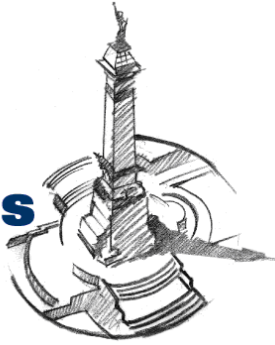


City of
Indianapolis
Gregory A. Ballard, Mayor



Abandoned Properties: Our Action Plan



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ABANDONED HOUSING INITIATIVE MISSION STATEMENT

To establish a formalized plan and implementation strategy designed to reduce the number of abandoned and vacant houses in the Indianapolis Metropolitan Area; that includes immediate, short-term and long-term actions to preserve and enhance safety and appearance of our community. To partner with our community to promote safety, crime prevention and protection of life, property, and the rights of all our citizens.

City of Indianapolis Abandoned Properties: Our Action Plan

Executive Summary

Chronically vacant and abandoned properties represent decline and neglect. On the streets where these properties stand, they contribute to neighborhood instability, diminished public safety, and the devaluation of neighborhood property and quality of life. Indianapolis, like many communities, faces a significant challenge in dealing with vacant and abandoned properties. This challenge is exacerbated both by weaknesses in the local and regional housing markets – including an oversupply of housing relative to demand – and by the high and growing rate of foreclosures.

Mayor Greg Ballard is committed to addressing these related challenges and has outlined an action plan that is designed to identify, stabilize, secure, and promote reinvestment in chronically vacant and abandoned property throughout Marion County. This action plan is centered on the City of Indianapolis leading in several primary areas:

1. enforcing the Unsafe Building Law to deter and mitigate property abandonment;
2. providing for public safety to stabilize neighborhoods;
3. providing leadership to leverage resources and achieve shared objectives;
4. attending to the condition of public infrastructure to provide a positive environment for investment;
5. securing abandoned properties through the tax sale and other processes;
6. strategically assembling properties to meet development and redevelopment objectives; and
7. leading, managing and coordinating redevelopment planning for Marion County.

The action plan presented in this document has four parts: information, mitigation, containment, and redevelopment.

Information: The foundation of meaningful strategies to meet the challenge of property abandonment is a fully integrated, geographic and parcel-based data system that is current, comprehensive, and publicly accessible. As such, the City will develop a comprehensive, data system that includes items such as ownership, occupancy, code violations, tax status, physical condition, zoning, current market value, geographic location, and other data critical which is available for future accurate counts which will promote effective decision making. Toward this end, the City of Indianapolis is:

- enhancing data collection methods to improve the quality of information we have about vacant and property abandonment in Marion County;
- updating and reorganizing our abandoned property list and making it publicly accessible so that it can be used as a re/development tool by private investors and by neighborhood residents;
- creating an integrated, parcel-based data system to enhance the ability of the City to proactively address problem properties; and
- providing public access to this geographic and parcel-based data system to provide nonprofit and private investors, including home owners, with sufficient information to make informed development decisions.

Mitigation: The City will work to mitigate existing property abandonment by aggressively enforcing the Unsafe Building Law and by stabilizing and securing properties through the county tax sale and other processes. Mayor Ballard's Administration is committed to:

- strengthen code enforcement by using the full range of legal tools available in issuing orders to repair and orders to demolish;
- work closely with Marion County Health and Hospital to develop a more proactive (rather than reactive) inspection process for vacant and abandoned properties – first, targeting those that are structurally dangerous or are centers of criminal activity;
- secure properties through the county tax sale and other processes and position the Indy Land Bank to successfully hold and maintain these properties so they can be applied to achieve redevelopment objectives; and
- evaluate the need for enhanced legal authority – through local ordinance or state statutory changes – to deal with vacant and abandoned properties.

Containment: The City will work to prevent more abandonment by encouraging investment in existing homes and by connecting families to foreclosure prevention services. Specifically:

- The City will provide leadership to engage private investment in existing homes by identifying home repair resources and improving access to capital for major rehabilitation.
- The City will collaborate with the Indiana Housing and Community Development Authority to connect families with comprehensive foreclosure prevention services offered through the Indiana Foreclosure Prevention Network – a public-private partnership of government agencies, realtors, lenders, community service and housing-related organizations.

Redevelopment: The City will strategically link abandoned properties with redevelopment initiatives, using abandoned houses and lots as assets that can be strategically invested to achieve redevelopment objectives. A redevelopment plan involves strategic intervention in neighborhood housing markets. The context and rationale for these strategic interventions are defined in a longer term redevelopment framework that integrates comprehensive community development plans for neighborhoods. As such:

- The City will convene a redevelopment planning council or other similar entity that will be responsible for defining a county-wide framework for strategic redevelopment that stabilizes neighborhoods, secures abandoned properties in neighborhoods, and strategically intervenes in neighborhood housing markets.
- This redevelopment framework will incorporate existing and future comprehensive community development plans constructed by Indianapolis neighborhood residents.
- The framework will also incorporate the strategic use of the federal abandonment and foreclosure funds that have been allocated as part of the federal Housing and Economic Recovery Act enacted by Congress.
- Issues for the planning council to consider include:
 - 1 Use of federal funds
 - 2 Specific geographic priorities
 - 3 Regional supply of and demand for housing
 - 4 Options for REO/foreclosed property
 - 5 Critical role of the private sector
 - 6 State of the housing stock
 - 7 Condition of the public infrastructure
 - 8 Projections regarding land use and population growth/density

The action plan presented here offers a general proposal regarding the City of Indianapolis' role - as a local government - in dealing with the problem of property abandonment from improving our knowledge about specific, problem properties to mitigating and preventing abandonment to strategically investing abandoned properties in order to achieve redevelopment objectives. This action plan is a living document that will be amended and improved over time.

Our Action Plan: Outline

Policy Objective: Identify, stabilize, secure, and promote investment in vacant and abandoned properties in Marion County

Primary Roles for the City:

- Provide for public safety to stabilize neighborhoods;
- Enforce code to mitigate property abandonment;
- Provide leadership to leverage all available resources;
- Maintain the public infrastructure to provide a positive environment for investment;
- Secure abandoned properties to assemble property that is necessary for redevelopment or that can be sold to responsible property owners;
- Strategically secure properties to meet redevelopment objectives; and,
- Lead redevelopment planning for Marion County.

Framework of the City's Response:

1. Information: Organize geographic and parcel-based data

- Action 1: Identify abandoned properties for accurate counts
- Action 2: Update property list and make it accessible
- Action 3: Create integrated data system

2. Mitigation: Address property vacancy and abandonment

Enhance enforcement of our civil code

- Action 4: Strategically and effectively enforce the civil code
- Action 5: Target dangerous properties as top priority
- Action 6: Align enforcement entities
- Action 7: Protect valuable structures
- Action 8: Evaluate need for changes to state and local laws

Stabilize abandoned properties

- Action 9: Secure properties through tax sale
- Action 10: Position Indy Land Bank to hold properties

3. Containment: Decrease and prevent more abandonment

Engage private investment in existing homes

- Action 11: Identify home repair resources
- Action 12: Improve access to capital for major rehabilitation

Collaborate to prevent foreclosure

- Action 13: Market existing prevention foreclosure services
- Action 14: Construct plan for federal HERA funds

4. Redevelopment: Link properties with redevelopment objectives

- Level 1: Stabilize neighborhoods
- Level 2: Secure abandoned properties in neighborhoods
- Level 3: Intervene in neighborhood housing markets

What is the foundation of this action plan?

Indianapolis, like many communities, is challenged by the thousands of distressed abandoned properties. Abandoned properties represent decline and neglect. On the streets where these properties are located, they contribute to neighborhood instability, diminished public safety, and the devaluation of property values and our quality of life. They impede neighborhood development and the achievement of our economic development objectives. And the challenge of abandoned homes is exacerbated both by weaknesses in the local and regional housing markets, including an oversupply of housing relative to demand, and by the high and growing rate of foreclosures.

Mayor Greg Ballard is committed to addressing this challenge, which will take time, considerable effort, and the efforts of government, non-profits, and the private sector. There is no “silver bullet.” Through a multitude of efforts, we must determine how the City can overcome this challenge. We will increase our efforts where successful and change where we are not, but all of our efforts will be relentless against this widespread, difficult challenge.

A. Policy Objective

This action plan deals with distressed abandoned residential properties in Indianapolis – both houses and lots. *Thus, as the term is used in this plan, an “abandoned property” is a chronically vacant and uninhabitable unit whose owner is taking no meaningful steps to bring it back into the housing market.*

Abandonment is different than vacancy, which simply refers to whether a property is occupied or not. Vacancy can be the result of normal turnover and can be temporary or permanent. In contrast, 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 action plan is centered on a key policy objective:

Identify, stabilize, secure, and promote reinvestment in abandoned property in Marion County.

In this plan, we identify specific short-term and long-term **Action** items related to:

- improving the accuracy of the information we have about property abandonment in Marion County;
- dealing effectively with currently abandoned property;
- preventing future vacancy and abandonment;
- dealing with foreclosures; and
- designing a robust redevelopment strategy.

B. Primary Roles for the City

Abandoned property results from a variety of factors, including private market weakness and uncoordinated civil and criminal code enforcement. Recognizing the interdependence of these factors, it is important to define our role as a city government given the extent of our legal authority, our expertise, and our ability to influence change.

As a city government, we view as our primary roles in meeting the objective of identifying, securing, stabilizing, and promoting reinvestment in abandoned properties:

- Provide for public safety to stabilize neighborhoods;
- Enforce code to mitigate property abandonment;
- Provide leadership to leverage all available resources;
- Maintain the public infrastructure to provide a positive environment for investment;
- Secure abandoned properties to assemble property that is necessary for redevelopment or that can be sold to responsible property owners;
- Strategically secure properties to meet redevelopment objectives; and,
- Lead redevelopment planning for Marion County.

C. Framework of the City's Response

The framework of our response to the challenge of property abandonment is straightforward and has four elements:

- **Information:** Develop an integrated, parcel based data system that is publicly accessible so that it can be used as a re/development tool by the City, private investors, and neighborhood residents.
- **Mitigation:** Address existing property abandonment through enhanced code enforcement and stabilizing abandoned properties through the tax sale process.
- **Containment:** Prevent more abandonment by encouraging investment in existing homes and through foreclosure prevention.
- **Redevelopment:** Strategically link abandoned properties with redevelopment objectives.

D. Mayoral leadership

The scale of the problem of property abandonment in Indianapolis necessitates a city-wide strategy in order to mitigate and contain abandonment and to design a response that strategically links abandoned properties with redevelopment objectives. This city-wide strategy requires mayoral leadership that can engage community leaders and leverage resources of all kinds to truly affect change.

Mayor Ballard has taken the lead in dealing with this long-term problem. Abandoned properties can be community liabilities, or they can become community assets – and much of this depends upon a community's ability to cooperatively and strategically invest their authority, expertise, and resources. Transforming abandoned properties from liabilities to assets involves the partnership of corporate, real estate, philanthropic, government, academic, and neighborhood leaders who will actively address the distinct but intersecting problems of property abandonment, foreclosures, and redevelopment.

Information:

What is the scale of the challenge?

Successful markets and effective government both depend upon quality information. Access to quality information about Indianapolis's land supply is vital for public officials who make planning and development decisions. And, by making that information publicly available, developers, real estate brokers, nonprofits, and other community partners can more effectively, and independently, make investment decisions regarding the reuse of abandoned properties.

The City and its community partners understand the scale of the problem of property abandonment in Indianapolis so that we can align sufficient resources to address the challenge in its entirety. And, it is important we have access to information about the type and location of abandoned properties so that we are able to recognize specific needs and ripe opportunities where strategic intervention can transform these properties from community liabilities into community assets.

A. Importance of Information

The City, working with relevant stakeholders, will strive to consistently identify, organize, and track the community's abandoned and vacant property inventory. This data will serve as an important tool and a substantial community resource. In making decisions about how to recycle individual abandoned properties or groups of them, the City and its community partners can be well served by having the answers to fundamental questions about each of those properties such as:

- ownership;
- occupancy;
- geographic location;
- physical condition;
- tax status;
- code violations;
- zoning;
- current market value;
- location in strong or weak markets; and
- location in designated redevelopment or revitalization areas.

Access to this information on a parcel level is a critical tool for successful code enforcement, identification of properties to secure through the tax sale process, abandonment prevention, and redevelopment.

B. Current Information

At present, the City requires a comprehensive, parcel level and geographic information about abandoned properties. However, there are several measures of vacancy and abandonment, at the aggregate level, which should be considered.

Based on the 2000 U.S. Census for Marion County, we know the following:

Occupied housing units	352,164
Vacant units	35,019 (represents 9% vacancy rate)
Vacant units for rent	17,778
Vacant units for sale	4,355
Vacant units rented or sold	2,390
Units for seasonal use	1,326
Units for migrant workers	12
Other	9,158 (indicator of abandonment)

Since the 2000 U.S. Census, the City has built on this data in two ways:

- 1 Securing parcel level data on property condition:
 - In 2003, the Department of Metropolitan Development (DMD) conducted its first vacant housing inventory that included parcel level descriptions of property condition according to an "A" through "E" rating scale.*
 - In 2008, the Department of Public Safety identified 12 of its beats experiencing the highest levels of crime and property abandonment. IMPD officers have been collecting and mapping parcel level, baseline data in these 12 geographic areas.
- 1 Securing updated county level data on property status:
 - In 2008, the Ballard administration recognized the need for both more information and improved data collection methods.
 - In the last several months, Mayor Ballard's newly-formed IndyStat initiative has identified distressed abandoned properties based on a combination of real-time information, rather than a one-off inventory.

C. Improve Data

We need a better understanding of the location, condition, and legal status of vacant and abandoned houses and lots in order to make effective decisions about the future of these properties. The foundation of meaningful strategies to meet the challenge that property abandonment poses is a fully integrated, parcel based data system that is current, comprehensive, and accessible.

We identify three action steps designed to improve the City's data collection, organization, and accessibility. These steps are intended to, ultimately, result in the creation of a tracking and inventory system for vacant and abandoned properties that is part of a Geographic Information System (GIS) and that is publicly accessible.

* Notably, most of the houses (3,899) in that inventory of 7,913 vacant properties were given a "C" rating, indicating they were middle of the scale and needing minor rehabilitation. Very few houses (551) received an "A" rating indicating they were in excellent condition; and even fewer houses (288) received an "E" rating indicating they were severely dilapidated.

Action 1: Identify abandoned properties for accurate counts

The City is committed to securing accurate and current data on residential property vacancy and abandonment. To that end, we are implementing several practices to improve data collection:

- **We have recently implemented 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 “problem properties” into the mobile data terminals in their squad cars. A “problem property” is defined as a vacant residence that an officer deems to be a neighborhood nuisance or a potential safety hazard due to a recent fire. A priority system has been established to alert the Health and Hospital Corporation (HHC) of the problem, its nature, and the level of urgency.
- **We are supplementing this field data by assembling parcel based data regarding tax delinquency, board orders, demolition orders, water disconnect notices, and IPL disconnect notices in order to identify “distressed” properties that may become abandoned.**
- **We are disaggregating our data to distinguish between properties that are “transitional,” “distressed,” or “abandoned.”** Ultimately, this practice will allow us to intervene in a more strategic way – both in relation to individual properties and larger geographic areas within the county.
- **The system has been designed to execute a cost effective process calculated to gather data to ensure, to the fullest extent possible, an accurate count of vacant and abandoned properties occurs.**

Action 2: Update abandoned property list and make it accessible

The improved inventory of abandoned properties will be organized, updated, and publicly available on the City’s website. These properties are those that are vacant and tax delinquent and have at least one code violation. This abandoned property list can be organized in a way that it separates abandoned properties from owner occupied houses, despite their shared property tax delinquency – so, only abandoned and vacant properties will make the list. Knowing this, enforcement officials will apply the full range of enforcement tools, including harsher penalties, to deal with these properties, since doing so does not run the risk of taking action against individuals living in their homes, in property tax arrears, and/or in violation of code but facing significant financial hardship.

Making this list publicly accessible and marketing the list as such serves at least three additional purposes:

- 1 It can be used as a redevelopment tool for both public and private sector actors because it offers important information on which to base strategic investment decisions;
- 2 It provides highly useful information to neighborhoods engaged in comprehensive community development planning, allowing them to be more specific regarding land use initiatives;
- 3 The list can 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.

Action 3: Create integrated data system

In Marion County, distinct parcel level information is collected by different government entities, and that information is not integrated. From a data perspective, these entities operate largely in isolation from one another. So, accessing comprehensive, parcel specific information for Marion County properties is very difficult today.

The property system owned and maintained by the Township Assessors (now shifting to the County Assessor) contains critical, baseline, parcel based information. The County Treasurer and County Auditor maintain all tax-related information. Accessing comprehensive, parcel specific 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. And, 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 the Department of Metropolitan Development.

Recognizing the need for more comprehensive data regarding specific parcels, the City is currently replacing one data system with another – the new system allows for improved integration of parcel level and geographic data across several governmental entities. Ultimately the goal will be to efficiently integrate Justice System and other legal data systems, for instance.

In response, **the City will begin to gather key parcel information and design a data system that links directly to various data repositories using web services and Application Programming Interfaces (APIs).** Using Philadelphia's Neighborhood Information System as a model, we anticipate the system will include at least the following data on a parcel level:

- code violations;
- property tax and tax sale information;
- current owner with contact information;
- current deed owner with contact information;
- description of physical condition;
- zoning and variances;
- building permits;
- mortgage foreclosure information;
- utility payment delinquency and disconnection;
- postal vacancy.

Broad access to this parcel level information will substantially improve knowledge sharing across different departments and agencies within city government and will, thereby, enhance the City's ability to deal with problem properties. Moreover, allowing developers, real estate brokers, community development corporations, and other nonprofit and private entities to also access to this parcel level information will provide these community partners with information sufficient to make informed and independent investment decisions – potentially having the effect of encouraging private market activity in relation to abandoned properties and the neighborhoods in which they are located. As such, it is the City's goal to allow for public access to this integrated data system.

Mitigation:

How to address property abandonment

Abandoned structures and lots represent decline, neglect, and devaluation of people and property. Left unattended, abandoned properties are serious liabilities.

While the types of problems related to chronic vacancy and abandonment vary from one jurisdiction to another for many reasons, similar strategies can be applied in all jurisdictions to address the abandonment of houses and lots. National level research and best practices have demonstrated that there are key strategies to address abandonment and vacancy that are commonly successful across diverse jurisdictions. This plan relies upon those key strategies in the context of local knowledge and priorities.

Mitigating property abandonment involves several primary strategies, including but not limited to:

- A. Enhanced code enforcement;
- B. Stabilize properties through the tax sale process.

A. Enhance Code Enforcement

Establishing and maintaining the basic infrastructure – legal, administrative, and physical – that promotes neighborhood stability and investment is one of the most crucial roles a municipal government plays. Part of this infrastructure is the set of laws that define what are the acceptable conditions for houses and buildings within the community.

In Indiana, this set of laws is the Unsafe Building Law (IC 36-7-9). Through this chapter of Indiana code, the State authorizes local governments to require the owner of an unsafe building to take corrective action to deal with unsafe building conditions. The Unsafe Building Law (UBL) applies to a building that is determined to be in an impaired structural condition that makes it unsafe, a fire hazard, a hazard to public health, a public nuisance, dangerous because it violates a statute or ordinance concerning building condition or maintenance, or is vacant and not maintained so that habitation or use is not allowed by statute or ordinance.

The UBL is the primary tool used by local governments in Indiana to address the problem of vacant houses and buildings. The UBL provides valuable administrative tools and judicial remedies that local government may apply to address and resolve unsafe building conditions, including property abandonment.

Action 4: Strategically and effectively enforce the civil 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 are held accountable for the condition of their properties, and the City uses these methods for owners of vacant property. If owners of vacant property refuse to maintain their properties in good repair, the law provides mechanisms to repair, board, or demolish those properties.

In 2006, the Indiana General Assembly expanded and enhanced the set of tools available to local governments to deal with abandoned and vacant properties. These tools, which are specified in the UBL,

include both administrative procedures as well as judicial remedies that deal with property owners who are in violation of the building standards specified in the law. The UBL enforcement authority (*i.e.*, administrative hearing officers) may decide whether they want to deal with violations of the law administratively – using administrative tools they have the discretion to apply – or whether they want to send a case to the courts where judicial remedies are available to address the violations.

The UBL provides essential administrative and judicial tools to municipalities to address the challenges related to vacant and abandoned properties. An examination of the effectiveness of these tools will require time, experience, data collection, and benchmarks.

The City is committed to improving its code/UBL enforcement. Specifically:

- **The City recently strengthened our enforcement authority by replacing UBL hearing officers with an administrative law judge who has already demonstrated a willingness to enforce the law more vigorously.** After an evaluation by Corporation Counsel, the City has determined that many UBL cases being referred from the administrative enforcement process to the courts can be handled through the administrative process. In April 2008, the City contracted the services of an administrative law judge to facilitate a more efficient and effective administrative process that uses the full range of penalties and other tools available. The results have been tangible: in the first three months, the administrative law judge has issued more \$2,500 civil penalties (for UBL violations) than the hearing officers did in all of 2007. In addition, collection measures have been modified, resulting in more UBL fees being collected and certified to property taxes.
- **The City will enforce code in dealing with problem properties by using the full range of tools available in issuing orders to repair and orders to demolish.** The objective of the UBL is to get owners to be self-compliant with regard to violations of their properties. In fact, an administrative hearing officer can be an asset to vacant property owners who, due to economic or other hardship, face code violations.

However, unsafe and vacant building owners must know that an ultimatum stands: cure the property of all code violations, or your interest in the property may be liquidated. The costs of abandonment must be directly assigned to the owner and, therefore, have the potential to influence the owner's behavior.

An order to repair is issued if a building is considered unsafe because of its physical state. 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 typically taken by the (now) administrative law judge. Either: (a) the order to repair is affirmed and sent to court, or (b) an order to demolish is issued.

An order to demolish will be issued to owners of unsafe buildings that pose a threat to public safety. In addition, orders to demolish will be issued when longstanding repair orders have been issued and/or a building has deteriorated to the point that its condition warrants demolition rather than repair. An order to demolish proceeds through the same administrative process as does an order to repair.

The UBL provides a range of tools that can be applied to encourage owners to make repairs. Yet, few of these tools have been effectively used or used at all in Indianapolis. The Ballard Administration is committed to applying them.

These tools are outlined and described, briefly, in the table below:

Legal Tool	Discussion
Impose fine of up to \$5,000	Property owners who let their properties deteriorate and willfully fail to comply with a UBL order are subject to a civil penalty imposed by the administrative hearing authority. The issuance of these fines is common, however rarely in the amount of \$5,000.
Impose additional civil penalties (<i>i.e.</i> , fines)	A 2006 amendment to the UBL allows the administrative hearing authority to impose one or more additional penalties of up to \$5,000. Civil penalties increase the carrying costs of properties that remain in a state of disrepair – serving as an incentive to either improve properties or sell them.
Impose civil penalty of up to \$5,000 through a court	2006 amendments to the UBL increase the amount of civil penalty a court may impose from \$1,000 to \$5,000.
Require performance bond	As a condition for allowing additional time to bring a property into compliance, the administrative hearing authority or the court may require that a property owner 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 DMD'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.
Use special assessment	The UBL allows costs of repair; demolition, boarding, administrative fines, and fees to be recovered as a special assessment on the property tax bill. Boarding costs are being placed on tax bills as a special assessment; but the same needs to happen in relation to repair and demolition costs, administrative fines, and fees.
Obtain personal judgment	The UBL holds each person having an ownership interest in a property accountable for nonpayment of repair and demolition costs, administrative fines, and fees by obtaining a personal judgment filed with the county clerk. Any judgment against persons named in the record is a debt and a lien on all the real and personal property of the persons named – so, this is an <i>in personam</i> remedy that has the potential to be a significant disincentive to abandoning properties.

- **The City will encourage the use of receivership to mitigate property abandonment.** In so doing, the City will: (a) develop a list of potential receivers who have demonstrated an ability to successfully complete rehabilitation and who meet other qualifying criteria, and (b) revisit the legal structure and process of receivership to ensure that it is an effective tool by which to efficiently take possession of abandoned properties, repair them, and return them to productive use.

A court may 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.

Receivership has several important characteristics that make it a valuable tool for mitigating property abandonment:

- Receivership serves as *in rem* code enforcement, since it focuses on the abandoned property and not the owner of the abandoned property. The power of the court to enforce the UBL presupposes an owner’s presence in court. This is *in personam* enforcement. So, an owner’s anonymity precludes enforcement, and their abandoned property 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 owners’ anonymity serves as a disadvantage to the absentee owner, since it may result in the transfer of their property.
- 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. 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 individual or entity appointed has the prospective ability to sufficiently and efficiently renovate the property to which they are appointed.
- 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 the 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 that will and can, giving the latter a competitive advantage.

Action 5: Target dangerous properties as top priority

In order to stabilize neighborhoods, the Indianapolis Metropolitan Police Department (IMPD) and neighborhood leaders – will identify and target the most dangerous and troublesome properties in those neighborhoods.

- **A new procedure allows IMPD district officers to immediately report “problem properties” – abandoned houses that have fire damage or are centers of criminal activity – through a computerized system that links their report directly to HHC.** This notification system will improve code enforcement by identifying violators immediately and reporting them directly to HHC inspectors who can recommend action in relation to those properties. A comprehensive monthly report detailing HHC actions taken in response to each reported item will be generated and available for review and analysis.

- **The top 25 abandoned properties that are public safety problems are our first priority.** The City has been burdened with the consequences arising from a deluge of vacant and abandoned property which has, amongst many other social ills, created a public safety crisis. The Mayor has requested that the IMPD prepare a list of the Twenty-Five (25) most problematic vacant and abandoned properties from a public safety perspective. While these properties may not be the ones with the most code enforcement violations, they are nevertheless high priorities for the City. The “Top 25” listed properties will be subject to intensive problem elimination efforts, including but not limited to accelerated code enforcement, civil litigation and/or efforts to ultimately demolish the properties. Every time the Top 25 problems are eliminated, a new Top 25 list will be prepared the process will start anew.
- **The City has established a more rigorous demolition protocol and a more aggressive demolition schedule.** Mayor Ballard would like to utilize demolition as a powerful tool and has recommended increasing the City’s capacity to boost the number of demolitions from 225 to 450 per year and recommends, over the next five years, demolition of 2250 structures. All demolition activity will be guided by the City’s demolition protocol.

Any building that is posing an immediate danger to public safety either because of fire or complete collapse will be inspected by HHC inspectors. If there are any questions regarding the threat to public safety the building poses or its structural integrity, HHC will immediately contact DMD’s Unsafe Building Manager to determine if the property should be deemed an emergency for demolition purposes.

Emergency demolitions: No order is needed for an emergency demolition, although the City must defend the decision to demolish in court. In order to defend this decision, a DMD team, including an engineer, will determine whether all or part of a structure poses a public safety hazard and will follow specific standards for documenting the condition of the property. This document will be submitted to Corporation Counsel to determine their ability to defend the decision to demolish on an emergency basis.

Non-emergency demolitions: Recognizing the City’s limited resources to demolish structures, orders for non-emergency demolitions will be issued strategically and based on a point system that prioritizes property conditions.

The City recognizes that some neighborhoods are more supportive of demolition as a tool than are other neighborhoods. As such, the City will work with neighborhoods regarding plans for demolitions in their communities.

Action 6: Align enforcement entities

The Metropolitan Development Commission (MDC) has a contract with the HHC to administer and enforce the UBL in Marion County. This contract is broad which (a) provides flexibility for HHC inspectors and administrative hearing officers to exercise their own judgment regarding UBL violations and (b) will need to establish a clear set of guidelines for inspectors and administrative hearing officers to apply in ordering boarding versus rehabilitation versus demolition of abandoned and vacant properties. MDC and its agent – the Department of Metropolitan Development – will establish a clear set of protocols to be applied by HHC inspectors when making decisions regarding the administration and enforcement of the UBL.

- **The Metropolitan Development Corporation (MDC) – via its agent, DMD – will work directly with HHC to establish guidelines that dictate a more proactive inspection process and that improve the consistency of decision making by inspectors and hearing officers.** The City has considerable authority in regard to the administrative and enforcement process. Given this, the City has the opportunity and responsibility to establish a clear but flexible set of guidelines to be applied by inspectors and administrative hearing officers. In addition to being clear and consistent, these guidelines will articulate a more proactive inspection process that does not rely upon citizen complaints to inspect and take action against abandoned properties. HHC inspectors have substantial field experience and expertise that will be valuable and important to the preparation of those guidelines.
- **The City and HHC have agreed to create a new abandoned property team by reorganizing existing City staff and HHC staff who are responsible for complementary aspects of administering and enforcing the UBL.** The City is exploring the possibility of this new team working together in a single physical location. This new abandoned property team will include staff from HHC, Corporation Counsel, compliance, crime analysis, IMPD, the Community Prosecutor's office, DMD Staff, the fire department, as well as an administrative law judge and environmental court judge. The Team will address properties contained on the Mayor's Top 25 List.
- **Consolidation of code enforcement functions.** The City is currently consolidating City-supported code enforcement functions into DMD's Division of Compliance. This consolidation is expected to result in the ability for the City to more strategically direct its inspection, licensing, permitting, and abatement resources.

Action 7: Protect valuable structures

A property that makes its way through the code enforcement system – whether boarded, needing repair, or demolished – continues to need weed and trash abatement. The City has the statutory authority to issue orders requiring the removal of trash and weeds on any property. Specifically, the City can take enforcement action after ten days notice to an owner, if no administrative hearing is requested by the owner. Repeat violators face the costs of abatement and Environmental Court action which carries the possibility of higher fines (\$2,500 is mandated), personal judgments, and contempt charges.

This same, proactive approach has merit for vacant houses. Vacant and abandoned houses can remain unoccupied for months, or even years, during the mortgage and tax foreclosure process. The City will devise better systems to protect and seal salvageable structures and will also develop 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. In order to clean and seal properties, the City will take the following actions:

- **The City will devise a system for proactive site cleaning and property maintenance.** Rather than allowing the process to be complaint-driven, the City will devise a process to regularly and automatically inspect, mow, clean, and board vacant and abandoned buildings that have open repair or demolition orders. This proactive process will attend, first, to properties where there is a history of no response to letters, administrative hearings, or inspector contact. But this proactive

process will also be especially important as the City holds more properties in the Indy Land Bank, as will be discussed in sections below.

- **The City will explore the use neighborhood dump centers.** To reduce illegal dumping on vacant and abandoned properties, the Department of Public Works will explore neighborhood dump centers where “roll-off” containers are located 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 in that neighborhood.

Action 8: Evaluate need for changes to state and local laws

The City is committed to exercising the full extent of its authority in dealing with UBL violators. Our first responsibility is to enforce the UBL in order to immediately deal with abandoned properties and begin to stabilize neighborhoods at the most basic level. The legal tools currently available through UBL are robust; yet, there are certainly examples of more rigorous legal tools being used in other jurisdictions in the U.S. that the City can consider the following.

- Consider the following changes to state and local law:
 - Require all land owners to provide an actual street address, phone number, and other contact information on all legal documents. Owners living out of Indiana might be required to provide a “resident agent” within Indiana who would be served all legal notices. Owners might be required to update records as necessary or be subject to additional fees or fines.
 - Properties deemed to be “habitual nuisances” might be subject to eventual forfeiture. Owners of “habitual nuisance” properties would be denied from participation in the tax sale, as well as from bidding on government projects and contracts.
 - Property used for the sale, distribution, and/or storage of illegal drugs or other criminal enterprises might be subject to forfeiture.
 - Create a registry of rental properties with owner contact information, the lien holders for property, and building condition.
 - Rental and investment property transactions would not be recorded unless they are certified to be in habitable condition.
 - Properties left vacant, but maintained, for a certain number of years would be subject to a vacant housing fee.
- **Review of the process of receivership and make recommendations to improve the effectiveness of this tool.** The City previously experimented with the use of receivership as a tool to secure, repair, and sell an abandoned house on the southeast side by appointing the Southeast Neighborhood Development Corporation as receiver. The experiment met with some success and, ultimately, resulted in the repair and sale of that house, but not without some legal challenges and inefficiencies in the process. This tool has great potential for reclaiming abandoned properties; but it needs to work well in practice for that potential to be realized.

- **Review of the legal structure and authority of the Indy Land Bank, specifically in regard to whether it has sufficient legal authority and flexibility to secure, hold, and dispose of properties.** The City and our community must have a land inventory entity with sufficient authority and resources to successfully engage in securing, holding, maintaining, assembling, and disposing of properties to achieve redevelopment objectives. Several municipalities in the country work with land banks that are independent or quasi-independent from municipal government. A legal analysis of the tradeoffs of that more independent land bank entity versus the model Indianapolis currently uses – where the Indy Land Bank is fully part of the city government structure – may be valuable.

B. Stabilize Abandoned Properties

Indiana law establishes the process for property tax collection and enforcement in IC 6-1.1, Chapters 22 through 25. This law – especially given the statutory amendments of 2006 – provides a range of legal mechanisms by which county executives and their agents can move chronically delinquent, abandoned, and vacant properties through the tax sale process and toward rehabilitation and regeneration.

Collection of the property tax carries with it an important power that is not associated with any other form of tax debt – a property tax lien on the property. It is a first priority claim on a property if taxes are not paid when due. This lien in favor of the assessing government takes priority over all other liens or claims against the property. In this way, property tax liens are considered to have “super priority status” which facilitates the collection of property tax revenues by local governments.

Property tax liens represent an important public asset – or tool – for governments seeking to collect tax revenues. And, they can be used as a tool for community development by facilitating the transfer of delinquent property to owners (whether institutional or individual) who will invest in that property. The presence of a property tax lien typically signals that a property owner is either struggling financially to maintain the property at minimal standards or is willfully neglecting a property. 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 occur within a reasonable period of time.

The purchase of a property tax lien occurs in a tax lien sale which is held annually by the Marion County Treasurer. County executives have substantially more authority with regard to tax sales given the statutory amendments that became effective January 1, 2007. This expanded authority has not been exercised, however, since there were no tax sales held in Indiana in 2007 because of the serious problems faced by many localities related to property reassessment.

The expanded set of tools available to county executives in Indiana to move delinquent properties toward rehabilitation are discussed in detail in documents previously produced by the City and is outlined in the table below. All of these tools can be used to stabilize abandoned properties by connecting them to the tax process and, ultimately, moving them from situations of tax delinquency to acquisition by a new owner.

Legal Tool

One tax sale per year & expanded rights for county executive

Property not sold at tax sale is transferred to the county executive

UBL violators are excluded as bidders

Sale to an ineligible bidder is subject to forfeiture

Vacant or abandoned properties where taxes or special assessments are delinquent as of prior year's fall installment may be certified for sale

All counties may conduct expedited tax sales

The scope of properties that can be certified to expedited tax sales is broadened

Liens for special assessments have same priority status as liens for property taxes

Actual costs of postage and publication may be included in minimum bid (no \$25 limit)

Mayor can turn over properties the county acquires through tax sales to a redevelopment commission

Discussion

This single, annual tax sale – as opposed to two tax sales per year, as previous to 2007 – increases the efficiency of the tax sale process. And, county executives now have expanded authority to participate in the housing market and deal with abandoned properties: (1) county executives are issued a deed for vacant and abandoned houses not sold in the tax sale; (2) county executives acquire liens to all properties not sold in the tax sale and have the same rights as other purchasers; (3) for all properties not sold in the tax sale that are acquired by the county executive, the redemption period is expedited from 365 days to 120 days.

The specification that properties not sold in the delinquent tax sale are transferred to the county executive – rather than the county – provides the county executive with more control over the disposition and use of properties and more ability to choose uses that are in accordance with public redevelopment initiatives.

This provision is designed to create a system whereby current violators of the UBL and/or laws regarding tax enforcement and collection are prohibited from bidding on tax sale property.

This creates a salient disincentive for individuals and corporations who are in violation of UBL or are tax delinquent to bid on properties in the tax sale if they know that they have the potential to forfeit the full amount of their bid to cover those violations and delinquencies.

Effective January 1, 2007, the aggregate length of the delinquent tax enforcement process for vacant and abandoned properties is shortened by six months, increasing the efficiency of the process used to deal with chronically abandoned properties.

The redemption period for properties designated for this expedited sale is 120 days from the date of the sale. So, owners of these delinquent properties have 120 days (rather than the standard 365 days) to redeem their properties by paying the tax bill and penalties in full.

County executives may now designate for inclusion in the expedited tax sale any property on which at least one installment of property taxes is delinquent 10+ months.

Special assessments include such costs associated with cutting grass or weeds, trash collection, sewers, and ditch or drain assessments. These are now included in establishing the amount of the minimum bid for which a property will be offered at the tax sale.

The law now allows that the actual cost of providing notice regarding delinquent taxes and associated costs can be included in the minimum bid.

This set of recent amendments establishes the authority to create the Indy Land Bank and, importantly, the broad powers of property disposition for redevelopment purposes.

Action 9: Secure properties through expedited tax sale

The City will exercise its authority to designate properties for the expedited tax sale in order to move those properties toward resolution and reclamation.

Action 10: Position Indy Land Bank to hold properties

The Indy Land Bank was established in 2007 for the purpose of serving as a virtual repository for abandoned houses and vacant lots that are secured by the City through the tax sale process. Once secured and established as inventory in the land bank, these properties must be held until they are sold, exchanged, transferred, granted, or donated. The primary intentions of the Indy Land Bank are to: (a) temporarily hold properties, get them rehabilitated, and collect taxes on them as soon as possible; and/or (b) strategically assemble properties to be used to achieve redevelopment objectives in particular geographic areas.

This holding is not without expense: these properties must be physically maintained according to code, just like any other property. The Indy Land Bank currently holds approximately 100 properties, but it needs to enhance its capacity to both hold more and hold properties over several years, since (a) additional properties will be secured through the tax sale process and (b) redevelopment initiatives may dictate the necessity of holding properties for strategic assembly and/or strategic disposition to affect market dynamics.

- **The City will complete the policies and procedures currently being constructed for the Indy Land Bank.**
- **The City will begin positioning the land bank to successfully hold more properties and to hold properties over the course of several years.** In the short term, this will involve evaluating the land bank's current capacity to hold and successfully maintain properties – including financial considerations in relation to holding and maintaining properties.

Containment: How can we prevent more abandonment?

The best strategy for dealing with abandoned properties is to prevent them from becoming abandoned in the first place. The cost of keeping a property in use is often far less than the cost of restoring it to productive use once it has been abandoned. Yet, the cost to the community of an abandoned property begins almost the moment it is abandoned. While not all abandonment can be prevented, effective local prevention actions can significantly reduce the number of properties that are lost.

In this plan, we offer two means by which we may prevent more abandonment:

- A. Engage private investment in existing homes;
- B. Collaborate to prevent foreclosure.

A. Engage Private Investment in Existing Homes

Concurrent to addressing the acute problem of existing abandoned properties, the City and community must explicitly invest in strategies to slow and prevent further abandonment. These prevention efforts are critical to stabilizing neighborhoods throughout our city.

Action 11: Identify home repair resources
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One of the best abandonment prevention strategies is to make money available for home repairs. Many home owners lack the means to make necessary repairs which only results in further deterioration of properties and devaluation of neighborhoods. While some public home repair assistance funds are available through the federal Community Development Block Grant program, requests for assistance are significantly more than what this money will cover. Subsequently, the effect on neighborhoods is minimal. In response, **Mayor Ballard will provide leadership by asking and working with traditional lenders to develop a meaningful loan product that results in both more money being available to individual home owners and more home owners securing funds for critical repairs.**

Action 12: Improve access to capital for major rehabilitation
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Lending institutions may have special loan programs 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 in terms of 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 are not high enough to warrant loans sufficient to complete renovation of the homes. So, the loan products available for rehabilitation are limited. 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.

- **Mayor Ballard is committed to asking and working with traditional lenders to develop loan products that address this need.** Access to acquisition and construction financing is complicated and challenging even for the entrepreneur who wishes to buy several abandoned houses for rehabilitation and resale.

B. Collaborate to Prevent Foreclosure

The challenge of property vacancy and abandonment in Indianapolis may only going to get worse, given the growing number of foreclosures here. The numbers of foreclosures in 2008 has risen dramatically since 2007. Additionally, because property values are depressed in many neighborhoods, delinquent home owners are often unable to avoid foreclosure because they owe more than their homes are worth. Lending institutions who take ownership of properties through foreclosure are finding it difficult to sell those properties when they are located in neighborhoods that already suffer from high rates of abandonment. These properties may be vacant for months as lenders fail to find buyers. Then, these properties become likely centers of criminal activity, further reducing the likelihood of their being sold. The cycle continues: given long standing home vacancies – often the product of previous foreclosures – and the increasing rate foreclosures, we can expect a subsequent and significant increase in abandonment in the foreseeable future.

Action 13: Market existing foreclosure prevention services

In 2007, the Indiana Housing and Community Development Authority created the Indiana Foreclosure Prevention Network (IFPN) which is a public-private partnership of government agencies, realtors, lenders, community service and housing related organizations. IFPN offers a multi-tiered solution to foreclosure prevention that includes the opportunity for home owners to work with certified foreclosure counselors. The services offered through IFPN – and administered by Momentive Consumer Credit Counseling® -- are designed to assist home owners in danger of losing their homes in foreclosure (*i.e.*, preventing abandonment and helping maintain a home owner's credit) and to keep consumers from being taken advantage of by predatory lenders. This counseling is designed to help home owners do everything possible not to lose their homes.

Home owners are often unaware of the options available to them and are reluctant to contact a mortgage company when they cannot make payments. In the context of the foreclosure crisis the city is facing, more home owners need to be aware of the prevention counseling they can receive through Momentive and the Indiana Foreclosure Prevention Network. **The City will work directly with IHCD (and other partners) to strategically increase awareness of the services offered through Momentive and the Indiana Foreclosure Prevention Network, in an effort to connect more home owners with the knowledge and means to prevent foreclosure.**

Action 14: Plan for federal abandonment and foreclosure funds

In July 2008, the Housing and Economic Recovery Act (HERA) was signed into law by President Bush. From that Act, HUD created the Neighborhood Stabilization Program (NSP). The NSP has made available \$29 million to the City.

The City's plan includes acquiring property for rehabilitation, acquiring properties and holding them in the Indy Land Bank, demolishing some structures, providing housing opportunities for families of varying income levels, and providing financial assistance to families of varying income levels. Eleven areas of need have been identified, using demographic data, regarding foreclosures, vacancy, and household income.

Redevelopment:

How do we link abandoned properties with redevelopment objectives?

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 stabilizing neighborhoods, preserving affordable housing, and establishing attractive residential opportunities throughout our city. 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. A thriving community is characterized, in part, by diverse and complementary use of space – where residential, commercial, recreational, cultural, and other uses of space coexist and support one another.

Redevelopment of currently abandoned properties can serve as a catalyst for economic and neighborhood development. This redevelopment is not possible without, first, gaining control of currently abandoned properties through effective code enforcement, use of the property tax collection and enforcement process, and use of the Indy Land Bank – as has been discussed previously in this document. And, redevelopment is not possible without sufficient local government authority and leadership to intervene and invest in neighborhoods in order to change the market dynamics in those neighborhoods.

Our community is committed to providing leadership around this issue – this linking of abandoned properties with redevelopment objectives. Statutory changes passed in 2006 by the Indiana General Assembly empower the City with sufficient redevelopment authority to accomplish redevelopment objectives. Of course, achieving these objectives requires a sustainable community partnership. The City recognizes the need for identify its role in that partnership. As a starting point, we:

- A. Offer a framework for redevelopment;
- B. Identify first steps for the City.

A. Framework for Redevelopment

The foundation of this framework for redevelopment begins with the perspective that abandoned properties have the potential to be transformed into community assets that leverage – and make possible – community redevelopment and neighborhood revitalization. Building on this foundation, we identify three levels of activity and their constituent elements that provide the basic structure of a redevelopment strategy:

Level 1:

Stabilize neighborhoods

- Provide for public safety.
- Enforce code.
- Invest in public infrastructure.
- Encourage private investment by existing property owners (*i.e.*, prevention)

Level 1: The concept is to decrease risk for investors – including current home owners – by stabilizing neighborhoods. This occurs through mitigation and containment, as has been discussed previously in this document. It begins with public safety efforts and the effective (and visible) maintenance of public infrastructure. Aggressive code enforcement then becomes a critical tool: without the ability to stabilize abandoned properties that can be reclaimed and recycled, redevelopment cannot occur on a sufficient scale to improve the strength and character of neighborhood housing markets. More than this, code enforcement can be applied strategically. It can be focused, for instance, on particular geographic areas where redevelopment initiatives will also be focused. And, code enforcement can be strategically directed toward particular types of properties – for instance: (a) properties that are severely deteriorated and/or obsolete; (b) properties that have an IMPD history; and (c) particular properties that the City and/or other investors want for redevelopment purposes. Connecting existing property owners – both individual home owners as well as owners of larger rental units – to resources for repair and rehabilitation encourages private investment and reinvestment in neighborhoods and, of course, prevents abandonment in the first place.

Level 2:**Secure abandoned properties in neighborhoods**

- Strategically identify and acquire problematic properties through tax sale process.
- Hold and successfully maintain properties in Indy Land Bank.
- Stabilize or secure REO/foreclosed property in active partnership with lenders.

Level 2: The tax sale and expedited tax sale processes are important redevelopment tools, since they now allow the county executive substantially more control over abandoned and vacant properties before they enter the tax sale and if they are not sold at the tax sale. Vacant and abandoned properties can be strategically identified and secured through the tax sale process. Once these properties are secured through the tax sale, the Indy Land Bank must have sufficient capacity and resources to manage and maintain them. The land bank must achieve a high level of property maintenance for the properties it holds, so that property does not become the object of citizen complaints regarding weeds, trash, criminal activity, and other code violations. In addition to securing and maintaining abandoned and vacant properties, the City must consider its ability to help stabilize REO/foreclosed property. Directly engaging lenders in a discussion about innovative and mutually beneficial ways to deal with foreclosed properties – receivership and land banking offer possibilities in this regard that the City and lenders can consider together.

Level 3:**Intervene in neighborhood housing markets**

- Construct redevelopment strategy.
- Influence demand for and supply of housing.
- Determine disposition priorities and policy.
- Use designated redevelopment districts.

Level 3: The objective here is to influence market dynamics in neighborhoods. This occurs through strategic interventions in those markets to influence supply of and demand for housing and to build upon existing community assets of all kinds. The context and rationale for these strategic interventions are defined in a longer term redevelopment strategy that considers projections regarding land use, population growth and density, state of the housing stock, condition of the public infrastructure, etc.

This redevelopment plan involves the application of tools to change market dynamics by influencing the demand for and supply of housing by, for instance:

- seeking opportunities to bundle properties for redevelopment – thereby creating incentives for private investment generally and on a larger scale;
- increasing the number of home buyers by establishing ways by which low and very low income families can enter the market;
- addressing regulatory barriers – for instance, those that dictate housing density.

Based on strategic objectives, improved data regarding abandoned and vacant properties, and local housing market data, the redevelopment plan may identify property disposition priorities related to, for instance:

- affordable housing;
- neighborhood revitalization;
- community use;
- land assembly for economic development;
- longer term land banking for future, strategic use;
- return to the tax base.

It is important to note that Level 1 and Level 2 activities not only can but should occur simultaneous to Level 3 activities. The objective is to construct a well informed, long term strategic plan for redevelopment – and the design of an institutional structure to both develop and implement those strategic redevelopment initiatives.

B. First Steps for the City

We identify four initial steps the City, recognizing there are policy issues embedded in these steps that must be addressed:

1: Demonstrate capacity to stabilize neighborhoods.

The City has the opportunity and responsibility to build its capacity to engage in Level 1 activities to decrease the risk of investing in those neighborhoods, as described above: code enforcement, public safety, acquiring properties through tax sale process, successfully maintaining properties in the Indy Land Bank, and attending to public infrastructure.

2: Determine geographic priorities.

The naming of specific neighborhoods where focused initiatives and investment will occur is always challenging, for a variety of political and substantive reasons. The City is considering:

- county wide code enforcement in areas where high abandonment, foreclosure, and crime rates intersect, no matter where that occurs in Marion County.

...simultaneous to...

- neighborhood specific code enforcement focus where comprehensive community development plans are in place.

The NSP plan has identified 11 targeted areas that would qualify for the NSP funds. The City will develop a plan which more specifically targets specific neighborhoods, but will also coordinate that plan with other existing plans or proposed projects throughout the community in order to leverage the most benefit from all of the funds.

3: Convene redevelopment planning council.

A redevelopment strategy involves strategic intervention in neighborhood housing markets. The context and rationale for these strategic interventions are defined in a longer term redevelopment strategy that integrates comprehensive community development plans for neighborhoods. As a second phase of the NSP planning in December, 2008 and January, 2009, a task force will be established to more precisely define where and how the NSP funds should be used in the 11 targeted areas. That task force will solicit significant public input as they finalize the NSP plans.

Conclusion

The factors leading properties to become abandoned are several and interrelated. The number of abandoned properties is immense. The current economic environment, with increasing foreclosures, makes the challenge only more difficult.

A difficult challenge requires focus, determination, coordination, and investment of time and resources. We will learn from our efforts and improve wherever possible to leverage our limited resources to their highest long-term strategic value. To that end, this plan is a living document that will be amended as our efforts lead to results that require further investment or change.

Additional Resources

A Guide for Policy makers and Practitioners, September 2006. Abandoned Property in Indiana: Legal, Practical, and Policy Effects of 2006 Statutory Amendments.

Indiana Code Annotated 36-7-9: Unsafe Building Laws

Housing Alliance of Pennsylvania: Reclaiming Abandoned Pennsylvania, March 2003

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