



JUNE 2021

# Turning the Tide:

Opportunities for the City of Bay  
City, Michigan to Improve  
Residential Property Conditions  
and Quality of Life

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

# Center for **COMMUNITY PROGRESS**

This report was prepared by the Center for Community Progress for the City of Bay City, Michigan. For additional information, please contact Janell O’Keefe, Senior Program Officer of Michigan Initiatives.

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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](http://www.communityprogress.org).

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# Executive Summary

The City of Bay City, Michigan (Bay City) is diligently working to address and prevent vacant, abandoned, and deteriorated (VAD) properties, yet is at a pivotal point for preventing further property deterioration and neighborhood decline. As detailed in the [2016 Report on Housing and Neighborhoods](#), Bay City is not experiencing overwhelming distress and disinvestment, nor is it experiencing high demand and market strength. The significant work of the Code Enforcement Department over the last several years has likely prevented more housing deterioration and vacancy. In some ways, the department has been doing this work alone, as Bay City lacks a home repair ecosystem and even with the full complement of Michigan code enforcement tools at their disposal, vacant and deteriorated properties persist. This dichotomy is the ultimate push point as Bay City looks towards future neighborhood stability and prosperity.

In the spring of 2021, the Center for Community Progress (Community Progress) worked with Bay City's Community Development Department, our point of contact, to assess its current practices and policies for addressing VAD residential properties and to identify potential heightened risks for neighborhood instability due to COVID-19's economic impacts. While Bay City also faces commercial and industrial property condition and vacancy challenges, the City asked Community Progress to focus our assessment on residential properties. We reviewed state and local law; analyzed demographic, economic, housing market, and vacancy data; reviewed reports and program materials; interviewed City and community stakeholders; and visited Bay City neighborhoods to observe property conditions.

This report summarizes our findings and details several recommendations to help guide the City in its approach to problem residential properties. Importantly, the **American Rescue Plan** presents an unprecedented opportunity for Bay City to invest in preservation of its housing stock and restore its home repair ecosystem. While these findings and recommendations are based on interviews with local leaders and the expertise of our national staff, we encourage a deeper analysis of local practices and a more robust engagement of residents as these recommendations are implemented.

# Current Conditions

Bay City is in mid-Michigan, in a tri-county and city region encompassing Saginaw and Midland, nestled along the Saginaw River just inland from Saginaw Bay. Home to over 30,000 residents, it has experienced steady population decline since the 1960s. Nearly half of the existing housing stock was built before World War II and is primarily wood framed. This location and history present both challenges and opportunities to short- and long-term neighborhood stability in Bay City. For a more detailed overview of Bay City's history and housing stock, we recommended reading the [2016 Report on Housing and Neighborhoods](#).

Community Progress conducted a threefold analysis as part of this engagement: data and document review and analysis (primarily in ArcGIS), interviews with City and community leaders, and a driving tour to assess neighborhood conditions. More details about our methodology are included in Appendix B on page 32). Our research and this report focus on residential properties. Below we will highlight relevant current data on residents, housing market, property condition, and code enforcement.

## Residents

Bay City is home to predominantly young and middle-aged adults, with a noticeably younger population on the west side of the Saginaw River. Bay City is majority white, with some census tracts being over 90% white. Bay City does have a significant Hispanic/Latino population on the northwest side of the river (from the railroad tracks east to the city limits) and the neighborhoods between Madison Avenue & Johnson Street, north of Columbus Avenue, along with a Black population dispersed throughout the city but with some density along the eastside of the river.<sup>1</sup> There is no apparent correlation between race/ethnicity in neighborhood populations and vacancy, which is often seen due to historic lending and housing policies. While this correlation is not apparent in Bay City, it is worth noting that nearly all of Bay City was denoted as “definitely declining” and “hazardous” in historic lending risk maps (see Figure 1 on page 6)<sup>2</sup> and the one area denoted “best” is in a census tract where median household income is 65% higher than the rest of the city.

Bay City residents face growing economic challenges, as the number of people in poverty increased over 50% in the preceding five years. Over 25% of people in Bay City live in poverty and five of the eleven census tracts are persistent poverty tracts,” meaning the tract has had 20% or more of its population living in poverty over the past 30 years.<sup>3</sup> Similarly, nearly 25% of Bay City homeowners and 43% of renters are cost burdened.<sup>4</sup> These long-term trends indicate property owners are likely to need financial support for property maintenance. Bay City also has a robust community of resident supporters – active in everything from Citizen District Councils to historic preservation to arts and culture.<sup>5</sup> See Figure 2 on page 7 for more demographic details. There is a real opportunity to engage and organize residents around neighborhood identities and community pride.

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<sup>1</sup> U.S. Census American Community Survey (ACS) 5 year estimates 2014-2018.

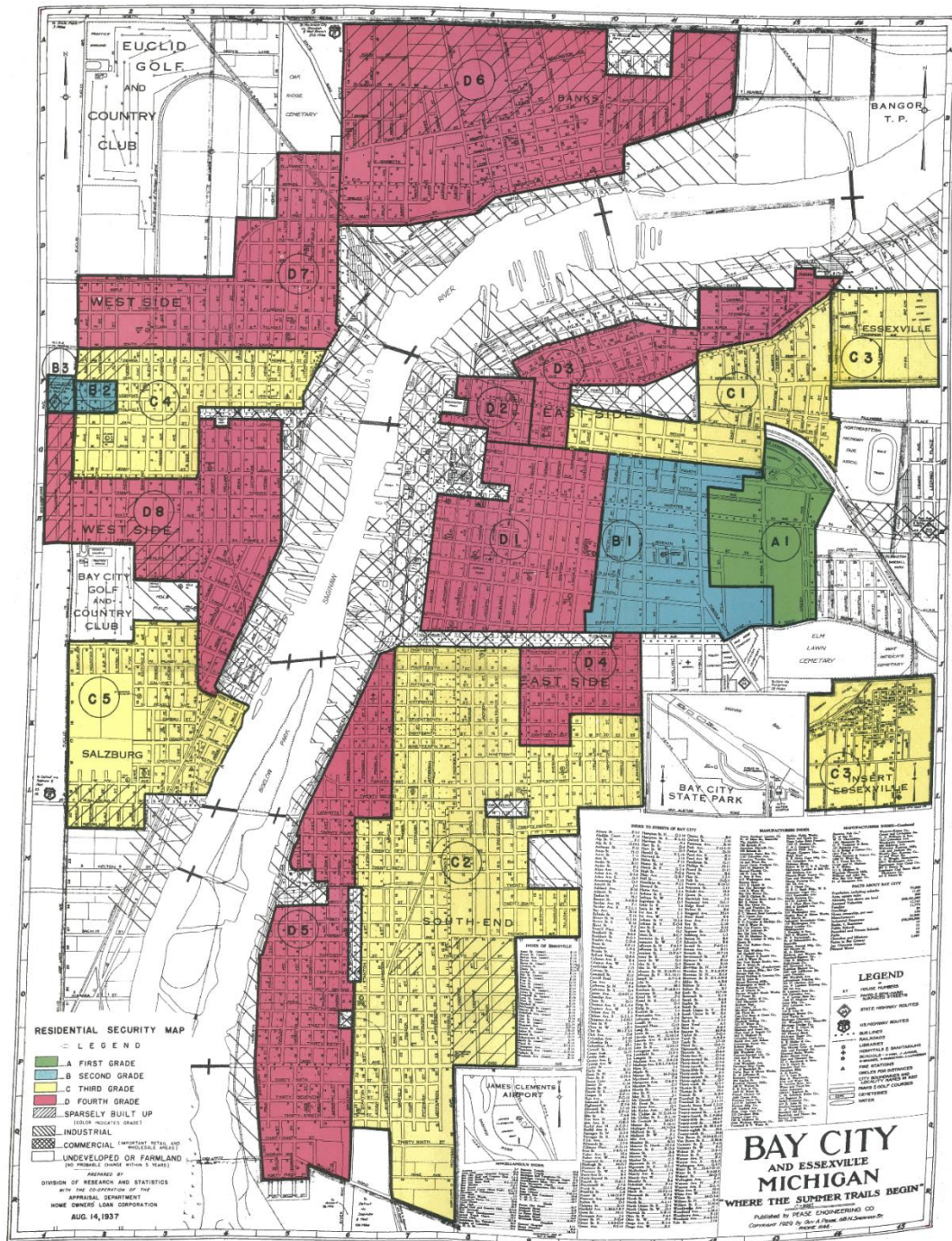
<sup>2</sup> Nelson, Robert K. (n.d.) “Mapping Inequality: Redlining in New Deal America.” Available at <https://dsl.richmond.edu/panorama/redlining/#loc=13/43.592/-83.916&city=bay-city-mi>.

<sup>3</sup> *Ibid.*; Logan, John R., Zengwang Xu, and Brian J. Stults. (2014). “Interpolating US Decennial Census Tract Data from as Early as 1970 to 2010: A Longitudinal Tract Database.” *The Professional Geographer* 66(3): 412–420. Available at <https://s4.ad.brown.edu/projects/diversity/researcher/bridging.htm>.

<sup>4</sup> *Ibid.*; “Cost burdened” is defined as when monthly owner costs or gross rent is 30% or more of household income.

<sup>5</sup> czb for Carlisle/Wortman Associates, Inc. (2016, August 18). “Report on Housing and Neighborhoods: City of Bay City, Michigan.” Available at <https://www.baycitymi.org/DocumentCenter/View/1142/City-of-Bay-City-Housing-Study?bidId=>.

Figure 1: Bay City Home Owners' Loan Corporation Residential Security Map, 1937



**Figure 2: Bay City Demographics, 2019 Estimates**

	Bay City	Bay County	Michigan
<b>Total Population<sup>6</sup></b>	<b>32,717</b>	<b>103,126</b>	<b>9,986,857</b>
<i>White, alone</i>	91.8%	94.6%	79.2%
<i>Hispanic or Latino</i>	9.6%	5.5%	5.3%
<i>Two or More Races</i>	3.3%	2.3%	2.5%
<i>Black or African American, alone</i>	3.2%	1.8%	14.1%
<i>Asian, alone</i>	0.6%	0.6%	3.4%
<i>American Indian and Alaska Native, alone</i>	0.5%	0.6%	0.7%
<i>Native Hawaiian and Other Pacific Islander, alone</i>	0%	0%	0%
<i>Median Age</i>	38	43	40
<b>Income &amp; Poverty</b>			
<i>Median Household Income</i>	\$37,893	\$48,819	\$57,144
<i>Persons in Poverty</i>	25.2%	13.4%	13.0%
<i>Unemployment Rate (March 2021)<sup>7</sup></i>	6.4%	NA	4.9%

## Housing Market

The vast majority of Bay City’s housing stock is wood framed and sided, featuring three bedrooms and one bath.<sup>8</sup> A scan of houses currently for sale reveals most need updating, repairs, or full rehab.<sup>9</sup> Many of the homes in Bay City feature porches, Victorian gables, attractive rooflines, and decorative shutters, lending some aesthetic charm to an older stock. There has been an influx of new construction, including multi-family dwellings (rentals and condos) along the east Riverfront, but these are not typical of the city as a whole.

Bay City’s recovery from the housing market crash of the 2010s lags the state as a whole (see Figure 3 on page eight), for details about Bay City’s housing market). From 2015 to 2019, the city saw a continued decline in median home value (-2.9%) while the county and state saw significant increases (9% and 28%, respectively).<sup>10</sup> Bay City’s median home value sits at \$66,800<sup>11</sup> as of year-end 2019. Bay City has many long-time residents, many of whom own their homes free and clear. Citywide, 43% of homeowners own



**An average home in Bay City.**  
Photo: Center for Community Progress

<sup>6</sup> U.S. Census Bureau, Population Estimates Program (PEP), updated annually. Available at <https://www.census.gov/programs-surveys/popest.html>.

<sup>7</sup> U.S. Bureau of Labor Statistics. (n.d.) “Michigan.” Available at <https://www.bls.gov/regions/midwest/michigan.htm>.

<sup>8</sup> czb for Carlisle/Wortman Associates, Inc. (2016, August 18). “Report on Housing and Neighborhoods: City of Bay City, Michigan.” Available at <https://www.baycitymi.org/DocumentCenter/View/1142/City-of-Bay-City-Housing-Study?bidId=>.

<sup>9</sup> Realtor.com search of Bay City active listings.

<sup>10</sup> U.S. Census American Community Survey (ACS) 5 year estimates 2014-2018.

<sup>11</sup> *Ibid.*

their homes free and clear and only one census tract has less than 25% of homeowners owning free and clear.<sup>12</sup> The high level of mortgage-free, owner-occupied homes also indicates a low susceptibility to concentrated mortgage foreclosure issues.

Despite the continued decline in median home value Bay City’s residential vacancy rate has remained around 11% over the last decade.<sup>13</sup> Some neighborhoods seeing significant reductions in vacancy, however, and Bay City’s current vacancy rate is below the state rate.<sup>14</sup> The rate still represents a higher than healthy amount of vacancy within the market. Unlike peer cities such as Saginaw, Bay City’s vacancy is dispersed throughout the city with very few small pockets of concentrated vacancy (see Figure 4 on page 9). A minimal number of properties — fewer than 50 in 2019 — are at risk for property tax foreclosure annually. This is due in large part to the efforts of the current County Treasurer to get owners on property tax payment plans and coordinate with the City on at-risk property owners.

**Figure 3: Bay City Residential Property Market**

	Bay City	Bay County	Michigan	% Change 2014 to 2019
<b>Total Housing Units<sup>15</sup></b>	15,717	48,289	4,596,198	-1.97%
<b>% Owner-Occupied<sup>16</sup></b>	68%	76.77%	71.22%	-2.77%
% Facing Housing Cost Burden	23.26%	19.75%	19.33%	-13.95%
Median Home Value	\$66,800	102,000	154,900	14.36%
<b>Home Purchase Mortgage Originations<sup>17</sup></b>	580	2,056	235,121	10.21%
<b>% Renter-Occupied<sup>18</sup></b>	32%	23.23%	28.78%	2.15%
% Renters Facing Housing Cost Burden	43.23%	41.38%	45.11%	-20.07%
Median Rent	\$634	\$663	\$871	15.06%
<b>Total Vacant Housing Units<sup>19</sup></b>	1,759	3,950	661,157	-140
% Vacant Housing Units	11.19%	8.18%	14.38%	-7.37%

<sup>12</sup> U.S. Census American Community Survey (ACS) 5 year estimates 2015-2019.

<sup>13</sup> Bay City’s residential vacancy rate was 11.84% in the 2010-2014 American Community Survey and 11.19% in the 2015-2019 Survey.

<sup>14</sup> U.S. Census American Community Survey (ACS) 5 year estimates 2014-2018.

<sup>15</sup> *Ibid.*

<sup>16</sup> *Ibid.*

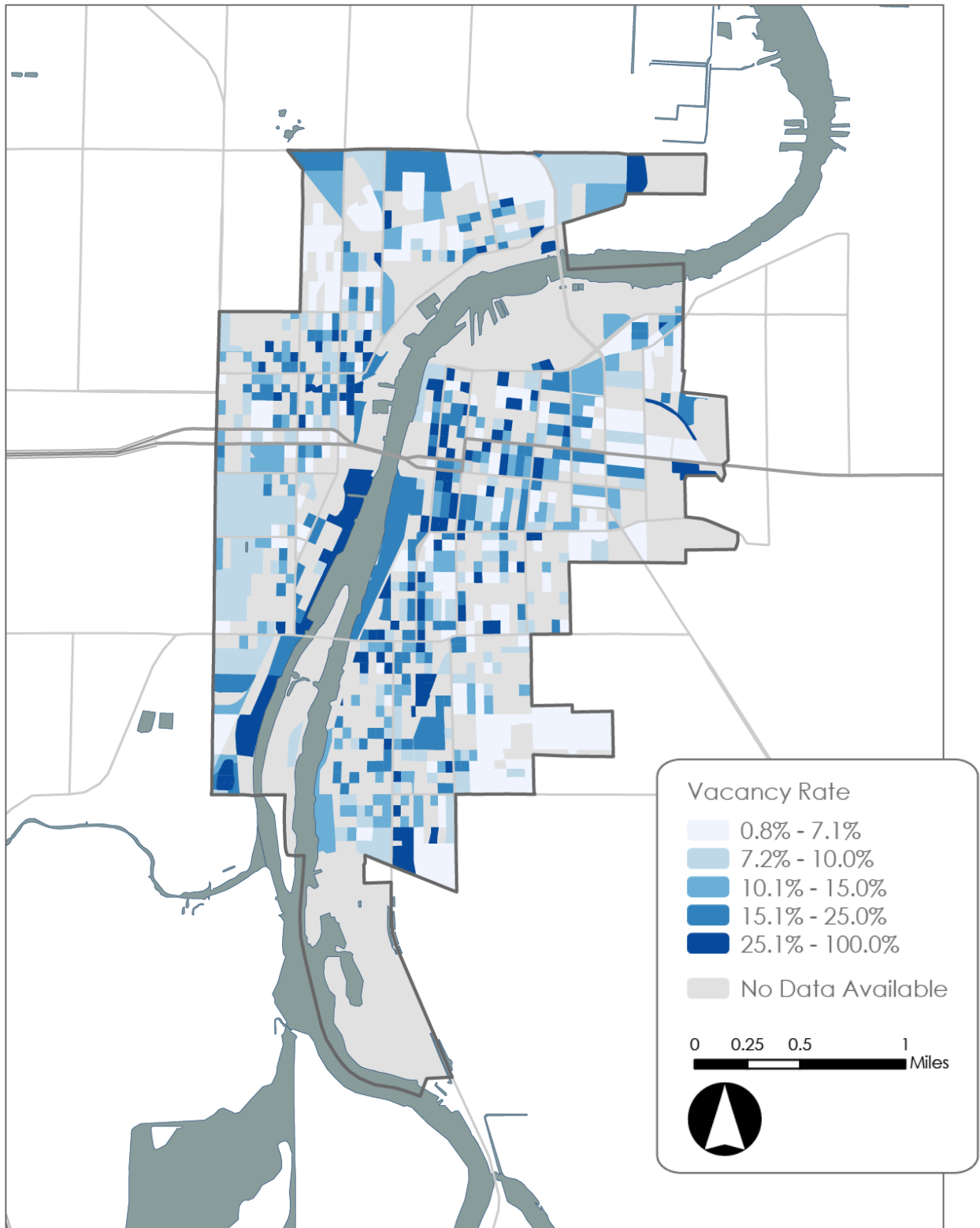
<sup>17</sup> PolicyMap, FFIEC

<sup>18</sup> U.S. Census American Community Survey (ACS) 5 year estimates 2014-2018.

<sup>19</sup> *Ibid.*

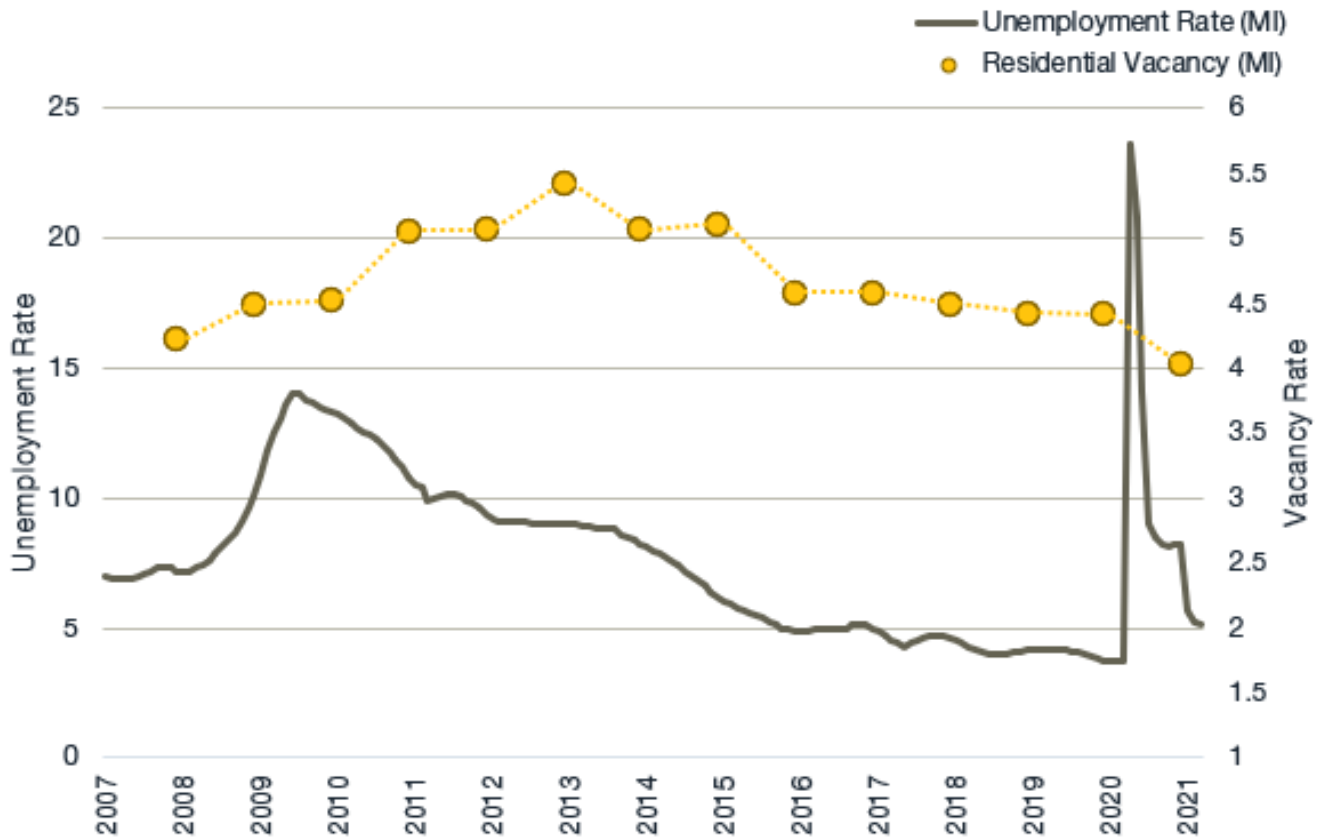


**Figure 4:** Bay City Residential Vacancy Rate by Census Block Group, 2020 Q4 estimates



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

**Figure 5: Michigan Unemployment and Vacancy, 2007-2021**



Source: Center for Community Progress, Bureau of Labor Statistics, United States Postal Service (data from Q4 of each year)

The COVID-19 pandemic has amplified the universal need for stable, quality housing as a prerequisite for health, while also creating uncertainty in the future housing market. Property owners may face difficulty paying property taxes, paying for home maintenance, and paying mortgages. Renters may struggle to pay rent, particularly if back rent is owed. Unemployment rates are often a leading indicator of residential vacancy (see Figure 5, above).

The pandemic along with the region’s 2020 floods, a dramatic increase in demand for housing statewide, and severely limited supply, is introducing a potentially high level of volatility to the market. A potential influx of new residents due to housing pressures elsewhere may continue to grow portions of the city, primarily along the east riverfront where newer construction housing is available and in places where residents have moved within the last 10 years.<sup>20</sup> However, high unemployment caused by the pandemic could increase future vacancy elsewhere in the city.

<sup>20</sup> U.S. Census American Community Survey (ACS) 5 year estimates 2014-2018.

# Housing Conditions and Code Enforcement

In many places with weak markets, property owners may not have the means to keep up with maintenance. Other owners may take advantage of market conditions to intentionally let their properties languish or deteriorate. Bay City is no exception to this and has been appropriately utilizing the legal tools available to take action on problem properties to minimize harm to the community.

In 2016 Bay City conducted a residential housing condition field survey in which the vast majority (61%) of properties were in average (score = 3) or below average (score = -3) condition.<sup>21</sup> Per the 2016 Housing Report, average condition homes required at least \$10,000 in repairs. While these data are nearly five years old, a sample windshield survey done by Community Progress indicates that some of these properties have improved in condition, but many are still in great need of intervention. And without proper intervention, average-condition properties can quickly become problems. With intervention there is a great opportunity to improve properties and tilt the proportion of housing stock towards good and excellent condition.



A home in below average condition in Bay City.  
*Photo: Center for Community Progress*

Bay City has a strong foundation of policies and tools to address problem properties. Additionally, the City has a strong team within the Code Enforcement Department to deploy these tools, independent of support from other parts of the city government. Bay City has adopted most code enforcement tools available under Michigan law to address VAD properties. Commendably the city has prioritized code compliance and effectively eliminated the use of criminal penalties for code violations by designating most housing and building code violations as Municipal Civil Infractions. Criminal enforcement is cumbersome, strictly punitive, and does little to address the real issue: the need to repair or prevent further decline of the property, especially in communities where property owners are likely out of compliance due to an inability to afford repairs. Imposing criminal penalties on vulnerable populations only perpetuates existing inequities and breeds distrust between residents and city staff.

Bay City also has tools to effectively monitor the condition of occupied rental properties and vacant properties, as well as tools to compel compliance when such properties are in violation of housing and building codes. Bay City's nuisance abatement program is an effective tool to address exterior conditions like accumulated garbage and debris, abandoned vehicles, and other related matters that impact the quality of life of neighbors and the community.

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<sup>21</sup> czb for Carlisle/Wortman Associates, Inc. (2016, August 18). "Report on Housing and Neighborhoods: City of Bay City, Michigan." Available at <https://www.baycitymi.org/DocumentCenter/View/1142/City-of-Bay-City-Housing-Study?bidId=>. "Average" was defined as a score of 3, "below average" was defined as a score of -3.

To address most housing and building code violations, Bay City has done a good job partnering with the 74<sup>th</sup> District Court to create a specific docket, so all code enforcement violation cases go before the same two judges, which has ensured consistency related to how cases are decided and helped to create a more efficient process. This efficient system and partnership with the court seemingly negates the need for Bay City to explore setting up a separate administrative hearings bureau as allowed in Michigan law. Notably, the court's ability and willingness to conduct hearings over video during the pandemic has also—and unexpectedly—doubled participation in code enforcement hearings according to the City, leaving this as something Bay City and its partners at the district court should consider continuing moving forward.



A good condition home in Bay City.  
*Photo: Center for Community Progress*

## Interview Insights

Throughout all our conversations, we heard the common goal of preserving existing housing stock. Universally, city staff spoke to the importance of preserving what the city has now — both for the people who live in individual homes as well as for the stability of neighborhoods.

Interviewees recognized the importance of preservation in preventing further decline. However, we also heard that the scale and significance of the issue requires a greater fiscal commitment from the city and the broader community to provide the resources necessary to preserve and stabilize. All staff within the Community Development Department stated that with a few more inspectors, code enforcement could elevate its proactive abilities and more swiftly identify property owners in need of home repair support and properties on the path to becoming deteriorated or abandoned. Interviewees also expressed that they believe the majority of code violations they encounter are property owners who cannot afford to keep up with maintenance and that the enforcement processes they have effectively address truly problematic property owners.

“One property owner with more than 60 properties and over 40 years in Bay City, told us that code enforcement is the best it has ever been.” – Interviewee

# Recommendations

Three clear themes emerged during our interviews and analysis: 1) the critical importance of code enforcement in ensuring neighborhood stability and revitalization; 2) property conditions likely reflect homeowners and landlords inability to pay for repairs, rather than intentional negligence, and the City is utilizing available tools but lacks a high-capacity home repair ecosystem of partners; and 3) there are more residential homes with dangerous building status than the City has resources to address.

Community Progress' recommendations are split among those three issue areas in the following sections.<sup>22</sup> As mentioned previously, due to the limited nature of this engagement, this report shares some initial recommendations. We would encourage a deeper analysis of local practices and a more robust engagement of residents as these recommendations are implemented.

## **“ALL IN” ON CODE COMPLIANCE**

- Recommendation 1: Set a Common Goal & Communicate Value of Code Enforcement
  - Recommendation 2: Expand Data Tracking and Analysis to Inform Proactive Strategies
  - Recommendation 3: Increase Code Enforcement Staff Capacity
- 

## **RESTORE HOME REPAIR ECOSYSTEM**

- Recommendation 4: Utilize Existing Local & State Programs
  - Recommendation 5: Design Impactful Property Repair Programs
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## **DANGEROUS BUILDINGS AND DEMOLITION**

- Recommendation 6: Improve Data Informed Decision Making
- Recommendation 7: Establish Demolition Fund
- Recommendation 8: Collaborate to Raise Funds

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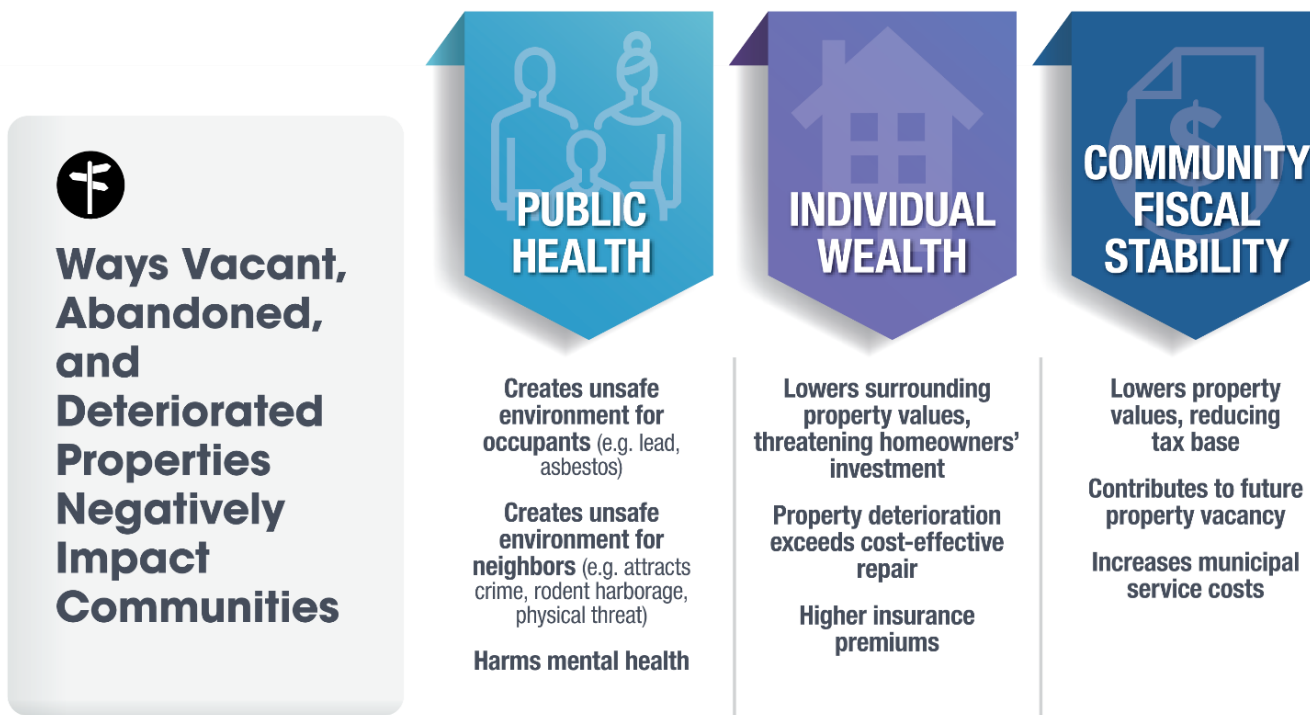
<sup>22</sup> A full list of recommendations is available in Appendix C on page 34.

# “All In” on Code Compliance

As mentioned previously, Bay City is well positioned to build upon its code enforcement foundation and successes. The Code Enforcement Department has taken advantage of legal tools provided under state law to effectively address problem properties. Per our review, no system or process within the Code Enforcement Department requires a complete overhaul. The hard work done over the last several years means Bay City is well positioned to deploy code enforcement tools and maximize their impact. Currently, code enforcement staff are doing the best with the tools and capacity they have. Limited capacity constrains their ability to work proactively and strategically. They primarily respond to complaints but are not proactive in using data to identify potential rental and vacant properties.

Bay City has the opportunity to elevate code enforcement work around a strategic goal and foster efficient, effective, and equitable outcomes. This section will detail some additional ways code enforcement can build upon its already strong foundation. Code enforcement plays a vital role in combatting the negative impacts of VAD properties (see Figure 6 below for some negative impacts of VAD properties).

**Figure 6: Negative Impacts of VAD Properties<sup>23</sup>**



<sup>23</sup> Heins, Kreis. Center for Community Progress. (2019). “Revitalization in Michigan: A Guide to Transforming Vacant, Abandoned, and Deteriorated Properties through Code Enforcement.” Available at <https://www.communityprogress.net/revitalization-in-michigan---code-enforcement-manual--2020--pages-574.php>

## **Recommendation 1: Set a Common Goal and Communicate the Value of Code Enforcement**

*Recommended Implementation Lead: Code Enforcement Department*

Despite the good work coming from code enforcement staff, the department lacks specific goals and priorities, does not highlight goals or priorities on its webpage (beyond a few vague nuisance abatement goals)<sup>24</sup> and does not indicate how progress is being tracked. Interviewees also shared there is not a defined singular goal, beyond being responsive and enforcing city ordinances.

The best path to success for code enforcement is to set clear goals and priorities that align with community needs as well as, where possible, current administration priorities. Goals, priorities, and progress towards them should be publicly communicated in consistent, accessible ways. A collective goal and transparency on progress can help shift the perception of code enforcement from simply “enforcing and punishing” to a service necessary for the safety, well-being, and quality of life for all residents.

For example, if the goal of code enforcement in Bay City is to “ensure compliance with local housing codes to provide all residents with the opportunity to live in safe, healthy housing,” the department can design and prioritize programs and staff work plans focused on preserving existing housing stock and improving the condition of existing, occupied housing. Inspectors could be given more time to support struggling owners and occupants, connecting them to resources available from the city and other entities. If resources and capacity do not change, aligning around a goal focused on occupied properties may mean programs specifically addressing vacancy and abandonment receive lower priority. However, having goals and specific metrics present an opportunity to advocate for the necessary budget allocations to do the work and to solicit new philanthropic and corporate partnerships.

**Within the Code Enforcement Department:** Take some time as a department to define your goals and priorities then (re)design programs and adjust staffing and work plans to support department priorities.

**Within Bay City Government:** Code enforcement appears to have a positive reputation within the city but remains underappreciated and not prioritized. Communicating the department’s goal and progress towards that goal — particularly by aligning with and tracking important city and community outcomes such as improvements in property condition, changes in property values, or connecting resident to resources — could help elevate the collective prioritization of code enforcement activities. The Community Development Department could consider dedicating staff meeting time to sharing progress with other city staff and could also provide cross-training opportunities to other city staff to deepen city staff’s knowledge of code enforcement.

**In the Bay City Community:** Use existing City communication platforms, such as the webpage, social media channels, and commission meetings to regularly share code enforcement goals and progress. Additionally, consider leveraging the same communications channels to champion the work of residents in property maintenance and improvement. Code enforcement is ultimately about ensuring code compliance of all property owners and occupants, so also consider actions that recognize the good work of consistently compliant owners and help them feel appreciated for their efforts.

The Community Development Department should review and share the following resources:

- [Revitalization in Michigan: A Guide to Transforming Vacant, Abandoned, and Deteriorated Properties through Code Enforcement](https://www.baycitymi.org/DocumentCenter/View/2436/Code-Enforcement-Overview) — This 2019 guide breaks down the nine leading code enforcement tools that help fight vacancy through traditional enforcement, proactive regulation, and additional strategies. It offers residents, enforcement professionals, and leaders a robust resource for understanding the tools and impacts of code enforcement on the lives of residents, local budgets, and infrastructure.

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<sup>24</sup> <https://www.baycitymi.org/DocumentCenter/View/2436/Code-Enforcement-Overview>

- [Strategic Code Enforcement: A Critical Tool for Supporting COVID-19 Neighborhood Response](#) — Despite the devastating impacts of COVID-19 on local government budgets across the country, it is imperative that we recognize, protect, and invest in the public systems critical to long term recovery efforts — systems like housing and building code enforcement. A successful code enforcement system plays an important role in supporting the maintenance of safe and healthy housing, identifying and mitigating the impact of problem properties on residents and neighborhoods, and connecting enforcement efforts to productive property reuse opportunities.
- [Beyond Clipboards: A Strategic Approach to Code Enforcement](#) — A strategic code enforcement program can help local governments proactively reverse the impacts of VAD properties. Gaining compliance from owner-occupants and landlords, however, is as much a function of economics as it is of code enforcement. A strategic approach, therefore, adapts to economic conditions that vary block by block. This webinar outlines the elements of a strategic code enforcement program, including regulation, policy, cost recovery, and “carrots & sticks” for both rental and owner-occupied units.

Here are examples from other cities on sharing code enforcement progress and bringing all property owners into the fold:

- In Cleveland, Ohio, [Metro West Community Development Organization](#) was part of a community partnership model for identifying code violations. In addition to sending notice of potential violations, they also sent “thank you” notices to properties with no code violations. This made code enforcement a 100% participation activity and built good rapport with and between residents. See Figure 7 for an excerpt from the notice.
- The City of New Orleans, Louisiana issued the [City of New Orleans Blight Reduction Report \(2014\)](#) after a three-year initiative at blight reduction. The goals were set through an initial process and this report details the work done and the outcomes. See in particular pages 20-23. See Figure 8 for an example data visualization.

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**Figure 7: A “No Violations” Notice from Metro Community West**

economic development. In partnership with the city’s Department of Building and Housing we inspect every structure in our service area and are happy to report that we have found **NO CODE VIOLATIONS** on your property at 1234 Main St. Anytown, Ohio as verified by our inspection in July of 2016.

Our inspection of your area yielded the following results

- 600 properties surveyed
- 50 notified of Major violations
- 250 notified of Minor violations

As the Housing Specialist with this community development office, I want to thank you for contributing to a vibrant and beautiful community! I also want you to know that we are here to help anyone with a violation. Code Enforcement is not a punitive measure, it is for the wellbeing of the whole community.

We are always looking to work with those in the neighborhood who need help and if any of your neighbors should mention their citation letters to you, please encourage them to call us. We will do everything in our power to assist them in finding the resources they need to bring their homes up to code. We have asked everyone with violations to contact our office with their plans to correct their violations.



**Figure 8:** An Outcomes Graphic from New Orleans' 2014 Blight Reduction Report



## **Recommendation 2: Expand Data Tracking and Analysis to Inform Proactive Strategies**

*Recommended Implementation Lead: Community Development Department*

The City utilizes BS&A software for code enforcement (e.g., code violations), assessor data, and building data. However, the Department relies on Microsoft Excel for its rental and vacant property registries. The City has Geographic Information System (GIS) capacity within the Public Works Department.

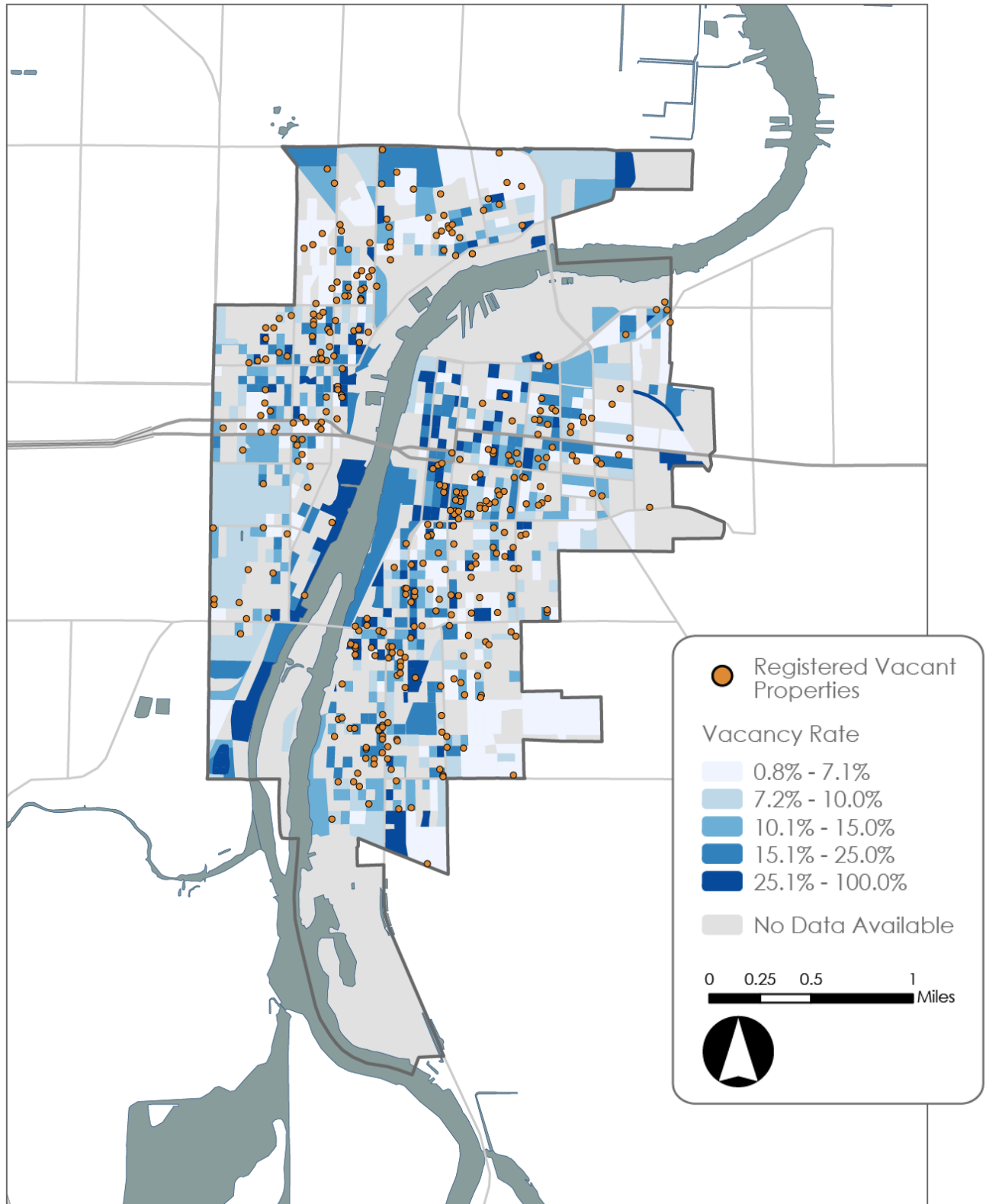
With current capacity, the City is doing well using data to identify potential rental properties and potential vacant properties and ensure they remain code compliant. The amount of additional data within the City and generally available online presents an opportunity to build a stronger foundation of using property data to inform strategic decision-making and thoughtful investment of limited resources for property improvement efforts. Much of this can likely be done utilizing the City's existing data infrastructure, but the City could also consider enhanced software solutions that could both improve data visualization and analysis as well as free up code enforcement staff time for compliance and property improvement activities.

**Utilize Existing Data Sources to Create Better Notification Systems:** The Community Development Department should work with the Public Works Department/GIS Coordinator to identify additional ways to maximize the use of existing software applications and allow for easier, regular monitoring by Code Enforcement staff, such as:

- Automatic notifications of changes in water, electric, and gas usage and shutoffs, to signal potential newly vacant properties;
- Regular, automated notices of changes in utility bill payer names or address, to signal potential vacant or rental properties;
- Monitor and map building permit data to identify areas/neighborhoods where owners are successfully investing in property improvements versus areas where little property investment is occurring;
- Quarterly review of U.S. Postal Service vacancy data and the current vacant property registry list to identify any potentially missing registrations; and
- Regular review of U.S. Census Bureau/American Community Survey data compared to current rental and vacant property registries to identify areas of potential missing registrations.

See Figure 9 on page 19 as an example of what better integrated data can look like. Areas of higher vacancy (darkest blue) with no or minimal registered properties can indicate neighborhoods to further investigate for unregistered vacant properties.

**Figure 9: Bay City Vacancy Rate by Block Group with Registered Vacant Properties**



Source: Valassis VNEF Plus database, October through December 2020; City of Bay City Vacant Property Registration, May 2021. Created by Center for Community Progress and Data Driven Detroit, June 2021.

**Implement a Parcel Survey to Regularly Assess Property Conditions:** Bay City's 2016 Residential Parcel Field Survey provided invaluable information on property conditions throughout the city and identified priority areas and opportunities for strategic intervention. Unfortunately, this is the city's only point-in-time data and it is now five years old. The real power in parcel surveys is when they are regularly updated and can point to neighborhood and submarket trends, showcase impact of interventions, and engage community members in neighborhood stabilization efforts. Up-to-date property condition data is especially valuable for owner-occupied properties, as that information is not captured in other ways such as the vacant property registration and rental registration and inspection processes.

Existing code enforcement data can help paint a picture of property conditions across the city, but without proactive inspection and documentation of all properties, there is no comprehensive dataset to identify the full list of residential homes in need of repair or what repairs are needed (e.g., porches, siding, windows, etc.). Proactive inspection of all properties throughout the city would be particularly difficult with current code enforcement staffing.

The City and its partners, with the support of community volunteers and/or surveying application tools, could conduct a parcel windshield survey similar to the 2016 one. The City should consider engaging the support of the County and/or local academic institutions to help in developing and implementing a survey instrument based on similar efforts in other cities, including:

- **The City of Memphis, Tennessee** commissioned two windshield surveys, one in 2015 and one 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 prepare them for conducting the windshield survey. In 2020, the City commissioned the parcel survey, using an off-the-shelf product, LandGrid software (by Loveland Technologies based in Detroit, MI) for the windshield survey. It hired a team of ten University of Memphis grad students to conduct the survey. Innovate Memphis again managed the project and trained the students conducting the survey.
- **In Flint, Michigan partners** conduct 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 within Flint. 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.
- **Saginaw Basin Land Conservancy** completed a parcel survey of Saginaw, MI in 2020. The data is still being processed, so the publicly available version is still forthcoming, but updates and a description can be found at [SBLC Neighborhood Inventory](#).

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

### **Recommendation 3: Increase Code Enforcement Staff Capacity**

*Recommended Implementation Lead: Community Development Department and City Manager*

The most frequent refrain we heard from all Community Development Department staff was how the code enforcement team could increase code compliance with additional staffing capacity. Bay City currently operates with two rental inspectors (for 4,620 registered units) and one property maintenance inspector (for more than 15,000 parcels in 11.2 square miles). Additional staff would certainly provide the opportunity to move towards a more proactive, strategic model of code enforcement. With additional capacity, code enforcement could take a data-first and targeted neighborhood approach, and also connect property owners to resources, leading to increased compliance.

**Use CDBG funds to hire additional Code Enforcement Staff:** The City should consider adding at least one more inspector to either the property maintenance or rental team as well as potentially an additional administrative staff member to help with write-ups, noticing, and logging/tracking that inspectors currently perform. From Community Progress' understanding and the resources below, Bay City should be able to utilize Community Development Block Grant (CDBG) dollars for code enforcement staff salaries. Please explore this with your CBDG Point of Contact before making any spending decisions.

- The Department of Housing and Urban Development issued [Notice CPD-14-016: Use of CDBG Funds for Code Enforcement Activities](#) which provides guidance on the use of CDBG funds for code enforcement activities.
- The Office of Block Grant Assistance hosted a [2019 Use of CDBG Funds for Code Enforcement Webinar](#) to provide guidance on code enforcement activities for entitlement communities in the CDBG program.
- Kalamazoo, Michigan included code enforcement staffing in its 2019-2023 Consolidated Plan and [2019 Action Plan](#).

**Advocate for Using the American Rescue Plan's State and Local Fiscal Recovery Plan Funds for Code Enforcement Staff and Property Improvement:** The American Rescue Plan (ARP) presents a possible opportunity to invest in property improvement in Bay City. Bay City is expected to receive over \$31 million in fairly flexible aid.<sup>25</sup> The Act explicitly calls attention to home repair, lead abatement, weatherization, and staffing to support those activities. Local ARP allocations could help to fill gaps where HOME or CDBG may be too restrictive. It will be important to examine where those gaps are after assessing additional allocations of HOME dollars, as well as rental assistance, homeowner assistance, and property tax assistance also coming through ARP's specific housing provisions. The Community Development Department should also advocate for utilizing some of the funds for increasing staff capacity (and others to implement necessary property improvement programs, covered in the next section). The following are some resources detailing ARP opportunities and uses:

- Community Progress blog post, [An Unprecedented Opportunity for COVID Relief and Equitable Neighborhood Transformation](#) details the unprecedented opportunity ARP funds present for communities facing growing threats to neighborhood stability due to Covid-19's economic effects. This is a valuable tool in making the case for how ARP funds should be allocated in Bay City.
- U.S. Department of the Treasury's complete guidance on ARP funds including methodology, allocations, and allowable uses of funds is detailed here, found at [Coronavirus State and Local Fiscal Recovery Funds](#).
- Department of Housing and Urban Development's [Qualified Census Tracts interactive mapping tool](#) which is designed to help easily identify the location of qualified census tracts. The neighborhoods in Bay City where many home improvement activities are needed are presumptively considered eligible.

**Reduce Time Burden of Vacant Property Inspections:** Bay City Code currently requires registered vacant properties to be inspected every 30 days, which is an admirable and ambitious cycle.<sup>26</sup> Depending on how much burden this places on staff, and how much time could be freed up for other code enforcement activities, the City could consider changing this to an every 60-day requirement. This still provides ample oversight and is a strong monitoring requirement when compared to other cities of similar size across the country. Especially when layered with the data improvements in the previous section, this will help staff spend their time more strategically.

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<sup>25</sup> <https://www.arcgis.com/apps/dashboards/caece905b51b4d28b3af54a2167e33da>

<sup>26</sup> Bay City Code § 26-584.

# Restoring the Home Repair and Rehab Ecosystem

In all markets, property maintenance requires an ecosystem of actors: property owners, contractors, financiers, local government, and nonprofit organizations. While the limited home repair activity in Bay City could be attributed solely to market forces, the lack of a home repair ecosystem is a noticeable absence. The loss of Community Home Solutions presents an opportunity for collective reflection and renewed commitment, from funders and the city, to providing this critical support to Bay City residents. The following recommendations focus on the first step in restoring the ecosystem: designing and funding a home repair program. There are additional pieces needed to be sure, such as building a contractor pool, but these recommendations focus on the priority we heard from interviewees.

As detailed in the 2016 Housing Report, the age of Bay City's homes means many have significant repair needs. This coupled with the level of cost-burdened residents and code enforcement staff experience engaging property owners, it is clear that deteriorating property conditions are largely attributed to a lack of financial ability rather than willful neglect. Our driving tour indicated a high need for siding and porch repair, along with roofs and fencing. While five years old, the values from the 2016 Housing Report can serve as a starting point for assessing the need and informing some program design options. These values could also be easily updated upon the completion of a new parcel survey.

## Recommendation 4: Leverage Existing Local & State Programs

*Recommended Implementation Lead: Community Development Department and City Assessor*

There are several existing homeowner relief and rehabilitation incentive programs that the City is underutilizing. All have the potential to reduce cost burden on residents, and free up household resources for minor and major repairs. Given that property tax accounts for approximately 3% of household income in Bay City, property tax reductions could equate to households having \$500 annually to put towards home repair.

**Increase Utilization of Poverty and Veteran's Exemptions:** A significant portion of Bay City residents are likely eligible for Michigan's Poverty Exemption as the city has a poverty rate of over one in four. It is hard to determine an exact number as the City's specific requirements are not available online. Up to 2,000 residents may be eligible for the Disabled Veterans Exemption.<sup>27</sup> Bay City could easily make both programs more accessible by updating the application forms, including it in the quick links on the Assessor and Community Development webpages, training frontline City staff to share it with homeowners they encounter, including it in a handout with all available resources, and partnering with United Way 211 and other service providers to connect eligible homeowners.

- **The State of Michigan's [Poverty Exemption](#)** was created by Michigan's General Property Tax Act and is for residents who own and occupy their principal residence but are unable to pay their property taxes due to reasons of financial hardship. The exemption can reduce property tax bills to \$0, based upon property value and household income. Applicants are able to appeal the decision to grant or deny a Poverty Exemption to the Michigan Tax Tribunal. Bay City can set its own requirements and thresholds in addition to the state requirements.
- **The State of Michigan's [Disabled Veterans Exemption](#)** makes disabled veterans who were honorably discharged, along with their un-remarried surviving spouses, eligible for a 100% property tax exemption in Michigan for homestead properties owned by the veteran or their spouse. A disabled veteran is defined as a veteran who: (a) has been determined by the U.S. Department of Veterans Affairs (VA) to receive benefits at the 100% rate; (b) has a certificate from the VA certifying they have received financial assistance for specially adapted housing; and/or (c) has been rated by the VA as individually unemployable.

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<sup>27</sup> Based upon the 2019 estimate of the veteran population in Bay City, MI from the U.S. Census.

- **Detroit, Michigan** has dedicated the last few years to improving awareness of and accessibility to the Poverty Exemption program. The [City of Detroit HPTAP 2021 Application](#) is an example of improved messaging and support.

**Consider Adopting Neighborhood Enterprise Zones to Incentivize Repair and Rehab:** Neighborhood Enterprise Zones (NEZ) is a tool available only to certain Michigan communities, of which Bay City is one. The program is designed to incentivize home repair and stimulate the rehabilitation of properties for new residents, ultimately improving property values throughout neighborhoods. Bay City has adopted two (new construction and rehabilitation) of the three types.<sup>28</sup>

The suite of NEZ abatements can be a pivotal, proactive tool in preserving, and improving, existing housing stock in Bay City. Bay City should consider adopting NEZ Homestead and designating specific areas as allowed by the statute. Adding the Homestead option would provide *existing* homeowners with an incentive and opportunity to make needed repairs to their properties. Designating areas, instead of waiting for developers or potential property owners to request NEZ, would allow the City to develop a proactive revitalization strategy and pair other programs and efforts to expand impact.

Other financially distressed cities have instituted NEZs and other tax abatement programs in recognition of the fact that a potential short-term reduction in property tax revenue would be offset over the long term through higher property values — and therefore greater total tax revenue — from a rehabilitated property. Research in Detroit has shown that implementing NEZ resulted in a significant rise in property values and strengthening of the market. Meaning, although the City is collecting a lower millage rate on NEZ properties, which would seem to generate lower revenue for the City, the strengthened property values actually result in increased revenue over time.<sup>29</sup>

- **Michigan's Neighborhood Enterprise Act of 1992** created [Neighborhood Enterprise Zones](#) which are designed to incentivize the development and rehabilitation of residential housing in 147 qualifying distressed Michigan communities. These distressed communities can designate specific areas as Neighborhood Enterprise Zones, totaling up to 10-15% of their total geography. In NEZ areas eligible projects receive a millage rate reduction set forth by the local jurisdiction for up to 15 years. Three types of housing-related redevelopment projects qualify for tax exemptions within a NEZ:
  - An existing homestead property consisting of one or two housing units in which the owner makes at least \$500 of improvements;
  - A rehabilitated facility with a current true cash value of \$80,000 or less per unit, primarily used for residential housing consisting of 1-8 units; or
  - A new facility, primarily purposed for residential housing, including one or two units with at least one being owner occupied.

## **Recommendation 5: Design Impactful Property Repair Programs**

*Recommended Implementation Lead: Community Development Department, Bay County Land Bank, and Habitat for Humanity*

Bay City used to have a successful home repair program and should work with partners to strategically implement new programming. Presently, the few programs available to residents are income-restricted, yet households outside of those income restrictions still face financial gaps that make repair and rehabilitation cost prohibitive — even for residents who own their homes outright. There are no programs available for landlords who want to improve their rental properties, and multiple neighborhoods are more than 50% renters. Rental compliance is currently high — nearly 90% according to City staff — but that is not a reason to ignore potential future needs when planning out programs. With

<sup>28</sup> City of Bay City Neighborhood Enterprise Zone Program Policies and Procedures. Adopted August 3, 2020.

<sup>29</sup> Hodge, Timothy R. and Timothy M. Komarek. (2016, November). "Capitalizing on Neighborhood Enterprise Zones: Are Detroit Residents Paying for the NEZ Homestead Exemption? Regional Science and Urban Economics. Available at <https://www.sciencedirect.com/science/article/abs/pii/S0166046216301739>.

an existing renter cost-burden rate of over 40% and heightened unemployment due to COVID-19, landlords may be experiencing reduced income further straining ability to make needed repairs. It will be important for the City to utilize its registry to monitor landlord needs.

People are earning enough to do the bare minimum and stay in their homes, but not enough to improve them. Homeowners need resources, and the City, County, and other service providers should partner to make that possible. Collectively deciding the point at which to intervene (e.g., properties scored 3 or higher according to the 2016 Housing Report) and choosing some qualifying criteria based on priority (e.g., location or resident age) will provide an opportunity to package or layer multiple existing and new programs for maximum impact. Ideally, programs would be designed to connect those with violations to the resources to come into compliance. The City should utilize the existing Housing Report estimates, and any more recent estimates available after a new parcel survey, to set specific funding goals. This 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. A strong nonprofit partner, such as United Way or Habitat for Humanity, is essential to this equation to help guide homeowners on what is available as well as to help attract and provide more nimble funding.

**Explore Program Models:** A single home repair program will not sufficiently meet the need in Bay City. There must be a mix of programs to get enough funding and flexibility to address the issue. Programs can take a multitude of forms and the elements need to be considered based on how they interact with one another. See Figure 10 below for an overview of those considerations.

- **Community Progress webinar on [Prioritizing Repair Support for Financially Struggling Property Owners](#)** outlines why investments are critical to the health and safety of residents, the financial well-being of homeowners, and the prevention of more significant disrepair and vacancy down the road.
- **Louisville, Kentucky** mobilizes community-wide resources and volunteer support to assist vulnerable homeowners with essential home repairs through its [Repair Affair](#) program. Volunteers install handrails, fix broken steps, or make modifications to accommodate a wheelchair for free.
- **Battle Creek, Michigan's [Minor Home Repair Program](#)** provides up to one-half the cost for roof replacement, to a limit of City funding of \$12,000, or up to one-half of the total cost with a City limit of \$5,000 to fix exterior code compliance orders to repair or other health and safety issues for eligible, low-income homeowners.
- **The City of Battle Creek, Michigan** also allows residential property owners to apply for up to 10 gallons of free paint for their property through the [Paint Voucher Program](#), 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.
- **In Flint, Michigan, [The Porch Project](#)** is a grassroots effort led by residents, and funded through an academic research partnership, to repair and beautify front porches for homeowners by painting, providing minor repairs, and planting perennials. This offers one example of a highly visible home improvement project, addressing both safety and curb appeal of the home.



**Figure 10: Residential Repair Program Considerations**

Considerations	Potential Options
Use of Repair Funds	<ul style="list-style-type: none"> <li>- Immediate safety threats (e.g., broken furnace, major roof damage)</li> <li>- Deferred maintenance (e.g., siding repair, paint, porch repair)</li> <li>- Weatherization (e.g., window sealing, insulation)</li> <li>- Accessibility/aging in place (e.g., ramps, door widening)</li> <li>- Other code violations</li> <li>- Other repairs</li> </ul>
Form of Assistance	<ul style="list-style-type: none"> <li>- Grants</li> <li>- Loans (no/low interest)</li> <li>- Forgivable loans (e.g., after 5, 10, 15 years)</li> <li>- Deferred loans (i.e., due upon property transfer or change in occupancy status)</li> <li>- Grant and loan combination</li> <li>- Partnerships (e.g., academic, corporate)</li> <li>- Volunteer repair services</li> </ul>
Eligibility Requirements	<ul style="list-style-type: none"> <li>- Geographic (e.g., regional, city, specific neighborhoods)</li> <li>- Owner type (e.g., homeowner, landlord, first-time buyer)</li> <li>- Household income (e.g., percent of AMI)</li> <li>- Age of occupants (e.g., over 65, under 6)</li> </ul>
Sources of Funding	<ul style="list-style-type: none"> <li>- Federal funds (e.g., ARP, CDBG, HOME, Healthy Homes)</li> <li>- Philanthropy</li> <li>- Corporate sponsors</li> <li>- Fees and fines</li> <li>- Real estate transfer tax and other recording fees</li> <li>- Revolving Loan Fund</li> <li>- Housing Trust Fund</li> <li>- Bond</li> <li>- Millage</li> </ul>
Program Management Structure	<ul style="list-style-type: none"> <li>- Local government unit or department</li> <li>- County government department</li> <li>- State government department</li> <li>- Nonprofit organization</li> <li>- Corporate giving/volunteer program</li> <li>- Partnerships</li> </ul>
Partnerships	<ul style="list-style-type: none"> <li>- Hospitals</li> <li>- Utility companies</li> <li>- Social service organizations</li> <li>- Workforce development programs</li> </ul>

**Develop a Funding Strategy:** 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. Philanthropic partnerships could offer the City an opportunity for more flexible and/or project specific funding. Many communities, including in Michigan, have done this by establishing housing trust funds. The funds consist of various sources (e.g., a millage increase and philanthropic funds) for partners to access in order to implement certain housing goals like affordable housing creation or home improvement. At minimum, this should be pursued at the county level. Given the range of housing needs in the tri-county region and the strong philanthropic community at the regional level, pursuing this as a tri-county or tri-city effort may be more advantageous than at the city level.<sup>30</sup>

- The [Flint Home Improvement Fund](#) is a citywide home repair program managed by Genesee County Habitat for Humanity to help Flint homeowners repair, improve, and renovate their homes through low- or no-interest loans. The Flint Home Improvement Fund is intended for homeowners of all income levels, and no collateral is needed for loans through this program. Funding can be used for projects such as furnace and hot water heater replacement, roof replacement or repairs, kitchen and bath upgrades, new siding, and deck and porch replacement.
- Milwaukee, Wisconsin's [STRONG Home Loans Program](#) is administered by the Department of City Development. The program offers partially forgivable loans of up to \$20,000 for emergency and essential home repairs to owner occupants of 1-4 family properties throughout the City of Milwaukee on a first come, first-served basis. Residents at up to 120% of area median income are eligible to apply, with interest levels and forgivable amounts varying based upon area median income.
- Kalamazoo County, Michigan's [Local Housing Assistance Fund](#) was established in 2015 through a 0.1-mill on property taxes and replaced with a 0.75-mill in 2020 that will continue for an 8-year period. The Fund will generate an estimated \$6.3 million in 2021. 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.
- The Detroit Land Bank Authority's [Rehabbed & Ready](#) uses philanthropic funding to bridge the gap between home value and repair expenses, allowing the team to invest deeply in the quality of their rehab projects, install energy efficient HVAC systems and new windows, replace sewer and water lines, and complete full environmental abatement of all properties. Homes are renovated and then sold for market value.
- In Grand Traverse County, Michigan, county commissioners voted in 2010 to eliminate its affordable housing trust fund and transfer existing funds to 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 Land Bank Authority.
- The [Housing Trust Fund Project](#) is an initiative of the Center for Community Change. The Project operates as a clearinghouse of information on housing trust funds throughout the country and provides technical assistance to organizations and agencies working to create or implement these funds.

**Use ARP funding to improve property conditions:** As mentioned previously, the ARP State and Local Fiscal Recovery Plan presents an unprecedented opportunity – in scale, flexibility, and immediacy – to invest in property improvement in Bay City. Dollars could be used to fund pilot programs for a year or to seed longer term programs. There is also an opportunity to match funds with the County to support programming through the land bank.

**Build and revive partnerships:** Any housing repair program is going to require cross-sector partnerships in order to fund projects, support homeowners in applying, and conduct repair work. The City should make a point to revive past

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<sup>30</sup> The geographic area for the fund is likely dependent upon its funding model. A solely millage driven fund may not be viable for a multi-county fund.

partnerships in this space, including corporate partners such as Dow Chemical. There also appears to be unleveraged opportunities with McLaren Health Care, Delta College, Saginaw Valley State University, and Northwood University.

- **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 cause 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.
- **ChangeLab Solutions’ [The Health & Housing Starter Kit](#)** is designed to help local institutions take their first steps toward creating bold and innovative health and housing initiatives. It includes case studies from three institutions that have been working on health and housing initiatives for over 10 years. The toolkit also includes Building Blocks, which explore a range of strategies based on the work of our case study sites. The Building Blocks provide guidance on how to form partnerships with communities and other institutions, developing indicators to understand and evaluate your efforts, and crafting messages to build support.
- **In Detroit, Michigan**, an annual citywide volunteer cleanup and beautification initiative, [Motor City Makeover](#), includes the cleaning of alleys, blighted homes, parks, and playgrounds. The City of Detroit pairs volunteer groups and individuals with clean-up projects, provides supplies, and schedules special pick-ups of trash afterwards.

# Dangerous Buildings and Demolition

The need to demolish privately-owned, residential structures came up in several interviews, though it should be noted that the top priority for stakeholders interviewed was clearly preservation of existing housing stock. The City currently does between five and ten demolitions a year, but interviewees shared that at least triple that number are needed annually. Unfortunately, this appears to be primarily an issue of limited resources as the City has incorporated the Dangerous Building provisions of the Housing Law of Michigan as its own Dangerous Building Code and Code Enforcement staff shared their process works.<sup>31,32</sup> Code Enforcement staff stated the use of this tool is being intentionally limited as the upfront funding to perform the demolition is lacking. With an average of \$15,000 per demolition, the City needs upwards of \$450,000 to address the *currently dangerous* buildings in need of demolition. The continued existence and deterioration of demolition-condition properties will continue to drag down property values, harm the market, and make overall property conditions worse. Investing in the previous recommendations will certainly stem the flow of future dangerous buildings and decrease the need for future demolition but does not specifically help address the current dangerous building inventory. This was not an area discussed in depth with interviewees, so we present some preliminary ideas below, all of which require further exploration based upon Bay City's specific situation.



A fire damaged house in Bay City, MI.  
Photo Credit: Center for Community Progress

## Recommendation 6: Improve Data-Informed Decision Making

*Recommended Implementation Lead: Community Development Department*

By leveraging previous recommendations around data infrastructure, Bay City could improve its process for selecting which properties go through the dangerous buildings process and on to demolition. While funding capacity is currently limited, there is always an opportunity to be more targeted in the approach to selecting the few properties that go through the process annually. Bay City could consider focusing on areas where there will be a return on investment through increased property tax revenue from improved property values surrounding the demolition site.

## Recommendation 7: Establish a Demolition Fund

*Recommended Implementation Lead: Community Development Department and Bay County Treasurer or Land Bank*

Bay City could explore establishing a “revolving” fund for demolition, either at the city or county level, where the cost of demolition is placed as a lien on the property and the recovery of the lien goes back into the fund. The fund could be seeded with the current annual allocation for demolition (\$50,000) and matched with another source (e.g., increased general fund allocation, city and county ARP, philanthropic, or others). The City could start this as a pilot program for a set number of years (at least five). If necessary, the annual allocation from the City's general fund could be treated as

<sup>31</sup> See Bay City Code § 26-451 *et seq.*

<sup>32</sup> The Dangerous Building Code establishes standards by which a building would be considered “dangerous” and an administrative process by which a hearing can be held to determine if the property is dangerous and if not repaired, the City can demolish, secure, or otherwise make the property safe and charge the owner for any costs incurred. If the owner fails to pay, the unpaid costs become a lien against the property, can be added to the property tax bill, and can be collected and enforced in the same manner as unpaid taxes. The City can also file a lien against other real property or assets owned by the property owner.

a sunk cost to prioritize recovered funds going first and foremost back to the revolving fund. Recovered funds would come via liens collected with property taxes and/or the tax foreclosure sale proceeds. This could increase the pipeline of land bank properties, so the County Treasurer will be a vital partner.

## **Recommendation 8: Collaborate to Raise Funds**

*Recommended Implementation Lead: Community Development Department and Bay County Land Bank*

Bay City is not alone in the continued need for demolition funds. Other Michigan communities, and communities across the country, still need to demolish hundreds of thousands of properties in order to remove existing safety hazards and stabilize neighborhood markets. The Bay County Land Bank is engaged with the [Michigan Association of Land Banks](#) who are working on land bank and demolition funding issues. The City should connect with the Land Bank and ask how to support those efforts – at both the state and national level.

# Conclusion

The Code Enforcement Department has carried the bulk of the responsibility for property conditions over the last several years, and without such dedication Bay City would likely be experiencing substantially more housing deterioration and vacancy. The still unknown long-term economic impacts of COVID-19 threaten the Department's ability to keep up. It is time for the City as a whole to prioritize neighborhood stabilization.

Bay City now has a significant opportunity to turn the tide on property conditions, especially with the unprecedented amount of federal dollars coming through ARP. By going all-in on code compliance, restoring Bay City's home repair ecosystem, investing in the existing housing stock, and working to address demolition-condition buildings, Bay City has several opportunities in the years ahead to support Bay City residents and neighborhoods.

We hope the ideas highlighted in this report help the City and its partners take the next steps in building a strategic effort to continue to address and prevent VAD properties. We recognize this brief engagement limited how deep we could dive into specific implementation steps. Should the City and/or its partners be interested in pursuing any of the recommendations contained in this report, we at the Center for Community Progress would be interested in supporting that work. We would welcome an opportunity to identify more specific implementation steps, conduct further research, and provide input and feedback on plans developed by the City and its partners.

# Appendices

## Appendix A: Individuals Interviewed

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

Sue Coggin, Code Enforcement Coordinator, City of Bay City (point of contact)

Raquel Crispian, Administrative Specialist - Code Enforcement, City of Bay City

Beth Ducolon, Property Maintenance Inspector, City of Bay City

Debbie Kiesel, Community Development Director, City of Bay City (point of contact)

Terry Moulthane, Planning & Zoning Manager, City of Bay City

Dana Muscott, City Manager, City of Bay City

Todd Umphrey, Rental Housing Inspector, City of Bay City

Shawna S. Walraven, Treasurer, Bay County

# Appendix B: Data Analysis & Site Visit Details

Data & Document Review	Site Visit
<ul style="list-style-type: none"><li>- Bay City Code of Ordinances</li><li>- Michigan Law</li><li>- 2017 Bay City Master Plan</li><li>- 2016 Report on Housing &amp; Neighborhoods</li><li>- 2016 Housing Field Survey</li><li>- 2016 Target Market Analysis</li><li>- Code Enforcement Courtesy Letters, Notification Letters, &amp; Violation Notices</li><li>- Rental &amp; Vacant Property Registries</li><li>- Community Progress Code Enforcement Survey Responses</li><li>- U.S. Census data</li><li>- City &amp; partner websites</li><li>- Local news sources</li></ul>	<p>Driving tour covering Census Tracts:</p> <ul style="list-style-type: none"><li>- 6500</li><li>- 0300</li><li>- 0500</li><li>- 0400</li><li>- 0600</li><li>- 0700</li><li>- 0800</li><li>- 1300</li><li>- 6600</li></ul>



# Appendix C: Recommendations Summary

## Recommendations

### "All In" On Code Compliance

1. Set a Common Goal & Communicate Value of Code Enforcement
2. Expand Data Tracking and Analysis to Inform Proactive Strategies
  - Utilize Existing Data Sources to Create Better Notification Systems
  - Implement a Parcel Survey to Regularly Assess Property Conditions
3. Increase Code Enforcement Staff Capacity
  - Use CDBG funds to hire additional Code Enforcement Staff
  - Advocate for Using the American Rescue Plan's State and Local Fiscal Recovery Plan Funds for Code Enforcement Staff and Property Improvement
  - Reduce Time Burden of Vacant Property Inspections

### Restore Home Repair Ecosystem

4. Utilize Existing Local & State Programs
  - Increase Utilization of Poverty and Veteran's Exemptions
  - Consider Adopting Neighborhood Enterprise Zones to Incentivize Repair and Rehab
5. Design Impactful Property Repair Programs
  - Explore Program Models
  - Develop a Funding Strategy
  - Use ARP funding to improve property conditions
  - Build and revive partnerships

### Restore Home Repair Ecosystem

6. Improve Data Informed Decision Making
7. Establish Demolition Fund
8. Collaborate to Raise Funds

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