

# Addressing Vacant, Abandoned, and Deteriorated Properties in Arkansas

Arkansas communities face sizable challenges with vacant, abandoned, and deteriorated (VAD) properties—what many call “**blighted**” properties. These challenges encompass vacant commercial properties in the state’s rural main streets and urban downtowns, abandoned houses and overgrown lots in residential neighborhoods, and deteriorated structures scattered throughout rural and agricultural communities.

Nearly 30 percent of Arkansas counties **have residential vacancy rates exceeding 12 percent**, the threshold considered high vacancy. In seven Arkansas counties, one in six residential properties were vacant. Many of the communities with concentrations of VAD properties, particularly those in its rural areas, also have the fewest resources available to address these properties.

Arkansas’s VAD property challenges are a result of larger, systemic policy failures and injustices. These include persistent racial inequalities rooted in racism, endemic poverty, and local, state, and federal policy responses to these twin challenges that have strengthened and calcified inequality rather than promote healing. They also include decades of industrial changes and population loss coupled with inadequate support for the individuals and communities impacted. At the same time, the most impactful responses to these challenges are being designed and championed by local leaders at the neighborhood and community level. With support and additional local government and legal capacity, these efforts have the potential to achieve tangible and systemic changes across the state.

This brief seeks to inspire Arkansas local governments, state agencies, nonprofit organizations, and philanthropies to focus on vacancy and disinvestment and collaboratively support and develop creative solutions to help communities transform these properties from liabilities into assets.



## Our Work in Arkansas

The brief draws on the Center for Community Progress’ experience working for nearly 18 months with three Arkansas communities—Elaine, Helena-West Helena, and Pine Bluff—through the **Delta Rising program**. Delta Rising brought together these communities to learn about strategies to address VAD properties. It included five bimonthly virtual “lunch and learn” meetings highlighting local success stories and national best practices, an in-person gathering in Helena-West Helena in March 2024, and scholarships for leaders from each community to attend Community Progress’ national Reclaiming Vacant Properties Conference. The program and this brief were made possible through the support of the Walton Family Foundation.

This publication:

- describes the costs to communities imposed by VAD properties, as well as the opportunities they present,
- highlights what has worked for some Arkansas communities, and
- proposes ideas to improve and expand local governments' ability to address VAD properties.

## Arkansas's VAD Property Challenges, Costs, and Opportunities

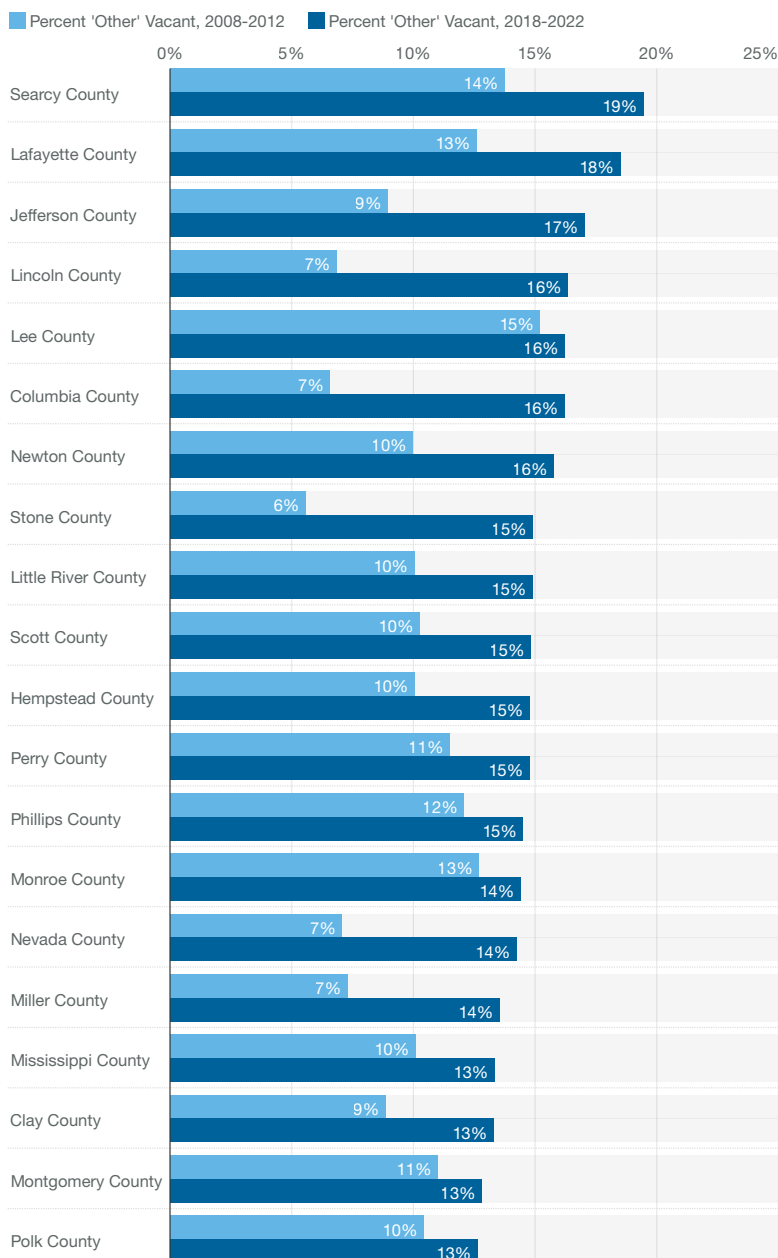
Arkansas's VAD property challenges are concentrated in its rural counties and have worsened significantly in the last decades. **Vacancy rates** measured 10 percent for residential properties from 2018–2022 and 9 percent in 2022 for commercial properties in rural counties, compared to 4 percent for residential properties and 6 percent for commercial properties in its urban counties.<sup>1</sup> As shown in **Figure 1**, the 20 counties with the highest residential vacancy rates all saw an increase in vacancy from 2012–2022.

These rural vacancy trends align with declining household numbers in rural counties. Nearly half of Arkansas's counties saw a decline of more than 5 percent in number of households from 2012–2022, with 16 of these counties experiencing declines of more than 15 percent.<sup>2</sup> **Figures 2 and 3** show the resulting general concentration of residential and commercial vacancy in rural counties and in some urban centers outside of Northwest Arkansas.

VAD properties **impose significant costs** on Arkansas property owners, local governments, and taxpayers. Studies have shown that VAD properties **drive down property values** and lead to increases in **violent crimes**. When owners fail to

**Figure 1: 20 Arkansas Counties with Highest Residential Vacancy Rates, 2008-2012 to 2018-2022**

Of the 20 counties with the highest residential vacancy rates, all counties saw an increase in residential vacancy over the last five-year period.



<sup>1</sup> 'Other vacant' is a term used by the Census to categorize housing units that are neither being held for future occupancy nor used only seasonally.

Chart: Center for Community Progress • Source: American Community Survey, 2008-2012 and 2018-2022.

<sup>1</sup> For a map showing how we distinguished Arkansas's rural and urban counties, see [All Counties in Arkansas](#). This data includes only vacant housing units and does not include vacant residential land.

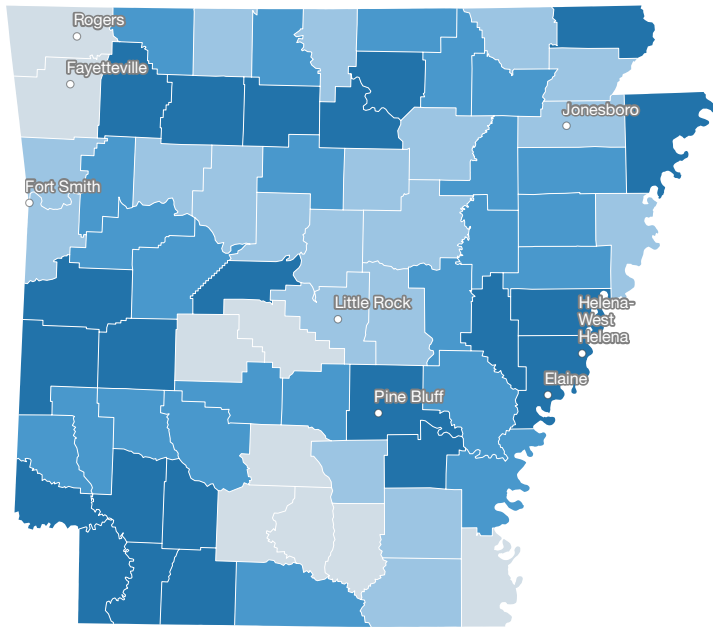
<sup>2</sup> See [Percentage Change in Total Household, by County 2012-2022](#).

**Figure 2: Residential Vacancy Rate, by County 2018-2022**

The darker the shade of blue, the higher the percentage of “Other” vacant housing units in the county. Rates over 12 percent are considered high vacancy.

% “Other” Vacant Housing Units, 2018-2022

< 4% 4%–8% 8%–12% 12%–20% ≥ 20%



“Other” vacant is a term used by the Census to categorize housing units that are neither being held for future occupancy nor used only seasonally.

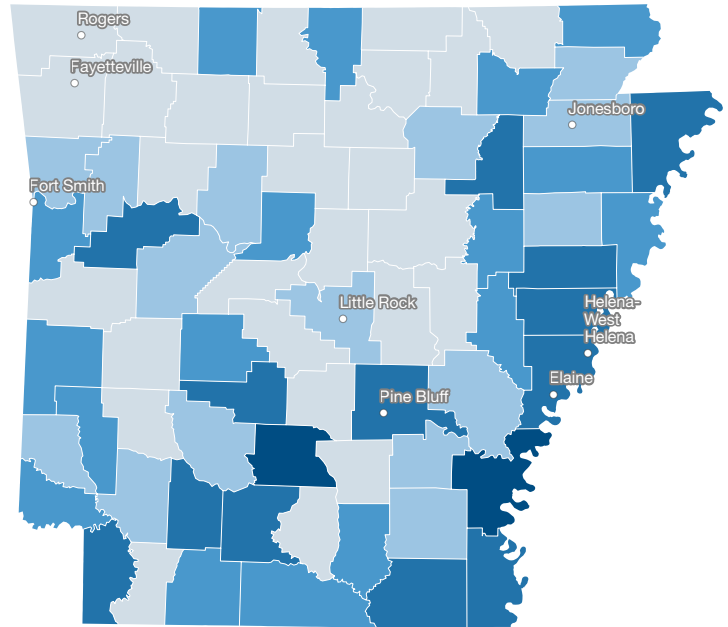
Map: Center for Community Progress • Source: American Community Survey, 2018-2022.

**Figure 3: Commercial Vacancy Rate, by County 2022q3**

The darker the shade of blue, the higher the percentage of vacant commercial units in the county. Rates over 12 percent are considered high vacancy.

% Vacant Commercial, 2022q3

< 4% 4%–8% 8%–12% 12%–20% ≥ 20%



United States Postal Service provides aggregate vacancy and no-stat counts of residential and business addresses that are collected by postal workers and submitted to U.S. Department of Housing and Urban Development on a quarterly basis.

Map: Center for Community Progress • Source: U.S. Department of Housing and Urban Development, 2022q3

maintain their properties, local governments—and by extension taxpayers—bear the costs of remedying nuisances and unsafe conditions, including boarding and securing structures, removing trash and debris, mowing high grass and weeds, and demolishing unsafe structures. Citing the “profound negative impacts” of VAD properties on their community, for example, this year the **City of Fort Smith’s** Board of Directors made reducing neighborhood blight their [number one priority](#) and doubled their budget allocation for cleanup and demolition from \$150,000 to \$300,000.

At the same time, VAD properties present critical opportunities. With public and private investment, vacant structures and lots can be leveraged to create new businesses, needed housing, or parks and green spaces. Such transformations can bring new jobs and services to communities, restore tax revenues to local governments, and help revitalize surrounding

neighborhoods. Over the last five years alone, for example, the **City of Little Rock**, working with nonprofit and private partners, has transformed 69 VAD properties into 130 new housing units and one community garden. In **North Little Rock**, the City’s efforts turned a VAD property languishing on the post-auction sale list into a much-needed neighborhood grocery store.

## What’s Working: How Arkansas Cities are Addressing VAD Properties

Across Arkansas, several cities have drawn on their community’s strengths and existing local and state laws to address VAD properties. These programs deserve ongoing support and can serve as models for other Arkansas cities.

## Community Cleanups

Elaine hosts regular [Community Properties Revitalization \(CPR\) Days](#) designed to “pump life back into Elaine.” These events draw on residents’ and local organizations’ love for their community. With the help of donations from local community organizations and City-provided resources like dumpsters and heavy equipment, volunteers clean up public and privately owned properties throughout the small city.

In Pine Bluff, the City’s urban renewal agency and code enforcement department partner to conduct [Green Sweeps](#) in select neighborhoods. At these events, the City educates property owners about their property maintenance obligations, shares information about property maintenance resources, and thanks residents maintaining their properties with “good job” door hangers. The urban renewal agency also partners with the City’s department of public works to host monthly [Free Dump](#) days that allow residents to dispose of large household items free of charge.

## Housing and Building Code Enforcement and Nuisance Abatement

Arkansas cities are authorized under state law to enact and enforce nuisance abatement and property maintenance standards in their local ordinances. Many cities, including **North Little Rock** and **Jonesboro**, have used this authority to bring legal actions to compel owners to remedy nuisances and correct code violations. When owners fail to act, the cities have also used their authority to step in and abate the violations themselves, including demolishing the property when necessary. In certain circumstances, Arkansas law allows cities to add these abatement and demolition costs to a property’s tax bill or as priority liens against the property. In North Little Rock, the City has leveraged these tools to encourage owners who have essentially walked away from their properties to donate the properties to the City, which can then focus on returning them to productive use.

The [Arkansas Municipal League](#) offers training and assistance to local government attorneys interested in using these authorities. They have also published a [guide](#) about these legal tools, which includes sample ordinances and citations to the relevant statutes and caselaw. Despite these resources, it appears few Arkansas municipalities are using these tools. One reason may be that Arkansas’s process allowing

**SATURDAY**  
**MARCH 11, 2023**  
**8AM-2PM**  
**Lee Street**  
**ELAINE, ARKANSAS**

**CPR**  
**Community Properties Revitalization**

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municipalities to add abatement costs as priority liens is relatively complex and time consuming, compared to other states. Moreover, many Arkansas cities, particularly small towns and rural communities, lack the legal capacity and resources to bring these cases at the scale needed to address the VAD properties in their community.

## Land Banking

[Land banks](#) are public entities granted special authority by state law to help return VAD properties to productive uses that align with community goals. [Seventeen states](#) have passed legislation (i.e., “land bank enabling statutes”) authorizing local and county governments to create land banks and granting land banks special authorities, such as the ability to acquire tax-foreclosed properties cost-effectively, extinguish liens and clear title, hold property tax-exempt, and sell properties based on best outcome instead of highest price.

Arkansas has not adopted a land bank enabling statute, but some Arkansas cities have used their existing municipal authority to create land banking programs to acquire, hold, and dispose of VAD properties. In 2008, for example, Little Rock created a [Land Bank Commission](#) (LBC) through local



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### Little Rock Land Bank Commission Property, Before and After



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ordinance, which remains in operation.<sup>3</sup> Little Rock's LBC has only one staff member and is funded through general fund appropriations from the City. It has an 11-member board appointed by the mayor and confirmed by the City Board of Directors.<sup>4</sup>

LBC acquires properties primarily through donations and purchases. LBC's adopted priorities and policies allow it to sell properties for less than fair market value and directs LBC to prioritize sales to community residents, local nonprofit organizations, and local developers, in that order. LBC has a side lot program

that sells vacant lots to neighbors for \$500 and a program to transfer vacant lots to income-eligible city and school district employees at no cost for development as their primary residence.

In the last five years alone, LBC has sold 69 properties, creating 130 new housing units and one community garden as a result. LBC credits its success to community involvement, transparency, and strong community partnerships. It is a model for how, even without state-enabling land bank statute or a large budget, Arkansas cities could use their existing authority to thoughtfully acquire VAD properties and move them to new uses that meet community needs.

### Leveraging State Land Commission Properties

Because many VAD properties are tax delinquent, delinquent property tax enforcement systems play a key role in addressing VAD properties. In Arkansas, the [Commissioner of State Lands](#) holds an annual foreclosure sale where tax-delinquent properties are sold for as little as a few hundred dollars,<sup>5</sup> and properties that do not sell at auction are transferred to the commissioner's post-auction sale list. As highlighted in a recent [viral video](#) on Pine Bluff's vacant properties, this process can attract speculators and other purchasers who lack the will and resources to return them to productive use and result in properties lingering on the post-auction list. In both cases, the process results in the property continuing to harm neighbors and neighborhoods and drain local resources.

The cities of **Little Rock** and **North Little Rock** have both worked with the commissioner to interrupt this cycle by acquiring VAD properties from the post-auction sale list, which the cities can then work to return to productive use. In **Little Rock**, the LBC has acquired some of these properties. In **North Little Rock**, the City acquired a problem property from the commissioner on the condition that, if the property were eventually sold, the City would reimburse the

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<sup>3</sup> See Little Rock AR, Ordinances § 2-300.30, et. seq., available at: [https://library.municode.com/ar/little\\_rock/codes/code\\_of\\_ordinances?nodeId=COOR\\_CH2AD\\_ARTVIIIBOCO\\_DIV10LABACO](https://library.municode.com/ar/little_rock/codes/code_of_ordinances?nodeId=COOR_CH2AD_ARTVIIIBOCO_DIV10LABACO).

<sup>4</sup> The board must include at least one representative from each of the city wards with the most VAD properties and representatives from the following industries or organizations: low- to moderate-income housing development, housing, financial services, the Little Rock Housing Authority, and the City's Community Housing Advisory Board.

<sup>5</sup> In 2023, the Commissioner of State Lands sold just over 200 properties in Jefferson County, where Pine Bluff is located, at the tax sale, most for under \$500. See State of Arkansas, Commissioner of State Lands, Public Auction Sale Results, Jefferson County 2023, <https://www.cosl.org/Home/SaleResultsView?county=JEFFERSON&rptyear=2023##>.

commissioner for the outstanding back taxes with any proceeds from the sale. The City helped redevelop the property as a Dollar General store, returning the property to the tax rolls and meeting an important neighborhood need.

## What's Next: Opportunities to Improve Arkansas Cities' Ability to Address VAD Properties

In addition to supporting the above efforts, Arkansas's local governments, state agencies, nonprofit organizations, and philanthropic organizations should work together to explore ways to expand and improve the ability of cities to address VAD properties. Based on Community Progress' experience working closely with the Delta Rising cities and knowledge of national best practices, we recommend these stakeholders explore the following options.

### Create a Regional or Statewide Coalition Focused on VAD Properties

In our experience, forming a coalition or working group focused on VAD properties helps facilitate learning and is an important first step in making larger policy changes. Monthly or quarterly coalition calls provide an opportunity for participants to share challenges, successes, brainstorm solutions, and identify opportunities for collaboration or reform. Coalitions are often led by staff at a statewide organization and composed of representatives from local governments, relevant state agencies, nonprofit organizations, philanthropic organizations, and financial institutions.

In West Virginia, the West Virginia Land Stewardship Corporation helps facilitate the [Abandoned Properties Coalition](#) (APC). The APC includes local government staff and leaders and representatives from local philanthropies, Main Street organizations, historic preservation nonprofits, local and statewide community development organizations, and the West Virginia's brownfield technical assistance provider. The APC maintains an email list and convenes recurring virtual meetings, with an in-person summit at least once a year. Among other things, it has provided a space for smaller communities to learn from larger communities.



APC has also helped participants secure statewide reforms to improve their ability to address VAD properties. The APC, for example, worked with the West Virginia State Auditor's Office to [secure reforms](#) to the state's delinquent property tax foreclosure system to help address VAD properties. Community Progress worked with APC in the development of these reforms, which include:

- requiring bidders at the tax sale to register and allowing the state auditor to refuse to sell properties to certain bad actors, including those that own tax-delinquent properties and have a history of code noncompliance;
- giving neighbors, local governments, and land banks priority when selling properties that are not purchased at the first tax sale; and,
- shortening and simplifying the foreclosure process to help return tax-delinquent VAD properties to new uses more quickly, while providing opportunities for homeowners to enter payment plans to avoid foreclosure.

The network and framework created by Delta Rising could provide a foundation for this proposed coalition in Arkansas. With a modest amount of funding, one of the local government or nonprofit leaders involved in the program could continue to organize regular calls and webinars, invite participants from additional Arkansas communities, and begin to document common concerns and potential solutions. The coalition might also focus on gathering data from the participating communities on the number of VAD properties in their communities and the local government's costs to maintain and respond to these

properties. This information could be used to make the case for additional State support and policy reforms.

## Provide Funding to Help More Cities Use Existing Legal Tools to Address VAD Properties

Arkansas has key legal tools on the books that several cities have successfully used to incentivize owners to improve their properties or donate their properties to the City, if they are no longer able or interested in maintaining the properties. These tools, if used fairly and strategically, could help return properties to productive use and revitalize neighborhoods. Using these processes, however, requires specialized legal capacity and can be time-consuming, complicated, and expensive.

State government partners and philanthropic organizations should consider providing multiyear funding to Arkansas cities to carry out nuisance abatement activities utilizing these legal tools. With this funding, cities could expand their internal legal teams or contract with private attorneys or nonprofit organizations, such as the State's legal aid programs, to handle these cases. The State or philanthropic organizations could also provide funding to an organization, like the Arkansas Municipal League, to provide ongoing technical assistance and training to these cities and their legal staffs, and to develop resources like sample pleadings and checklists that would help streamline the legal processes. This local technical assistance provider could also work with the court system to educate judges and create standard court forms for these actions.

## Explore Statewide Options to Address VAD Properties

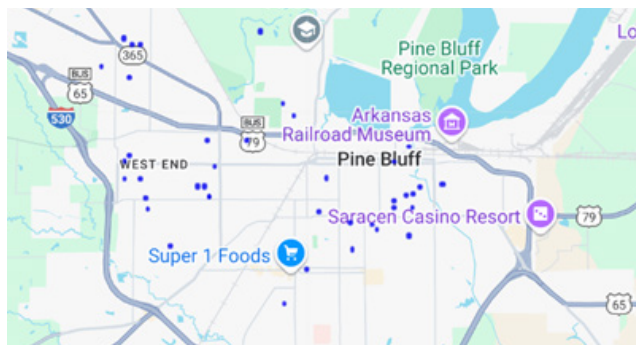
Local government leaders should explore statewide options to help address the state's widespread VAD properties. In many states, advocates have successfully jump-started such efforts by creating state legislative or executive office study commissions on VAD properties. The statewide VAD property

coalition suggested in our first recommendation could pursue creating such a commission, or a similar entity, to explore potential state-level policy or funding options. Based on our initial conversations with key stakeholders, areas of potential reform could include:

- Improving the process local governments can use to add nuisance abatement costs as priority liens against **vacant properties only** and, if these costs remain unpaid, foreclosing these liens. Potential reforms could focus on simplifying the process while improving the notice provided to owners and lien-holders to increase the likelihood that vacant properties foreclosed using this tool would have insurable title.<sup>6</sup>
- Making changes to the state's delinquent property tax enforcement system to help direct properties to new, more responsible owners. Potential reforms could include prohibiting bidders with outstanding code violations and delinquent taxes from purchasing properties, allowing local governments to cost-effectively acquire properties not purchased at the initial tax sale, and shortening the foreclosure timeline for vacant or abandoned properties.<sup>7</sup>
- Adopting formal land bank state-enabling legislation. Arkansas could look to Missouri, which passed [state-enabling legislation in June 2024](#) expanding land banking statewide.<sup>8</sup>

### Post-Auction Properties in Pine Bluff

This map shows the 40 Post-Auction properties being offered as of October 28, 2024 at auction in Pine Bluff through the Commissioner of State Land's online auction.



<sup>6</sup> For more information on priority code lien processes in other states, see Center for Community Progress, [Reevaluating Code Enforcement](#), February 2024, 32.

<sup>7</sup> For more information on how delinquent property tax enforcement systems can help address VAD properties, see Community Progress, *Reimagine Delinquent Property Tax Enforcement*, October 2022, and Community Progress, ["Delinquent Property Tax Enforcement Could Be the Missing Piece in Fighting Vacant Properties"](#), February 21, 2023.

<sup>8</sup> For more information on land bank enabling statutes and draft legislation see Frank S. Alexander, [Land Banks and Land Banking, 2nd Edition](#), June 2015.



Arkansas stakeholders should also explore whether a statewide entity could help hold and maintain VAD properties for which there is no immediate market use or if the State could provide local governments funding to fill this role. As has been our experience in other communities that have undergone significant economic shifts, there are many Arkansas cities with VAD properties for which there is no immediate market use. For these properties, even if the local government demolishes any structures and obtains title, it is unlikely that they will be able to find a responsible buyer for the property. Many cities with weak real estate markets do not have the resources to continue to hold and maintain these properties, particularly if they comprise a significant percentage of their property inventory.

A statewide entity or funding source could help hold and maintain these properties, reducing their harm to neighbors and communities and reducing local governments' maintenance burden. As the holder of last resort for tax-foreclosed properties, the Commissioner of State Lands already has a sizeable inventory of VAD properties across Arkansas. The

State could, for example, start by providing funding to the commissioner to maintain the properties it already owns or pay local governments to provide such maintenance. Stakeholders could also explore whether another department or agency that holds and maintains land, like the Arkansas State Parks, might be able to fill this role in some areas.

## Conclusion

Community Progress is honored to be part of the community development and VAD property remediation conversations beginning to take shape in Arkansas and to offer the observations and recommendations in this brief. In all instances, these observations and recommendations are offered based on our national experience and are meant to inspire thoughtful discussion among Arkansas's leaders and neighbors most impacted by VAD properties.

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