



Systemic Vacancy: Community Costs and a Pathway Forward

National Association of REALTORS®

Policy, Practice, Process: Transforming Neighborhoods through Equitable Revitalization

Liz Kozub – Associate Director of Leadership and Education, Center for Community Progress

Tuesday, March 16, 2021; 2:00-3:00pm ET





Center for Community Progress

- Mission** To foster strong, equitable communities where vacant, abandoned, and deteriorated properties are transformed into assets for neighbors and neighborhoods.
- Services** Technical assistance, education and training, and research. Focus on systems-level change, emphasis on racial equity and justice.
- Snapshot** Since 2010, provided TA to +250 communities in +30 states. Supported policy/programmatic change in dozens of communities, reached 5,500 through education, distributed 1000s of publications

Presentation Outline:

- The Cycle of Vacancy
 - The connections between historical and current day policies that lead to widespread vacancy
 - Community costs
- Pathway Forward
 - The need for a comprehensive approach
 - Key tools used by local government in the in the field of vacant property revitalization
- What's Next
- Questions

Is the community you serve....?

- Rural
- Suburban
- Urban
- Other

What do we mean by VAD?

- Vacant Buildings
- Vacant Lots
- Substandard, Occupied properties

Vacancy Rate	Description	
Under 4%	Low vacancy	
4%–7.99%	Reasonable vacancy	
8%–11.99%	Moderately high vacancy	
12%–19.99%	High vacancy	
20%–29.99%	Very high vacancy	} Hypervacancy
30% or more	Extremely high vacancy	

VAD Properties

Harms individual and community wealth, health, wellness

How prevalent are vacant and abandoned (unoccupied) properties in your community?

- We don't have any!
- A handful
- Concentrated to one or two neighborhoods
- Widespread
- Other

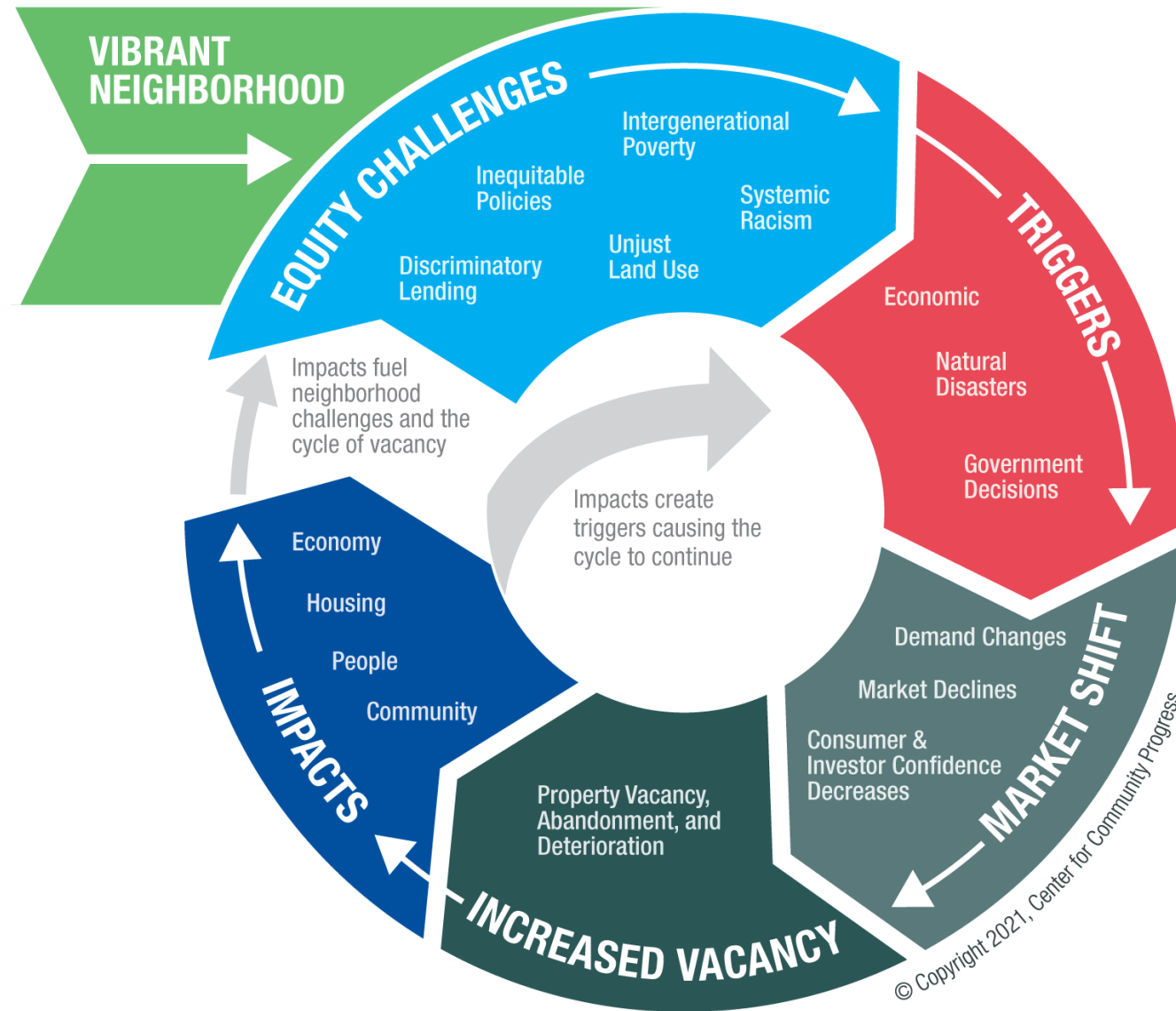
How do you engage in addressing vacant properties? (Select all that apply)

- I am fairly new to this
- Policy advocacy
- Perform property rehabs
- Participate on local committees or task forces focused on vacancy
- Partner with local governments to develop new programming
- Support community groups working on neighborhood initiatives
- Lead initiatives and planning efforts to address vacancy
- Other – add it to the chat!

The Cycle of Vacancy & Community Costs



Cycle of Vacancy



Equity Challenges



Blight
Urban Renewal
Clean Up
Gentrification
Redevelopment
New
Investment



Redlining

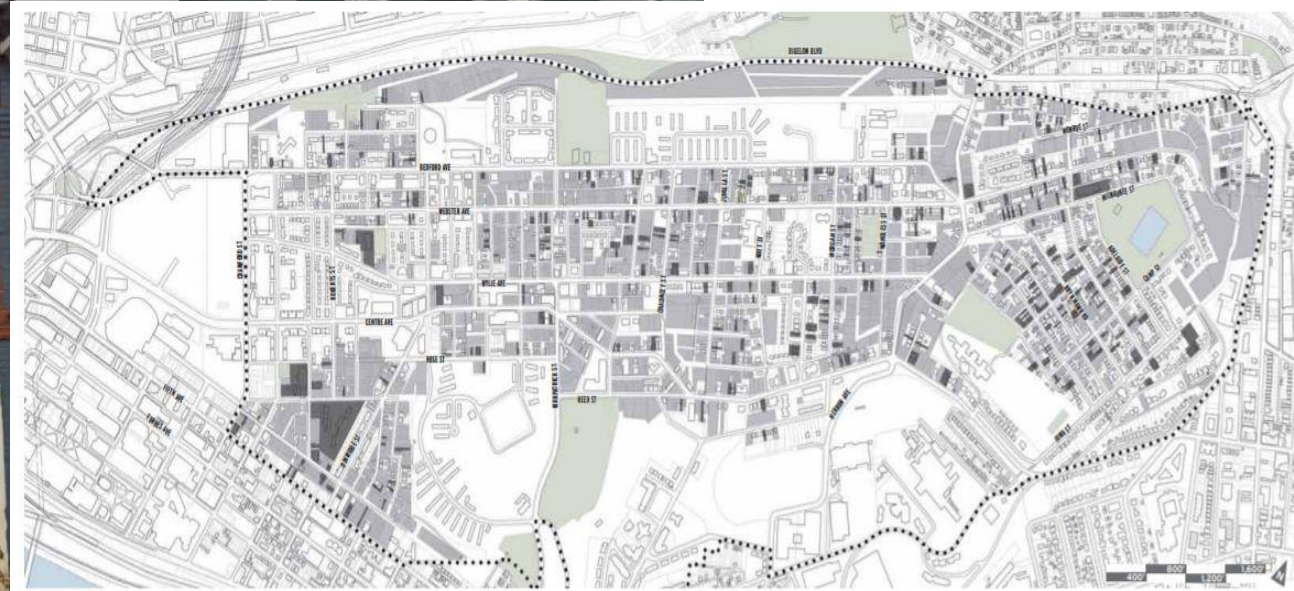
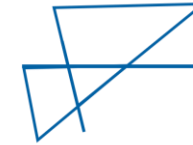
Exclusionary Zoning

Racial Exclusion

Block Busting & Racial Steering

Photo Credit: C. of Art

Urban Renewal



Map 1.0 Vacant Property Baseline

There are a total of 5087 parcels in the Hill District comprising 692.36 acres. In 2012, over half the parcels in the Hill District were either a vacant lot or had a vacant building.

2681, or 53%, of all Hill District properties are vacant. However, vacant properties only occupy 26% of the total neighborhood acreage or land area. The majority of vacant properties are empty lots with only 14% containing vacant buildings.

Vacant land is scattered across the entire neighborhood, sometimes in large groups of parcels and sometimes as individual empty lots between occupied houses. It is a mix of unbuilt wooded hillsides, scattered empty lots and entire blocks where houses once stood. Some properties have never been built on due to the steep terrain, and some areas where buildings have been demolished may not be suitable for redevelopment because of undermining and steep slopes.

Key

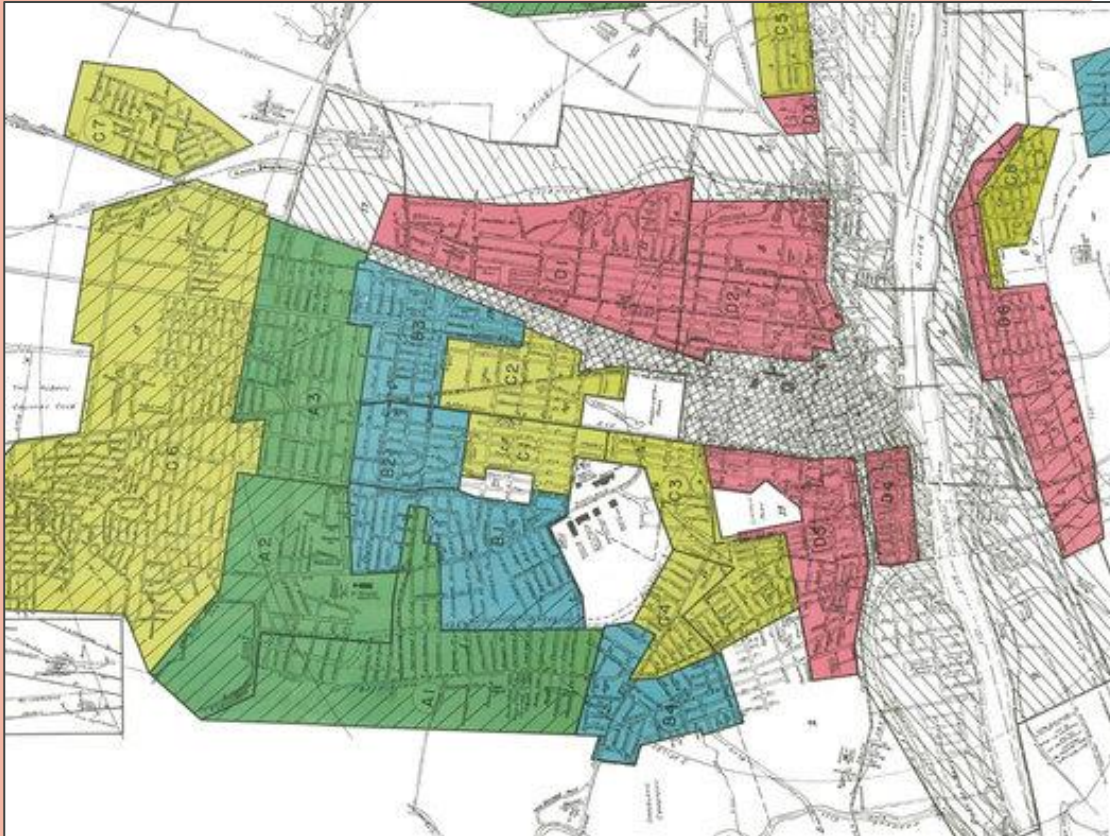
- Vacant Lots
- Vacant Buildings
- All Vacant Properties
- Existing Parks
- Hill District Boundary

Numbers

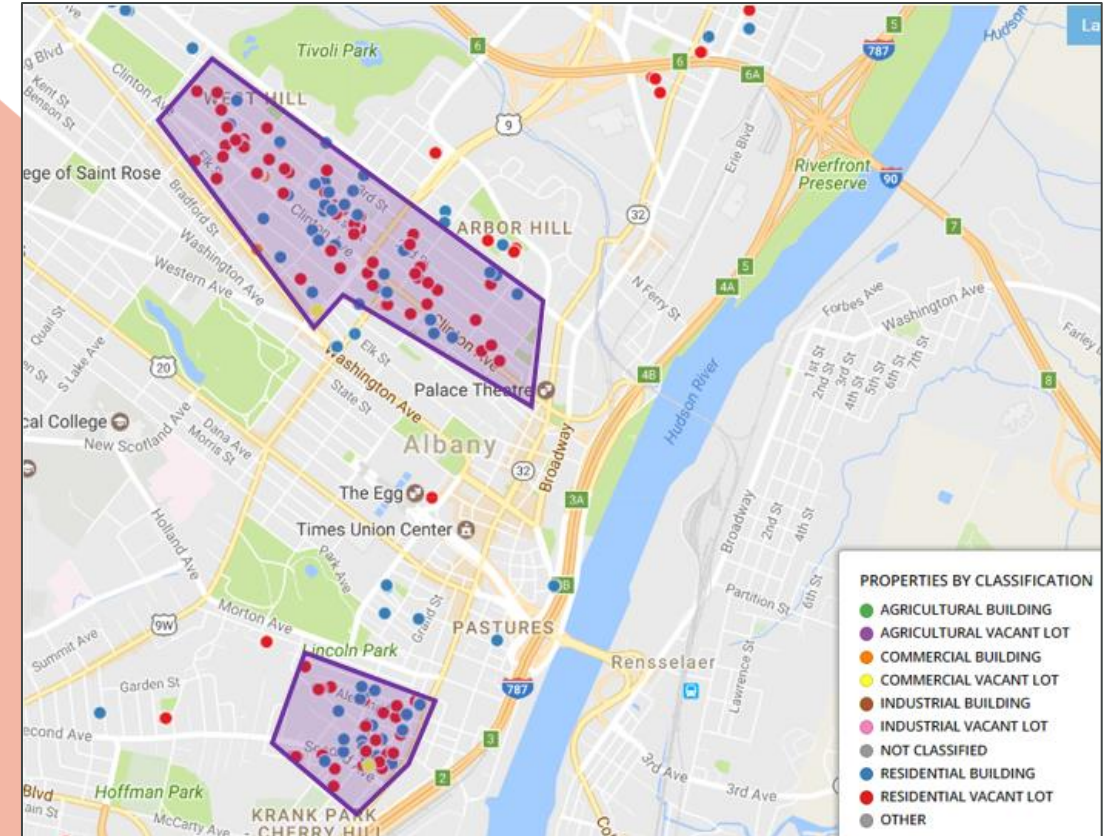
2,308 Lots	166.76 Acres
373 Buildings	27.83 Acres
2,681 Parcels	194.59 Acres

Image: Hill District Vacant Property Strategy Hill District Consensus Group

Albany, New York



Albany, New York Redlining Map, 1939



Albany County Land Bank Inventory, 2017

Disasters Trigger Vacancy



- Economic
 - Great Recession
 - COVID
- Natural
 - Hurricanes
 - Flooding
 - Earthquakes
 - Fires

All of these can cause property damage resulting in properties being unusable and often infeasible to restore.



Photo Credit: Architect Magazine

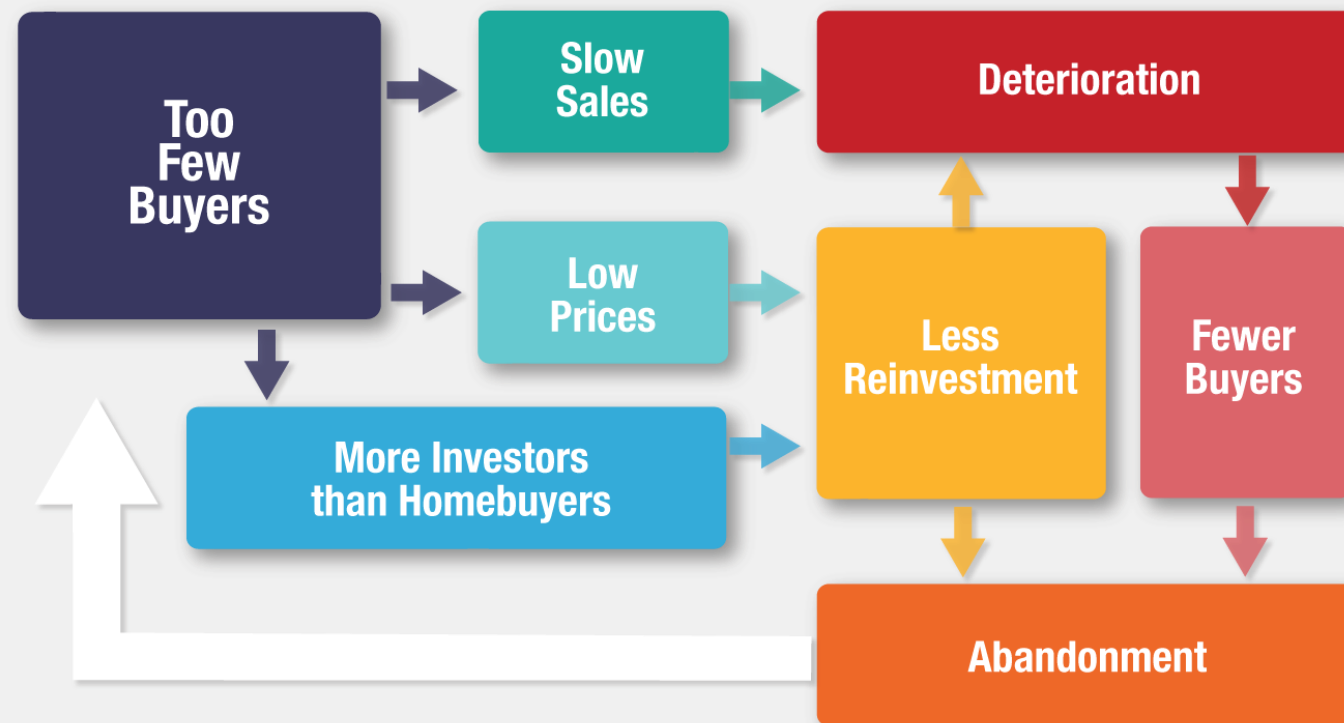
The Role of Markets



Supply & Demand

Cycle of Weak Demand

- Location
- Physical Condition
- Market obsolescence



Community Impacts



Ways Vacant, Abandoned, and Deteriorated Properties Negatively Impact Communities



PUBLIC HEALTH

Creates unsafe environment for occupants (e.g. lead, asbestos)

Creates unsafe environment for neighbors (e.g. attracts crime, rodent harborage, physical threat)

Harms mental health



INDIVIDUAL WEALTH

Lowers surrounding property values, threatening homeowners' investment

Property deterioration exceeds cost-effective repair

Higher insurance premiums



COMMUNITY FISCAL STABILITY

Lowers property values, reducing tax base

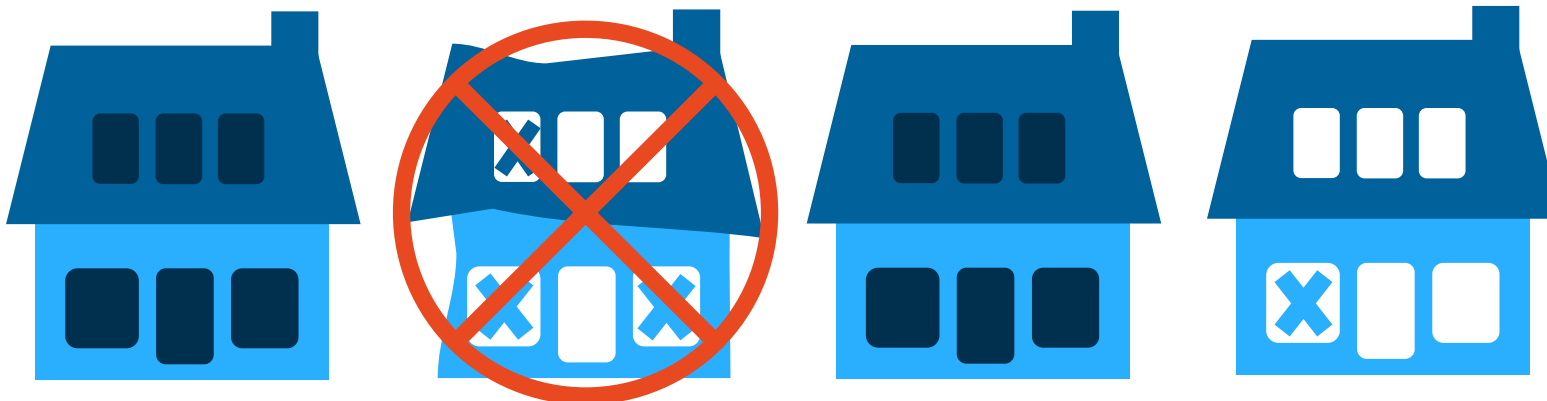
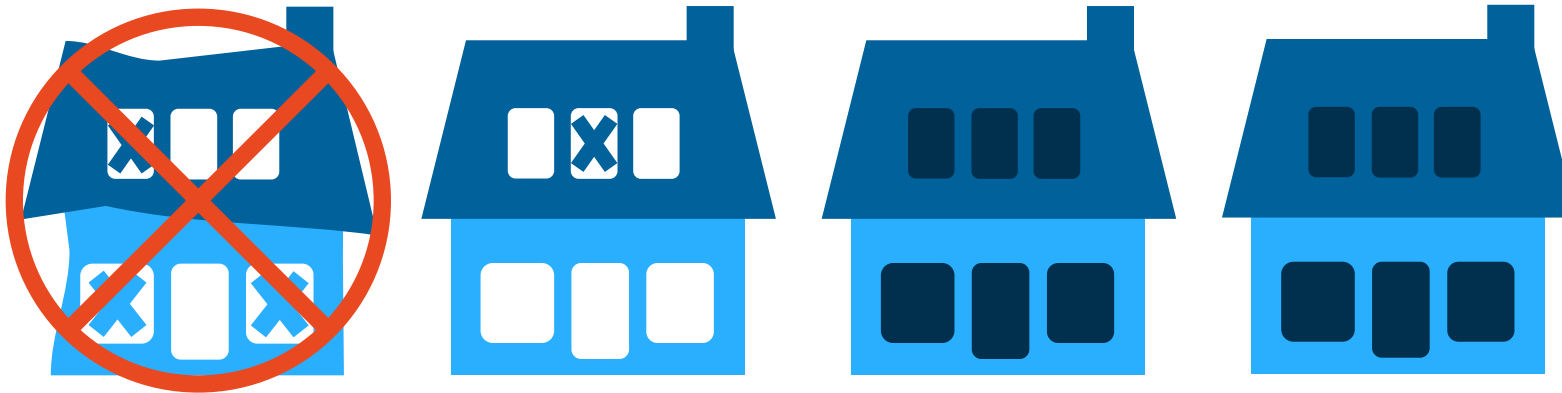
Contributes to future property vacancy

Increases municipal service costs

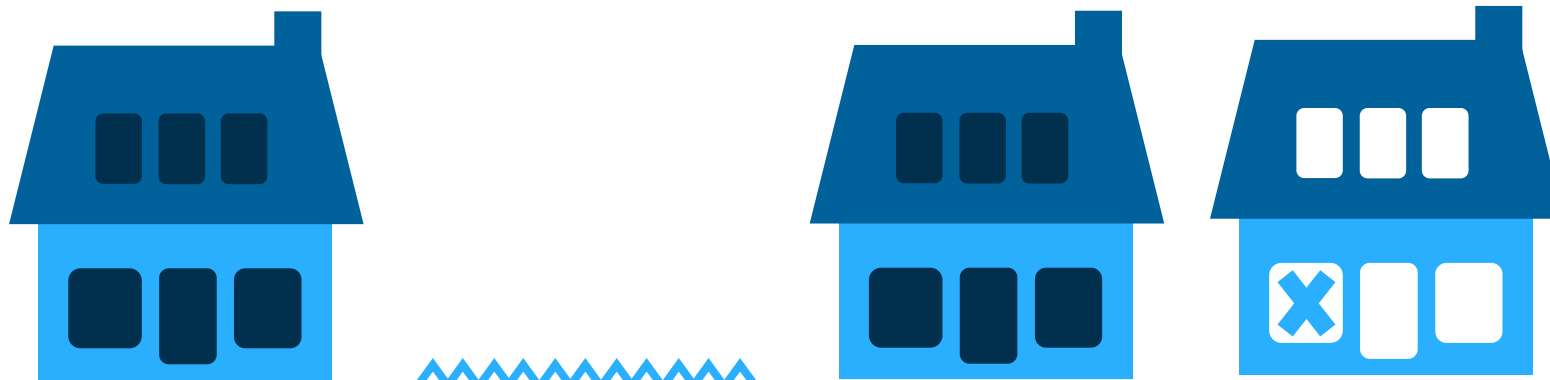
Addressing VAD Properties



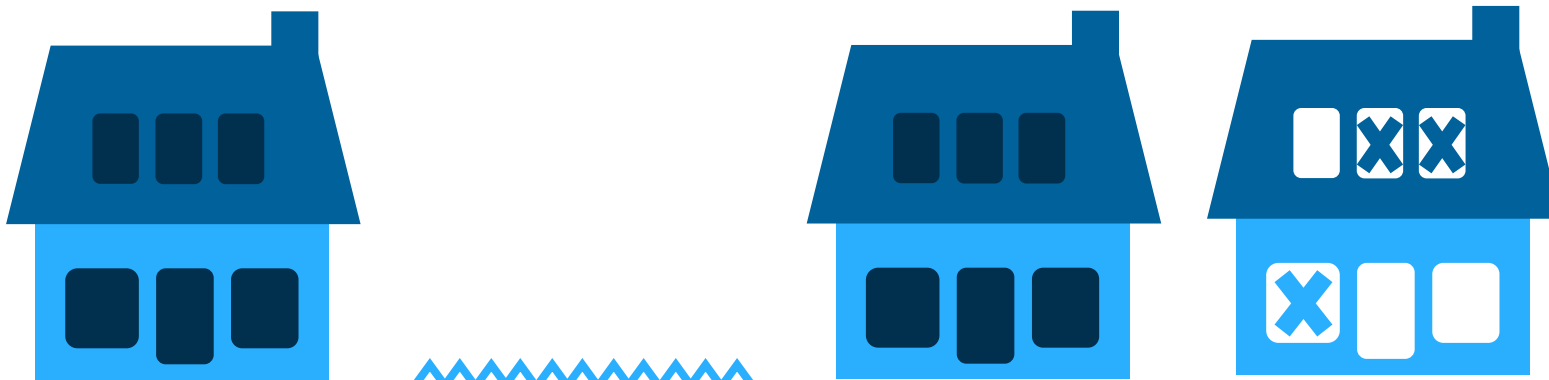
Traditional Response to Remove VAD Properties



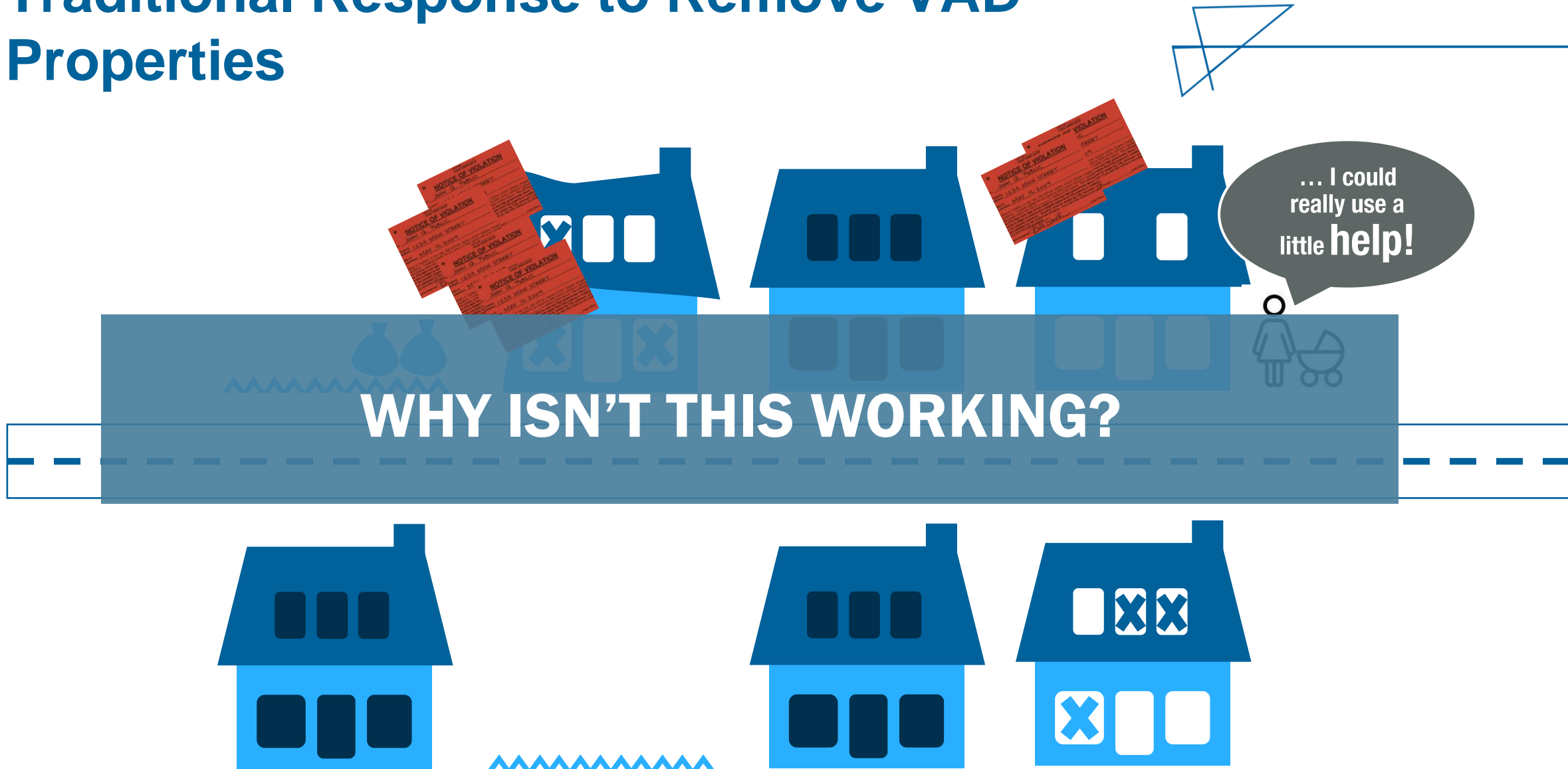
Traditional Response to Remove VAD Properties



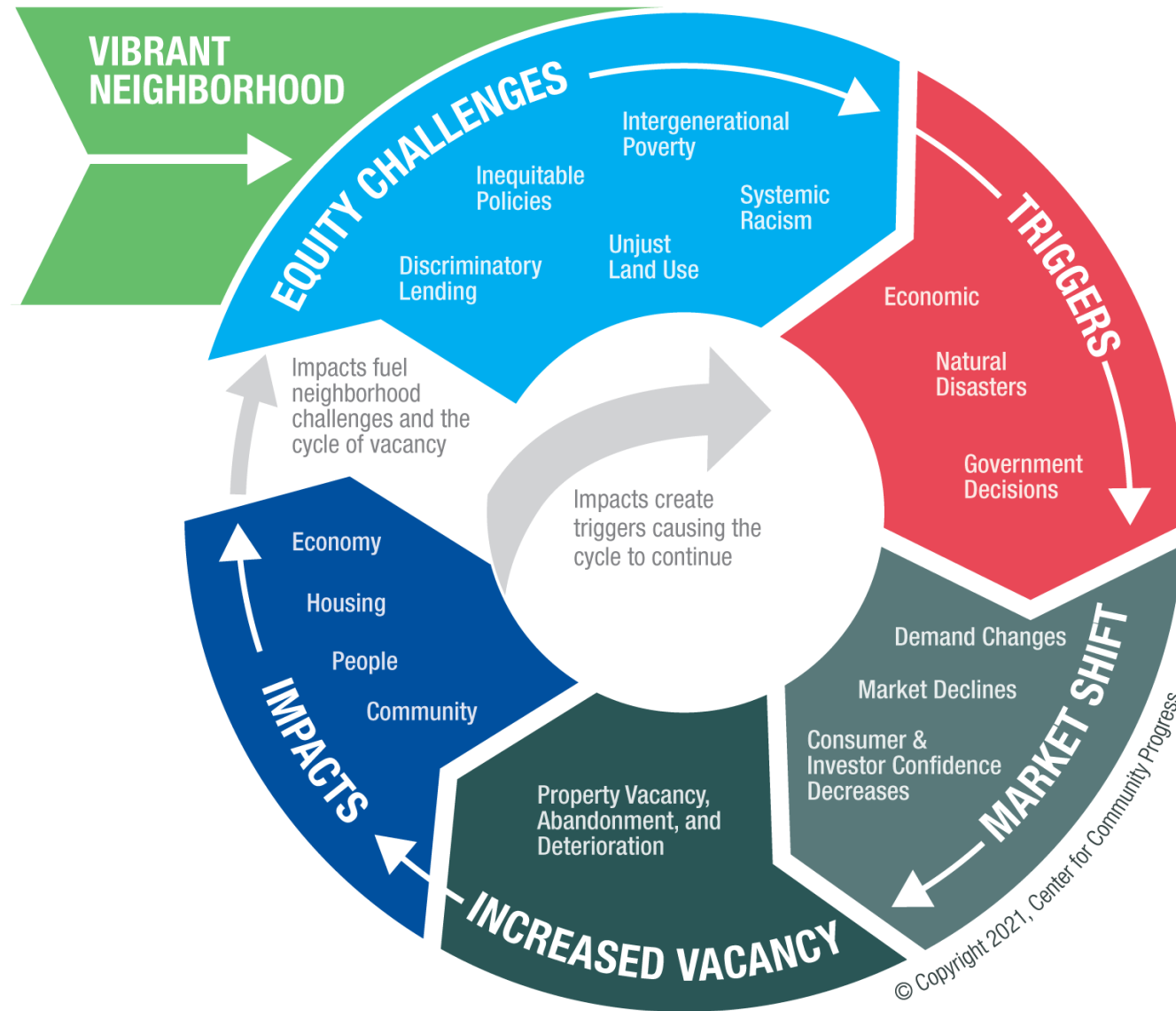
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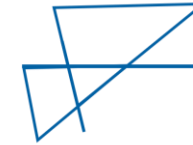
Cycle of Vacancy



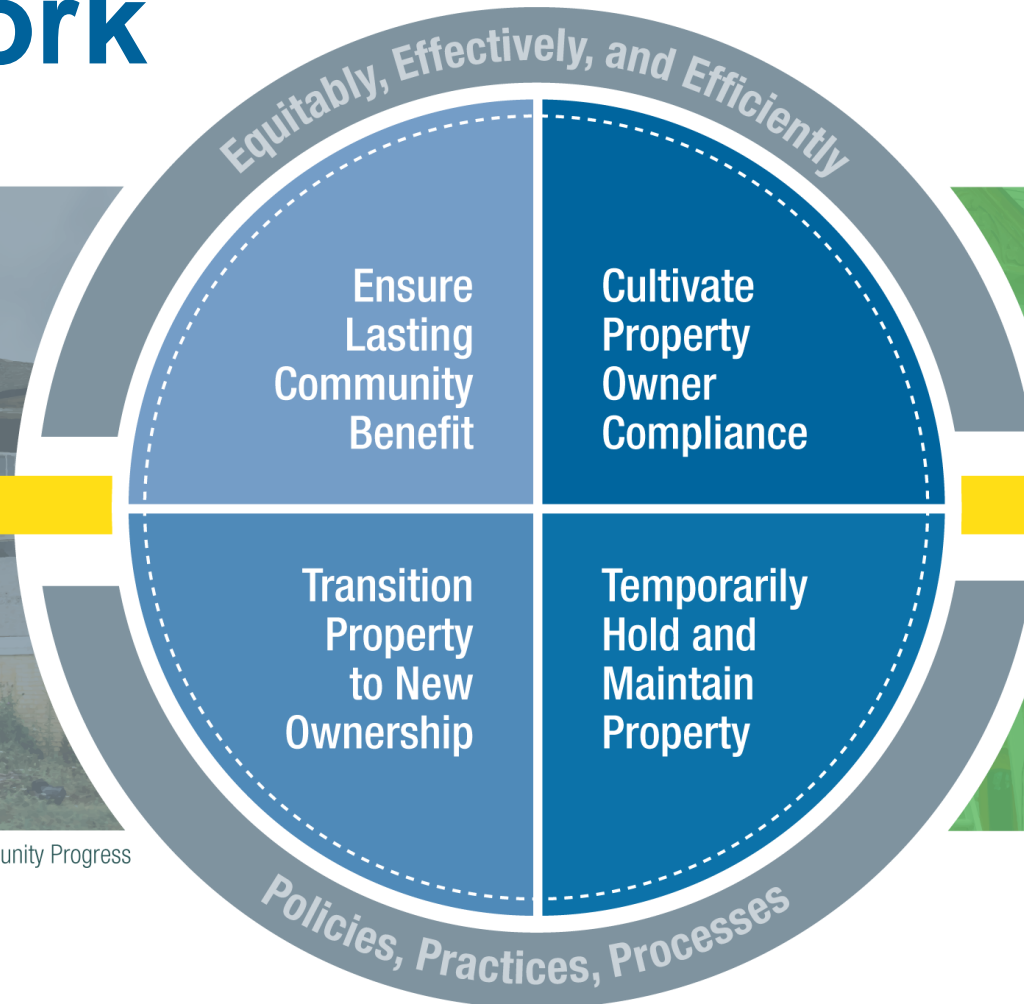
Property Revitalization Framework



Equitable Revitalization Framework



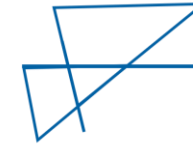
**Systemic Vacant,
Abandoned, and
Deteriorated
Properties**



**Vacant,
Abandoned,
and Deteriorated
Property Remediation
and Prevention**

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Comprehensive Approach



Uses a **Diverse set of Tools** both supportive and punitive to address a variety challenges related to market conditions, ownership issues, legal issues, etc.



VAD properties touch many local departments and people – from housing and building code enforcement to tax collection to police; all need to be brought into **collaborative**, solution driven discussions



Considers various stages of property deterioration and vacancy and uses **comprehensive** strategies to develop various pathways to revitalization



Occupied



Vacant



Deteriorated



Abandoned



Unmaintained lot

A Need to Center Equity & People



- Helps entire neighborhoods recover from disinvestment through intentional, supportive approaches to reinvestment.
- A **collaborative** approach improves community conditions and ensures ALL people live in strong, equitable communities where vacant, abandoned, and deteriorated properties no longer exist.
- Acknowledges different situations demand different approaches

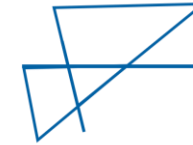
Able but
unwilling

Able and willing
but needs a
reminder

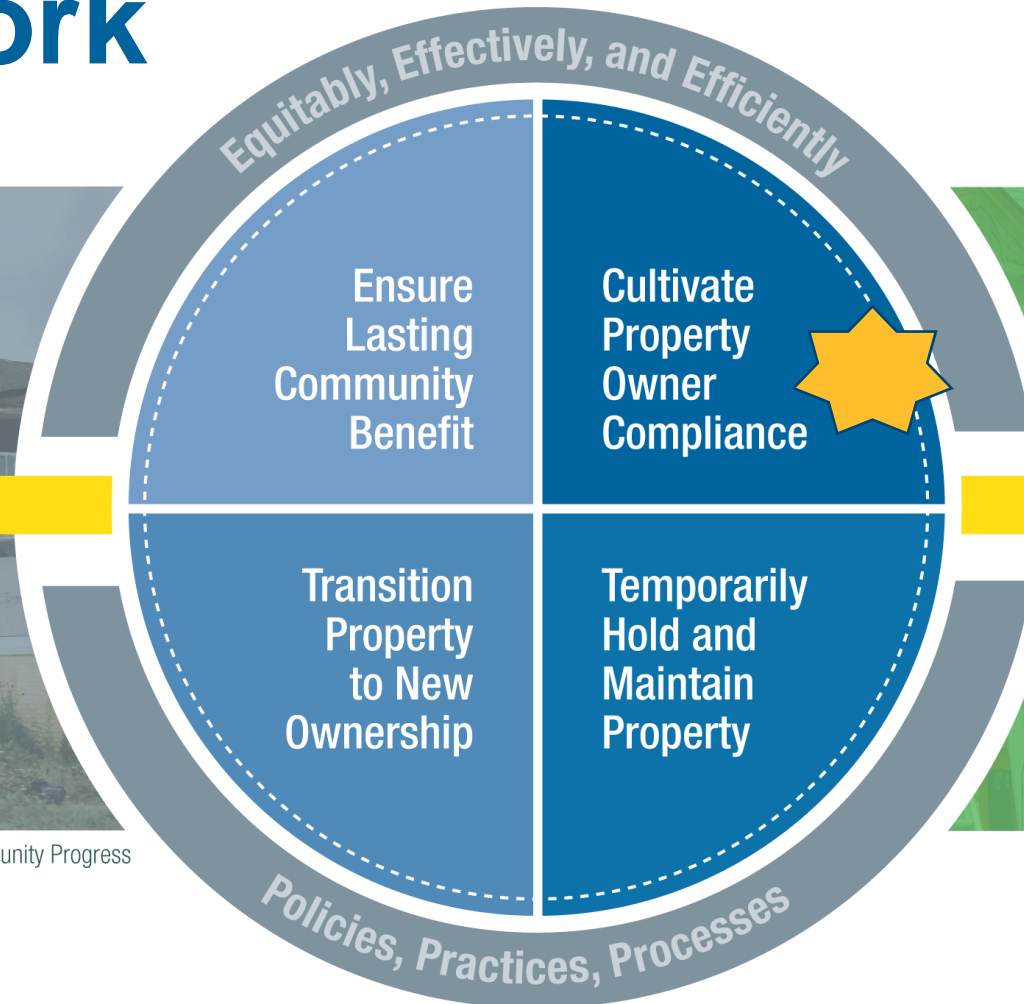
Willing, but not
able

Able, willing,
and proactive

Equitable Revitalization Framework



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Cultivate Property Owner Compliance



Goal: Prevent Property Decline

Goal: Enable Property Compliance



Property Compliance



Tools: Code Enforcement Education and Procedures, Rental Regulation

- Established property maintenance standards
- Dangerous Building and Nuisances Abatement standards
- Provide education to homeowners and tenants
- Resources for vulnerable homeowners and landlords
- Home repair grants/loans incentives

[Filling the Gaps: Helping Struggling Property Owners Connect to Rehab and Repair Resources](#)



Property Compliance



Tools: Property Tax Assessment, Incentives, Exemptions; Property Tax Enforcement Procedures

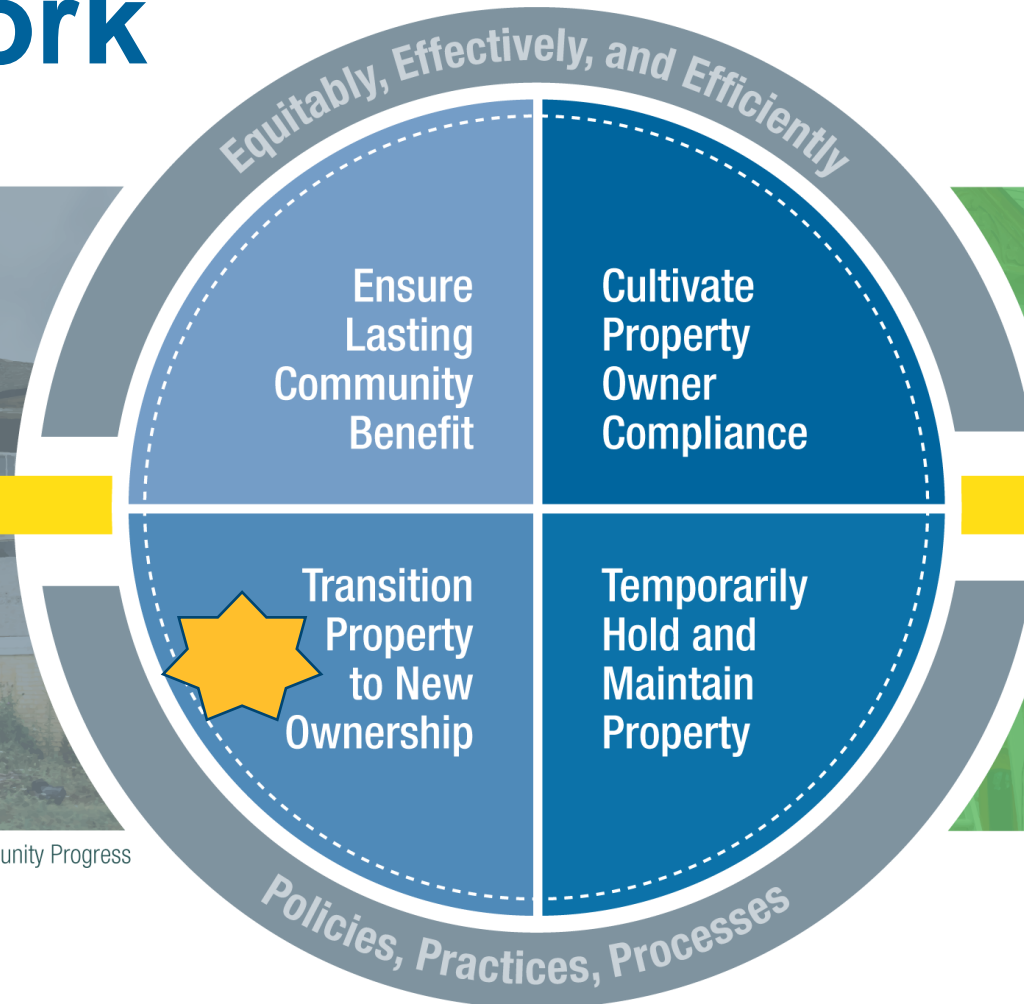
- Property tax incentives and exemptions *e.g. homestead exemptions, Neighborhood Homes Investment Act*
- Property tax relief, education, and resources for vulnerable homeowners
- Property tax enforcement procedures



Equitable Revitalization Framework



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Transition Property to New Ownership



Goal: When compliance measures have failed; tools are needed to enable a transfer of the property to new, responsible owners



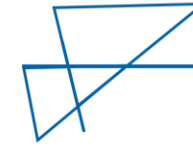
Transition Property to New Ownership



Tool: Property Tax Foreclosure



Transition Property to New Ownership



Tools: Code Lien Foreclosure, Receivership

- Where the existing delinquent tax enforcement system is insufficient, explore local government's authority to leverage key housing and building code enforcement to compel transfer
 - Ex., [Alternative Strategies for an Equitable, Efficient, and Effective Code Enforcement System in Mobile, Alabama](#) (Community Progress, June 2016)
- Explore use of eligible third parties to abate problems at properties
 - Ex., Baltimore City's [Vacants to Value Program](#); Chicago's [Troubled Buildings Program](#)



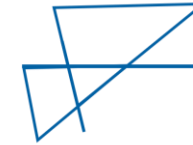
Transition Property to New Ownership



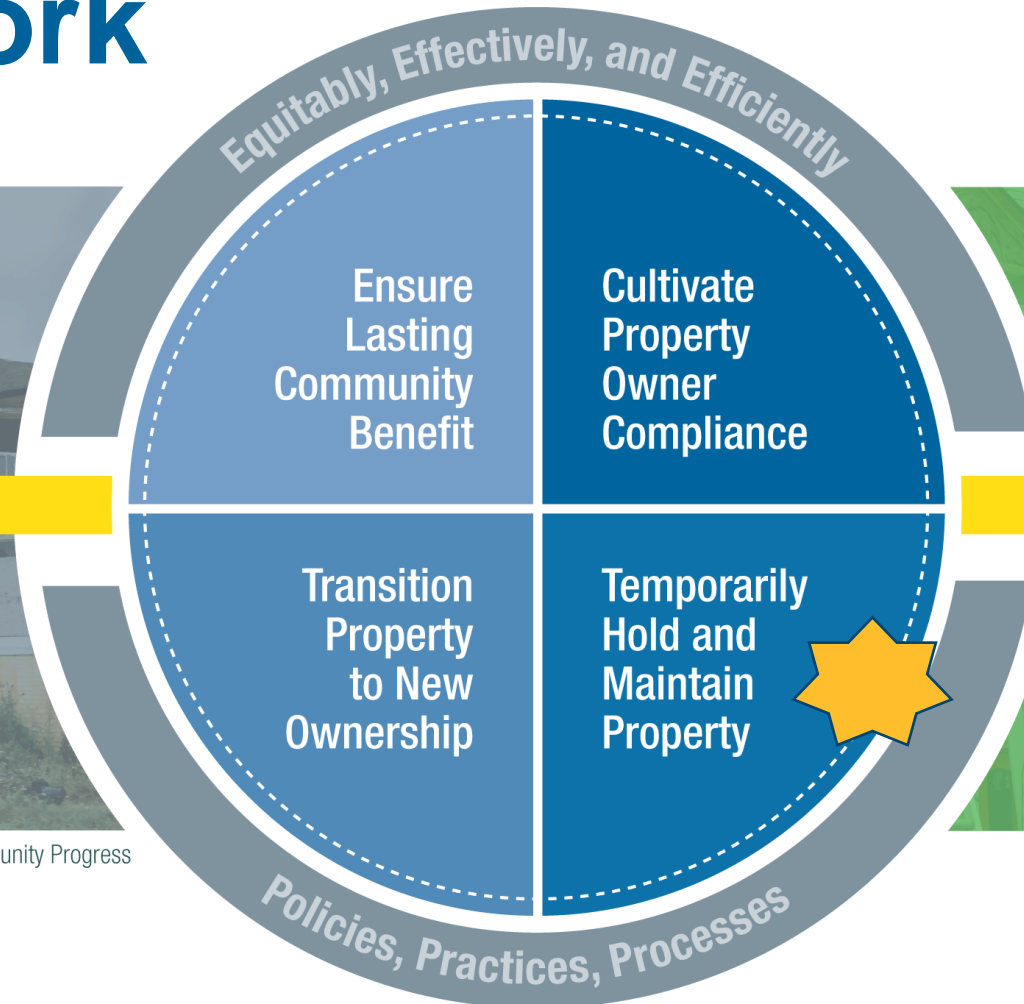
Tool: Public & Private Entities for new responsible stewardship

- Develop network of end users (CDCs, private developers, public entities, mission driven organizations) in place to transfer properties to that will be responsible owners for different property types (1-4 family, multiunit residential, commercial, vacant lots and land).

Equitable Revitalization Framework



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Temporarily Hold & Maintain Property

Goal: Ownership that is responsible for the maintenance of properties to prevent further decline and neighborhood harm.



Temporarily Hold & Maintain Property



Tool: Code Compliance

- Enforce property maintenance standards
- Dangerous Building and Nuisances Abatement standards



Temporarily Hold & Maintain Property

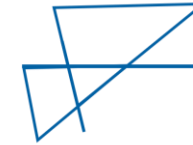


Tool: Land Banks

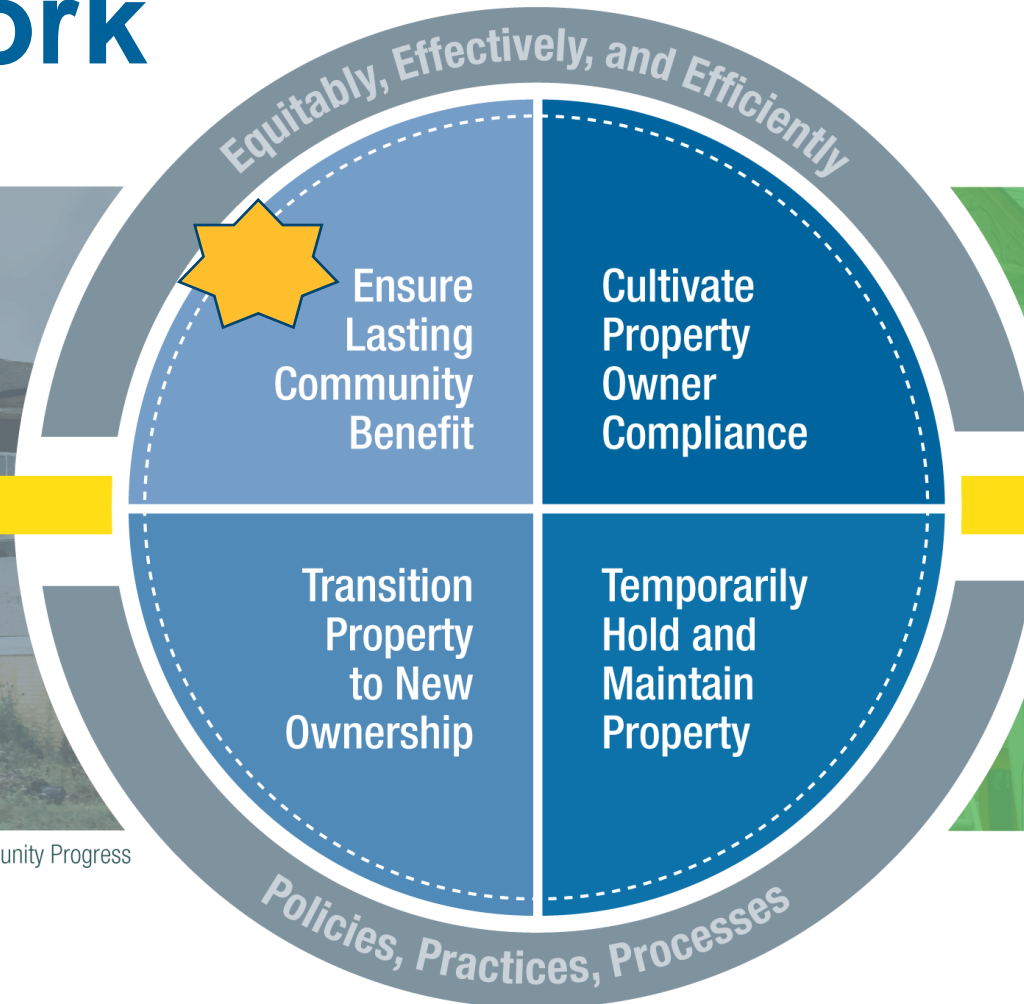
- A land bank is a public authority or nonprofit that focuses on the conversion of vacant, abandoned, tax-delinquent, or foreclosed properties to support equitable community development outcomes. Powers include:
 - Acquisition of Tax Foreclosure properties
 - Property assembly
 - Tax exemption
 - Disposition below market value



Equitable Revitalization Framework



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Ensure Lasting Community Benefit

Goal: New ownership and use of properties that aligns with community goals



Ensure Lasting Community Benefit



Tool: Community Visioning; Planning & Zoning; Vacant Land Management; Innovative Ownership Models

- Develop clearly articulated community visions and goals to serve as guidance for property end use
- Revisit plans and zoning to ensure allowable use of properties to serve community needs
- Develop vacant land management plans that enable long term use of land as a community asset
- Look to community land trusts, land conservancies, affordable housing developers and other community innovations for reuse of properties which support communities

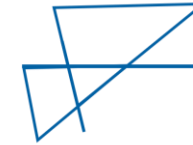
Ensure Lasting Community Benefit



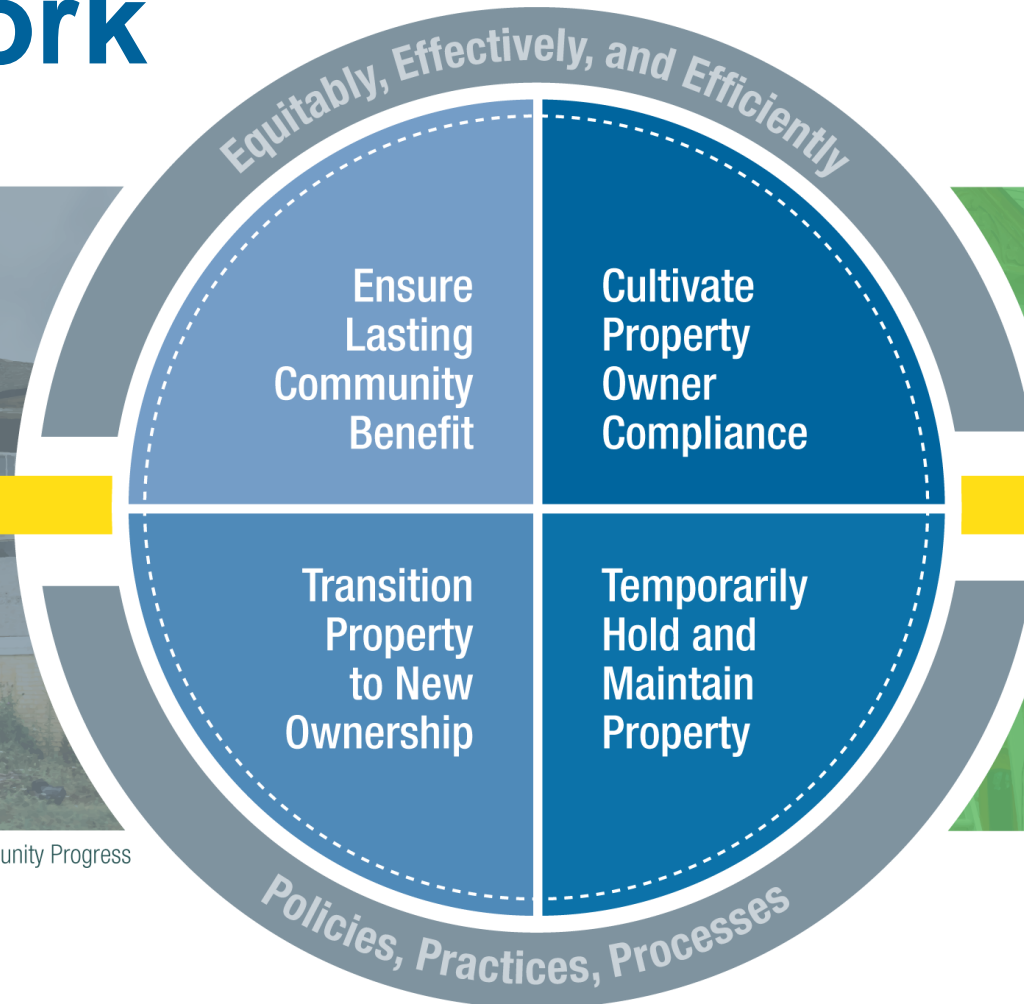
Tool: Funding & Financing for Structure Repair, Rehabilitation, Redevelopment, and Land Management & Reuse; Property Tax Exemptions

- Evaluate existing public funding program (CDBG, HOME) and how they can be used to support community goals
- Dedicate funding to repairs and reuses of properties
- Property tax incentives and exemptions e.g. homestead exemptions, TIFs, Neighborhood Homes Investment Act

Equitable Revitalization Framework



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Next Steps



Where to Start?

Gather your partners

Start with Data

To understand the
problem & identify
the opportunities



Who needs to be at the table?

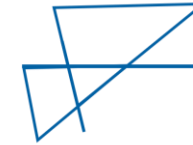
Public Leaders

- Building Inspections
- Code Enforcement
- Legal Department
- Community and Economic Development Department
- Tax Assessors
- Housing Authority
- Public Works
- Office of the Courts
- Elected Officials
- State Housing Agency

What they bring:

- Data on problem properties
- Knowledge of owners
- Understanding of legal process
- Political leadership
- Overlaying and assembling data to show patterns, uncover new information, and ensure an efficient approach is taken

Who needs to be at the table?



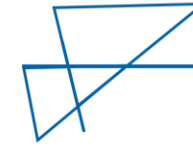
Private Partners

- REALTOR®
- Bankers
- Homebuilders
- General Contractors
- Architects
- Designers
- Home Improvement Retailers
- Appraisers
- Local Business Owners
- Major Employers
- Media

What they bring

- Deep knowledge of real estate market trends
- Form the network of end users to transfer properties to that will be responsible owners
- Understanding of repair cost
- Ability to develop political pressure for change
- Resources

Who needs to be at the table?



Community Partners

- Community Members
- Nonprofit Housing developers
- Market-Rate Housing Providers
- Supportive Housing Providers
- Homeowner Repair Providers
- Educators
- Academia
- Artists
- Resident-Based Investors

What they bring

- Community members need to be centered in conversations
- Access to resources and supportive services
- Bridge connections and trust between government and neighbors
- Form the network of end users to transfer the property to that will be responsible owners

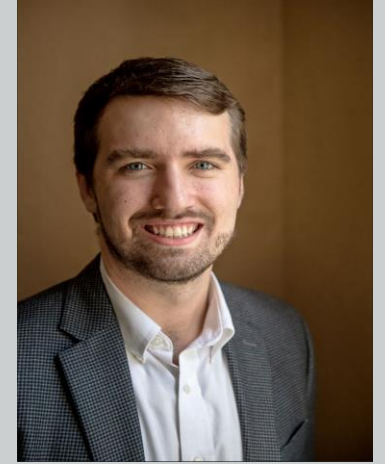
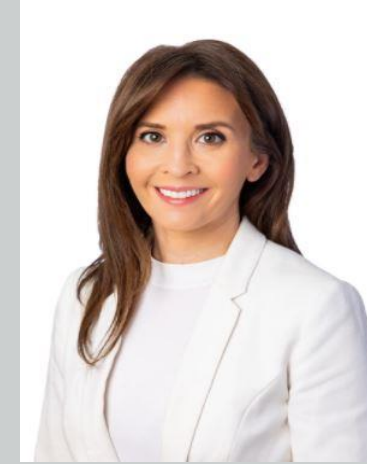
Next Training

Using Data to Identify Opportunities

April 20, 2021

2:00 – 3:00 PM ET

Speakers: Danielle Lewinski, Center for Community Progress & Austin Harrison, Innovate Memphis



Engaging Community in Developing Equitable Solutions

May 18, 2021

2:00 – 3:00 PM ET

Speakers: Sara Toering, Center for Community Progress & Fred Holley, Community Activist Dayton, OH



Questions?



Thank you!

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Center for Community progress*

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