up short against investors.
The City’s response was to modify its ordinance covering property sales to give priority to owner-occupant purchasers. Information for prospective buyers regarding financing, homeownership counseling, home improvement contractors, remodeling tips, and financial incentives is also provided to prospective purchasers. To guaranty homeownership, as well as reinvestment in the property, houses are sold with deed restrictions requiring homeownership and code compliance.

CONTACT: Elaine Miller, Real Estate Manager, City of Milwaukee, (414) 286-5732 or emille@milwaukee.gov, or Maria Prioletta, Finance Manager, City of Milwaukee, (414) 286-5903 or mpriol@milwaukee.gov.
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