

Reclaiming Abandoned Property in Indianapolis

A Report of the
Abandoned Houses
Work Group

September 2004

Abandoned Houses Work Group

In December 2003, Indianapolis Mayor Bart Peterson appointed community members representing diverse constituencies to study the problem of residential property abandonment in Indianapolis and Marion County and recommend actions for change that are tangible but also visionary. We, members of the Abandoned Houses Work Group have met regularly in 2004. This, our first report, recommends specific, tangible actions for change that have the potential to reverse course of housing abandonment in our community. This report is informed by our vision of a community where property abandonment is not acceptable nor accepted.

Acknowledgements

We would like to thank the Local Initiatives Support Corporation and the Indianapolis Neighborhood Housing Partnership for their generous financial support of our work. The views of the Abandoned Houses Work Group, as articulated in this report, do not necessarily reflect the views of our funders.

We thank Mary Beth Tuohy for her patience and dedication as she facilitated Work Group meetings over the course of these months.

And, we would like to thank Gina Radice who wrote this report.

Executive Summary

“Like sprawl, abandonment becomes most insidious when it becomes accepted as part of the status quo. Too many communities have “learned to live with” vacant buildings and lots for so long that they seem like a “natural” part of the development process.”

— John Bailey, “Vacant Properties and Smart Growth: Creating Opportunity from Abandonment”¹

Vacant and abandoned properties are both the evidence of and an impetus for families and individuals leaving urban neighborhoods. Abandoned structures and lots represent decline, neglect, and devaluation of property and people. They are the stark, dreary, and tangible pictures of urban decline and the visible reminders of the loss of value in neighborhoods where they sit. This abandonment results in ever more of it. It must be understood, decelerated, and, ultimately, reversed.

The City of Indianapolis and its citizens intend to do just that: understand, decelerate, and reverse the abandonment of housing and property in Indianapolis and Marion County. Mayor Bart Peterson announced “war” on abandoned houses in his 2003 “State of the City” address and indicated the need to identify and carry out short and long term strategies. This report is one result of that effort and Mayor Peterson’s organization of an Abandoned Houses Work Group to make recommendations to reclaim existing abandoned houses and prevent abandonment in the future.

This report to the Mayor from the Abandoned Houses Work Group outlines a set of recommendations to improve the legal and administrative framework that is currently in place to deal with the challenging problem of residential property abandonment in our community. We highlight what works well and what can be improved upon in the code enforcement and tax sales processes in Indianapolis and Marion County.

Our overriding recommendation in regard to code enforcement and tax sales is that the City of Indianapolis and related units of government take advantage of and apply the complete set of tools allowed under Indiana state law. Many tools that are currently allowed under the law and that have the potential to be useful are either not being used at all or are not being used effectively.

We also make tangible recommendations regarding data collection and integration and in relation to preventing the problem of residential property abandonment in our community. Our recommendations in these regards represent short term possibilities for change that we believe deserve consideration and cooperation.

A subset of this Work Group will continue to convene. Our secondary charge is to develop a template that can be applied in any neighborhood in Indianapolis to comprehensively change conditions related to abandoned and deteriorating property, in order to revitalize the confidence in and marketability of that neighborhood. We will also develop a strategy to apply this template in our city. A report of our work in that regard will follow this one.

Introduction

“Vicious circles, to be sure, are hard to follow. Cause and effect become confused precisely because they do link and relink with one another in such complicated ways. Yet there is one particular link that is crucial. If it is broken (and to break it is no simple matter of supplying better housing), a slum spontaneously unslums. The key link in a perpetual slum is that too many people move out of it too fast – and in the meantime dream of getting out. This is the link that must be broken if any other efforts at overcoming slums or slum life are to be of the least avail.”

— Jane Jacobs, *The Death and Life of Great American Cities*²

Understanding Abandoned Property in Indianapolis

This report to the Mayor of Indianapolis outlines the legal and administrative framework currently in place to deal with the challenging and important problem of residential property abandonment in Indianapolis and Marion County. The report outlines a set of recommendations to improve this framework and the tools it provides the City, the courts, and our community to effectively address the abandonment of houses. We – members of the Abandoned Houses Work Group³ – highlight (a) existing and valuable tools provided by the framework and (b) specific and potentially valuable legal and administrative reforms to the framework. The value of existing and recommended tools in the framework is determined by the extent to which those tools do or can meaningfully contribute to an effort to renovate and recycle abandoned properties in Indianapolis and prevent further abandonment.

This report deals with abandoned residential properties in Indianapolis – both houses and lots, with an emphasis on the former. An abandoned house is a chronically vacant and uninhabitable unit whose owner is taking no active steps to bring it back into the housing market. Abandonment is different than vacancy – the latter of which refers to whether a property is occupied or not. Vacancy can be the result of normal turnover and can be temporary or permanent. Abandonment is characterized by long term or permanent vacancy and by the poor physical condition of a property. To abandon a house is to neglect the responsibilities of ownership related to minimal functional, financial, and physical maintenance of the property.

The scope of this problem of abandonment is significant in Indianapolis and Marion County. However, we do not have complete data that allow us to be exact in our definition of this problem of abandonment, specifically and as distinguished from vacancy. We know that abandonment is prevalent in our community; but we currently have more data regarding vacancy than abandonment. Our data collection is changing to

disaggregate abandonment – that is, chronic vacancy or serious disrepair – from temporary or transitional vacancy. What we know is described below.

The unified government of Indianapolis and Marion County (i.e., Unigov) includes nine township jurisdictions.⁴ Downtown Indianapolis is located in Center Township – the geographical center of Marion County. An inventory completed in 2003 by the City of Indianapolis identified 7,913 vacant residential structures in Marion County. This means that one in every 30 homes in Indianapolis is vacant. Approximately 58% of these vacant houses are located in Center Township. And, most (85%) of the vacant houses are located within the old city limits of Indianapolis – delineated by the current public safety district for the Indianapolis Police Department and the Indianapolis Fire Department and including Center Township and portions of contiguous townships.⁵

The Indianapolis Metropolitan Statistical Area (MSA) includes ten counties and 105 townships. Seven of the ten townships with the most number of vacant housing units in 1990 and 2000 are located in Marion County, according to U.S. Census statistics for those years. In 2000, Center Township had the most vacant housing units of any MSA township. According to the 2000 U.S. Census, 12,419 vacant units are located in Center Township. This constitutes 24% of the total number of vacant units in the MSA; although only 12% of the MSA's total housing units are located in Center Township. Marion County contains 60% of the total housing units in the MSA and 70% of the vacant units and experienced the greatest increase (of 5,087 units) in the ten-county MSA in total vacant housing units between 1990 and 2000.

The number of households (i.e., occupied housing units) in the MSA increased at an average rate of 9,950 households per year between 1990 and 2000. The number of housing units increased by an average of 10,900 housing units per year in the 1990's. This means there was an oversupply of housing units in the MSA – an oversupply of 950 (i.e., the difference between the number of households and the number of housing units). Notably, vacant housing units increased at an average of 950 units per year during the same decade. If the supply of housing in a metropolitan area expands at a rate greater than the growth of households, vacant houses somewhere are inevitable – and, typically, those vacant houses are in central city and in older, inner-ring suburbs.⁶

Comparing 1990 and 2000 Census statistics, seven of the ten townships in the MSA with the greatest increase in vacant housing units are located in Marion County. Perry Township had the greatest increase (of 883) in the number of vacant housing units in the 1990's. During the decade, Center Township lost 4,090 households and 15,085 people – the greatest decrease in households and people in the MSA. Only three townships in the MSA lost households between 1990 and 2000, and Center Township is the only one to experience a four-digit loss.

Vacant and abandoned properties are both the evidence of and an impetus for families and individuals leaving urban neighborhoods. Abandoned structures and lots represent decline, neglect, and devaluation of property and people. They are the stark, dreary, and tangible pictures of urban decline and the visible reminders of the loss of value in neighborhoods where they sit. This abandonment results in ever more of it. It must be understood, decelerated, and, ultimately, reversed.

The City of Indianapolis and its citizens intend to do just that: understand, decelerate, and reverse the abandonment of housing and property in Indianapolis. Mayor Bart Peterson announced “war” on abandoned houses in his 2003 “State of the City” address and indicated the need to identify and carry out short and long term strategies. This report is one result of that effort and Mayor Peterson’s organization of a Work Group to make recommendations to reclaim existing abandoned houses and prevent abandonment in the future.

Ultimately, abandoned and vacant properties represent opportunities to renovate communities and rebuild their economic and human value. For Indianapolis, the renovation and reuse of currently abandoned properties also contributes to the fulfillment of local policy and community goals related to preserving and producing affordable housing and reestablishing attractive residential opportunities throughout our city. A thriving community is characterized, in part, by diverse and complementary use of space. That is, a thriving community mixes residential, commercial, recreational, cultural, and other uses of space. Strong residential communities serve to enhance the diversity of the city and, subsequently, its economic, cultural, and social value. The benefits of attractive and livable neighborhoods are not exclusive to the neighborhoods themselves; although they accrue directly here, of course.

Reclaiming and reusing abandoned properties is merely a strategy of reinvesting in areas where people already live and work and play.⁷ We – citizens of Indianapolis – have the opportunity to take advantage of the growth and development in the heart of our city and to revitalize neighborhoods that surround it. Revitalization in one area can often spur the same in adjoining neighborhoods. That is, renovation of currently abandoned properties can serve as a catalyst for economic and neighborhood development.⁸

History of Abandonment in Indianapolis

Interstate highway construction, large demographic changes in downtown and near downtown areas, and suburban migration in the late 1960’s led to substantial abandonment of buildings. Virtually every City order issued was for demolition, and few were contested by owners. At this time, unsafe building enforcement was the responsibility of the Board of Public Safety.⁹

This trend of abandonment and demolition continued in the early 1970’s. In fact, the rate of building abandonment increased, as did the rate of demolition. After the consolidation of the city and county governments under Unigov in 1970, responsibility for dealing with unsafe buildings was moved to the new Code Enforcement Division of the Department of Metropolitan Development.¹⁰

In 1972, and partially in response to the magnitude of demolition activity, staff in the Division of Code Enforcement drafted and the City-County Council adopted an ordinance – the Hazardous Buildings Ordinance – that authorized the Division to issue orders requiring the boarding of abandoned, open buildings. Subsequently, the Division began issuing orders to board in some instances where it appeared a building could be rehabilitated.¹¹

In 1973, staff in the Division of Code Enforcement drafted and the General Assembly adopted state legislation – Public Law 181, Action 1973 – that provided greater and more varied powers to deal with the problem of unsafe buildings. The statute, as amended over the years, is known as the Enforcement of Buildings Standards Act (IC 36-7-9).

Under the Enforcement of Building Standards Act adopted in 1973 and amended in the years since, the State authorizes the City to take actions to address and correct unsafe building conditions. The Unsafe Building Program is the primary tool used by the City of Indianapolis to address the problem of abandoned buildings.

In 1975, the problem of unsafe buildings continued to be serious, and more buildings (909) were demolished during that year versus any other as a result of Unsafe Building orders. By 1978, demolition activity had slowed, but the problem of unsafe buildings remained serious.¹²

Interest in moving back into downtown and near downtown neighborhoods was growing in the late 1970's and early 1980's. This interest was stimulated, in part, by an appreciation of historic neighborhoods and architecturally interesting structures in them. Neighborhood organizations were also beginning to complain that the City's response to abandonment – that is, disproportionate orders to demolish versus repair or even board structures – needed to be evaluated and changed. In response, and to facilitate the boarding process, Code Enforcement Division staff at the City drafted and the General Assembly adopted a statutory amendment – Public Law 131, Acts 1980 – that (a) reduced the amount of time required for the City to board an unsafe building, providing that orders to board were automatically confirmed ten days after notice is given to the property owner unless the owner requests a hearing and (b) authorized the City to hire a boarding contractor for a specified time period on a base bid contract rather than requiring a public bid for every property that needs to be boarded.¹³

The numbers also show the City's response to these complaints of disproportionate demolition: In 1981, only 313 buildings were demolished as a result of Unsafe Building orders, 173 were boarded as a result of an order, and 117 were repaired by owners as a result of City orders to do so. In 1983, the City ordered the demolition of 263 buildings, 626 structures were boarded pursuant to orders, and 133 were repaired as a result of City orders. In 1984, 157 structures were repaired as a result of City orders to do so. And, 320 were repaired in 1985.¹⁴

This trend toward boarding and repair over demolition continued through the latter half of the 1980's. In 1987, 228 buildings were demolished pursuant to City orders, 569 were boarded, and 214 were repaired.¹⁵

In 1991, the Department of Metropolitan Development estimated that there were between 4,100 and 5,000 abandoned houses in Marion County. Approximately 82% of these were located in Center Township, 10% located in Wayne Township, and the remaining dispersed throughout the other seven townships. According to the Unsafe Building Program files – that is, actual cases, not the estimates referred to above – as of July 1990, 77% of the houses were owned by private individuals, 13% owned by companies, 5% owned by the City of Indianapolis, and the remaining owned by churches and other institutional entities (e.g., the Department of Housing and Urban Development).¹⁶

In 1992, the City of Indianapolis entered into a cooperative agreement with the Health and Hospital Corporation of Marion County that transferred management of the Unsafe Building Program from the City's Department of Metropolitan Development (DMD) to Health and Hospital. Prior to making this agreement, Health and Hospital was responsible for inspecting occupied houses, and DMD was responsible for inspecting vacant houses. This agreement was intended to take advantage of the existing inspection process and set of housing inspectors at Health and Hospital to enforce housing standards for both occupied and vacant housing.¹⁷

Based on Department of Metropolitan Development data, the years 1995 to 2002 were characterized by an increasing number of orders to board and relatively constant orders to demolish. Orders to repair vary substantially from year to year. For the years 1995 to 1998, repairs ordered and completed were fewer than orders and action to board, but more than the number of structures demolished. Completed orders to repair varied substantially for the years 1998 to 2002.¹⁸

In February 2003, Mayor Bart Peterson declared “war” on abandoned houses and identified longer term objectives and several short term steps to begin addressing the problem of abandonment. As part of this effort, the City began collecting data on abandoned structures in Marion County to understand the scope of the problem locally. This inventory is complete and posted on the City's web site.¹⁹ In December 2003, Peterson named members of an Abandoned Houses Work Group who represent diverse stakeholders in the community and who were asked to assist the City in identifying long term strategies to reclaim and rehabilitate abandoned properties.

This report represents a first set of recommendations from this Work Group. A second phase of the Abandoned Houses Work Group's efforts will be the development of a template that can be applied in any neighborhood in Indianapolis to comprehensively change conditions related to abandoned and deteriorating property, in order to revitalize the confidence in and marketability of that neighborhood.

In the meantime, this present report on “Reclaiming Abandoned Property in Indianapolis” looks at, first, code enforcement law and practice and, then, tax sales processes as they relate to abandoned, residential structures in Indianapolis. The objectives of these two, primary sections of this report are (a) to highlight effective, legal tools that exist to deal with abandoned properties – both those that are usefully applied and those that aren't but should be and (b) to recommend additional tools and mechanisms that have proven useful in other communities in their efforts to address abandonment and that have promise here.

This report also makes recommendations regarding data collection and integration that can provide critical, “real time” knowledge to inform decision making. And, we make several recommendations related to preventing abandonment – explicitly recognizing that an entire report could be devoted to the complex, multidimensional, and interdependent reasons for abandonment and the equally complex challenge of preventing it. We simply make several, tangible recommendations for short term change.

Code Enforcement

“Owners of chronically vacant properties can generally be divided into two categories: those who choose not to comply with basic code requirements and those who lack the means to bring their properties up to code. Both kinds typically own vacant buildings in healthy neighborhoods. Traditional code enforcement remedies run into dead ends with owners in each of the two categories.”

— James J. Kelly, Jr., *Journal of Affordable Housing*²⁰

Overview of Indiana Code

By law, property owners in Indiana must keep their houses – whether vacant or occupied – in compliance with safety, fire, and building codes. State law allows a variety of methods to be applied to ensure that owners – even absentee owners – are held accountable for the condition of their properties. If owners refuse to maintain their properties in good repair, the law provides mechanisms to repair, board, or demolish abandoned properties.

The Unsafe Building Program is the primary tool used by the City of Indianapolis to address the problem of abandoned buildings. Under the Enforcement of Building Standards Act (IC 36-7-9) adopted in 1973 and amended in the years since, the State authorizes the City to take actions to address and correct unsafe building conditions. Now referred to as the Unsafe Building Law, IC 36-7-9, specifies that action may be taken by the City if a building is determined to be unsafe in that it is a fire hazard, a hazard to public health, a public nuisance, or is in an impaired structural condition. Based on an agreement with the municipal Health and Hospital Corporation, the Unsafe Building standards are usually applied only to vacant buildings. A vacant property that does not meet or appears not to meet these legal standards can be identified by citizens or by routine inspection by Health and Hospital Corporation inspectors.

After inspection and the owner of an abandoned or vacant building is identified, an order is issued by the enforcement authority (i.e., the City of Indianapolis via the Health and Hospital Corporation) to repair, board, or demolish the structure. This order sets a date for compliance and for a hearing. If the owner does not comply with the order, a hearing is conducted where an officer hears evidence from the inspector, the owner, and interested parties. At the conclusion of the hearing, the officer affirms, modifies, or rescinds the order.

In addition to these administrative procedures, the Unsafe Building Law allows requests for judicial action. With the exception of complaints filed to compel the repair of a house, these judicial remedies – receivership, injunction, and civil penalty – are rarely used.

Overall, Indiana state code – that is, the Unsafe Building Law – provides valuable tools to municipalities to meaningfully address the challenges related to vacant and abandoned buildings. This holds true for both the administrative and the judicial remedies, with some important exceptions that will be highlighted, subsequently. Substantial changes in state law are not necessary to address the abandonment of vacant property.

The overriding recommendation of this report is that the City of Indianapolis and related units of government involved in addressing property abandonment take advantage of and apply the complete set of tools allowed under Indiana law. Many tools that are currently allowed under the law and that have the potential to be useful in addressing problems related to abandonment are not being used.

What follows is a set of recommendations for both code enforcement and for the tax sale process that highlights: (a) existing tools or mechanisms allowed under Indiana code that could be valuable if applied, but are either not being used at all or not being used effectively (i.e., TOOLS TO APPLY); (b) tools that have been deemed necessary by the Work Group but are not currently allowed under Indiana state law (RECOMMENDED TOOLS); and, in one case, (c) an existing and important legal tool that has been only recently, but successfully, applied (EXISTING AND EFFECTIVE TOOL).

Orders to Repair & Orders to Demolish

An order to repair is issued if a building is considered unsafe because of its physical state. The issuance of an order to repair usually begins with an administrative hearing conducted by a hearing officer from the Department of Metropolitan Development. However, state law (IC 36-7-9-7) does not require an administrative hearing. The pace of enforcement usually depends upon the responsiveness of the property owner. When property owners attend hearings, this administrative process often leads to completed repairs.

When an owner does not appear for an administrative hearing, one of two actions is taken by the hearing officer. Either: (a) the order to repair is affirmed – that is, sent to court; or (b) an order to demolish is issued. However, Indiana law allows municipalities to apply other means to encourage owners to make repairs. Most of these other tools are not currently used in Indianapolis. As a result, many property owners end up in Environmental Court, or their property is demolished. This need not be the case. Existing (ADMINISTRATIVE) TOOLS TO APPLY that have the potential to encourage owners to make repairs are named and discussed, below.

A decision to demolish may be issued when longstanding repair orders have been issued in relation to a building and that building has deteriorated to the point that repair is no longer feasible. In other cases, an initial inspection can determine that a building's condition warrants demolition rather than repair. A building is demolished if it is not stable and may compromise adjacent homes or threaten the safety of neighborhood residents. An order to demolish proceeds through the same administrative process as an order to repair. Once a demolition order is affirmed, the project is bid, and demolition occurs. A lien for

the total cost of demolition is recorded against the property. Demolition costs may also be recovered via other methods that are rarely used.

Below is a summary of the tools currently provided by law that are not being used at all or that are not being used effectively. These laws are designed to encourage compliance with repair orders and to recover repair, demolition, and boarding costs. The use of several of these tools is limited to situations where owners have the financial resources to make repairs ordered.

(ADMINISTRATIVE) TOOLS TO APPLY

1 – Impose Fine

At an administrative hearing, the hearing officer may affirm, rescind, or modify an order to repair. In affirming an order when there has been determined a “willful failure to comply,” the hearing officer may impose a fine of up to \$5,000. This represents a blight penalty, in effect. The issuance of these fines is common, however, rarely in the amount of \$5,000. Higher fines, as allowed under law, will serve as a more effective incentive to comply with orders.

2 – Make Exterior Repairs

IC 36-7-9-10 allows the City (or Health and Hospital) to perform necessary exterior repair work to bring a property into compliance. If the cost of repairs does not exceed \$10,000, an in-house crew may conduct the work and bill the property owner for it. If the cost of repairs exceeds \$10,000, the work must be publicly bid. While making exterior repairs is complicated and more expensive than demolition, this is a tool that the City should explore.

3 – Require Performance Bond

A hearing officer may allow an additional time for compliance. As a condition for allowing additional time, the hearing officer may require that the person to whom the order to repair was issued post a performance bond that is forfeited if repairs are not completed within a stated period. The City may call the bond, deposit the funds in Department of Metropolitan Development’s Unsafe Building Program fund, and then use the funds to complete required repairs or encourage transfer of the property to a motivated and capable third party. Currently, there is simply no process in place whereby a hearing officer can require a performance bond, so this tool is not used.

4 – Use Special Assessment

IC 36-7-9-13.5 allows costs of repair, demolition, and boarding, administrative fines, and fees to be recovered as a special assessment on the property tax bill. As of May 2004, boarding costs are being placed on tax bills as a special assessment. The same needs to happen in relation to repair and demolition costs, administrative fines, and fees.

5 – Obtain Personal Judgment

IC 36-7-9-13 holds an owner directly accountable for nonpayment of repair and demolition costs, administrative fines, and fees by obtaining a personal judgment filed with the County Clerk. Subject to judicial review, this personal judgment would then appear on the property owner's personal credit history. If the abandoned property is transferred to a new owner who can renovate and reuse it, the lien against the real estate may be released. However, the lien/judgment attached to the original owner will remain, as does the possibility of future collection of costs. The threat of this *in personam* remedy (see definition in paragraph directly below) being applied, if that threat is salient to delinquent owners, may provide sufficient incentive to repair properties. This personal judgment has the potential to be a significant disincentive to abandoning properties.

The intention of *in personam* remedies is to levy fines or take actions against violating persons (i.e., property owners). Acquisition of the abandoned property is the relief sought in applying *in rem* remedies. The City needs to use *in personam* code enforcement and *in rem* foreclosure strategies together to assure the renovation of vacant properties. Current Indiana law provides meaningful tools in both of these categories to encourage repair of abandoned properties. These tools need to be applied.

Additionally and to enhance the City's enforcement of orders to repair or board and to recover costs associated with repair, boarding, and demolition of abandoned properties, we recommend that the Unsafe Building Law be amended to allow the following *in personam* tool.

RECOMMENDED (ADMINISTRATIVE) TOOL

1 – Recourse Against Owners

In addition to liens currently authorized by law, give municipalities recourse against any other assets of the owners of abandoned properties to recover funds spent for repair, boarding, or demolition of their property. An owner should include any individual, any member of a partnership, any owner of a ten percent or greater interest in a corporation, or owners of any other business entities authorized by the State of Indiana.

Abandoned property owners must know that an ultimatum stands: cure the property of all code violations, or your interest in the property will be liquidated.²¹ The costs of abandonment need to be internalized by the owner so that these costs are not merely externalities (i.e., externalized costs) that accrue to the surrounding neighborhood and its people. The costs of abandonment must be directly assigned to the owner and, therefore, have the potential to influence the owner's behavior.

“Faced with the loss of their property, many stakeholders, even those who would have responded to traditional code enforcement by claiming an inability to fix up the property, will step forward and cure all code violations. Other owners and lien holders will see that they are better off consenting to the sale under terms that will give them the most cash for their interest in the property. For most of the remaining properties, no one responds to the receivership lawsuit at all. [Meaning that] receivership may be the only means of freeing these houses from renovation.”

— James J. Kelly, Executive Director of Save A Neighborhood, Inc.²²

Receivership offers a specific mechanism to renovate and sell abandoned properties to qualified developers. It is currently allowed under Indiana state law, but not used regularly in Indianapolis.

EXISTING (JUDICIAL) TOOL TO APPLY

1 – Appoint Receivers

Certainly, Environmental Court remains an avenue for enforcement, since it provides permanent injunctions, fines, and charges for contempt as tools. According to IC 36-7-9-20, the court may also appoint a receiver for an abandoned property. The purpose of the receiver is to take temporary possession of the property for a period of time long enough to conduct necessary repairs. The property may then be sold to repay the receiver. Receivers may be a nonprofit corporation or “any other capable person residing in the county.” So, the Court's appointment powers are broad and flexible. We recommend that the City develop a list of potential receivers who have demonstrated an ability to successfully complete rehabilitation and who meet other qualifying criteria.

Receivership has several important characteristics that make it a valuable tool for mitigating property abandonment. First, it serves as *in rem* code enforcement, since it focuses on the abandoned property and not the owner of the abandoned property.²³ The power of the court to enforce the Unsafe Building Law, and the components therein, presupposes an owner's presence in court. This is *in personam* enforcement. So, an owner's anonymity precludes that enforcement; and their abandoned property often remains just

that – abandoned. However, receivership does not require an owner’s presence in court to transfer their property to a receiver who will be responsible for renovating the property. Subsequently, an owner’s anonymity serves as a disadvantage to the absentee owner, since it may result in the transfer of their property.²⁴

Second, receivership serves the purpose of privatized nuisance abatement, since the court can simply appoint a receiver to make repairs on a problem property. Indiana has a very liberal receivership process in that the court has broad, discretionary powers to appoint receivers. Specifically, the issuance of an order concerning unsafe premises is not even a prerequisite for the appointment of a receiver. And, the court can appoint as receiver any person residing in the county or any nonprofit corporation, provided that the entity or individual appointed has the prospective ability to sufficiently and efficiently renovate the property to which they are appointed.²⁵

Third, receivership serves as a title clearing mechanism. Like tax foreclosure, receivership can be used to release abandoned properties from preexisting private claims on the title. Private developers and private individuals will be significantly more inclined to purchase, renovate, and reuse abandoned property if they can secure a clear title to that property. Receivership frees the market to redistribute property from owners and speculators who have no intention or ability to bring or keep a property up to code to entities who will and can, giving the latter a competitive advantage.²⁶

The City of Indianapolis must begin applying its right to appoint a receiver.²⁷ Having said that, this tool should be applied with discretion, since significant legal resources must be allocated to apply the tool effectively. One other tool is worthy of exploration in thinking about long term strategies to prevent and mitigate abandonment of houses.

RECOMMENDED (JUDICIAL) TOOL

1 – Redefine “Fair Market Value” in Exercising “Spot” Eminent Domain

The City may exercise its right of eminent domain to acquire abandoned buildings when an owner has exhausted his/her right to maintain ownership of the property. This right is referred to as “spot blight” eminent domain. Currently, the City pays to an owner the appraised value of his/her property, when exercise of eminent domain results in the transfer of that property to the City. Even in situations where an owner of an abandoned property cannot be located, the City must still write a check in the amount of the appraised value of that property. If this check remains unclaimed after a state-mandated period of time, it is sent to the State of Indiana as unclaimed property. So, in these cases, the City of Indianapolis pays money for properties taken by exercising the right of eminent domain, but that money never goes to owners.

Instead, we recommend that determining fair market value of the property take into account the totality of costs (i.e., construction, fees, permits, legal expenses, marketing expenses) to either rehabilitate or demolish and then rebuild on the site. This requires that the appraiser take into

account the market conditions of the neighborhood in which the property is located in determining the market value for what would be a rehabilitated or new property. Further, if the total cost of rehabilitation or new construction on the site exceeds the market value determined by the appraiser when taking into account specific conditions of the neighborhood in which the property is located, no compensation is due the owner.

Clean and Seal

A property that makes its way through the system – whether boarded, needing repair, or demolished – often continues to need weed and trash abatement. In 1986, the General Assembly adopted a statutory amendment to the Enforcement of Buildings Standards Act – Public Law 59, Acts 1986 – that enables the City to issue orders requiring the removal of trash and weeds on property. The amendment provides that the City can take enforcement action after ten days notice to an owner, if no administrative hearing is requested by the owner.

In 2003, the City of Indianapolis initiated the Weed and Clean program. It is a cooperative effort of city and county agencies and has improved the government’s ability to respond to cases of tall grass, high weeds, and trash. This new program gives the Department of Public Works and the Marion County Health Department better tools to apply to abate violations. Repeat violators face the costs of abatement and Environmental Court action which carries the possibility of higher fines (\$2,500 is mandated), permanent judgments, and contempt charges.

This same approach has merit for vacant houses. Abandoned houses can remain unoccupied for months, or even years, during the mortgage or tax foreclosure process. We recommend that the City devise better systems to protect and seal salvageable structures and also devise methods to regularly maintain the land on which abandoned structures sit. Clean and secure land and structures may deter criminal activity and lessen the effect vacant properties have on adjoining properties and neighborhood residents. Specifically, we recommend the following actions.

RECOMMENDED (ADMINISTRATIVE) TOOLS

1 – Devise a System for Proactive Site Cleaning and Maintenance

We recommend that the City devise a system to regularly and automatically inspect, mow, clean, and board vacant and abandoned buildings that have open repair or demolition orders. Rather than allowing the process to be complaint driven, begin proactive site maintenance on vacant and abandoned properties, especially in relation to “dead end” files where there is a history of no response to letters, administrative hearings, or inspector contact.

2 – Create Neighborhood Dump Centers

To reduce illegal dumping on vacant and abandoned properties, we recommend that the Department of Public Works create neighborhood dump centers. Locate “roll-off” containers on appropriate sites, working closely with neighborhood associations. This idea has been tested with the South East Community Organization (SECO) and has proven highly successful in reducing illegal dumping within the boundaries of their neighborhood.

Tax Sales

“...the existence of the property tax lien is a valuable public asset which can become a tool for community development activities. With appropriate revisions in state and local laws on tax foreclosures, future abandonment of properties can be stopped far more quickly, and existing vacant and abandoned tax delinquent properties conveyed to those who are willing to undertake reinvestment in the community.”

— Frank S. Alexander, “Renewing Public Assets for Community Development”²⁸

Property Tax Liens

Collection of the property tax carries with it an important power that is not associated with any other form of tax or debt – a property tax lien on the property. This lien (i.e., claim against the property) represents liability for payment of the annual property tax. Moreover, this lien in favor of the government takes priority over all other liens or claims against the property. In relation to other liens (like mortgages) or claims (like judgments), priority in time establishes the relative rights of different claimants to the property. This is not true of the property tax lien. It is a first priority claim on a property if taxes are not paid when due. In this way, property tax liens are considered to have “super priority status” which facilitates the collection of property tax revenues by local governments. Government jurisdictions impose substantial penalties and interest when property tax bills remain unpaid.²⁹

Tax Lien Sales

Delinquent property tax liens are often viewed by private investors as lucrative investments, since the liens (i.e., the unpaid property taxes, special assessments, interests, and penalties) can, in approximately half of the cities and counties in the country, be purchased by investors who receive high rates of return.³⁰ This is the case in Indiana. Of course, property tax liens represent an important public asset – or tool – for governments seeking to collect tax revenues. And, they can be used as a community development tool by facilitating the transfer of property to owners (whether individual or institutional) who will invest in the community. The presence of a delinquent property tax lien typically signals that a property owner is either willfully neglecting a property or is struggling financially to maintain the property at a minimal standard.

For this tool to be used for its ideal value, the purchaser of a property tax lien should be able to redevelop the property in a way that is consistent with public and private development strategies. And, that redevelopment should be allowed and occur with a reasonable period of time. There are reasons why, however, this ideal is not often realized. The two primary reasons this tool is not used to its full value are that (a) it is a harsh remedy since it can lead to foreclosure and, subsequently, loss of a property, and (b) foreclosure is controlled by changing federal constitutional requirements that can be both confusing and burdensome to local governments.

The purchase of a property tax lien occurs in a tax lien sale which is held annually by the Marion County Treasurer. A property is eligible for sale if taxes have not been paid for at least three cycles. A final notice is mailed to property owners prior to the sale. If the delinquency is not addressed, the property enters the tax lien sale.

Indiana state law allows for a redemption period that follows the sale of a property. If an abandoned property is purchased by a new owner at a tax sale, the delinquent owner has twelve months to redeem the property by paying the tax bill and penalties in full. However, this redemption period is too long and serves as a disincentive to purchase abandoned houses, since it precludes short term renovation. So, Expedited Tax Sales are currently used effectively to shorten the redemption period. In the last year, the City has been designating far more properties to be included in Expedited Tax Sales.

EXISTING AND EFFECTIVE TOOL

1 – Expedited Tax Sale

Under Indiana tax law, if a property is (a) vacant, (b) not being used as a business, (c) in violation of code, or (d) tax delinquent for three or more cycles, the redemption period may be shortened to four months. In relation to vacant, residential properties, delinquent owners have only four months to redeem the property by paying the tax bill and penalties in full.

During the redemption period – whether it is four months (i.e., in the Expedited Tax Sale) or twelve months (in the standard tax sale) – the tax sale purchaser has no rights to the property itself – that is, the purchaser may not use or develop the property. Of course, this has the effect of continuing the blight associated with that abandoned property. Subsequently, we recommend the following change to state law.

RECOMMENDED TOOL

1 – Right of Entry and Repair During Redemption

We recommend that after notice is provided to a delinquent owner, successful bidders (i.e., purchasers) of tax sale properties be granted the right to enter the properties they purchase and make repairs to abate nuisance conditions. Further, we recommend that the cost of those repairs be added to the balance due for redemption. This expands the rights of tax lien purchasers in a way that promotes short term repair of abandoned houses, at least to conditions that satisfy health and safety codes.³¹

If a property is not sold in an Expedited Tax Lien Sale, the property can go to the Metropolitan Development Commission upon request by the Commission. The property can then be used as desired by the City for redevelopment purposes.

Special Tax Sales

The purpose of Special Tax Sales of abandoned buildings is to provide municipalities a means to prevent speculators (who have no intention of rehabilitating the properties) from acquiring liens to abandoned properties. These Special Tax Sales are not currently allowed under Indiana law. The provisions of these sales would give the City the flexibility to establish terms of sale that ensure, to the extent possible, that the entity acquiring the lien on a property has the intention and capacity to renovate and reuse an abandoned property in ways that are consistent with public interest.³²

Taking directly from New Jersey's "Abandoned Properties Rehabilitation Act" signed into law in January 2004, we recommend that municipalities in Indiana be granted the rights described directly below:

- A municipality may establish qualifications and performance conditions for those persons or entities who are eligible to bid at a Special Tax Sale. The law explicitly permits (a) documentation of a bidder's ability to rehabilitate or reuse the property as desired by the municipality and (b) a commitment by the bidder to do so and/or (c) a commitment by the bidder to foreclose the lien by a specific date.
- A municipality has sole discretion over the minimum bid amount at a Special Tax Sale. A municipality may establish minimum bid requirements that are less than the full amount of taxes, interest, and penalties in order to ensure that rehabilitation of a property is financially attractive and feasible.

- A municipality may pool abandoned properties into bid packages and require bidders to bid on the entire package. In this way, the municipality ensures development of multiple properties in a neighborhood and directly facilitates revitalization of that neighborhood.
- A municipality may sell liens subject to a right of reverter. That is, if a successful bidder fails to fulfill any of the conditions of sale, the municipality can reclaim title to the properties or the liens; and, the municipality keeps the money the bidder paid for the property at the tax sale.
- A municipality may designate a second qualified bidder as an eligible purchaser; and, in a situation where the municipality exercises its right of reverter (as described directly above), the municipality can assign the property or the lien to the second qualified bidder without conducting another public sale.
- Successful bidders at Special Tax Sales may move immediately to foreclose on properties and to exercise their right of entry.

Clean and Clear Titles

Large scale title clearing efforts may be necessary to lay the foundation for redevelopment of neighborhoods. Properties that come through the various processes outlined above must have marketable, insurable titles so that new owners are insured against other claims on the property. Any of these processes need to result in a clean and clear title.

We recommend that the City work in an advisory capacity to affect policy change by asking that local title companies and the Community Law Center³³ to provide for the efficient cleaning and clearing of titles as part of these foreclosure and transfer processes. In the least, this will involve making sure that title insurance companies are comfortable with title examination requirements of the tax sales process and comfortable that constitutionally required notice to owners is provided.

Land Bank

A land bank serves as a virtual repository for abandoned houses and vacant land that have the potential to be renovated, rebuilt, and reused. Property whose title is acquired by the City through tax foreclosure, eminent domain, purchase, or donation is “deposited” into the virtual bank. The property is cleared of all municipal liens, the title is cleared, and then it can be made available to developers and other capable entities and individuals for redevelopment. The entities or individuals to whom property is transferred must then place the property into productive use within a reasonable period of time. Rather than selling land

acquired through foreclosure to the highest bidder at an auction, a community land bank allows for more control of the ultimate use of properties in that bank.

Using the land bank as a means to clean and clear titles offers a significant advantage in reuse of the property, as discussed above. The objective of a land bank is to deliver property to reputable owners who have the capacity and intention to renovate the property efficiently and well.

“The simple premise of a land bank is that if you acquire, clear and prepare land, developers will take the risk of building in an uncertain market and as each investment leverages the next, the housing market will be rebuilt.”

— “Reclaiming Abandoned Pennsylvania”³⁴

The land bank could also be a means to hold properties until sufficient market demand exists for the properties to be valuable. However, holding properties in a land bank is not without cost. That is, a land bank is expensive – not just in its administration, but also in lost property tax revenue, especially if properties are held for an extended period of time in an expectation that market variables will change. On the other hand, when a redevelopment project occurs, the City would not face costs to buy a property via eminent domain, and the property would be ready (i.e., with marketable title) for sale or transfer to nonprofit or private developers or to private individuals.

We recommend that the formation and operation of a local land bank result from a collaboration between the City of Indianapolis and community development institutions.

Data

“As we move forward with the abandoned homes initiative it is crucial that we have a better understanding of the location and condition of these homes. With the information collected, we will put together a long-term strategy to work with both public and private sectors to make these homes habitable, improving the overall quality of life in our neighborhoods.”

— Indianapolis Mayor Bart Peterson³⁵

The foundation of effective strategies to combat the problem of abandoned houses is fully integrated data systems. In order to plan effective, house-by-house enforcement strategies, cities need a range of current, critical data to inform decision making. We make two recommendations in this regard – those are to develop a parcel based information system and to develop an abandoned property list. We also highlight two existing, City initiatives that have promise.

Neighborhood Information System

The property system owned and maintained by the Township Assessors contains critical, baseline, parcel information. The County Treasurer and County Auditor maintain all property tax related information. Accessing comprehensive, parcel information for Indianapolis is very difficult today. For instance, a housing inspector must telephone the County Treasurer to determine if a property is tax delinquent and scheduled for a tax sale; the County Treasurer has no way of knowing whether a county owned house, acquired as a result of tax foreclosure and listed in a public auction, is scheduled to be demolished by DMD’s Unsafe Building Program. To amend this, the City must gather key parcel information and make the information available to housing inspectors, community development corporations, and township administrators, and other relevant City staff.

We recommend that Indianapolis model its parcel based housing data system on Philadelphia’s Neighborhood Information System. Philadelphia makes key parcel level data available in an easy-to-use, GIS based, web interface. The system includes the following data: utility payment delinquency and disconnection, building permits, code violations, vacant building inventories with digital photographs, current owner with contact information, property tax and tax sale information, zoning and variances, mortgage foreclosure and sheriff sale information, and postal vacancy.³⁶

The purpose is to integrate data into a seamless system that will allow users to access data from a variety of sources, secure information about a single parcel and the neighborhood in which it is located, and secure information about groups of parcels based on specific criteria. Rather than relying upon a centralized database to collect data, the system should link directly to various data repositories using web services and Application Programming Interfaces (APIs). This broad access to information will minimize the likelihood of different agencies or institutions taking conflicting actions for the same property, and it will enhance the management of properties.³⁷

Abandoned Property List

We recommend that the current inventory of abandoned properties recently compiled by the City and available on its website be maintained (i.e., updated) and converted into a public list that is marketed as such. This abandoned property list might be thought of and serve as a “warning” system or as initial “notice” to abandoned property owners that the City is aware of their abandonment and prepared to take action if violations are not corrected, in whatever form they may be.

This abandoned property list has the potential to separate abandoned properties from owner-occupied houses, despite their shared property tax delinquency. Only abandoned and vacant properties would make the list. Once these properties are on the list, quicker moves to foreclose or sell or take *in personam* action against absentee owners may be more palatable to both lawmakers and the public. That is, lawmakers may be more amenable to supplying harsher tools currently not available under Indiana law, since doing so does not run the risk of taking action against individuals living in their homes and in property tax arrears or in violation of code but facing significant financial hardship.

Coordination with Public Safety

In 2003, the City of Indianapolis established a computer based notification system between the Department of Public Safety and the Unsafe Building Program. This system allows public safety officers to enter information regarding properties into the mobile data terminals in their squad cars. For instance, if a house needs boarding or if there are safety concerns following a fire at a property, public safety officers can enter this information. This mechanism is being used and is directly contributing to improved building code enforcement in the city, since information is directed to the right people to address problem conditions identified in the field and since that information flows more quickly using this technology.

“Top Ten” Target List

In September 2003, Mayor Peterson released a list of the “Top Ten” owners of abandoned and vacant homes who had, collectively, 950 unsafe building violations on 310 properties throughout Indianapolis. Since then, the City filed a nuisance suit against one of the ten violators on the list in an effort to both make it impossible for him to do business in the city and to make an example of him.

The objective behind compiling and releasing this list was to put pressure on property owners to keep their properties in compliance with code. The mayor intends that this list will be updated periodically. We commend this action.

Preventing Abandonment

"[Flint, Michigan's tax foreclosure system] was a low-end market free-for-all that rarely accomplished any public good beyond the efficient collection of taxes. Even valuable properties lost in tax foreclosure were destined to tumble through the predictable devolution of use: a family home became a decent rental house, then an abandoned house, until the property became a valueless lot scattered among other properties falling through the same pernicious process."

— Dan Kildee, Elected Treasurer of Genesee County, Michigan³⁸

Brief History

Concurrent to addressing the acute problem of existing, abandoned houses, the City and community must explicitly invest in strategies to slow and even prevent further abandonment. Much of what's been done to date in the name of community development has served to prevent abandonment, in some cases, and stabilize many neighborhoods.

In the late 1980's during Mayor Hudnut's administration, the Indianapolis Neighborhood Housing Partnership (INHP) was created to provide financial support for community development. INHP has evolved and now assembles loan pools to facilitate home ownership and home rehabilitation. INHP provides home ownership training and home ownership counseling and provides core operating support to local community development corporations.

In the early 1990's and during Mayor Goldsmith's administration, The Lilly Endowment and INHP encouraged the creation of community development corporations (CDCs) in nearly all urban neighborhoods in the city to address a range of urban challenges. Fourteen CDCs were operating in the 1990's, covering and serving most of center city Indianapolis.

The federal HOME program, started in 1992, provides grants to municipalities to support the development of affordable housing. The City of Indianapolis has used HOME funds to increase home ownership and increase the supply of affordable rental units.

In 1999, the City received a four million dollar Home Ownership Zone grant from the U.S. Department of Housing and Urban Development. This federal money leveraged substantial local money and resulted in the development of what is now Fall Creek Place – a national model for urban redevelopment. Over 300 new homes were developed and 47 homes were rehabilitated and sold to individuals and families in what was formerly a neighborhood characterized by dilapidated, abandoned houses and empty lots. It is now a successful, thriving, residential community.

The success of Fall Creek Place affords the City the opportunity to address property abandonment and the prevention thereof in other parts of our community. We recognize, explicitly, that an entire report could be devoted to the complex, multidimensional, and interdependent reasons for abandonment and the equally complex challenge of preventing it. What follows are three, tangible recommendations for short term change.

Home Repair Resources

The best prevention strategy involves making money available for home repairs. Many home owners lack the means to make needed repairs which only results in further deterioration of properties – a leaking roof can lead to larger structural failures, a failing furnace can lead to the risky practice of using electric space heaters, peeling paint can become a health hazard and a neighborhood eyesore.

At present, the only money available to make repairs is the federal Community Development Block Grant money (approximately three million dollars per year) administered by the Department of Metropolitan Development. Requests for home repair assistance are significantly more than what this money will cover. So, in response to the abundance of requests, the City's approach has been to spread this money across as many home owners as possible and establish a maximum grant amount of \$12,500 per home. In 2002, the average grant amount was \$8,000, and 414 homes were repaired. Forty nine percent of the homes repaired were occupied by families with incomes of below 30% of Median Family Income (MFI).

Because the amount spent on each house is minimal in the context of the substantial repair needs of many of these homes, the effect is also minimal. Even \$12,500 is not enough money to make meaningful and necessary repairs, in many cases. In response, we recommend that the City and traditional lenders collaborate to develop a meaningful loan product that results in both more money being available to individual home owners and even more home owners securing funds for critical repairs.

Access to Capital for Rehabilitation

Money is available for qualified lenders to undertake rehabilitation of abandoned homes. Yet, few of these loans are designed for major home rehabilitation because there are always so many unknowns in these projects regarding the extent of the repairs that may be necessary. Rehab projects are more complicated and risky than new home construction. Moreover, these projects are often located in neighborhoods where property values (i.e., appraisals thereof) are not high enough to warrant loans sufficient to complete renovation of the homes. So, the loan products available for rehabilitation are limited – that is, not enough lenders are offering them. And, these products are only offered to consumers with stellar credit. Because of these factors, it is not easy to buy an abandoned home and secure a loan to renovate it. This, of course, serves as a serious disincentive and even as an impediment to neighborhood development.

A parallel situation exists even for the entrepreneur who desires to buy several abandoned houses for rehabilitation and resale. Access to acquisition and construction financing is complicated and challenging.

We recommend that mortgage lenders develop loan products to address this need – not just on paper but in practice.

Foreclosure Counseling

Foreclosure counseling is provided locally by the nonprofit Momentive Consumer Credit Counseling Service.® This service is a joint project of Congresswoman Julia Carson, Fannie Mae Indiana Partnership Office, and the U.S. Department of Housing and Urban Development.

The service is intended to keep consumers from being taken advantage of by predatory lenders (i.e., helping inform and protect consumers on the front end of the home buying process) and to assist home owners in danger of losing their homes in foreclosure (i.e., preventing abandonment and helping maintain a home owner's credit). Momentive helps consumers do everything possible not to lose their homes.

Conclusion

“An issue that has yet to be explicitly addressed in the still young life of American cities is, who is responsible for redevelopment of obsolete, bottom-of-the-market, fully depreciated real estate? Thus far the answer has been the host jurisdiction – with some assistance from the federal government.”

— Thomas Bier and Charlie Post, “Vacating the City: An Analysis of New Homes vs. Household Growth”³⁹

This first report of the Abandoned Houses Work Group is intended to highlight what works well and what can be improved upon in the code enforcement and tax sales processes in Indianapolis and the Indiana state law that establishes the parameters for these processes. We make what we intend to be tangible and meaningful recommendations in those regards, in relation to data collection and integration, and in an effort to address and prevent the problem of residential property abandonment in our community.

A subset of this Abandoned Houses Work Group will continue to convene. Our secondary charge is to develop a template that can be applied in any neighborhood in Indianapolis to comprehensively change conditions related to abandoned and deteriorating property, in order to revitalize the confidence in and marketability of that neighborhood. Our approach must be general and flexible enough that it can be applied in neighborhoods with varying conditions (e.g., affordability mix, proportion of abandoned properties, range of home and property conditions, etc.). But, it must also be specific enough that it identifies (a) useful tools and resources that can be applied to address these varying conditions and (b) exactly how (i.e., by what methods) to apply these tools and resources.

In this second phase, we will develop a strategy for where and when to apply this template in our city over a defined period of time (e.g., 10, 15, or 20 years). In this regard, several principles will likely guide the choice of which neighborhood(s) to begin with and how to approach changes there:

- a. Target a specific neighborhood (or area) comprehensively, with attention to every house and space;
- b. Choose a distinct neighborhood that has 100-200 homes;
- c. Target two neighborhoods per year where comprehensive investment begins, even if plans are multi-year;
- d. Take a market-driven perspective, so that changes are feasible and sustainable economically;
- e. Revitalize confidence in targeted neighborhoods, so that investors of all sorts are willing to make a psychological investment in the neighborhood in addition to a financial one.

A report of our work in that regard will follow this one.

Abandoned Houses Work Group Members

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City-County Councillor Rozelle Boyd
Cathy Burton, Marion County Alliance of Neighborhood Associations
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Mark Dollase, Historic Landmarks Foundation of Indiana
Patrick Dubach, Redevelopment Group
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Steve Dunn, Westport Homes
Greg Fennig, Indianapolis Power & Light
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John Watson, Van Rooy Properties
Joe Whitsett, Ice Miller
Curt Wiley, Fannie Mae
Olgen Williams, Christamore House

Endnotes

¹ Bailey, John. 2004. "Vacant Properties and Smart Growth: Creating Opportunity from Abandonment." *Livable Communities @ Work* 1(4): 11.

² Jacobs, Jane. 1961. *The Death and Life of Great American Cities*. New York: Vintage Books. Page 271.

³ Members of the Abandoned Houses Work Group are identified individually on page 26 of this document.

⁴ In addition to the nine townships, multiple other jurisdictions are included within Unigov. For a description of Unigov and the jurisdictions within it, we recommend the League of Women Voters' web site at www6.indygov.org/lww/.

⁵ This 2003 inventory of abandonment and vacancy in Marion County is discussed in more detail in the "Data" section of this report. And, the inventory results, themselves, can be accessed on-line at www.indygov.org/dmd/vacant/.

⁶ Bier, Thomas and Charlie Post. 2003. "Vacating the City: An Analysis of New Homes vs. Household Growth." Center on Urban and Metropolitan Policy. The Brookings Institution.

⁷ Bailey, 2004.

⁸ *ibid.*

⁹ City of Indianapolis, Department of Metropolitan Development. 1991. "Abandoned Buildings in Indianapolis, Analysis and Recommendations."

¹⁰ *ibid.*

¹¹ *ibid.*

¹² *ibid.*

¹³ *ibid.*

¹⁴ *ibid.*

¹⁵ *ibid.*

¹⁶ *ibid.*

¹⁷ City of Indianapolis, Department of Metropolitan Development. 1998. "Unsafe Building Program Evaluation Report."

¹⁸ *ibid.*

¹⁹ The City of Indianapolis web site is located at www.indygov.org.

²⁰ Kelly, James Jr. 2004. *Journal of Affordable Housing* 13(2): 214.

²¹ *ibid.*

²² Kelly, James Jr. 2003. "Project 5000: Using Foreclosure to Spark Revitalization." *Getting Smart!* 6(4): 9.

²³ *ibid.*

²⁴ According to Kelly (2004), the constitutional standard for adequacy of notice to owners of impending action related to an abandoned property is the same for *in rem* and *in personam* code enforcement. In practice, however, statutory and judicial standards tend to be significantly higher for *in rem*.

²⁵ Kelly, 2004.

²⁶ *ibid.*

²⁷ We recommend a review of the Community Organizations Legal Assistance Project's "Legal Strategies to Promote Owner Rehabilitation or Transfer or Abandoned Buildings" and the companion report "Neighborhood Advocacy Corporation Receivership Program." The first of these analyzes legal strategies allowed in Indiana – including receivership – to compel abandoned property owners to repair or transfer their properties. The latter recommends and describes the formation of a nonprofit corporation whose explicit purpose is to serve as receiver to which abandoned properties can be transferred.

²⁸ Alexander, Frank S. 2000. "Renewing Public Assets for Community Development." Local Initiatives Support Corporation.

²⁹ *ibid.*

³⁰ *ibid.*

³¹ State of New Jersey. 2004. "Summary of Abandoned Properties Rehabilitation Act." New Jersey P.L.2003, c.210, Sec. 32.

³² *ibid.*

³³ The Community Law Center is a nonprofit corporation that connects local attorneys to community-based nonprofits who can benefit from legal assistance or advice. The intention of the Center is to harness the power of law for community good by facilitating these relationships between attorneys and local nonprofits.

³⁴ Black, Karen L. and Elizabeth Hersh. 2003. "Reclaiming Abandoned Pennsylvania." Pennsylvania Low Income Housing Coalition Report.

³⁵ July 16, 2003 press release.

³⁶ City of Philadelphia, Neighborhood Transformation Initiative. 2004. "Transforming Our Neighborhoods – Building Our Future." Progress Report 2000-2003.

³⁷ Urban Institute and National Neighborhood Indicators Partnership proposal to The Brookings Institution. April 2004. "Decision Support Tools to Guide Urban Land Markets."

³⁸ Kildee, Dan. 2003. "Bringing Flint Back to Life." *Getting Smart!* 6(4): 3.

³⁹ Bier and Post, 2003.