



JUNE 2021

Building on Success:

Opportunities to enhance home
preservation efforts and
commercial vacancy strategies
in Lansing, Michigan

**A Center for Community Progress
Technical Assistance Report**

Center for **COMMUNITY PROGRESS**

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About Center for Community Progress

The mission of Center for Community Progress is to foster strong, equitable communities where vacant, abandoned, and deteriorated properties are transformed into assets for neighbors and neighborhoods. Founded in 2010, Community Progress is the leading national, nonprofit resource for urban, suburban, and rural communities seeking to address the full cycle of property revitalization. The organization fulfills its mission by nurturing strong leadership and supporting systemic reforms. Community Progress works to ensure that public, private, and community leaders have the knowledge and capacity to create and sustain change. It also works to ensure that all communities have the policies, tools, and resources they need to support the effective, equitable reuse of vacant, abandoned, and deteriorated properties. More information is available at www.communityprogress.org.

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Introduction

The City of Lansing (City) has identified reducing vacancy and improving property conditions as key priorities in its efforts to support Lansing's neighborhoods. Southwest, Baker-Donora, and most recently, the Willow/Walnut neighborhood (referred to as Census Tract 68 by the City and throughout this report) are "Neighborhoods of Focus" for the City in its residential revitalization efforts.¹ The City also established corridor improvement authorities to focus commercial revitalization in core commercial nodes throughout Lansing.

The Center for Community Progress (Community Progress) worked with the City to assess its current practices and policies for addressing vacant, abandoned, and deteriorated residential and commercial properties, as well as to identify any elevated risks for neighborhood instability caused by COVID-19's economic impacts. We reviewed state and local law, reports and program materials, and interviewed City staff and other community partners who play a direct role in the creation and execution of housing, community, and economic development initiatives.² We also collected and analyzed vacancy, market, and other demographic data, and visited the Neighborhoods of Focus to better understand residential and commercial property conditions.

Throughout our assessment, local stakeholders identified two types of property that are of greatest concern: occupied homes in disrepair and vacant commercial properties. This report outlines strategies and recommendations for how the City can take action on these priority properties. We also note considerations for the City related to other property concerns based on our data analysis.

This engagement included limited interviews with City and community leaders identified by the Economic Development and Planning Department, our point of contact, as well as high level data analysis. Thorough engagement of residents and a deeper dive into the City's and its partners' practices is needed to provide more specific guidance in each recommendation area. The strategies included in this report can guide the City in how to approach problem residential and commercial properties, and help Lansing's focus neighborhoods and commercial corridors grow stronger and more resilient.

Existing conditions

The City and its partners have a strong foundation of policies and tools to address problem properties. It already has systems to regulate and intervene in cases of vacant and deteriorated properties including efficient code enforcement and its partnership with the Ingham County Treasurer and Ingham County Land Bank Authority (ICLBA) in cases of tax-foreclosed properties. The City has also made investments in property data software which are important for monitoring changing neighborhood conditions. Important partnerships, including with the Capital Area Housing Partnership (CAHP) and the Lansing Economic Area Partnership (LEAP) round out the City's robust approach. Together, these tools and relationships have allowed Lansing to make significant progress in addressing problem properties, particularly vacant residential properties, and will continue to be critical looking ahead.

We can see many results of the City's and its partners' good work. Lansing's residential vacancy rate has declined in the last five years and home values have increased. Owner and renter housing cost burden has decreased overall in the city as well. Yet, there is still more to do. Lansing continues to average higher vacancy rates compared to county

¹ These neighborhoods were selected by the City of Lansing in large part due to the property vacancy challenges they have been experiencing.

² See Appendix A on page 30 for a full list of individuals interviewed.

and state averages, and some of its neighborhoods (e.g. Census Tract 68 as shown in Figure 1) have not shared the same level of market improvement compared to the city as a whole.

In 2020 and 2021, COVID-19 impacted real estate markets and local government budgets everywhere and it amplified the importance of stable, quality housing for public health. The City predicts an \$8 million loss in income tax revenue for the current budget cycle given its substantial commuter workforce shifting to remote working,³ and the pandemic will likely have lasting economic impacts that could introduce future instability in housing and commercial markets.

Progress

To better understand Lansing's opportunities for impact, we examined the city's recent progress and challenges.

Lower residential vacancy citywide

Lansing's residential vacancy rate declined citywide by about 13% from 2014 to 2019,⁴ an achievement the City should be proud of.

ICLBA has been a tremendous asset to addressing vacancy in Lansing. It has acquired vacant, tax foreclosed properties through the property tax foreclosure process, removed dangerous structures, regularly maintained its existing inventory, and contributed to new housing opportunities in the city. Five years ago, ICLBA had an inventory of nearly 1,200 properties with the majority within Lansing's city limits. That inventory is down to approximately 750 properties today. More than 100 of those are a part of ICLBA's garden programming and a small portion includes rentals and homes under land contract. Roughly 90% of its total inventory consists of vacant lots (mostly residential lots) which ICLBA maintains.⁵

For properties that are vacant but have not gone through property tax foreclosure, the City of Lansing's Neighborhood Enhancement Action Team (NEAT) is another important asset. NEAT monitors vacant properties to make sure they remain secured and meet other external maintenance standards. According to the City's 2020 Annual Report, there were more than 440 "red-tagged" properties (vacant more than 90 days) throughout the city that the NEAT team was monitoring.⁶

Improving housing market characteristics

Lansing's median home value increased between 2014 and 2019, and the number of home purchase mortgage originations roughly doubled.⁷ Both of these are good signs of an improving residential market. Additionally, CAHP shared that demand for its homebuyer courses and applications for homes currently exceeds its inventory.

The percentage of homeowners and renters experiencing a housing cost burden decreased overall for the city from 2014-2019, down 22.5% for homeowners and 10% for renters. Poverty also declined 14.4% during the same period.⁸ These are positive changes.

³ Lehr, S. (2021, May 5). "COVID-19 cost cities millions in income tax. Whitmer plan would help offset the loss." Lansing State Journal. Available at <https://www.lansingstatejournal.com/story/news/2021/05/06/whitmer-proposal-would-give-lansing-el-millions-income-tax-loss/4944838001/>.

⁴ U.S. Census American Community Survey 5 yr. estimates 2010-2014 and 2015-2019.

⁵ Inventory details provided in an interview with Roxanne Case, Executive Director of the Ingham County Land Bank and Eric Schertzing, Ingham County Treasurer on April 16, 2021.

⁶ City of Lansing, Michigan. (2021, January 21). "2020 Annual Report." Available at <https://www.lansingmi.gov/DocumentCenter/View/11790/City-of-Lansing-Annual-Report-2020>.

⁷ U.S. Census American Community Survey 2010-2014 and 2015-2019.

⁸ U.S. Census American Community Survey 2010-2014 and 2015-2019.

Challenges

Lansing has seen many positive changes, but like many cities in Michigan it continues to face ongoing property maintenance and vacancy challenges. In our interviews with local stakeholders, we heard several priority concerns:

- Many property owners lack the resources to address deferred maintenance on their homes, particularly owner-occupied homes.
- Vacant commercial properties continue to pose significant community and neighborhood challenges, and there are limited resources and tools to effectively address them.
- There is a lack of clearly articulated priorities and measurable goals identified for housing and property condition interventions in the Neighborhoods of Focus.

Higher residential vacancy and lower property values in some neighborhoods

While the citywide residential vacancy rate has declined since 2014 - now down to 11% - residential vacancy is much higher in two of the City's Neighborhoods of Focus. In Census Tract 68 and the census tract encompassing Baker-Donora (census tract 20), the residential vacancy rates are 22% and 21% respectively.⁹ Figure 3 on page 10 shows the variation in residential vacancy rate across the city. Census Tract 68 is predominantly residents of color, who list their race as Black and two or more races, non-Hispanic. Baker-Donora is predominantly white. The poverty rates for these areas are both above 40%, among the highest in the city. They also have two of the lowest median home values in the city. While the city's overall median home value increased to \$83,500, Census Tract 68's median home value decreased to \$49,600 since 2014. It is particularly concerning how COVID-related high unemployment rates could impact future vacancy if property tax and mortgage foreclosures are not successfully mitigated. Increases in residential vacancy in the Lansing metro area peaked in 2014 – nearly five years following the height of the Great Recession's unemployment spike, raising concern about a future increase in vacant homes in the years ahead.¹⁰

Deferred maintenance on owner-occupied homes

During our interview process, local leaders cited property owners' inability to afford the upkeep of their homes as an area of concern. Community Progress did observe visible signs of deterioration such as roof wear or severe damage, porch disrepair, and peeling paint on occupied homes (see Figure 2 on page 9). There is limited national data available to assess the condition of properties in Lansing, and there is no citywide parcel survey of property condition to fully understand the scale of the issue. Without a parcel survey or having the Code Enforcement Division proactively inspect owner-occupied housing throughout the city (in addition to City's current proactive rental inspections), much of the information we have about owner-occupied housing is anecdotal through interviews or limited observation. We do know from the U.S. Census, however, that more than 80% of homes in the city were built in 1979 or earlier, and in Census Tract 68 that number is over 90%. Older homes are not automatically in disrepair, however, they can require significant ongoing maintenance and present additional health risks like asbestos and lead exposure.

The city has an overall high renter housing cost burden

The City put in place a registration and inspection program to regularly monitor the condition of rental properties throughout the city. The City proactively inspects all rental properties every three years and maintains a compliance rate above 90% for those inspected, which is quite impressive. However, in our data analysis it became apparent that the number of renters experiencing a housing cost burden in Lansing is significant. While the percentage is down from 56% in 2014 to 48% in 2019, having nearly half of all renters paying more than 30% of their income for housing is concerning, particularly in light of COVID-19's impact on employment, which could further disrupt renters' ability to pay

⁹ U.S. Census American Community Survey 2010-2014 and 2015-2019.

¹⁰ See Appendix B on page 31 showing unemployment and residential vacancy trends.

rent and landlords' financial capacity to maintain properties. It will be crucial for Lansing to keep monitoring this closely in order to avoid additional property deterioration in the future.

Commercial vacancy remains stagnant or is worsening

Interviewees pointed to commercial vacancy as a common concern and described a general decline in commercial retail and other types of business in recent years. This trend means many of Lansing's older commercial properties are functionally obsolete and gradually deteriorating. COVID-19 will likely accelerate the shift away from many commercial spaces, increasing the concerns over the future of office space in addition to retail in Lansing. As with residential vacancy, commercial vacancy in Ingham County peaked nearly five years following the Great Recession's unemployment spike. This raises concern about a future increase in the years ahead due to COVID-19's economic impacts.¹¹ The city's commercial vacancy rate has stayed roughly the same at about 18% since 2014 according to U.S. Postal Service data. In Census Tract 68, the commercial vacancy rate climbed from about 22% to 35%. Figure 4 on page 11 shows the variation in commercial vacancy across the city.

¹¹ See Appendix B on page 31 showing unemployment and commercial vacancy trends.

Figure 1: Lansing Residential and Commercial Property Market Snapshots

	2014		2019/2020	
	Lansing	Census Tract 68	Lansing	Census Tract 68
Population¹²				
Total Population	114,382	3,544	117,159	4,289
White, Non-Hispanic	55.3%	41.9%	54.1%	40.4%
Black, Non-Hispanic	21.1%	27.2%	22.2%	24.1%
Hispanic or Latino	12.6%	23.8%	12.4%	9.7%
Two or More Races, Non-Hispanic	6.4%	3.4%	6.2%	19.6%
Asian, Non-Hispanic	4.1%	3.4%	4.4%	5.9%
American Indian and Alaska Native, Non-Hispanic	.5%	.3%	.4%	.3%
Other Race, Non-Hispanic	.1%	0%	.2%	0%
Native Hawaiian and Other Pacific Islander, Non-Hispanic	.1%	0%	0%	0%
Housing Market Characteristics and Vacancy¹³				
Total Housing Units	55,522	1,705	55,330	1,622
Owner-Occupied	51.6%	56%	50.6%	44.1%
% Owners Facing Housing Cost Burden	27.9%	37.9%	21.7%	26.1%
Median Home Value	\$79,600	\$79,600	\$83,500	\$49,600
Home Purchase Mortgage Originations	646	14	1,260	36
Renter-Occupied	48.4%	43.9%	49.4%	56%
% Renters Facing Housing Cost Burden	56%	63.8%	48.6%	55.2%
Median Rent	\$743	\$830	\$819	\$878
Total Vacant Housing Units	7,234	352	6,296	362
% Vacant Housing Units	13.0%	20.7%	11.4%	22.3%
% 'Abandoned'	5.9%	13.1%	6.0%	17.8%
Commercial Vacancy¹⁴				
Long-term (>90 Days) Vacant	18.2%	21.9%	18.3%	35%
Long-term (>90 Days) No-Stat ¹⁵	4.5%	0%	1.4%	0%

¹² U.S. Census American Community Survey 2010-2014 and 2015-2019.

¹³ U.S. Census American Community Survey 2010-2014 and 2015-2019.

¹⁴ U.S. Postal Service, July - September 2014 and 2020.

¹⁵ No-stat addresses are inactive because they are under construction, demolished, blighted, or are otherwise unable to receive postal mail.



Credit: Center for Community Progress

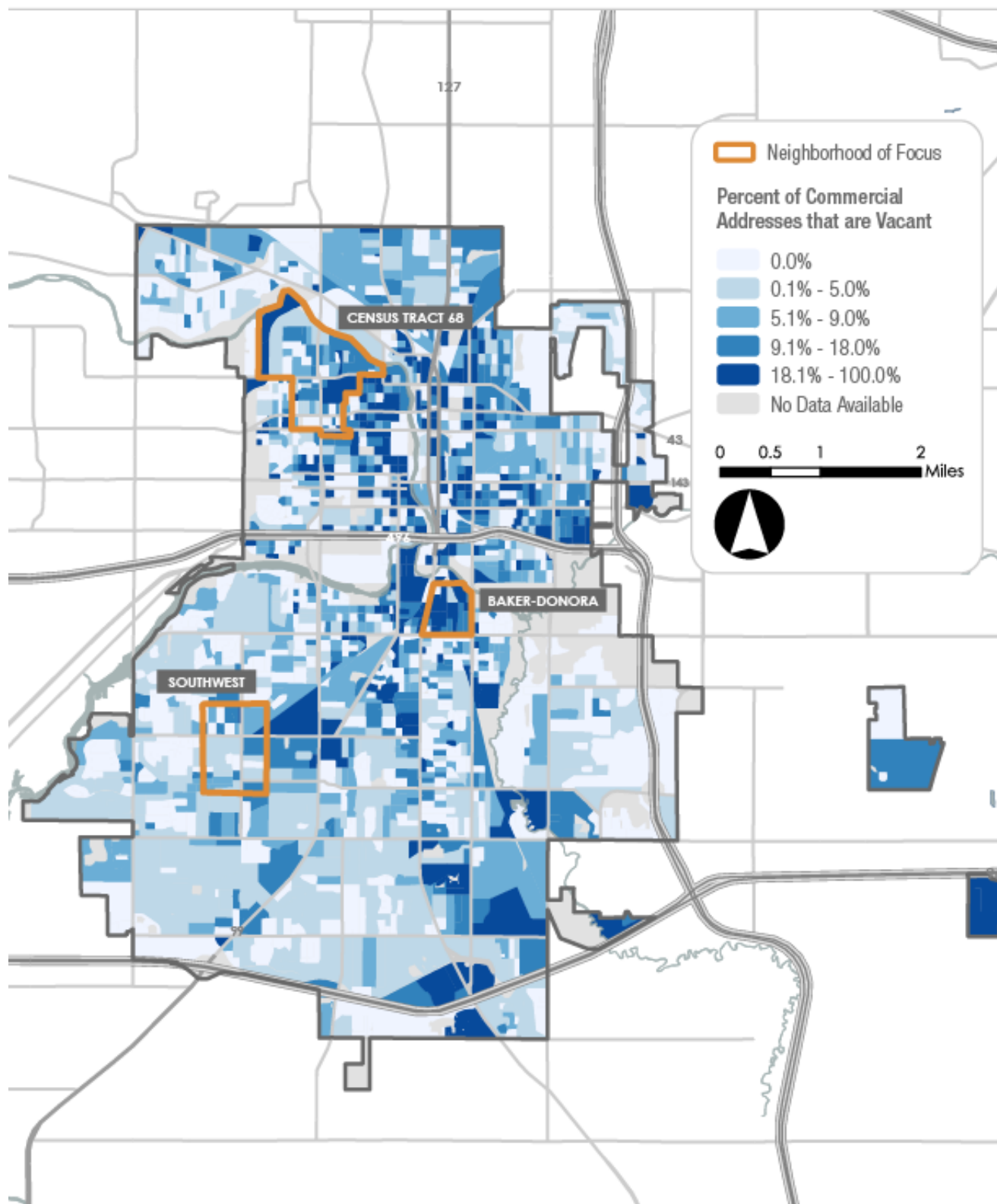
Figure 2:

These photos show examples of occupied homes that exhibit signs of deferred maintenance in Census Tract 68, one of the City's Neighborhoods of Focus.



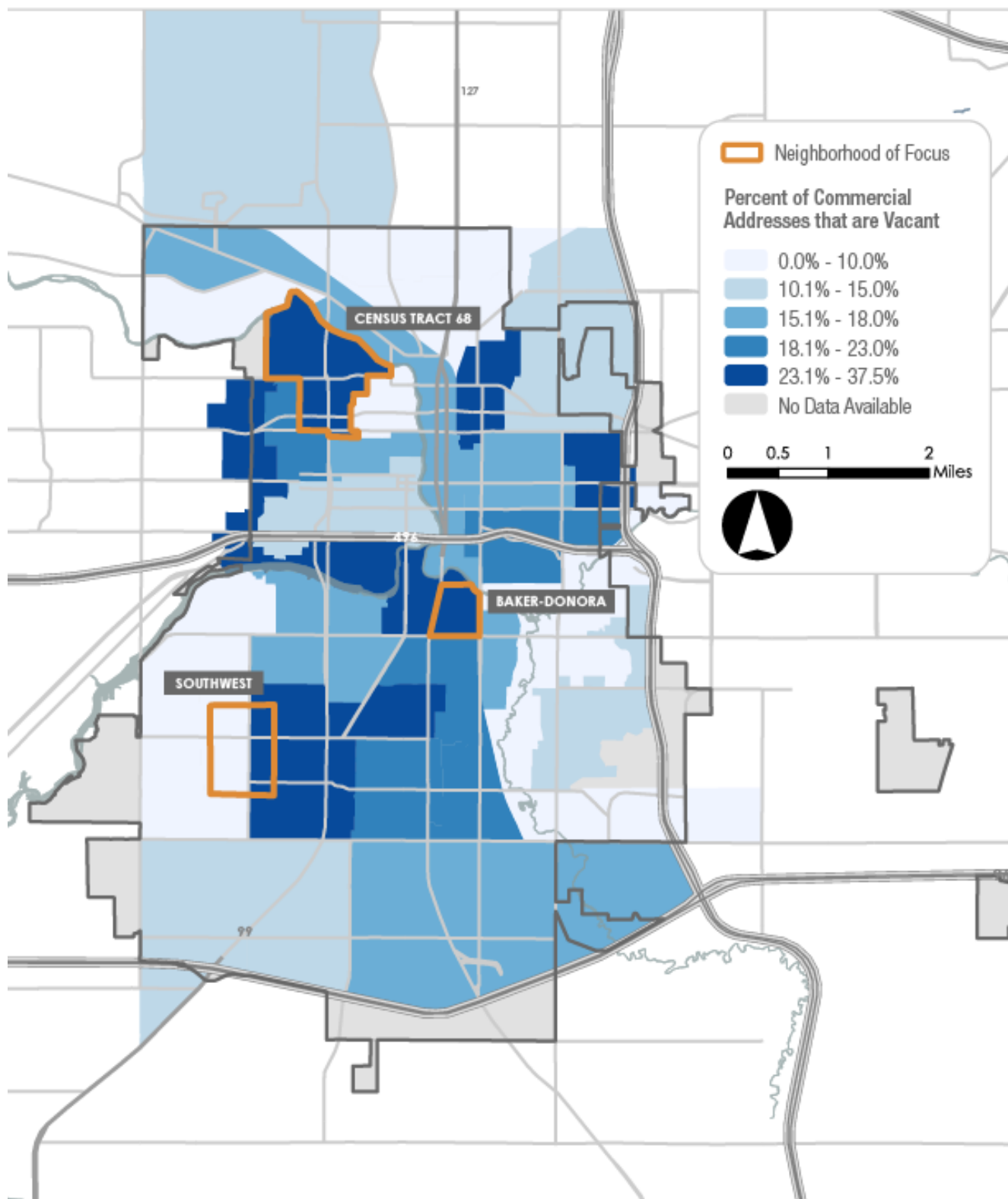
Credit: Center for Community Progress

Figure 3: Residential Vacancy Rate in Lansing, 2020 by Census Block



Source: Valassis VNEF Plus database, October through December 2020. Created by Center for Community Progress and Data Driven Detroit, March 2021.

Figure 4: Commercial Vacancy Rate in Lansing, 2020 by Census Tract



Source: U.S. Postal Service, October through December 2020. Created by Center for Community Progress and Data Driven Detroit, March 2021.

Residential Strategies

This section focuses on ways in which the City of Lansing and local partners can build upon existing tools and local policies to address vacant, abandoned, and deteriorated residential properties more efficiently, effectively, and equitably.

Stakeholders did not identify vacant properties as a top concern in Lansing, given the City and its partners have adopted and put in place a good range of tools to monitor, secure, and put vacant properties on a path to productive use. However, according to the U.S. Census data, some neighborhoods have a high percentage of residential units that are vacant.

Of greater concern noted by City officials and stakeholders is the declining conditions of residential properties. Limited resources of property owners and neighborhood housing markets that do not support significant investment in home repair or improvements were two causes stakeholders pointed to. In addition to concern about the health and safety of people who currently reside in properties in disrepair, there is also a worry that if these issues are not addressed then vacancy and abandonment will soon become a much larger concern.

For those reasons, the following recommendations focus on addressing a decline in residential property conditions, primarily for owner-occupied homes, including providing more comprehensive repair resources. This section also includes select ways to address problem vacant properties and prevent decline in the rental housing market.

Our recommendations for residential strategies are organized into the following categories:¹⁶

- Prioritize tracking property condition data.
- Proactively intervene in vacant properties in neighborhoods with high levels of vacancy.
- Consider regulatory enhancements to expedite nuisance abatement.
- Identify additional, flexible resources for home repair and construction.
- Monitor and quickly respond to COVID-19 economic impacts.
- Create a measurable, targeted action plan in coordination with residents and partners for Census Tract 68.

Prioritize tracking property condition data

The City and its partners benefit from using property data software to track and monitor basic property information, permitting, code violations, property tax status, and more. Mapping and analytics software from Dynamo Metrics, the Code Enforcement Housing Portal from BS&A, and land bank inventory and property management software from ePropertyPlus provide a strong data foundation to inform strategic decision-making around enforcement of property standards and thoughtful investment of limited resources.

The City currently has access to significant vacancy data (including water usage, utility usage, and information from sources like the Census and U.S. Postal Service). Property condition data, however, seems to be less accessible. This makes it difficult to have a full understanding of deteriorating conditions for occupied properties, particularly owner-

¹⁶ A full list of recommendations is available in Appendix C on page 32.

occupied properties since rental units are proactively inspected. Unfortunately, no national dataset for the Lansing area exists to adequately estimate property conditions.

The following recommendations are ways the City can strengthen its data collection and analysis capacity:

Recommendation 1: Use Dynamo Metrics application to the fullest extent possible. Create specific map layers and additional live data feeds of property condition and market activity.

The City, ICLBA, and the County Treasurer signed on as partners in acquiring Dynamo Metrics software. This data collaboration is unique, and greatly improves the ability of city and county partners to access real-time information from each entity's databases, map them dynamically, perform real-time analysis, and measure economic impact of property rehabilitation or demolition. The City has the ability to create customized maps, as well as other customizations like determining which rehabilitation projects get factored into the software's economic impact analysis. At the time of our engagement, the Dynamo Metrics software was not yet live enterprise-wide (meaning out of beta and available for all City staff) and key departmental leaders with access to the software were still becoming acquainted with the tool.

There are a number of ways the City can customize its Dynamo Metrics application to further support its revitalization approach. Some enhancements to the existing application may require an expansion of the City, ICLBA, and County Treasurer's scope of assistance with Dynamo Metrics. The Economic Development and Planning Department should work with Dynamo Metrics and/or the IT Department to explore the following suggestions:

- **Create a residential map layer** that distinguishes between rentals and owner-occupied homes. This will help isolate and examine residential vacancy and market conditions and make it easier for staff to view and identify appropriate targeting for residential interventions.
- **Add other vacancy data** like electricity shut offs, U.S. Postal Service 'vacant' and 'no-stat' addresses, U.S. Census information, and other sources to help build on the water usage data currently being used to identify vacancy.
- **Add in a live feed of code enforcement data** from BS&A (including property condition violations, rental registration, red-tagged properties) to identify property deterioration hot spots and compare those points with the existing "vacancy detector" layer created by Dynamo Metrics. The City of Jackson, Michigan for example is currently using the software in this way.
- **Add in a live feed of building permits** from BS&A to monitor where construction activity is and is not occurring throughout the city. This could help identify where property owners are successfully investing in property improvement versus areas that are not seeing investment.
- **Create a map layer of the City's Neighborhoods of Focus boundaries.** This will allow staff from the Economic Development and Planning Department and Neighborhoods and Citizen Engagement Department to monitor property issues, inform decision-making, and strategically focus interventions.

Recommendation 2: Develop a parcel survey to systematically assess exterior residential property conditions. Consider other tools to measure interior repair needs.

Existing code enforcement data can help the City better understand property conditions across the city, but proactive surveying and documentation of all properties is necessary to identify the total number of residential homes in need of repair and the types of repairs needed. Proactive inspection of all properties throughout the city would be particularly difficult with current code enforcement staffing.

To gather comprehensive [exterior](#) property condition information for homes, the City and its partners could conduct a parcel windshield survey (with the support of community volunteers or surveying application tools). Parcel surveys are most useful if done for all properties citywide and continue to be updated. However, if that is not possible, the City should try to at least complete surveys for its focus neighborhoods.

To gather supplemental information on [interior](#) property conditions, the City could develop a repair needs checklist or survey with the assistance of the Code Enforcement Division and other partners like CAHP, that the Department of Neighborhoods and Citizen Engagement can use to survey residents during its outreach events. The City and its partners could concentrate interior survey efforts in the City's Neighborhoods of Focus and later expand citywide.

The City could also consider utilizing mobile applications for easier updating of the windshield survey and engaging the support of Michigan State University or other academic institutions to help in developing the survey instruments based on similar efforts elsewhere. Here are examples of how this has worked in other cities:

- **The City of Memphis, Tennessee** commissioned windshield surveys in 2015 and again in 2020. In 2015, 125 residents were paid to survey 225,000 properties in the city of Memphis using the Memphis Parcel Survey phone application developed by a local application developer. The City of Memphis commissioned the parcel survey and [Innovate Memphis](#), a nonprofit formed out of Bloomberg Philanthropies innovation teams, managed the project. Innovate Memphis led neighborhood-based trainings with residents to train them in conducting the windshield survey. In 2020, the City commissioned a parcel survey using an off-the-shelf product, LandGrid software (by Loveland Technologies based in Detroit) for the windshield survey. The City hired a team of 10 University of Memphis grad students to conduct the survey. Innovate Memphis again managed the project and trained the students conducting the survey.
- **Flint, Michigan** conducts an every-two-year "[Neighborhood Inventory](#)," where community groups receive a stipend to conduct a walking survey of property conditions throughout the city. Using a mobile app, surveyors log the condition of all structures and lots and data is then loaded in the [Flint Property Portal](#), a collaborative project between the City of Flint and the Genesee County Land Bank. The portal enables residents to quickly find over 40 pieces of property specific information, notify local government of changes in property condition, and make their own maps.

Before deciding how to do the parcel survey, the City should consult its IT Department and Dynamo Metrics on any considerations for connecting the survey results into the City's existing Dynamo Metrics application to ensure a smooth process for updating survey data and making it easily available with other property data.

Proactively intervene in vacant properties in neighborhoods with high levels of vacancy

Interviewees did not list residential vacancies as a key priority, but our review of data showed instances where certain neighborhoods have housing unit vacancy rates approaching 20% or greater. For example, in Census Tract 68 and the census tract encompassing Baker-Donora, the residential vacancy rates are 22% and 21% respectively.¹⁷ These are high vacancy rates.

The City has a good set of tools to identify vacant properties through its "red tagging" system, as well as tools to secure or clean up these properties, or to compel transfer if the taxes or costs of securing or cleaning the property are not paid by the owner. Moreover, ICLBA is a good partner in helping to take title to many of the more harmful vacant properties.

¹⁷ U.S. Census American Community Survey 2010-2014 and 2015-2019.

It was not clear to Community Progress with the data available to us why vacancy rates were so high in certain neighborhoods, nor was it clear what types of properties these might be (e.g., units in multi-family rental buildings or single-family homes), who owned them, or how they were acquired (e.g., recent acquisitions through tax or mortgage foreclosure auctions or long-term abandoned properties with owners who keep paying the taxes). Given the far higher percentage of lots versus structures in ICLBA's inventory, it does not seem likely that the high vacancy unit rate is attributed to their inventory in these neighborhoods. Further analysis is needed.

If the City has not yet done so, it should answer these vacancy questions. It should then comprehensively apply appropriate existing tools to encourage re-occupancy and needed improvements, or eventual transfer to the ICLBA to prioritize these outcomes.

The following recommendations are ways the City could improve its work addressing vacant properties.

Recommendation 3: Assess the scale and nature of residential vacancies in neighborhoods where vacancy rates are approaching or exceed 20 percent.

The City should consider focusing on a particular block or two within a particular neighborhood, like Census Tract 68 and Baker-Donora, that have particularly high vacancy rates. It should identify the addresses of housing units that are currently vacant and conduct a scan of title and transaction history to determine:

- What type of residential property is it (single-family, 2+ unit rental, etc.)?
- Who owns this residential vacant structure (private owner, land bank, city, etc.)?
- When, and possibly how, was this structure acquired (through the property tax auction, mortgage foreclosure, etc.)?

Recommendation 4: Pilot the use of appropriate tools to quickly preserve the condition of and compel the transfer of certain vacant and abandoned properties for housing opportunities.

The information collected through implementation of the previous recommendation will help inform the appropriate strategies for high vacancy areas. Community Progress very briefly looked at the ownership/sale history on a sample of vacant properties in Census Tract 68. The properties were privately owned, and the history appeared to be a mix of properties acquired via mortgage foreclosure and tax foreclosure at some point in their sale history. This was a very limited property sampling so we cannot draw a clear conclusion on the source of vacancy for most properties. Further examination is needed. With careful consideration among other community partners, strategies to address these types could include:

- Should further analysis of the high vacancy neighborhoods reveal a portion of vacant homes acquired through the public auction, the City and County could explore possible ways to improve property outcomes such as heightened property tax foreclosure auction sale requirements, property bundling, or right of refusal. Past studies have shown that heightened restrictions implemented by the Ingham County Treasurer on public auction sales, including a reverter clause and covenants to require owner-occupancy on certain homes, have resulted in better outcomes for properties and neighborhoods.¹⁸

¹⁸ MSU School of Planning, Design, and Construction. (2019, June 27). "Economic Impacts of Property Tax-Foreclosure Auctions in Ingham County, Michigan, 2007-2018." Available at <https://cms3.revize.com/revize/inghamcounty/Ingham%20County%202019%20Auction%20Impact%20Study.pdf>.

- Have the Code Enforcement Division increase monitoring in these high vacancy areas and use nuisance abatement or other dangerous building tools to secure and clean such properties and to encourage or incentivize the owner to either fix up or reoccupy the space or risk losing it to property tax foreclosure.

Consider regulatory enhancements to expedite nuisance abatement

The City's current approach to code enforcement is designed with a primary focus on correcting the violation, or harm, imposed by the condition of the property. This is a best practice we recommend in other communities. The City's Code Enforcement Division has done a commendable and seemingly efficient job of putting in place a process that complies with the City's ordinances. Currently, when Code Enforcement observes a property maintenance code violation—such as an accumulation of refuse, garbage, or other junk and debris—the City sends a notice to the owner demanding they correct the issue or the City will abate the problem. If the owner fails to comply, the City seeks approval to abate the problem from City Council, and then contracts with a local vendor to do the work. The owner is billed for the costs incurred by the City to correct the problem along with an administrative fee. If the amount is not paid it is added to the owner's property tax bill—a tactic authorized by Michigan state law and which is likely to ensure taxpayers are able to recoup their costs.¹⁹

One of the few areas where interviewees identified opportunity for improving this process was timing. In some cases, interviewees reported that nuisance conditions may persist for several weeks (or more) before the City is able to get City Council to approve and have the nuisance abated. Currently, the Lansing Code of Ordinances requires the City to seek City Council approval before it contracts with a local vendor to abate the nuisance.²⁰

The following recommendations are ways the City could further improve its approach to abating nuisances.

Recommendation 5: Amend the City's ordinance to improve the Code Enforcement Division's ability to more swiftly address nuisance conditions.

A review of Michigan statutes, Michigan case law, and ordinances in place in other Michigan cities suggests that the City could, in partnership with local legal counsel, explore amending the requirement of City Council approval before contracting to abate a nuisance.

City leaders could consider amending the Lansing Code of Ordinances to require a property owner within 7-10 days (or a different timeframe that the City deems reasonable) of receiving a notice of violation to either (a) abate the nuisance or (b) request a hearing in front of City Council to contest the City's finding that the property condition is a nuisance. While local legal counsel should confirm, it seems possible that the appropriate City officer has the authority to declare property a nuisance and require it to be abated without City Council approval.²¹ This still gives property owners the right to be heard and to challenge the City's findings or order but streamlines the process to bypass the need to seek City Council approval for every such case. This type of process would not appear to impact the City's ability to add such costs and appropriate administrative fees to the property tax bill. Other Michigan cities have adopted similar ordinances:

- **The City of Grand Rapids, Michigan** does not appear to require City Council approval to abate property maintenance or structural nuisances.²²

¹⁹ For the City's authority to address certain nuisance conditions, see Lansing Code of Ordinances §§ 655.06 and 655.07.

²⁰ Lansing Code of Ordinances § 655.07.

²¹ See, for example, MCLA § 125.486.

²² See Grand Rapids Code of Ordinances §§ 9-107 to 9-115.

Recommendation 6: Amend the City’s ordinance to improve the Code Enforcement Division’s ability to address high grass and weeds.

To further streamline the process for addressing high grass and weeds, the City could exercise its authority under state law to adopt a new program to put property owners on notice once a year before May 1st through publication in a local newspaper that if their property violates the City’s standards prohibiting “noxious weeds” of a certain height, then the City will automatically cut the weeds and bill the owner for the costs and an appropriate civil fine.²³ During our engagement it seemed this approach was already being explored by the Code Enforcement Division. We would encourage the City to pursue this as an option. Adopting this tool would save administrative costs associated with providing individual notice to property owners for each instance where the City must abate violations of its noxious weeds ordinance.

- **City of Bay City, Michigan**, is one example of a Michigan city that has adopted this process.²⁴

If choosing to pursue this change, the City should increase its public outreach before each growing season to ensure property owners are aware. The Department of Neighborhoods and Citizen Engagement could help raise resident awareness through its public outreach, and the materials previously developed by MSU students for the Code Enforcement Division could help the City better publicize requirements.

Identify additional, flexible resources for home repair and construction

Interviewees identified a need for additional funding to improve property conditions. The main sources currently include Community Development Block Grants (CDBG) and the HOME Investment Partnerships Program (HOME). These programs alone are not adequate to meet demand and can be restrictive to apply. Waitlists currently exist for all home improvement programs operated by the City and CAHP, including home rehabilitation loans, lead abatement and home repair grants.

The City’s community housing partners also expressed that while they have the staff capacity and expertise to take on additional construction and the demand for their housing programs currently exceeds their supply, the current funding to do so is insufficient. Interviewees also pointed out that there has not been a strong philanthropic presence in the Lansing area to support housing or other community development efforts.

The following recommendations are ways the City in partnership with community leaders could increase resources for home repair and construction.

Recommendation 7: Estimate total home repair costs to identify a target fundraising amount.

Having specific funding goals will help the City and partners pool existing resources most effectively, identify remaining funding gaps, and collectively pitch funding needs to meet a defined, measurable goal. To set that goal, the City should calculate the total cost of residential repairs needed.

The City can start by understanding what repairs are needed. The windshield survey and interior repair surveys described in Recommendation 2 offer the best way to identify this information. Absent those surveys, the City could get creative and use existing available code enforcement data coupled with sources of information like application and

²³ See MCLA 247.64 and 247.64a.

²⁴ See Bay City Code of Ordinances § 110-28.

waiting list details from its rehabilitation and repair programs, as well as external data from CAHP, Habitat for Humanity, and any other programs operated in Lansing to quantify the total need.

After identifying the full extent of repair needs, leaning on construction contractors and external partners like CAHP for repair cost estimates will help determine a citywide funding goal for repair resources. For example, if the City identifies 100 homes with severe roof damage, and using contractor information, it determines that the average cost per home is \$8,000-10,000 per new roof then it would need to identify \$800,000-1,000,000 to address that particular repair need citywide. Having specific funding goals that are communicated broadly across all community partners will help the City and its partners to pool existing resources most effectively, identify remaining funding gaps, and collectively pitch its funding needs to meet a defined, measurable goal.

- **United Community Housing Coalition (UCHC) in Detroit, Michigan** conducted intakes with potential applicants of their [Make It Home Program](#), asking questions in interviews to assess repair needs. This identified the most common repair issues to determine grants needed to improve properties. Researchers with the University of Michigan's Poverty Solutions initiative used this information and follow-up surveys with program participants to [evaluate needs and how existing programming met those needs](#), finding that small grant amounts (\$6,000 per participant) often satisfied home repair needs.
- **Genesee County, Michigan's Habitat for Humanity's** [Home Repair program application](#) offers an example of some home repair evaluation questions that could be assessed in a home repair survey.
- **Revitalize Milwaukee**, a nonprofit in Milwaukee, Wisconsin provides home repair services funded primarily through private donors, includes a sample home repair needs checklist in its [repair assistance application](#).

Recommendation 8: Articulate the crucial connections between home repair, public health, and neighborhood stability to funders and other partners.

The condition of housing is very closely linked to public health and neighborhood stability. Public health concerns like asthma (from mold caused by leaking roofs, windows, and pipes) or behavioral issues and reduced school performance (from child lead exposure through peeling paint in older homes) can be addressed in part by home repair. A number of studies have shown higher asthma-related emergency room visits and higher hospitalization rates in areas with poorer property conditions.²⁵ Children as well as seniors who spend a larger percentage of time at home are more susceptible to these condition-caused health concerns. If the City has not yet done so, consider seeking funding with a focus on public health as a way to garner more external support for home repairs. Making this case to potential community partners or funders operating in the public health space, or with a focus on the wellbeing of children and older adults, could secure additional resources. Potential funders for this type of project might include area hospitals; the Tri-County Office on Aging or Tri-County Aging Consortium; and statewide and national funders such as the W.K. Kellogg Foundation, The Michigan Health Endowment Fund, Robert Wood Johnson Foundation, AARP Foundation, and others.

- **The Children's Hospital of Philadelphia (CHOP) Community Asthma Prevention Program Plus (CAPP+)** in Pennsylvania made a \$25 million, five-year commitment to fund its local health initiative. [CAPP+](#) partnered with the City of Philadelphia's Housing Development Corporation and home repair organizations like Rebuild Together and Habitat for Humanity to perform home repairs that specifically help address asthma triggers like water damage, often caused by roof and other leaks. CHOP has also partnered with [the Enterprise Center](#), a nonprofit focused on supporting minority entrepreneurs, to help increase the pipeline of contractors for the CAPP+ home repair program.

²⁵ Beck, Andrew F et al. "Housing code violation density associated with emergency department and hospital use by children with asthma." *Health affairs (Project Hope)* vol. 33,11 (2014): 1993-2002. doi:10.1377/hlthaff.2014.0496; Hughes HK, Matsui EC, Tschudy MM, Pollack CE, Keet CA. Pediatric Asthma Health Disparities: Race, Hardship, Housing, and Asthma in a National Survey. *Acad Pediatr.* 2017 Mar;17(2):127-134. doi: 10.1016/j.acap.2016.11.011. Epub 2016 Nov 19.

Making other connections between home repair needs and skilled trades/workforce development and weatherization could open up more long-term, comprehensive partnerships around the area of home improvement. Lansing has pursued opportunities like this before (e.g., energy assessments by the Board of Water and Light) and should consider expanding and building those partnerships into a comprehensive repair program. Partners could consider having the workforce development component for roof repairs and other exterior improvements (siding, gutters, porches/stairs, etc.), along with energy efficiency enhancements like window replacement and interior window treatments for highly visible neighborhood improvements.

Recommendation 9: Use new sources of federal funding to improve housing stock.

The American Rescue Plan's (ARP) State and Local Fiscal Recovery Plan presents a possible opportunity to invest in property improvement in Lansing. ARP explicitly calls attention to home repair, lead abatement, and weatherization as well as affordable housing development as presumable uses in Qualified Census Tracts (QCTs).²⁶ Lansing QCTs include Census Tract 68 and areas overlapping the Baker-Donora and Southwest neighborhoods, aligning with the City's Neighborhoods of Focus. These uses also appear eligible outside of QCTs if a connection can be made with COVID-19's public health or economic impacts. There are also clear priorities to support employment opportunities through workforce development which could tie nicely to contractor needs for a home repair program. Given COVID-19's impacts on income tax collection in Lansing and other critical funding needs, the City may want to explore opportunities with its community partners to leverage ARP funding with the County to support shared housing goals. Local ARP allocations could help to fill gaps where HOME or CDBG may be too restrictive. Examining where those gaps are after assessing additional allocations of HOME dollars, rental assistance, homeowner assistance, and property tax assistance also coming through ARP's specific housing provisions will help to more comprehensively lower housing costs for those who are financially vulnerable and improve housing conditions. Some communities are planning to use funds to create and enhance existing home repair programs, affordable housing development, and contributions to affordable housing trust funds to support these activities now and into the future.

Recommendation 10: Collaborate on a broader funding strategy at the city or county level for shared housing goals.

The City could also work with other city and county partners in the public and nonprofit sectors to develop a larger funding strategy with key housing initiatives as the focus. Many communities, including in Michigan, have done this by establishing housing trust funds. The funds consist of various sources (e.g., a millage increase or philanthropic funds) to help with certain housing goals like affordable housing creation or home improvement. Given Lansing's strong county and regional partners, pursuing such an effort at the county level may be more advantageous.

- **In Grand Traverse County, Michigan**, county commissioners voted in 2010 to eliminate its affordable housing trust fund and transfer existing funds in its current [Home Rehabilitation Trust Fund](#) to support home repair and rehabilitation. The original fund was funded through allocations from the County's foreclosure fund (a portion of excess proceeds from tax foreclosure sales) and an initial match from HUD's Sustainable Community Challenge Grant Program. The funds are administered by the Grand Traverse County Land Bank Authority.
- **Kalamazoo County, Michigan** established its Local Housing Assistance Fund in 2015 through a .1 mill increase on property taxes. In 2020 Kalamazoo County voters approved a .75 mill increase that will continue for an eight-year period, generating an estimated \$6.3 million in the first year. The funds will be available in 2022 and will support the creation of affordable housing (including acquisition and rehabilitation costs) and other supportive housing services.

²⁶ U.S. Federal Register. (2021, May 17). "Coronavirus State and Local Fiscal Recovery Funds." Available at <https://www.govinfo.gov/content/pkg/FR-2021-05-17/pdf/2021-10283.pdf>.

- The [Philadelphia Housing Trust Fund](#) was created in 2005 with funding from a local deed and mortgage recording fee. Philadelphia uses its housing trust fund to help private and nonprofit developers create and preserve affordable housing, first time homebuyer assistance, and home repair loan and grant programs administered by nonprofits and the City's Housing Development Corporation for emergency repairs, improving the quality of housing, and making modifications to allow homeowners to age in place.

Monitor and quickly respond to COVID-19 economic impacts

The economic impacts of COVID-19 heighten the risk of involuntary displacement of homeowners through mortgage or property tax foreclosure and tenants for nonpayment of rent. It also heightens the risk of deferred property maintenance by homeowners or landlords with reduced incomes, as well as future vacancy. The County Treasurer found that property owners requesting more time to pay, have higher delinquency amounts (up 29%) than in 2019 suggesting greater difficulties paying housing costs. As mentioned previously, Lansing already has a high percentage of cost-burdened renters potentially making the rental market especially vulnerable to COVID-19 economic impacts.

In order to ensure greater stability in the housing market moving forward the City and its partners should be monitoring conditions regularly and strategically targeting mortgage assistance, rental assistance (to support tenants and landlords), property tax assistance, property tax relief (i.e., ensuring all eligible homeowners are accessing Michigan's homestead and poverty exemptions), and repair resources.

The following recommendations are ways the City can monitor and respond to COVID-related impacts.

Recommendation 11: Use the existing Dynamo Metrics application to monitor property tax delinquency for residential property owners.

Because the City and County Treasurer together partnered to establish a live feed of property tax information into the Dynamo Metrics application, it makes it much easier for the City to regularly monitor "hot spots" of growing property tax delinquency. The IT Department could create a customized map layer for residential properties and property tax delinquency so that departmental leadership can easily check in to view. This will allow the City and its partners to quickly adjust its outreach efforts to target getting property tax relief information and resources out to owners in need. The Department of Neighborhoods and Citizen Engagement can play an important role in also communicating this information to neighborhood leaders to help with public outreach.

Recommendation 12: Monitor how rental property owners are impacted by tenant unemployment and loss of income.

The City should closely monitor income challenges of landlords, particularly small landlords who likely have more limited financial capacity and are more susceptible to a volatile market. Rental property owners experiencing reduced rental income will have increased difficulty maintaining their properties. A recent survey conducted in Rochester and Albany, New York found this to be especially true in low-income neighborhoods.²⁷ The City should consider reaching out to landlords to assess financial challenges they are experiencing right now. Fortunately, the City has already developed a rental registration program, which makes it much easier to conduct outreach to landlords and assess challenges they may be having, and better target rental assistance so that they can maintain a steady income stream.

²⁷ De La Campa, Elijah. (2021, March). "The Impact of COVID-19 on Small Landlords: Survey Evidence from Albany and Rochester, New York." Joint Center for Housing Studies of Harvard University. Available at https://www.jchs.harvard.edu/sites/default/files/research/files/harvard_jchs_small_landlord_survey_de_la_campa_2021_0.pdf.

Recommendation 13: Use the existing Dynamo Metrics application to monitor changing vacancy.

The “vacancy detector” map layer that currently exists could be customized to only include residential properties. This would allow for swift identification of newly vacant homes in the city. The more successful the City and State is in preventing displacement using funds specifically allocated for property tax relief and mortgage assistance through the CARES Act and American Rescue Plan, as well as its local relief options (e.g., property tax exemptions based on income), the less likely it is that residential vacancy will rise. However, if available resources cannot meet the need, the City is more likely to see this uptick in residential vacancy in the next few years. It will be important to monitor vacancy in the years to come and be responsive to prevent further deterioration.

Create a measurable, targeted action plan in coordination with residents and partners for Census Tract 68

Notable throughout our engagement was the concern that a clearly articulated plan with specific measurable goals does not exist for the City’s newest Neighborhood of Focus, Census Tract 68. Interviewees expressed a desire to have such a plan so that individual actors know how to better focus their efforts on alignment with one another and maximize overall impact. It is extremely encouraging to have such critical actors covering the range of needed services related to housing, community, and economic development all wanting to coordinate. Often that is the most significant hurdle to effecting real, long-lasting positive change in a community. With this crucial foundational element in Lansing, a collaboratively formed vision and clearly articulated priorities will go a long way (as has previously been the case, according to some interviewees, in efforts in Baker-Donora, for example).

The following recommendations are ways the City can create a robust action plan for Census Tract 68.

Recommendation 14: Seek public input, with particular attention to the issues raised in this engagement and set action goals.

A comprehensive resident engagement effort is a critical component to better understanding problem property concerns in different neighborhoods, identifying well-coordinated strategies, and defining what success looks like. The City, with the Department of Economic Development and Planning and Department of Neighborhoods and Citizen Engagement taking the lead, could begin surveying residents, during the Department of Neighborhoods outreach events and through neighborhood associations and area nonprofits, about their concerns regarding property conditions and what improvements they would like to see in their neighborhoods. This could be combined with the interior home repair surveying efforts recommended earlier. This will help to confirm whether the key concerns raised by City leadership and community partners identified in this report are consistent with the concerns of residents in the City’s focus neighborhoods.

That feedback should then inform measurable goals for City leadership and community partners to track progress in the Neighborhoods of Focus. This could include goals such as:

- Raising \$X dollars in the next year for home repair.
- Replacing X damaged roofs (and/or other common condition issues) in the next 2 years.
- Performing X lead abatements for owner- and renter-occupied homes in the next 3 years.
- Reducing the number of vacant structures by X% in the next 5 years (through demolition or rehabilitation and re-occupancy).
- Increase owner-occupancy by X%.

Earlier recommendations regarding parcel surveys (exterior and interior), as well as the estimation of total home repair costs, will help to set realistic but bold action goals. Developing shared, public goals will help to communicate priorities and align efforts across city and county partners.

To aid in the development and review of progress on action goals in Lansing's Neighborhoods of Focus, the City's IT Department could add or draw the three neighborhood boundaries as a map layer and identify the key metrics to monitor (adding or customizing data as needed) in the Dynamo Metrics application so that different departments and partners with access to the application can easily view changes over time in those areas (e.g., "vacancy detector," property tax status, land bank inventory, and code violations).

Recommendation 15: Focus limited existing resources.

Given the City's limited resources to address property conditions, consider how to further target its approach and clearly articulate priorities (e.g., geographic or product type) to community partners through outreach and Requests for Proposals (e.g., for additional HOME funding) to ensure efforts are closely aligned.

For example, Census Tract 68 and Baker-Donora neighborhoods are ranked highest in lead exposure risk according to an index by the Washington State Department of Health that looks at age of housing stock and area poverty rate.²⁸ The City (through the Housing Development Office and Department of Neighborhoods who can garner additional support from resident leaders) should prioritize proactive lead abatement outreach to homeowners in these two areas. The City's Code Enforcement Division has referred many rental property owners to apply for these funds and should continue to do so to promote safer, healthier rental units for tenants. The City could also use the rental registry or ensure all code inspectors charged with rental inspections in those areas are equipped to educate landlords on lead abatement assistance if it is not already doing so.

Recommendation 16: Organize a comprehensive and visible home improvement event to kick off the action plan.

Consider kicking off the measurable action plan by organizing a comprehensive, coordinated "repair blitz" in Census Tract 68 with community partners and volunteers. As part of the previously mentioned repair needs survey recommendations, the City could assess who may be interested in specific exterior home repairs (e.g., porch repair, painting, etc.). A positive and highly visible neighborhood repair project could help demonstrate the City's commitment to the Neighborhood of Focus, show that the City is responding to the needs identified through the surveying effort, and connecting property owners to other available resources for home improvement. It would be important for the City to plan such an event in close partnership with other community partners such as CAHP, Habitat for Humanity, the ICLBA, resident leaders through the Department of Neighborhoods, and others. Additional sponsors might be able to lend more volunteers and resources (e.g., Board of Water and Light, Consumers Energy).

- [The Paint Voucher Program](#) in Battle Creek, Michigan, allows residential property owners to apply for up to 10 gallons of free paint for their property, helping to address the common maintenance issue of peeling paint. The program is made possible through a partnership between the City and local company, ePaint Recycling. It offers a partnership example for addressing one specific issue area for home improvement.
- [The Porch Project](#) in Flint, Michigan, began as a grassroots effort led by residents to repair and beautify front porches for homeowners by painting, minor repairs, and plantings. This offers one example of a highly visible home improvement project – addressing both safety and curb appeal of the home.

²⁸ Frostenson, Sarah, and Kliff, S. (2016, April 6). "The risk of lead poisoning isn't just in Flint. So we mapped the risk in every neighborhood in America." Vox. Available at <https://www.vox.com/a/lead-exposure-risk-map>.

Commercial Strategies

This section focuses on ways in which the City of Lansing, with the support of its local partners, can build upon existing tools and local policies to address vacant, abandoned, and deteriorated commercial properties more efficiently, effectively, and equitably. Our recommendations focus only on the tools or strategies that could help prevent properties from falling into disrepair, address those properties that are already in disrepair, or help move the vacant property to the stage of development. We cannot offer recommendations on economic development or site-specific redevelopment strategies and would suggest the City lean on other important partners like LEAP and Michigan Economic Development Corporation in these areas.

Our recommendations for commercial strategies are organized into the following categories:²⁹

- Prioritize tracking commercial vacancy data.
- Consider regulatory enhancements.
- Monitor and quickly respond to COVID-19 economic impacts.
- Create a strategic action plan for commercial vacant properties within the City's corridor improvement authorities.

Vacant commercial properties were a top concern of interviewees. There was also a general feeling from interviewees that much of the commercial vacancy, even when not in obvious disrepair were architecturally undesirable, in greater supply than current and or potentially future demand, and/or poorly located making them unappealing for future buyers and detracting from the vibrancy of Lansing's neighborhoods. Commercial vacancy overall in Lansing appears to have been mostly stagnant over the past five years, unlike residential vacancy which has gone down. COVID-19's impacts on existing businesses further threaten the stability of the commercial market, elevating the risk for more commercial vacancies in the coming years. The current commercial vacancy rate is 18%, but in Census Tract 68, 35% of business addresses were vacant in 2020, one of the highest rates compared to other census tracts.³⁰ The City is particularly fortunate to have strong partners like LEAP and ICLBA to support efforts to help address commercial vacancy.

Prioritize tracking commercial vacancy data

Many of the data-focused recommendations in the Residential Strategies section of this report apply here as well.

The following recommendations are ways the City, corridor improvement authorities, and other partners can enhance information on commercial vacancy.

Recommendation 1: Conduct a windshield survey of commercial conditions and vacancy.

The City's existing commercial vacancy data appears limited to the water usage data being fed through the Dynamo Metrics application and any other national datasets such as U.S. Postal Service (used for this engagement) that the City has examined. There is currently no citywide commercial parcel survey to capture vacancy status and property condition. To assess commercial vacancy and condition, the City and community partners could consider conducting commercial property windshield surveys, possibly through the corridor improvement authorities (CIAs). Survey data

²⁹ A full list of recommendations is available in Appendix C on page 32.

³⁰ Valassis Lists, 2020.

coupled with code violation, vacancy status, and property tax status data currently available for commercial properties will provide a much more comprehensive picture of commercial vacancy challenges. Any data collected should be provided to the City's Code Enforcement Division and fed into the Dynamo Metrics application so that all departments can easily access it. Knowing which commercial properties are vacant would likely be beneficial to the City's Fire Department as well, and they may be a helpful partner in gathering information by notifying the Code Enforcement Division when they respond to a fire so Code Enforcement can update the survey data. It is also important to continue conversations with business owners, residents and community leaders about commercial property changes to help identify challenges a property owner may be having in providing regular maintenance on the property, identify vacancy early on, and regularly enhance available datasets.

- [Redeveloping Commercial Vacant Properties in Legacy Cities](#) includes a template for the Genesee County Land Bank's commercial parcel survey (ranking and reporting).

Recommendation 2: Use existing Dynamo Metrics application to fullest extent possible to track commercial vacancy.

Similar to an earlier recommendation in the Residential Strategies section of this report, the City's IT Department could create a specific commercial and industrial property map layer in the Dynamo Metrics application that looks at the water usage data and property tax status to determine likely vacant properties and properties at risk of forfeiture and foreclosure. If the City proceeds with other commercial property strategies identified here, such as a parcel survey and creation of a vacant property registration ordinance, the information gathered from those efforts should also be added to the Dynamo Metrics application.

Consider regulatory enhancements

City leaders reported needing a better set of tools to address existing commercial vacancy in Lansing, particularly in cases of long-term vacant properties where the owners continue to pay property taxes and do the bare minimum to avoid code enforcement. Such owners keep the property out of foreclosure and therefore "stuck" in a state of vacancy. Meanwhile, the property stays under the ownership of someone doing very little to keep up the exterior of the building and premises and not actively pursuing a new tenant or buyer to re-occupy the space. Based on our conversations with stakeholders, it seems the majority of vacant commercial properties were not in severe disrepair. Our recommendations here focus on the tools or strategies that could help prevent properties from falling into disrepair, address properties that are already in disrepair, and help move properties toward redevelopment.

The following recommendations are regulatory changes for the City to consider.

Recommendation 3: Adopt a vacant building registration ordinance solely applicable to commercial and industrial properties.

To address vacant commercial properties, the City should consider adopting a vacant building registration solely applicable to commercial or industrial properties. Michigan home rule cities, like Lansing, have the authority to adopt vacant property registration ordinances, or VPRO. Many cities do so, including but not limited to, Jackson,³¹ Kalamazoo,³² and Flint.³³ Many existing registration ordinances address primarily residential properties, but there do not appear to be any restrictions that would prohibit a community from adopting an ordinance that would apply solely to commercial or industrial properties.

³¹ See <https://www.cityofjackson.org/339/Foreclosed-Vacant-Abandoned-Property-Reg>.

³² See <https://www.kalamazoo.city.org/docman/forms/housing/188-abandoned-residential-structure-registration/file>.

³³ See <https://www.cityofflint.com/wp-content/uploads/Residential-Abandoned-Property-Registration-form-fillable-3.pdf>.

VPROs on their own offer some clear advantages. They help to understand and catalog the existing vacant property inventory in a community, they can provide helpful contact information in the event something goes wrong at the property, and they can put property owners on notice that the City is monitoring these properties. Unfortunately, they can also be a lot of work to get up and running and to maintain sufficient participation by existing owners but given the City's extensive history operating a registration program, it is well-positioned to do so.

That said, a VPRO program focused solely on identifying and registering vacant commercial properties, with a primary focus on connecting with and understanding the challenges of these particular owners, could be a powerful tool to help design policies and approaches to addressing these types of vacancies across the City. Initial parameters of such a VPRO focused on commercial properties could include:

- Establishing an annual registration and registration fee for commercial properties. Owners must register and provide their contract information, and absentee owners must register a local property manager.³⁴
- Waiving the registration fee for the first year for all owners who register within the first 6 months.
- Increasing the registration fee each year unless (a) the property has submitted an approved plan to reactivate or reuse the vacant space, (b) the property owner is actively marketing the property for lease or sale, or (c) the property owner qualifies for certain hardship programs.

Recommendation 4: Increase penalties for unresponsive, non-vulnerable property owners to incent action and re-occupancy.

For the small subset of non-vulnerable owners who cannot demonstrate they have taken sufficient steps to reuse or reoccupy the space, consider adopting a separate registration fee schedule under the vacant property registration ordinance to further disincentivize vacancy and require owners to submit a Rehabilitation Agreement and Plan. While work would need to be done to carefully define the subset of property owners who might be subject to such requirements (such as the parcel survey suggested above), some elements of such an approach could include:

- Doubling registration fees every six months after the property has been vacant for 24 or more months. The City of Aurora, Illinois, for example, doubles its bi-annual vacant property registration renewal fee from \$250 to \$500 after the property has been vacant 24 months.³⁵
- Requiring the owner to submit a Rehabilitation Agreement and Plan demonstrating an actionable plan to reuse or reoccupy the space within 90 days. The City of Minneapolis, for example, allows owners to stay collection of significant annual registration fees (greater than \$7,000 per year) if they submit a "Restoration Agreement" detailing a plan to rehab or demolish the property.³⁶

Monitor and quickly respond to COVID-19 economic impacts

Many commercial property owners, especially those in the service industry, saw significant disruption to their businesses during COVID-19. Some have experienced reduced revenue and some have permanently closed. Anecdotally, interviewees shared some examples of struggling businesses. However, it was not clear whether there was a total estimate of the number of businesses being impacted.

³⁴ Absentee owners could be defined in the same way it is for the City's rental registration program, and other elements of the VPRO could overlap with the rental registration program as appropriate. See Lansing Code of Ordinances § 1460.44.

³⁵ See the city of Aurora's website at: <https://www.aurora-il.org/1206/Vacant-Foreclosed-Property-Registration#:~:text=Vacant%20Property%20Registration&text=The%20fee%20for%20renewing%20a.%24500%20on%20each%20renewal%20date>.

³⁶ See the city of Minneapolis website at: <http://www2.minneapolismn.gov/inspections/ppu/vbr>.

The following recommendation includes ways the City can monitor and respond to the economic impact of COVID-19 on commercial properties.

Recommendation 5: Use existing data and gather additional input from business owners to better understand current or potential financial impacts.

Gathering information from newly available COVID-related business assistance applications through LEAP, the City could begin to estimate the total demand for assistance. The CIAs could also survey business owners to understand where they may be struggling because of COVID-19 as part of the larger surveying effort suggested above. The City can also use the Dynamo Metrics application to view property tax status to see if and where delinquency is increasing. All of these methods will help the City and its partners strategically respond to the needs of business owners and prevent closure and future commercial vacancy. LEAP already seems to provide much of the needed support to businesses, but there may be opportunities to better equip them with more information so they can target their work and limited resources further.

The City could even consider whether some external partners with the specific focus of delivering COVID-19 resources should have access to and be trained to use the Dynamo Metrics application to monitor changes in the commercial market as well. If shared access is not possible, someone within the City should be responsible for monitoring on a regular basis and reporting observations to external partners like LEAP.

Create a strategic action plan for commercial vacant properties within the City's corridor improvement authorities

We heard from interviewees that there are strong partnerships between the City and those leading economic development efforts such as LEAP. The City and its partners seem to also be taking advantage of available state and federal programming and incentives through these partnerships. One area though that was raised as an opportunity for further enhancement was having detailed, strategic visions and goals identified for commercial vacancy in key commercial nodes in the city.

The following recommendations are ways the City and partners could create a strategic action plan for commercial vacant properties within corridor improvement districts.

Recommendation 6: Use commercial corridor improvement authorities, or another working group, to convene a coordinated strategy for vacant commercial properties.

Lansing currently has four established CIAs supported and managed by LEAP, two of which also fully or partially overlap with the City's Neighborhoods of Focus. The Saginaw Street CIA, which is located in the southern part of Census Tract 68 identified creating a "strategy for vacant parcels" along Saginaw Street as part of its short-term plan (years 2020-2024). According to its community surveying report, residents ranked this action item as a top priority for the commercial district.³⁷ The Saginaw Street CIA's long-term planning (2026-2030) framework includes several vacant property strategies, such as "explore strategic property acquisition and renovation," "partner with Ingham County Land Bank on property redevelopment," and "purchase and demolish vacant properties beyond reclamation." The Saginaw Street CIA could be an excellent pilot area to champion a vacant parcel "triaging strategy" because of its location within a Neighborhood of Focus, its existing coordination through the CIA, previous community surveying work, and clear

³⁷ <https://www.lansingmi.gov/1174/Saginaw-Street-Corridor-Improvement-Auth>

emphasis on addressing the problem of commercial vacancy. The Michigan Avenue CIA, though not in a Neighborhood of Focus, budgeted \$45,000 to complete a property inventory within a 5- to 10-year timeframe, and may offer lessons learned or a model for other CIAs like Saginaw Street to replicate and use to inform a commercial property triaging strategy.³⁸

If the City decides to pursue a vacant property registration ordinance for commercial properties, the CIAs could assist in raising awareness for registration and use the process and data collected to inform a vacant commercial property strategy. If the City does not pursue a vacant property registration ordinance, the vacancy data that exists in the Dynamo Metrics application and surveying efforts could help to document property conditions and vacancy status for the CIAs. The CIAs in partnership with City departments and LEAP could identify both the reasons why these properties are and remain vacant by talking with owners, what the future of the properties could or should be by talking with nearby residents and other owners in the corridor, and specific strategies to fundraise for redevelopment or temporarily reactivate these spaces.

To further focus efforts, strategic commercial vacancy plans could begin with the corridors that are adjacent or within the City's Neighborhoods of Focus – including the Saginaw Street CIA and South MLK Jr. Boulevard CIA – drawing close connections between the residential strategies identified earlier in the report and the commercial strategies identified here.

- The City of Chicago's [INVEST South/West](#) is an example of a targeted revitalization approach in a select number of commercial corridors. Lansing has already taken the step of identifying CIAs to focus efforts, but this example may offer some additional ideas for interventions and leveraging investment.

Developing a strategic action plan in partnership with business owners and residents living in adjacent neighborhoods that sets the vision for the commercial corridor and serves as a triaging system for vacant commercial properties would help the City and its partners focus limited resources strategically now and into the future. A strong foundation for this appears to exist under the CIAs. Some properties may require stronger enforcement including the possibility to escalate vacant property registration ordinance fines described above, or be identified for demolition, while others may have active owners willing to contribute but experiencing financial hardship and would be better served through LEAP and other programming. We summarize key considerations to help inform a commercial property triaging strategy in Figure 5 below.

³⁸ <https://www.lansingmi.gov/1154/Michigan-Avenue-Corridor-Improvement-Aut>

Figure 5: Triaging Considerations for Problem Commercial Properties

Property Type	Actions
Occupied commercial property in disrepair	
Owner lacks resources	<ol style="list-style-type: none"> 1. Prioritize programming assistance, including financial resources through LEAP and other sources. 2. Consider temporary activation of property (pop-ups) or window art displays and sidewalk plantings to increase exterior appeal.
Owner willfully neglects	<ol style="list-style-type: none"> 1. Utilize nuisance abatement through code enforcement.
Vacant commercial property	
Good condition	<ol style="list-style-type: none"> 1. Ensure property is registered under VPRO and monitor condition over time through registry. 2. In unique circumstances, evaluate possibility of receivership.
In disrepair	<ol style="list-style-type: none"> 1. Escalate VPRO fines (require rehabilitation plan). 2. Utilize nuisance abatement through code enforcement to correct code violations. 3. In unique circumstances, evaluate possibility of receivership.
In severe disrepair and/or obsolete	<ol style="list-style-type: none"> 1. Escalate VPRO fines. 2. Prioritize acquisition of property for demolition (ie.g., through accelerated tax forfeiture if property tax delinquent) and identification of demolition funds. 3. Use dangerous buildings/nuisance abatement to demolish (placing cost of demo as lien on property). 4. Consider reuse of post-demolition site: <ul style="list-style-type: none"> - Evaluate whether commercial is the right future use. - Evaluate desirability and potential for land assemblage opportunities around the property. - Consider other future uses, such as conversion to residential or treated vacant land (e.g., stormwater infrastructure) to serve as buffer between commercial and residential.

Conclusion

Our hope is that this report has helped to highlight some possible areas of focus for the City and its partners related to vacant, abandoned, and deteriorated commercial and residential property in Lansing. The City and its partners, including the Ingham County Land Bank, Ingham County Treasurer, Capital Area Housing Partnership, and Lansing Economic Area Partnership have already demonstrated a great deal of success in tackling vacant properties throughout the city and should be proud of these accomplishments. Their interventions have contributed to safer, healthier, and more economically stable neighborhoods for Lansing's residents.

During this engagement, the Center for Community Progress identified opportunities to build on this great work through further exploration, idea development, and implementation. We hope our recommendations will serve to further ongoing discussions about how to reinvigorate a targeted and coordinated effort that will leverage interventions and resources to achieve shared goals and celebrate the vibrancy of Lansing's neighborhoods.

If the City and its partners are in search of further support or research related to any of the recommendations uplifted in this report, we would welcome a chance to provide additional assistance.

Appendices

Appendix A: Individuals Interviewed

We are grateful to the following individuals for their time and expertise as part of this engagement.

Roxanne Case, Executive Director, Ingham County Land Bank Authority

Karl Dorshimer, Vice President of Economic Development, Lansing Area Economic Partnership

DeLisa Fountain, Director, Department of Neighborhoods and Citizen Engagement, City of Lansing

Samantha Harkins, contractor with City of Lansing

Don Kulhanek, Manager, Development Office, Department of Economic Development and Planning, City of Lansing

Augustine Martinez, Administrative Assistant, Department of Neighborhoods and Citizen Engagement, City of Lansing

Brian McGrain, Director, Department of Economic Development and Planning, City of Lansing

Natalie Pruett, Dynamo Metrics

Scott Sanford, Manager, Code Enforcement Division, Department of Economic Development and Planning, City of Lansing

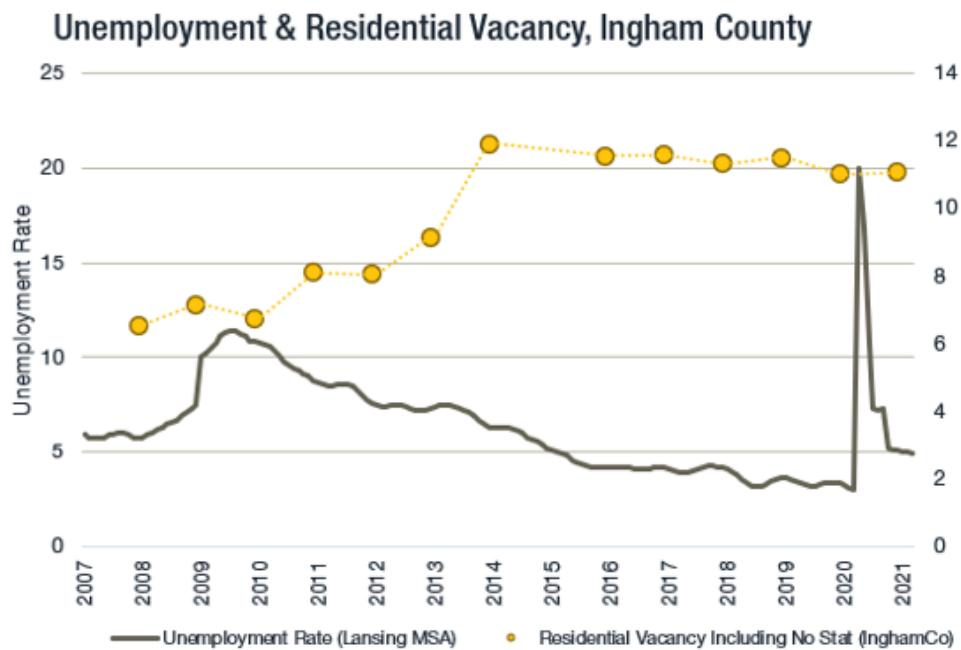
Eric Schertzing, County Treasurer, Ingham County Treasurer's Office

Mayor Andy Schor, City of Lansing

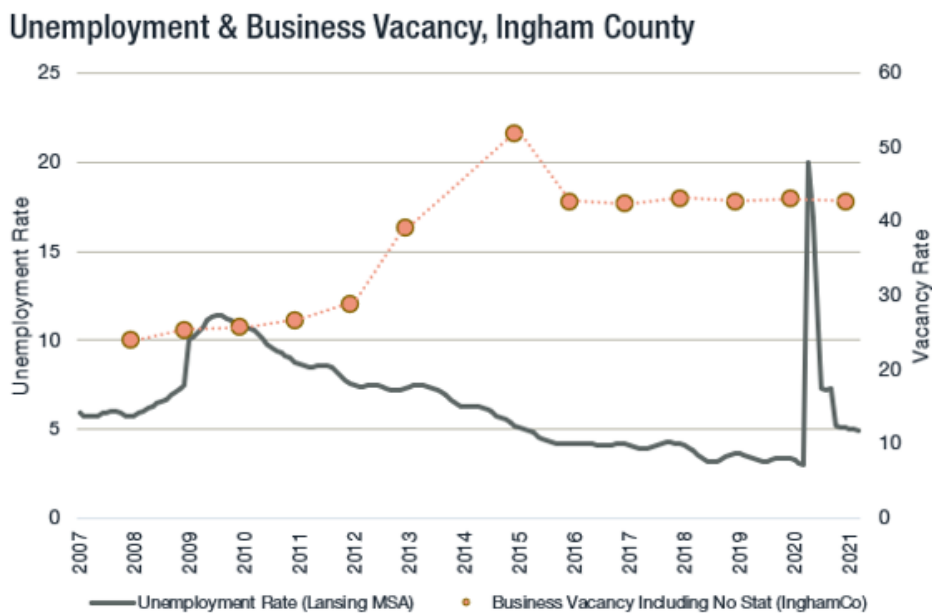
Steve Swan, Manager, Building Safety, Department of Economic Development and Planning, City of Lansing

Rawley Van Fossen, Executive Director, Capital Area Housing Partnership

Appendix B: Unemployment and Vacancy Trends in Ingham County, 2007-2020



Source: Center for Community Progress, Bureau of Labor Statistics, United States Postal Service (data from Q4 of each year)
 Note: 2014 vacancy data was excluded from chart. It was an outlier year for no stat addresses.



Source: Center for Community Progress, Bureau of Labor Statistics, United States Postal Service (data from Q4 of each year)
 Note: 2013 vacancy data was excluded from chart. It was an outlier year for no stat addresses.

Appendix C:

Recommendations Summary

	Recommendations
Residential Strategies	
Prioritize tracking property condition data	<ol style="list-style-type: none"> 1. Use Dynamo Metrics application to the fullest extent possible. Create specific map layers and additional live data feeds of property condition and market activity. 2. Develop a parcel survey to systematically assess exterior residential property conditions. Consider other tools to measure interior repair needs.
Proactively intervene in vacant properties in neighborhoods with high levels of vacancy	<ol style="list-style-type: none"> 3. Assess the scale and nature of residential vacancies in neighborhoods where vacancy rates are approaching or exceed 20 percent. 4. Pilot the use of appropriate tools to quickly preserve the condition of and compel the transfer of certain vacant and abandoned properties for housing opportunities.
Consider regulatory enhancements to expedite nuisance abatement	<ol style="list-style-type: none"> 5. Amend the City's ordinance to improve the Code Enforcement Division's ability to more swiftly address nuisance conditions. 6. Amend the City's ordinance to improve the Code Enforcement Division's ability to address high grass and weeds.
Identify additional, flexible resources for home repair and construction	<ol style="list-style-type: none"> 7. Estimate total home repair costs to identify a target fundraising amount. 8. Articulate the crucial connections between home repair, public health, and neighborhood stability to funders and other partners. 9. Use new sources of federal funding to improve housing stock. 10. Collaborate on a broader funding strategy at the city or county level for shared housing goals.
Monitor and quickly respond to COVID-19 economic impacts	<ol style="list-style-type: none"> 11. Use the existing Dynamo Metrics application to monitor property tax delinquency for residential property owners. 12. Monitor how rental property owners are impacted by tenant unemployment and loss of income. 13. Use the existing Dynamo Metrics application to monitor changing vacancy.
Create a measurable, targeted action plan in coordination with residents and partners for Census Tract 68	<ol style="list-style-type: none"> 14. Seek public input, with particular attention to the issues raised in this engagement, and set action goals. 15. Focus limited existing resources. 16. Organize a comprehensive and visible home improvement event to kick off the action plan.
Commercial Strategies	
Prioritize tracking commercial vacancy data	<ol style="list-style-type: none"> 1. Conduct a windshield survey of commercial conditions and vacancy. 2. Use existing Dynamo Metrics application to fullest extent possible to track commercial vacancy.
Consider regulatory enhancements	<ol style="list-style-type: none"> 3. Adopt a vacant building registration ordinance solely applicable to commercial and industrial properties. 4. Increase penalties for unresponsive, non-vulnerable property owners to incent action and re-occupancy.
Monitor and quickly respond to COVID-19 economic impacts	<ol style="list-style-type: none"> 5. Use existing data and gather additional input from business owners to better understand current or potential financial impacts.
Create a strategic action plan for commercial vacant properties within the City's corridor improvement authorities	<ol style="list-style-type: none"> 6. Use commercial corridor improvement authorities, or another working group, to convene a coordinated strategy for vacant commercial properties.

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