



2012 ANNUAL REPORT



Center for
COMMUNITY PROGRESS

Turning Vacant Spaces into Vibrant Places



A MESSAGE FROM OUR PRESIDENT AND CEO

Dear Friend:

2012 was a year of growth and transformation at Center for Community Progress. We welcomed new staff and our work expanded to reach more communities around the country. We also underwent a leadership transition with Dan Kildee, the founding President and CEO, leaving Community Progress to serve in the U.S. House of Representatives. I was honored to step into the role of President and CEO in December 2012.

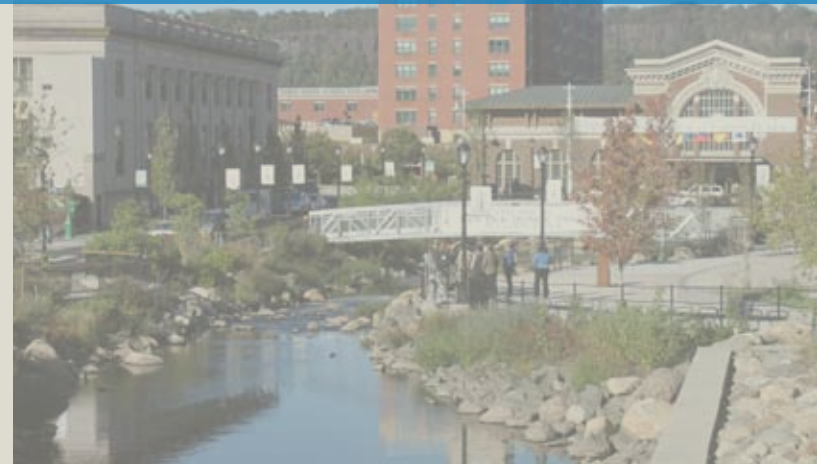
Positive steps marked our work throughout 2012, as I am pleased to share in this report. Community Progress is now a firmly established leader in the field and serves as the primary national resource on cutting-edge strategies for addressing the challenges of vacancy and abandonment. We host the only national conference focused solely on vacant property reclamation, offer a wide range of targeted training and peer exchange opportunities, and provide direct assistance to state and local leaders across the country.

Our focus on finding solutions to the challenges posed by vacant and problem properties remains unwavering, but the specific strategies we employ always respond to the priorities and needs of our partners and to changing national trends. Even in the few years since leaders in the field came together to form Community Progress in 2010, the challenges facing communities have evolved. While actual foreclosures have slowed, the impact of the mortgage crisis is still unfolding. Investor activity in distressed markets – some speculative, some not – is changing the housing landscape and affecting trends related to rental housing and homeownership. At the same time, many local governments face sustained fiscal stress and continue to struggle with long-term demographic decline and a shrinking tax base. All of these trends inform our responses, as we work to ensure that communities have the systems, tools, and vision necessary to prevent blight and return vacant properties to productive use.

Community Progress' work would not be possible without the tireless efforts of many people, including our staff, Board of Directors, and funders, as well as the communities and individuals with whom we work. It is the passion of these many stakeholders that sustains and inspires us. I look ahead to 2013 with a sense of optimism. While the challenges communities face related to vacant, abandoned, and problem properties are intense, the momentum for positive change is building. We will continue to advance important legislative reform, build leadership networks and provide critical technical assistance to communities across the nation.

Sincerely,

Tamar Shapiro,
President & CEO



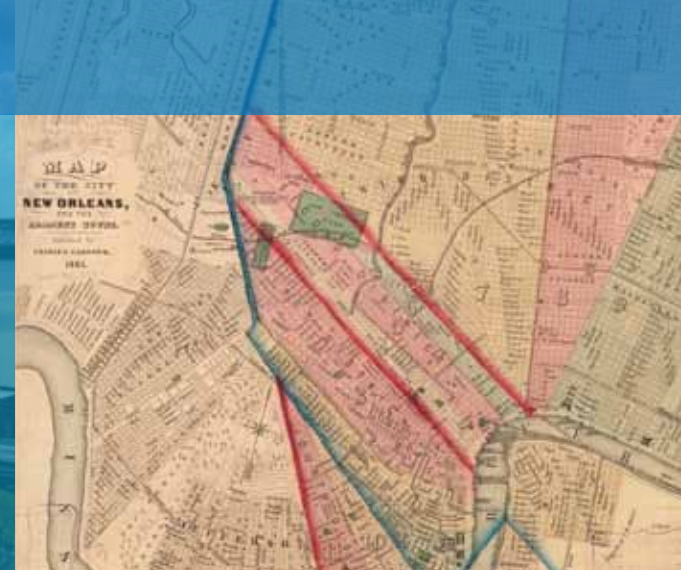
Around the country, communities struggle with the effects of vacant, abandoned, and problem properties. Some cities face blighted property inventories that number in the tens of thousands. From decreased property values to increased crime, and from increased costs for taxpayers to negative public health impacts on neighbors, communities can feel overwhelmed by challenges that seem insurmountable.

Founded in 2010, the Center for Community Progress is a national nonprofit established to strengthen neighborhoods and improve lives by ensuring that communities have the vision, knowledge, and systems to transform problem properties into assets for community stability and vitality. We recognize the severe negative impact that vacant and problem properties have on neighborhoods and the people living in them. At the same time, we are strongly committed to the belief that these properties can be a tremendous resource and asset if returned to responsible ownership and productive use. We work with governments and their private sector and community partners to put in place policies and systems that address the full cycle of vacancy challenges – from preventing deteriorating property conditions and vacancy before they occur to enabling the effective and strategic reuse of already vacant properties. Our long-term goal is to help communities stabilize and increase the vitality of their neighborhoods, based on each community's unique context and priorities. Toward that end, we employ the following strategies:

- **Preventing blight by advancing early intervention strategies:** When faced with population loss, the creep of abandonment across neighborhoods can feel inexorable. With accurate data systems and an understanding of local markets, however, city and civic leaders can identify blocks that are at risk of becoming blighted before they reach that tipping point. They can then implement targeted strategies to prevent properties from ever becoming hazardous and reduce the likelihood that property owners will abandon their houses or other buildings.
- **Turning vacant properties into community assets by supporting effective and equitable acquisition, disposition and reuse strategies:** In distressed markets, vacant properties are likely to take a financial and social toll if the municipality doesn't have effective tools to acquire, transfer ownership and reuse them. But, with effective strategies to acquire properties and maintain them until they can be returned to responsible ownership and productive use, communities can turn these properties into assets for community health, stability, and even potential growth – all rooted in the community's strategic priorities.
- **Advancing the field by building a well-informed and well-connected community of practice:** All too often, practitioners feel disconnected from those conducting similar work in other cities and even from individuals working on overlapping issues within the same city. In addition, many of the systemic issues that give rise to blight across the United States require state- or nationwide reforms, but a disjointed field cannot speak with the unified voice needed to make the case for change. Developing a national community of networked professionals increases knowledge-sharing and access to best practices, while also building a more coordinated constituency for policy reform. Finally, this network also helps to build capacity by providing local leaders with the support and knowledge base they need to effect change in their communities.



Preventing Blight by Advancing Early Intervention Strategies



In this 2012 Annual Report, we share highlights from our work to advance vacant property reclamation using all of these strategies. Key accomplishments from 2012 include:

- Conducting coalition-building, outreach, and education in support of successful state legislative reform in Georgia, Louisiana, Nebraska, Missouri, and Pennsylvania;
- Providing advice and legislative drafting services to local governments, resulting in the establishment and development of policies for new land banks across the country;
- Building the capacity and knowledge of statewide networks in Georgia, Louisiana, New York, Michigan, and Pennsylvania to provide direct support and technical assistance to their own communities;
- Assisting with the development of Detroit Future City's framework for vacant land revitalization;
- Launching the Building American Cities Toolkit, the organization's online primer on tools and solutions for addressing vacancy and abandonment;
- Convening hundreds through two national conferences – the Reclaiming Vacant Properties Conference and the Land Bank Conference – as well as fifty-five professionals at the Community Progress Leadership Institute, the premier national training institute for vacant property reclamation.

With the right systems in place, the early signs of neighborhood destabilization are not difficult to spot. Key indicators include the number of properties with code violations, the rate of tax delinquency, and the rate of foreclosure, often on a block-by-block level. But many communities across the country do not have the systems in place to track this data, recognize these signs, and intervene effectively in the early stages of a neighborhood's decline. Ensuring that communities have the tools to preserve the stability of vital, but threatened, neighborhoods is central to Community Progress' mission.

Community Progress' current focus on blight prevention grew out of intensive work over the past three years on strategic code enforcement in New Orleans. In 2010, Mayor Mitch Landrieu launched a bold, interdepartmental strategy to reduce the number of blighted properties in New Orleans by 10,000 within four years. The strategy was shaped by a blight working group, established as part of the Mayor's administration's transition team, with guidance from Center for Community Progress. The strategy brings together the work of numerous City departments and encourages a comprehensive approach that includes demolition, renovation, redevelopment, code lien foreclosure, land banking and maintenance. Connecting all of

these efforts, an innovative initiative called BlightSTAT tracks progress toward the goal of 10,000 and presents results at monthly, public meetings.

Throughout 2011 and 2012, Community Progress worked closely with New Orleans officials to implement their reforms, including the establishment of a super priority code lien foreclosure process, which gave the city the ability to foreclose on blighted properties that repeatedly fail to remediate code violations or pay fines. These reforms resulted in an extraordinary increase in the rate of compliance with existing housing and building codes and in the recovery of enforcement costs the city incurs. It took only a handful of code lien foreclosures to prompt property owners to begin to proactively improve their properties and pay off fines. Given the successful cost recovery and boost in compliance, New Orleans' code enforcement work began to attract attention throughout Louisiana

As a result, 2012 provided an opportunity to take New Orleans' successful code enforcement reforms statewide. Throughout the year, Community Progress worked closely with a statewide coalition seeking legislative reforms that would enable other communities in Louisiana to benefit from many of the same code enforcement tools and authorities New Orleans already had.

Community Progress convened information-gathering meetings throughout the state to ascertain common challenges and priorities and to identify critical systemic flaws that prevent currently blighted properties from returning to productive use. We then worked with a growing coalition of Louisiana stakeholders to select two strategies that could have a profound impact on preventing and eliminating blight: (1) increasing the ability of parishes to enforce required remediation of code violations by irresponsible owners; and (2) streamlining the process by which tax-delinquent, vacant properties can be transferred to responsible ownership.

An estimated 25 entities were involved in the push for reforms, including municipalities, parish governments, and organizations from around the state. At the coalition's request, Community Progress drafted two pieces of proposed legislation that became Act 223 and Act 436. Under Act 223, if a property owner does not pay fines or remediate violations following an administrative hearing, local government can foreclose on the property. Adding even more "oomph," code liens are regarded as "super priority," meaning they are treated as equal to back property taxes and trump all other mortgages and encumbrances. Act 223 passed in the spring of 2013, and communities are now free to implement this strong tool to prevent blight. Act 436 places a proposed constitutional amendment onto the 2014 ballot that, if passed, would reduce the amount of time required before abandoned, uninhabitable or blighted properties can be brought to a tax sale from three years to 18 months, thereby facilitating transfer to responsible ownership within a reasonable timeframe.

Our work in Louisiana throughout 2012 affirmed the power of strategic code enforcement to address blight and demonstrated the power of a coordinated state coalition to achieve necessary state-level reforms. These models will expand beyond Louisiana in 2013, informing Community Progress' work with a range of communities, including Flint, MI; Cook County, IL; and Baton Rouge, LA.




Supporting Acquisition, Disposition and Reuse Strategies to Create Community Assets

Vacancy and abandonment impact the strength of communities in myriad ways, from declining public safety and public health to a reduced tax base and inadequate services. Community Progress helps communities facing these challenges find ways to return problem properties to responsible ownership and productive use.

In stronger market communities, the private market generally ensures transfer of properties to responsible private ownership. In weaker markets, however, local governments and non-profits often must play a larger role in gaining control of or access to problem properties as the first step toward their transformation back to productive use.

In many communities, gaining control of the inventory of vacant and abandoned properties presents a tremendous hurdle. In some cases, there is no clear mechanism for acquiring control, eliminating back taxes, or clearing title. In other cases, these mechanisms exist, but the process can take multiple years, during which time these parcels continue to have a negative impact on surrounding properties.

Even where a local government already owns a significant inventory of vacant, abandoned, and problem properties, however, barriers to effective, strategic maintenance, disposition, and reuse remain – as demonstrated by the challenges facing Detroit. Community Progress helps cities develop strategies and systems to streamline complex systems and ensure that problem properties can be acquired, maintained, transferred back into responsible ownership, and strategically reused in a way that makes sense for the health



and vitality of neighborhoods and their residents. Much of our work in acquisition, disposition and reuse has focused on land banking, an important tool for ensuring that long-term community goals and needs drive acquisition and disposition strategies. Our work in Pennsylvania and New York provides two of the most exciting examples of our land banking work in action.

REALIZING LEGISLATIVE SUCCESS IN PENNSYLVANIA

Pennsylvania Governor Tom Corbett's signing of the Land Bank Act in November 2012 marked the culmination of years of education, coalition building and advocacy work. Community Progress supported State Representatives John Taylor and Chris Ross, Senator Gene Yaw and other advocates, including the Housing Alliance of Pennsylvania and the Philadelphia Association of Community Development Corporations, throughout the process. Community Progress helped to draft the Pennsylvania legislation and supported the Coalition's work in various ways through education, outreach, and incorporating best practices from years of work in the field. With our assistance, the legislation is designed to help Pennsylvania successfully apply land banking across urban, suburban, and rural contexts. In 2013, Community Progress looks forward to continuing to work with partners in Pennsylvania to build local knowledge and capacity, which includes building up long-term capacity in the state through the training of local consultants to assist their own communities with the creation and operation of land banks.

LAUNCHING LOCAL LAND BANKS IN NEW YORK

Throughout 2012, Community Progress worked closely with public and nonprofit partners, particularly Empire State Development Corporation and CenterState CEO, to support the newly approved land banks, established after the passage of statewide enabling legislation in 2011, on all aspects

of creation and operation, including development of the board, policies and procedures and funding. With the help of Community Progress, all five New York land banks have policies and procedures for acquisition and disposition in place and are growing their inventories. In 2013, Community Progress looks forward to continuing to support existing and newly-formed land banks in their operations, as well as building a strong statewide network to encourage knowledge-sharing and continue to develop local capacity and expertise.

Shared Decision-Making in Detroit

In 2012, Community Progress was privileged to participate in the Detroit Future City strategic framework's Long Term Planning Technical Team. As the leader of this team's Land and Buildings Assets section, we championed policies that enable vacant land and buildings to become assets that are put to use in support of Detroit's job growth, greening and neighborhood rebuilding goals. In 2012, the Technical Team conservatively estimated that 65,000 out of 150,000 vacant properties were publicly owned, and that these 65,000 properties were owned by nine different public entities, including the city, county, state, and school district. Each of these entities had its own processes, priorities, and policies in place for determining where to acquire, invest, maintain or demolish – and these entities' processes did not necessarily align with each other or with broader community revitalization goals. Community Progress worked with leaders of each of these entities to find common ground and create shared decision-making matrices for coordinated action, a first-of-its-kind approach. Detroit Future City launched in early 2013, and Community Progress anticipates continued involvement in and support of the process.



Advancing the Field by Building a Well-informed and Well-connected Community of Practice

Local government and nonprofit leaders are deeply committed to improving quality of life in neighborhoods challenged by vacancy and abandonment, both through on-the-ground projects and by reforming policies and systems at the local, state, or federal level. Too often, however, practitioners are disconnected from each other. They miss out on opportunities to learn from one another and to coordinate efforts at reform, both within the same community and across the state and country.

In Baltimore, for example, Michael Braverman serves as Deputy Commissioner for Code Enforcement at Baltimore Housing. For years, he has spearheaded efforts to transform code enforcement in the City. At the beginning, Baltimore was handling about 13,000 reactive requests for cleaning per year and faced a backlog of approximately 7,000 requests, meaning the average wait time for grass cutting was more than a year and for boarding up a house was approximately nine months. Over time, Baltimore Housing became more proactive and strategic about code enforcement, also affecting a culture shift that views the work as critical for community revitalization. As a result, the City now handles 50,000 work orders per year and the response time dropped to approximately 10 days. Remarkably, Baltimore achieved these results with no change in the operational budget and, in fact, the department now brings in substantial revenue for the City. *(continued next page)*



Advancing the Field by Building a Well-informed and Well-connected Community of Practice

(continued)
For years, however, the changes underway in Baltimore were happening largely under the radar and in isolation from others doing similar work. "I really feel that my association with Community Progress has helped substantially by giving me a community," says Braverman. "I know that sounds hokey, but it's really true. These jobs can be awfully lonely."

Community Progress creates opportunities to lift up the work happening in places like Baltimore and helps leaders connect to and learn from each other. In 2011, Braverman spoke at a small, multi-city roundtable Community Progress convened. Subsequently, in 2012, an Atlanta roundtable participant galvanized a team of high-level stakeholders, including the Deputy Mayor, City Council members, land bank president, and police representatives to visit Baltimore. After two days of visiting development sites, learning the ins and outs of Baltimore's premier programs, and talking with developers and members of the code enforcement department, the Atlanta team came away with fresh ideas to enhance work already underway. Since this visit, they have made significant progress developing a system to understand their inventory and developing performance metrics for their work. In addition, Community Progress brought leaders from New Orleans, Memphis and Baton Rouge to Baltimore for peer exchanges and knowledge-sharing.

2012 was an active year for Community Progress' work to convene, network, and facilitate peer exchange. Community Progress hosted multiple conferences and other opportunities and developed a number of easily accessible educational resources. These efforts drive us toward the goal of creating a well-informed, well-connected community of practitioners that will move the dial on effective approaches to vacant property revitalization.



DISSEMINATING STRATEGIES AND RESOURCES THROUGH THE BUILDING AMERICAN CITIES TOOLKIT™

In June 2012, Community Progress launched the Building American Cities Toolkit™ (Toolkit) on its website, a resource to help practitioners understand and think through strategies to prevent and remediate problem properties. The Toolkit offers a wide range of information related to neighborhood stabilization and vacant properties, from community code enforcement to conducting site analyses, in an easy-to-understand format for community groups, local officials, and others. The Toolkit is a living resource, and will continue to grow in 2013.

CONNECTING THE FIELD THROUGH CONFERENCES

2012 was a big year for national gatherings, with our Reclaiming Vacant Properties conference (RVP) held in New Orleans in June and a Land Bank Conference held in Kalamazoo in October. Each drew large crowds from throughout the country and provided opportunities to share and learn from the rich experiences of the speakers and participants.

BUILDING THE FIELD THROUGH IN-DEPTH LEADERSHIP TRAINING

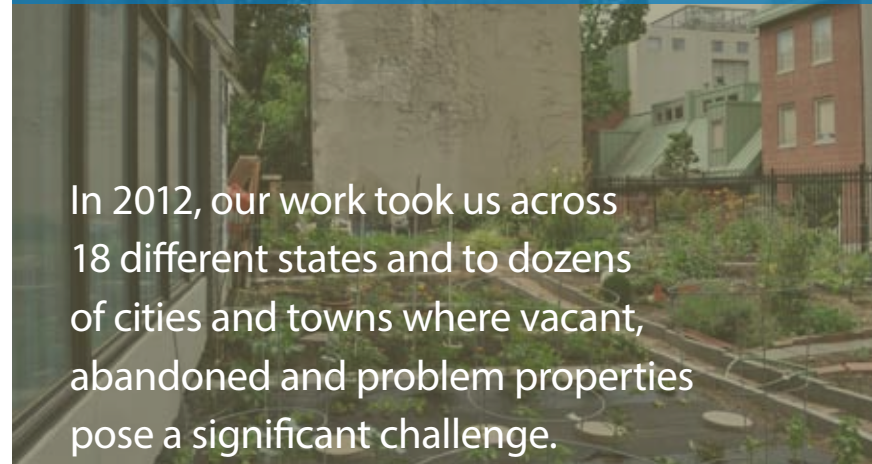
In March, Community Progress convened state, local and community stakeholders at Harvard University's Law School for the Community Progress Leadership Institute. The participants – from Illinois, Indiana and Louisiana – were selected through a competitive application process. At the Leadership Institute, they engaged in three days of intensive leadership development training and drill-downs on technical issues regarding the prevention, acquisition and reuse of vacant and abandoned properties. Working in small groups, they developed action plans for implementing the newly learned strategies in their respective communities. Throughout 2012, Community Progress continued to work closely with leaders

from all three states to champion new policies and programs, including statewide legislative reform to facilitate effective code enforcement in Louisiana and local ordinances to create two separate land banks in Cook County, Illinois. Both efforts resulted in successful reforms in 2013.

Building Capacity in Flint

With a declining population of 100,000 and approximately 8,000 vacant properties, Flint, Michigan faces significant challenges on the road the revitalization. In a city of its size, finding and building capacity for effective community development can be a daunting task. In 2012, Community Progress was honored to be part of the Flint Department of Community and Economic Development (DCED)'s Advisory Committee of external partners. The group was charged with developing a strategy that would help the department comply with federal regulations, continue to receive the maximum possible federal funds (including CDBG, HOME, and others), and develop a community development delivery system modeled on best practices. In addition, the group will provide support and education to elected and appointed officials on an ongoing basis, even after the City is no longer under an Emergency Manager. During biweekly meetings throughout 2012, Community Progress provided strategic feedback to help clarify DCED's role, determine how to improve community engagement and identify ways to model best practices. Over the course of the year, DCED noted progress in departmental operations and ended the year with a plan for continued improvement. Our participation on the Committee was an opportunity to provide near-term capacity building assistance, and we are confident that it will yield opportunities to dive deeper into specific issue areas, such as code enforcement, in 2013.

CONCLUSION



In 2012, our work took us across 18 different states and to dozens of cities and towns where vacant, abandoned and problem properties pose a significant challenge.

The causes and conditions vary: some places have experienced decades of disinvestment stretching back to the 1960s, while others were caught off guard when foreclosures swept rapidly across neighborhoods in 2008. In each of these places, however, local leaders and residents are working hard to reclaim and rebuild community, lot by lot. Community Progress is committed to supporting them in this work, ensuring that leaders have the tools, knowledge and systems needed to stabilize and move toward a different, but no less vital, future.

Looking ahead to 2013, we will continue to be the premier national organization driving meaningful change and advancing best practices in the American communities hardest hit by blight. We will continue to advocate for a holistic approach that brings together diverse stakeholders who work on and are impacted by revitalization efforts. And we will work to shift the national conversation about the places we serve to focus upon a strengths-based reality. In the coming year, we look forward to helping cities and towns transform their problem properties into strategic assets, laying the ground upon which strong communities can thrive.



Community Progress provided technical assistance around the country in 2012.

Below are a few of the highlights:



Indiana:

- Education, outreach and review of statewide land banking legislation

Illinois, Indiana and Louisiana:

- Hosted Community Progress Leadership Institute for these states

Kentucky:

- Advised Louisville on strategies to address problem properties

Louisiana:

- Undertook a statewide land use legislative initiative to streamline vacant property acquisition and disposition
- Retained by the City of Baton Rouge to perform an analysis of its code enforcement program
- Convened and facilitated the first Community Progress strategic code enforcement working group for national experts

Maryland:

- Conducted code enforcement assessment in Prince George's County

Michigan:

- Provided NSP 2 and/or land banking technical assistance to Flint, Benton Harbor and the land bank authorities of eleven counties.
- Participated in the Detroit Future City planning process
- Hosted the Michigan Land Bank Conference in Kalamazoo
- Advised Grand Rapids on strategies to address problem properties
- Aided the State of Michigan Land Bank Fast Track Authority and Flint River Corridor Alliance with strategic planning
- Wrote a new Owner-Occupied Rehabilitation Manual for Flint's HOME program

Minnesota:

- Advised Duluth on strategies to address problem properties

Missouri:

- Advised Kansas City on land bank legislation, creation and operation

New Jersey:

- Conducted NSP II land banking technical assistance in Camden

New York:

- Advised Empire State Development and five land banks on implementation, covering topics such as policies and procedures and revenue models
- Advised Rochester on land banking and other strategies

Pennsylvania:

- Educated leaders on the Pennsylvania Land Bank Act
- Conducted a blight assessment report in Erie County

Ohio:

- Led land bank policy and procedures training in Montgomery
- Conducted NSP technical assistance in Columbus

Tennessee:

- Advised Knoxville on strategies to deal with vacant and abandoned properties

Detroit, MI; Atlanta, GA; Denver, CO; Orlando, FL; Ft. Lauderdale, FL; Stockton, CA; Phoenix, AZ and Anaheim, CA:

- Conducted National NSP Problem Solving Clinics, which provided technical assistance on land banking issues

CONDENSED STATEMENT OF FINANCIAL POSITION

as of December 31, 2012

Cash	\$	3,954,902
Grants Receivable		331,185
Other Assets		159,114
Total Assets	\$	4,445,201
Accounts Payable	\$	568,680
Other Liabilities		36,516
Total Liabilities		605,196
Unrestricted Net Assets		2,418,876
Temp Restricted Net Assets		1,421,129
Total Net Assets		3,840,005
TOTAL LIABILITIES & NET ASSETS	\$	4,445,201

Source: 2012 Center for Community Progress audited financials.

MAJOR 2012 CONTRIBUTORS/GRANTMAKERS

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Page 5: Norman B. Leventhal, Map Center at the BPL

Page 6: Detroit Works Project

Page 7: Fulton County/City of Atlanta Land Bank Authority

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