



## Annual Report 2013



## Dear Friend,

At the Center for Community Progress, we work in partnership with leaders around the country toward a common goal: creating strong communities where property vacancy and abandonment no longer threaten residents' wellbeing. By working with communities to tackle the tough challenges of blight, vacancy, and abandonment, we help lay the groundwork for successful revitalization shaped by the vision and needs of residents.

Through technical assistance, trainings, and research, we work hard to equip local leaders with the latest tools and resources to combat blight. As a result, those leaders are better positioned to create positive change in the neighborhoods they serve. At the same time, we are able to learn from the many innovations underway in communities around the country and share these lessons through events like the national Reclaiming Vacant Properties Conference, as well as through carefully tailored peer exchanges among communities facing similar challenges and opportunities.

In the pages that follow, we highlight a few stories from the last year that reflect our mission in action: from supporting the nascent land banking movement in Pennsylvania, to shaping federal investment in Michigan, to supporting the analysis of tax lien sales in upstate New York. We also provide brief highlights from our other work around the country. 2013 was a remarkable year of growth and development, not only for us as an organization, but for so many of the communities with whom we are honored to work. We look forward to continuing to build these partnerships and expand our work into 2014 and beyond.



A handwritten signature in black ink, appearing to read 'T. Shapiro'.

**Tamar Shapiro**  
President and CEO



### About Center for Community Progress

Founded in 2010, the Center for Community Progress is the only national 501(c)3 nonprofit organization solely dedicated to building a future in which entrenched, systemic blight no longer exists in American communities. The mission of Community Progress is to ensure that communities have the vision, knowledge, and systems to transform blighted, vacant, and other problem properties into assets supporting neighborhood vitality. As a national leader on solutions for blight and vacancy, Community Progress serves as the leading resource for local, state and federal policies and best practices that address the full cycle of property revitalization, from blight prevention, through the acquisition and maintenance of problem properties, to their productive reuse. More information is available at [www.communityprogress.net](http://www.communityprogress.net).

# Land banking gets underway in Pennsylvania

"I was excited to have a significant community revitalization tool to help our communities tackle blight and for the opportunity to spearhead the effort countywide," said **April Kopas**, executive director of the Westmoreland County Land Bank (WCLB) in Pennsylvania, reflecting on the passage of Pennsylvania's land bank enabling law.

The law took effect in December 2012, ushering in a flurry of activity in 2013. Seven local land banking ordinances passed, including in Westmoreland County, which passed a county-wide land banking ordinance in December 2013. Numerous other communities explored the feasibility of land banking.

After helping state leaders craft and develop the land bank statute, the Center for Community Progress worked hard in 2013 to support implementation efforts. "The Center for Community Progress mobilized national resources to provide invaluable training and technical assistance," said Kopas. "The knowledge base at the Center is unparalleled, yet accessible."

Community Progress staff and advisors led trainings and provided assistance in 2013 that reached more than 1,000 Pennsylvanians.

"I don't know how we could have managed without Community Progress. [They] have been tireless in helping us," said **Liz Hersh**, executive director of the Housing Alliance of Pennsylvania. The Housing Alliance employed a 'train the trainer' model, bringing seasoned land bank experts – including Community Progress – to provide tailored local assistance.



Credit: Kim Hodgson

"They have helped us think things through, provided training, TA, legal information and just plain old moral support, really for the past several years," Hersh continued. It makes us feel like we are part of an important national movement that is transforming communities that have been forgotten."

Through Community Progress technical assistance, municipal and county leaders learned how to determine if land banking was the right tool for them and, if so, how to get one off the ground. Figuring out how a land bank fits into a community's property remediation work, however, often meant first learning more about all the systems that impact revitalization.

"When I asked, 'Why aren't you foreclosing on tax delinquent properties or ramping up code enforcement?' communities would often reply that they couldn't legally do so, but nine times out of ten that reflected a policy decision, a choice to not do something," explains **Kim Graziani**, vice president and director of national technical assistance at Community Progress.



Credit: Chris Norman

Community Progress encouraged communities to strengthen and leverage existing tools in addition to land banking efforts. Land banking, explained Graziani, "is not a panacea in and of itself, but it is a powerful tool as part of a comprehensive approach to revitalization."

"Local leaders are tired of feeling helpless to address the blight problem," said Hersh. "Land banking is a tool that has given them a chance to see this land as a potential asset. It's hopeful... we have seen the development of a strong peer land bank network of local pioneers."



Credit: Jennifer Leonard  
Center for Community Progress

She continued, "It's become a community of leaders statewide supporting each other in pursuing their vision of a different Pennsylvania."

The result is real progress on the ground. In Westmoreland County, for example, Kopas explained, "The goal for 2014 is to begin with 10 municipalities and respective school districts as participants in the first phase; the WCLB is now actively acquiring properties in those 10 communities."

Land banking activity in Westmoreland County and elsewhere in Pennsylvania is just getting underway but, with the cultivation and training of such strong local leadership, land banks have the potential to transform revitalization efforts in 2014 and beyond

*"It makes us feel like we are part of an important national movement that is transforming communities that have been forgotten."*

# Shaping federal investment in Michigan

In 2013, Community Progress leveraged its experience with the Neighborhood Stabilization Program 2 (NSP2) to advise state and federal leaders on another federal program to prevent mortgage foreclosure: the Hardest Hit Fund (HHF).

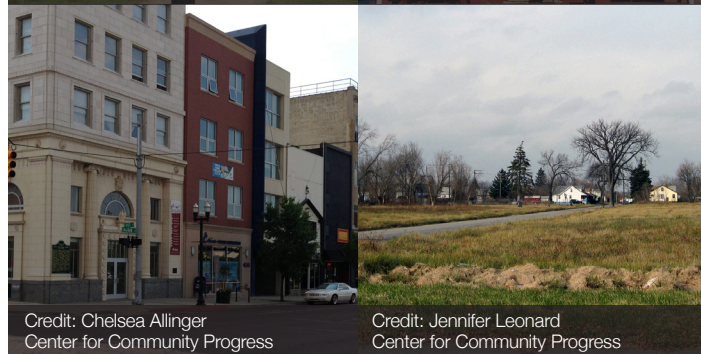
Under NSP2, the U.S. Department of Housing and Urban Development (HUD) had awarded the Michigan State Housing Development Authority (MSHDA), in a unique consortium agreement with city governments and land banks, approximately \$223 million, back in 2010. Community Progress was brought on to administer NSP2 technical assistance; Community Progress was brought on to administer NSP2 technical assistance and, in 2013, focused specifically on NSP2 close-out.

Through NSP2, Community Progress staff developed a deeper understanding of local needs throughout Michigan, particularly the role of demolition in neighborhood stabilization, and how federal dollars can support those needs. The organization was well-positioned when called upon to offer guidance on a potential HHF reallocation. HHF, created in 2010, is a \$7.6 billion initiative that supports programs to prevent mortgage foreclosure. Leaders in Michigan and at Community Progress recognized that vacant, abandoned properties impact nearby mortgage foreclosure rates, and that removing those properties could help stabilize tipping-point neighborhoods.



Credit: Chelsea Allinger  
Center for Community Progress

Credit: Kim Graziani  
Center for Community Progress



Credit: Chelsea Allinger  
Center for Community Progress

Credit: Jennifer Leonard  
Center for Community Progress

In early 2013, officials from Michigan and the U.S. Department of the Treasury were in discussion about reallocating some HHF funding to support strategic demolition. To inform

that discussion, they turned to Community Progress for data and expert testimony. “Initially, they were really relying on the statewide network that we were tapped into, to get a quick, responsive answer” regarding the extent of vacancy and foreclosure in Michigan, said **Michael Brady**, senior advisor to Community Progress.

Then, in May, Community Progress leaders advised senior Treasury officials on the policy shift. “Their charge is to prevent foreclosures. The idea behind using these funds for demolition is that removing abandoned, dangerous properties in stronger neighborhoods will prevent foreclosures, either because property values will be stabilized, so there won’t be a perverse economic incentive to walk away, or because the worst and most dangerous properties will be removed, which is its own cause of walkaways,” Brady explained.



Credit: Calhoun County  
Land Bank Authority

Based on research and experience around the country, Community Progress leaders voiced support for the policy shift. In June, Treasury approved MSHDA’s proposal, enabling the reallocation of \$100 million of the state’s nearly \$500 million in Hardest Hit Funds. Over the subsequent year, Ohio, Indiana, and Illinois followed with similar reallocations.

“In 2013, the Michigan State Housing Development Authority (MSHDA), in partnership with land banks in five Michigan cities, rolled out a demolition strategy that responded to the negative effects that blight has on property values and foreclosure rates,” said **Michele Wildman**, director of federal programs and strategic initiatives at MSHDA, referring to the Hardest Hit Fund effort. “The Center for Community Progress was instrumental in Michigan’s effort by providing invaluable training, research, and technical assistance.”

As HHF demolitions got underway, NSP2 drew to a close and Community Progress helped communities learn from the experience. “Community Progress worked with us after the last house sold to help us figure out how we could build off of our NSP2 experience,” said **Chris Lussier**, community development manager with the City of Battle Creek. “One result was the creation of metrics for evaluating neighborhood health. Because we now have these metrics, we can tell you that home sales values in our NSP2 target area increased 91% between 2011 and 2013—more than any other neighborhood in Battle Creek!”

As a result of Michigan’s NSP2, by the end of 2013, approximately 500 homes had been constructed, more than 900 parcels land banked, and more than 2,200 structures demolished. Through HHF and NSP2, Community Progress helped Michigan make the most of federal opportunities for foreclosure crisis recovery.

# Understanding the impact of tax lien sales in Rochester, New York

Following in the footsteps of jurisdictions across the country, the City of Rochester, New York, began selling delinquent property tax liens to a private, for-profit company in 2009. The agreement provided the city with much-needed, up-front revenue. It also relieved the city of the need to dedicate a portion of its limited staff hours to obtaining payment of delinquent taxes.



But could the city retain more revenue if it refrained from selling those liens? And how might private, instead of local government, ownership of tax liens impact community wellbeing? Those were the questions at hand in early 2013, when Roches-

ter leaders brought in the Center for Community Progress to evaluate the city's tax lien sales.

Over the course of 90 days, Community Progress and its team of subcontractors pored over dozens of government and property data sets and conducted interviews with community leaders and residents. They investigated questions including: How many owners ultimately paid off their delinquent taxes, and in response to which enforcement interventions? How many properties remained idle or in a deteriorating state after transfer of the lien? How many properties went through tax foreclosure, resulting in a transfer of ownership?



“For the majority of those properties, where tax liens were sold and properties were considered low value, nothing had happened,” explained **Sara Toering**, general counsel at Community Progress. “People weren’t paying. [The company wasn’t] foreclosing because foreclosure on low-value properties is unlikely to result in a profit. So the properties were sitting vacant and in limbo.”

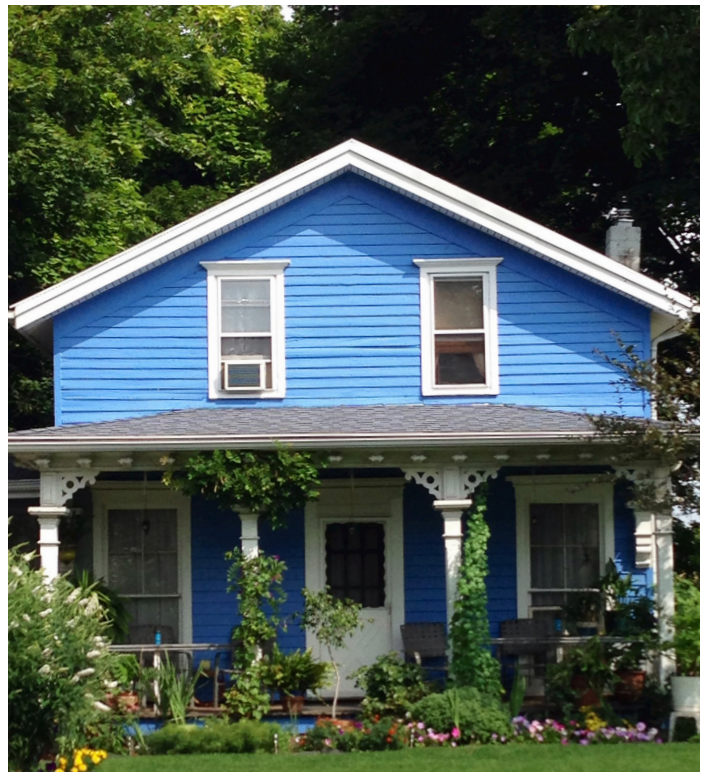
Community Progress’ research demonstrated that Rochester’s tax delinquent properties – regardless of who owned the liens – faced much higher rates of code violations, emergency service calls, and vacancy than other properties, and correlated with decreased sale prices of nearby homes. In addition, the rate of tax delinquency had increased from 15.5% (9,739 parcels) in 2009 to 16.6% (10,435 parcels)

in 2012. These factors pointed to the urgent need to resolve tax delinquency. Community Progress’ analysis found that transfer in ownership of abandoned, tax-delinquent properties into responsible hands was the only available intervention that significantly reduced the negative community impacts of these properties.

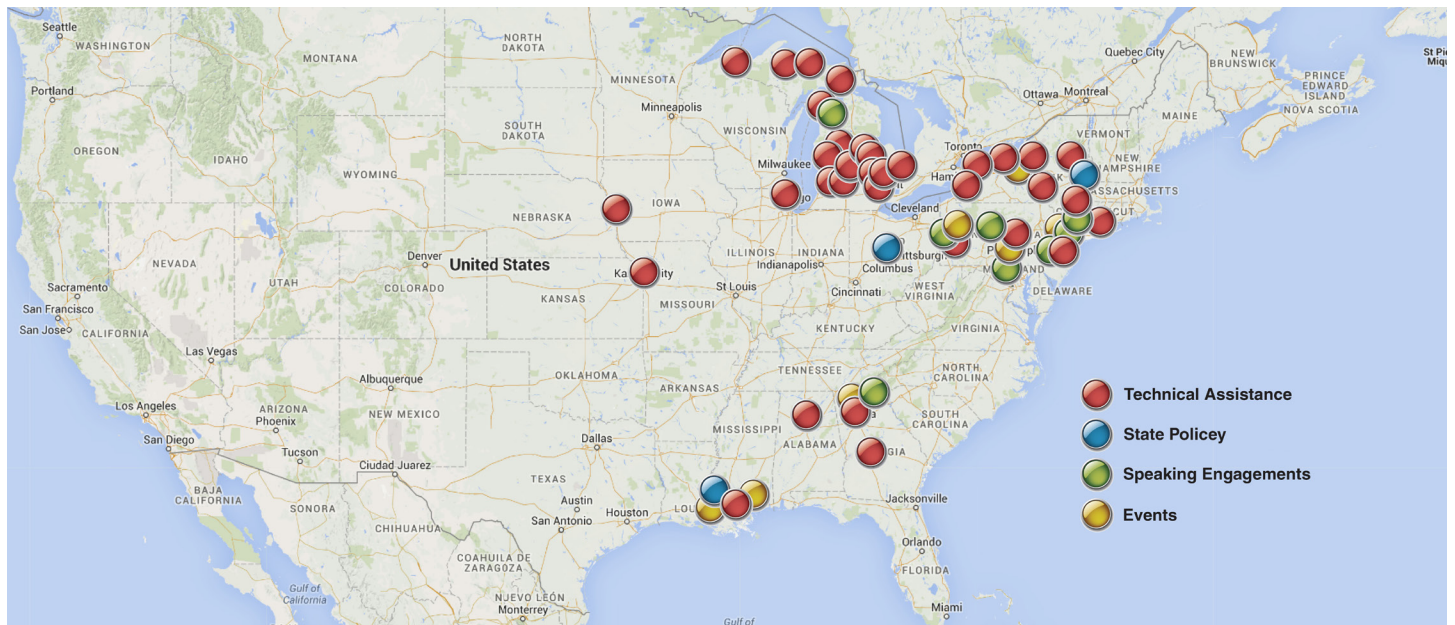


Changes in ownership come about through the tax foreclosure process. Even when the private company was unsuccessful in collecting the delinquent taxes, however, it was under no obligation to foreclose or return those properties to the city. In other words, by giving up ownership of tax liens, the City had given up the authority to force a change in ownership of abandoned properties. As a result, properties languished, wreaking havoc on neighbors and neighborhoods.

Community Progress made recommendations to help the city maximize its revenue and ensure it has the authority it needs to take measures to stabilize city neighborhoods. Several have been implemented. For example, Rochester began to keep more low-value properties from being sold to prevent those problem parcels from becoming limbo properties. These strides help ensure problem properties are more quickly transformed into productive properties that stabilize and strengthen city neighborhoods.



Explore an interactive map of our work at [communityprogress.net](http://communityprogress.net): click [About](#) and then [Annual Reports](#).



In addition to the stories shared elsewhere in this report, [Community Progress worked in dozens of communities in 2013](#). Below are a few highlights.



**National:**

Hosted the fifth national Reclaiming Vacant Properties Conference, drawing 800 professionals to Philadelphia to learn the latest policies and programs



**Multistate:**

Brought together delegations from Wilmington, Del., Springfield, Mass., Battle Creek, Mich., Detroit, Mich., Jackson, Miss., Oklahoma City, Okla., Huntington, W.Va., and Milwaukee, Wis. for the Community Progress Leadership Institute.



**Georgia:**

Worked with the Georgia Association of Land Bank Authorities, continued to provide support with recently revised land bank enabling legislation, helping to build on-the-ground capacity to sustain efforts in the long term.



**Nebraska:**

Provided education and information on land banking to state partners in advance of passage of state land bank enabling legislation. Provided in-depth technical assistance to planned land bank in Omaha.



**Illinois:**

Developed policies, procedures, and board orientation for Cook County Land Bank Authority.



**New York:**

Worked with the New York Attorney General's Office on the use of national mortgage settlement funds to support land banks. In June 2013, the Attorney General's office announced \$20 million would be allocated to the state's land banks through a competitive grant process.



**Michigan:**

Advised Detroit Blight Task Force, Detroit Future City office, and mayor-elect's transition team on strategies for acquiring, maintaining, and transferring Detroit's vast inventory of vacant properties. Also conducted housing market analysis for the City of Flint, informing its blight elimination strategy.

## 2013 Board list

### William Johnson, *Chairman*

Former Mayor, Rochester, NY/Professor,  
Rochester Institute of Technology

### Lisa Levy, *Secretary*

Portland, OR

### Ellen Lee

Sr. VP, Greater New Orleans Foundation,  
NOLA

### Michael Tierney, *Treasurer*

Chief Operating Officer, Local Initiatives  
Support Corporation (retired)

### Geoff Anderson

President/CEO, Smart Growth America

### Scot Spencer

Assistant Director for Advocacy and  
Influence, The Annie E. Casey  
Foundation, Baltimore, MD

### Presley Gillespie

Executive Director, Youngstown  
Neighborhood Development  
Corporation, Youngstown, OH

### Erika Poethig

Institute Fellow and Director of Urban  
Policy Initiatives, The Urban Institute

### Margi Dewar

Professor of Urban and Regional  
Planning University of Michigan,  
Ann Arbor, MI

## Financials

### Condensed Statement of Financial Position as of December 31, 2013

Cash	\$4,322,985
Other Current Assets	52,395
Net Fixed Assets	85,935
<b>Total Assets</b>	<b>\$4,461,315</b>

Accounts Payable	\$141,850
Other Liabilities	104,281
<b>Total Liabilities</b>	<b>246,131</b>

Board Designated Reserves	1,850,000
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Other Unrestricted Net Assets	990,234
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Temp Restricted Net Assets	1,374,950
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<b>Total Net Assets</b>	<b>4,215,184</b>
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<b>Total Liabilities &amp; Net Assets</b>	<b>\$4,461,315</b>
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### Condensed Statement of Activities for the Year Ended December 31, 2013

	<i>Unrestricted</i>	<i>Temp Restricted</i>	<i>Total</i>
Foundation Grants	-	\$4,565,802	\$4,565,802
Fees for Services	\$222,216	-	222,216
Event Registration & Sponsorship	275,298	-	275,298
Other Income	7,765	-	7,765
<b>Total Revenue</b>	<b>505,279</b>	<b>\$4,565,802</b>	<b>\$5,071,081</b>
Net Assets Released from Restrictions	4,611,981	(4,611,981)	-
<i>Expenses:</i>			
Program Services	4,012,967	-	4,012,967
General & Administrative	682,935	-	682,935
<b>Total Expenses</b>	<b>4,695,902</b>	<b>-</b>	<b>4,695,902</b>
Increase(Decrease) in Net Assets	421,358	(46,179)	375,179
Net Assets - Beginning of Year	2,418,876	1,421,129	3,840,005
<b>Net Assets - End of Year</b>	<b>\$2,840,234</b>	<b>\$1,374,950</b>	<b>\$4,215,184</b>

Source: 2013 Center for Community Progress audited financial statements, with unqualified audit opinion.

## 2013 Major Contributors/Grantmakers

C.S. Mott Foundation  
Ford Foundation  
Fannie Mae  
Greater New Orleans Foundation  
Oak Foundation  
JP Morgan Chase Foundation  
Michigan State Housing Development Authority



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