

Center for
**COMMUNITY
PROGRESS**

DECEMBER 2024

An Assessment of Code Enforcement Strategies

in the City of Lima, Ohio





Center for
**COMMUNITY
PROGRESS**

Vacant Spaces into Vibrant Places

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About the Center for Community Progress

The Center for Community Progress helps people to transform vacant spaces into vibrant places. Since 2010, their team of experts has provided urban, suburban, and rural communities battling systemic vacancy with the policies, tools, and resources needed to address the full cycle of property revitalization. As the only national nonprofit dedicated to tackling vacant properties, Community Progress drives change by uncovering and disrupting the unjust, racist systems that perpetuate entrenched vacancy and property deterioration. Community Progress has delivered customized, expert guidance to leaders in over 300 communities and provided hundreds of hours of free educational resources as well as leadership programming to help policymakers, practitioners, and community members across the country return properties to productive use. To learn more and get help for your community, visit www.communityprogress.org

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Executive Summary

In April of 2024, the Center for Community Progress (Community Progress) competitively selected the City of Lima (City) to receive a Code Enforcement Technical Assistance Scholarship to identify code enforcement reforms that would help increase compliance and deliver equitable outcomes. Over eight months, the Community Progress technical assistance team, led by Liz Kozub, Libby Benton, and Nora Daly, analyzed available data, reviewed relevant reports and state and local laws, and interviewed critical stakeholders during a two-day site visit and virtual calls to better understand the City's approach to code enforcement and the scale of vacant, abandoned, and deteriorated (VAD) properties.

We identified the following key takeaways:

- 1. Owners of vacant, tax-delinquent properties with code violations face no significant consequences for their negligent actions.** Each year, the City accrues an estimated \$1.3 million in costs and fees associated with its property maintenance efforts, which include regularly maintaining an inventory of 484 privately owned, vacant parcels. Together, the City and County are owed over \$11 million in delinquent taxes, assessments, and code liens on these 484 properties. The power to foreclose on properties and recoup public expenses rests with Allen County, which takes foreclosure actions on approximately 1 percent of vacant tax-delinquent properties in the City annually. Without a final enforcement action, Lima will continue to be trapped in a cycle of decline.
- 2. The City has a sizeable inventory of vacant properties, many of which may have development potential.** There are over 1,000 privately owned vacant properties in Lima. The City also owns and maintains 158 additional properties, the majority of which were transferred to the City from the Allen County Land Bank in 2023. The appreciating market and the housing affordability crisis are making some residential vacant lots more attractive to private and nonprofit developers.
- 3. The City and County must find ways to increase capacity to bring legal action against vacant, tax-delinquent properties.** In Ohio, the Board of Revision and standard judicial tax processes are the most efficient, effective, and equitable ways to return VAD properties to productive reuse. The County's failure to conduct these foreclosures is severely hampering the City's ability to address these properties and revitalize its neighborhoods. The City and County should consider an interlocal agreement to boost capacity at the County to increase delinquent tax and code lien enforcement efforts. The City should also explore expanding its capacity to bring nuisance abatement actions against properties with vacant structures.
- 4. A focus on compliance rooted in community engagement should be the foundation for code enforcement efforts in Lima.** The City has a strong commitment to working with responsible owners to achieve compliance, and could expand its engagement efforts. Increased community engagement could help improve community relations and allow property maintenance inspectors to clarify their roles with community members, build trust, and identify opportunities to work together to improve the quality of life for Lima residents.

5. The City’s leadership is an asset to moving this work forward. City leaders and staff show exceptional commitment to advancing shared goals to improve the quality of life for Lima residents. The City’s code enforcement team, which consists of four property maintenance inspectors that operate in the field and one manager, openly shared their challenges with our team and were eager to learn about different approaches to stabilize Lima’s neighborhoods.

Community Progress identified the following recommendations for the City to consider as it further strengthens its code compliance efforts in pursuit of equitable outcomes and healthy and safe neighborhoods. A summary of those recommendations is provided below:

Approaches to Community Engagement

1. Provide professional development opportunities to support property maintenance inspectors using “soft skills” in the field.
2. Partner with a local agency to inventory and map social services and organizations.
3. Design and institute new community engagement programming.

Approaches to Vacant Properties

1. Establish a Vacancy Task Force and regularly share data.
2. Analyze vacancy data and triage properties for foreclosure.
3. Formalize a partnership with Allen County through an interlocal agreement, or other mechanism, to increase capacity to conduct foreclosures in Lima.
4. Pilot strategic foreclosure processes.
5. Scale up nuisance abatement cases and consider piloting a nuisance abatement program.
6. Consider changing the name of the “specified parcels list” to the “abandoned properties list.”
7. Consider decreasing abatement work on vacant lots and exploring alternative maintenance options, such as native low-grow vegetation or engaging community volunteers to assist with lot maintenance.
8. Explore acquisition of the properties on the forfeited land list.

Approaches to Owner-Occupied Properties

1. Consider amending the civil penalty to reflect the seriousness of different code violations.
2. If a code violation is remediated, consider removing the \$50 civil penalty.
3. Improve residents’ knowledge of existing home repair programs.

Approaches to Rental Properties

1. Develop a resource list for owners of rental properties.
2. Provide educational resources on tenants’ rights and responsibilities.
3. Expand the rental registration ordinance to include proactive inspections.
4. Offer relocation support to tenants living in substandard housing.

Approaches to Publicly Owned Vacant Properties

1. Develop a better understanding of neighborhood-level markets to ensure disposition strategies are informed by data, economic realities, and housing needs.
2. Engage community members to ensure disposition is informed by community goals and priorities.
3. Develop policies, processes, and procedures for property disposition informed by the qualitative and quantitative data gathered in the above recommendations.
4. Contact property owners living next to vacant lots with opportunities to purchase.
5. Consider engaging Mercy Health – St. Rita's Medical Center to gauge their interest and capacity in developing vacant parcels for community-driven reuse.
6. Leverage the large inventory of vacant properties to incentivize infill housing development.

The City of Lima has instituted a proactive approach to code compliance and demonstrates a commendable interest in finding a more effective, efficient, and equitable approach to their efforts. We congratulate the City for its commitment to mitigating the harmful effects of unmaintained vacant properties and ensuring Lima's neighborhoods are safe and stable. However, the City must find opportunities to partner with Allen County to increase capacity to bring legal action against vacant, tax delinquent properties, or else the City risks being stuck in a cycle of decline. Community Progress hopes this memorandum helps the City and its partners identify actions needed for a successful approach to equitably, efficiently, and effectively addressing VAD properties. Community Progress remains available as a partner and resource as the City explores these recommendations, and we thank those who contributed to the success of this engagement.

Background

In August 2024, Community Progress selected the City of Lima to receive a Code Enforcement Technical Assistance Scholarship to help the City identify opportunities for code enforcement reform to achieve greater compliance and more equitable outcomes.

Lima rose to the top of the national applicant pool because every level of leadership in the City demonstrated genuine interest in finding opportunities to improve code enforcement practices. The goal of the engagement was twofold. First, to conduct a general assessment of the code enforcement practices—the process and practices the City uses to enforce property maintenance standards. Second, to provide observations and recommendations for the City to help achieve more equitable, efficient, and effective code enforcement outcomes.

The assessment findings and recommendations provided in this report are based on the following activities and factors:

- A review of available data, relevant reports, and state and local laws;
- A two-day site visit featuring individual and group interviews with stakeholders including City and County staff and community service providers;
- Supplemental virtual interviews with additional stakeholders; and
- Our legal expertise and experience working with hundreds of communities across the country to reform and improve policies and practices for addressing vacant, abandoned, and deteriorated (VAD) properties.

The City has several key advantages to build on as it works to strategically address its VAD inventory, including an established, proactive approach to code compliance and a relatively strong housing market that will support some market rate development.

The following sections of this report provide greater detail about the assessment, findings, and recommendations. The first section provides a deeper understanding and analysis of the current code enforcement process in Lima. The second section focuses on Lima's approach to partnerships and community engagement. The next three sections focus on the City's code enforcement approach to specific types of VAD property: vacant, privately owned properties; owner-occupied properties; and renter-occupied properties. The final section provides findings and recommendations for the City regarding publicly owned properties.

Section 1: General Overview of Code Enforcement in Lima

For the purposes of this scholarship and report, “code enforcement” refers to the process local governments like Lima use to enforce property maintenance standards for existing buildings and vacant properties. The goal of code enforcement is to bring properties into compliance with local standards, improve the health and safety of occupants, and stabilize neighborhoods. To be equitable, efficient, and effective, code enforcement practices must involve multiple city and community partners and consist of much more than simply issuing citations.

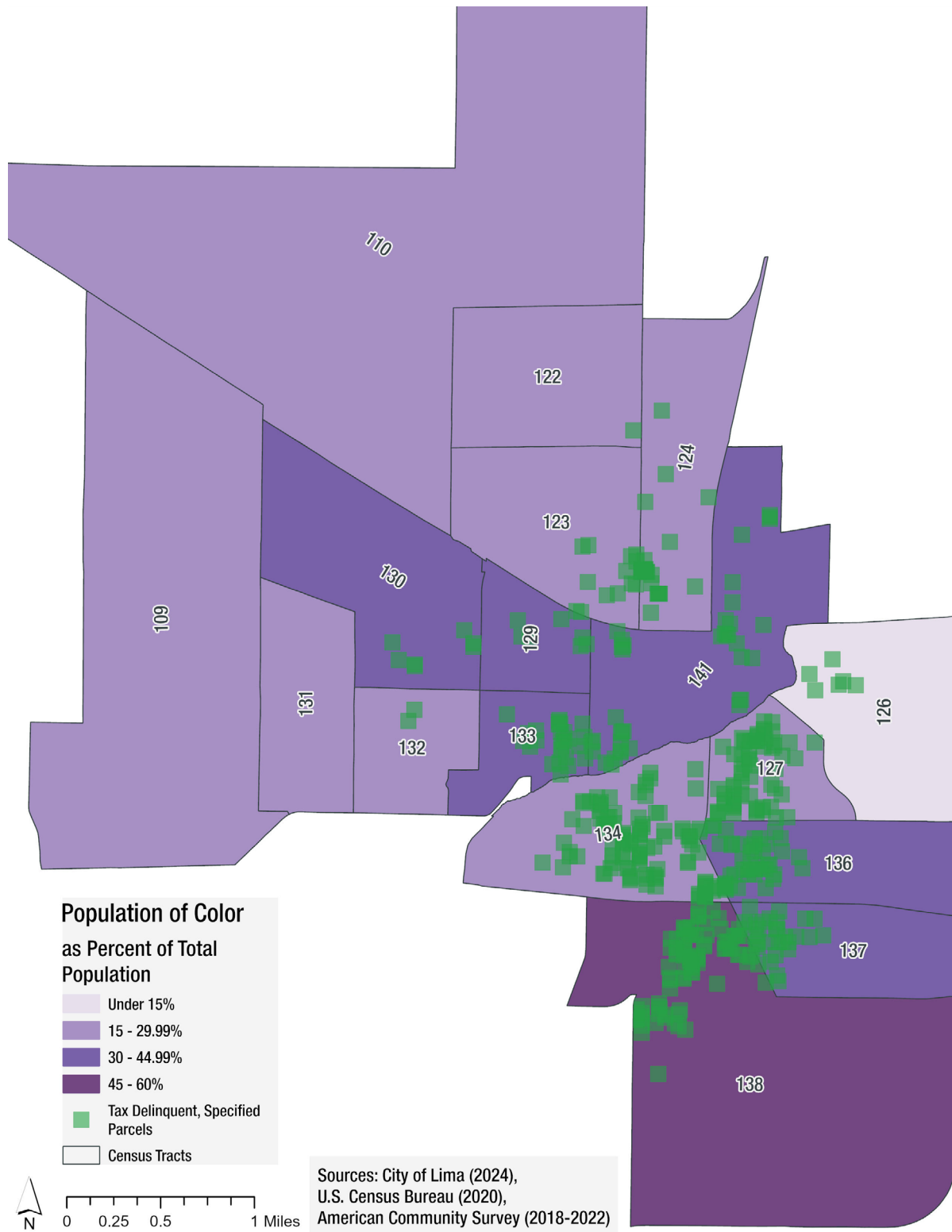
Working to bring properties into compliance with local property maintenance standards also requires local governments to confront the challenging forces that contribute to conditions of disrepair. These include poverty, mental health inequities, and the legacy of racist and unjust housing policies that have led to hyper-vacancy and systemic disinvestment disproportionately impacting Black and Brown residents. For example, a larger percentage of Lima residents are people of color compared with every other City in Allen County. Lima is also home to six of the ten census tracts with the highest percentage of vacant properties in the County.¹ Figure 1 shows the concentration of specified parcels, privately owned properties where the city is routinely abating public nuisances, and population of color by census tract.

Even the most skilled and resourced code enforcement division cannot address these historic, systemic challenges alone. Community Progress strongly encourages communities to shift their approach from enforcement to one focused on compliance and tailored to whether the property is vacant or occupied.²

¹ 2018-2022 U.S. Census American Community Survey (ACS)

² Reevaluating Code Enforcement: A New Approach to Addressing Problem Properties,” Washington DC: Center for Community Progress, 2024, www.communityprogress.org/code-enforcement-report

FIGURE 1: Specified Parcels and Percent Population of Color by Census Tract



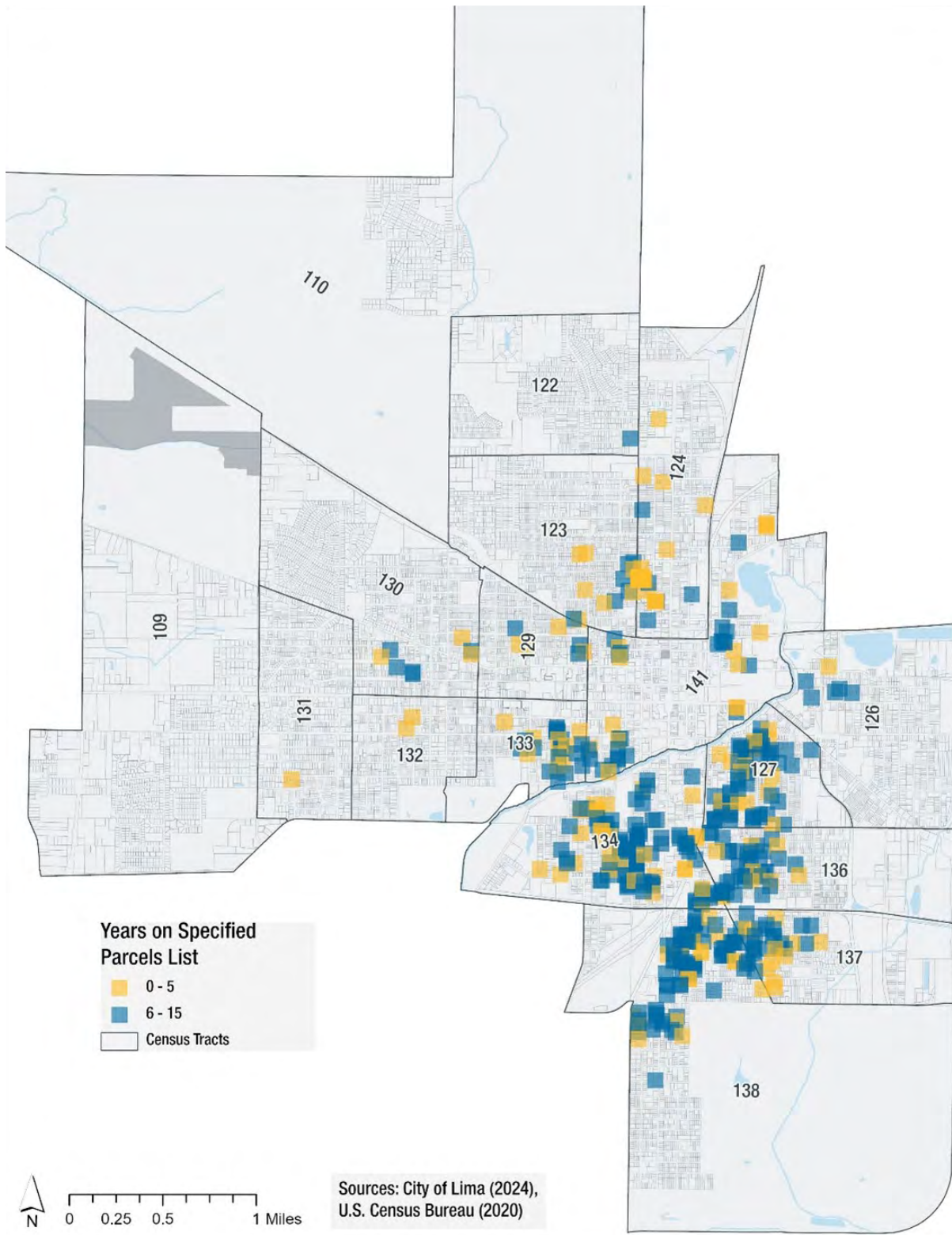
At present, the code enforcement process in Lima is largely the same regardless of ownership or occupancy status (i.e., if a home is vacant, owner-, or renter-occupied). An overview of this process is provided in Table 1.

TABLE 1: Summary of Code Enforcement Process

<p>Violation Identified</p>	<p>Property maintenance inspectors identify exterior violations by conducting proactive drive-by inspections or responding to complaints.</p> <p>Property maintenance inspectors can inspect the interior of units if invited in by the tenant or owner. The City may inspect all units or buildings owned by a landlord if certain types of health or safety violations are present in one of that landlord’s units.</p>
<p>Notice</p>	<p>The notice includes details about the violation, the timeline by which to address the violation, and consequences for noncompliance by the reinspection date.</p> <p>A \$350 civil penalty is levied (but can be reduced, based on status of violation during reinspection, described below).</p>
<p>Reinspection</p>	<p>The property maintenance inspector conducts a reinspection after the designated time to comply.</p> <ul style="list-style-type: none"> • If the owner complies: The civil penalty is reduced to \$50 and billed to the owner by the code enforcement department. • If the owner does not comply: for some violations (e.g., high grass, dumping, and unsafe structures), the City abates the violation and bills the owner for the \$350 civil penalty, \$205 administrative fee, and the contractor’s costs for abatement.
<p>Enforcement</p>	<p>If the bill is not paid within 30 days, the City adds civil penalties, fees, and abatement costs to the property’s tax bill.</p> <p>The County is then responsible for collecting current and unpaid property taxes and other liens on behalf of the City, through either a standard judicial foreclosure or Board of Revisions process (described further in the <i>Approaches to Vacant Properties</i> section). The County forecloses on approximately 1 percent of vacant properties with delinquent taxes.</p> <p>The City refers some properties to the law department to attempt civil collection of the penalties and abatement costs (described further in the <i>Approaches to Vacant Properties</i> section). It does not regularly bring affirmative civil or criminal cases against property owners for code violations.</p>

In addition to responding to complaints and conducting drive-by inspections, the City maintains a specified parcels list. The specified parcels list is comprised of privately owned properties that have a history of repeated code violations for years. Properties are added to this list pursuant to the City’s local ordinance, which requires publication, notice, and an opportunity for the owner to contest the inclusion of their property on the list. Once a property is on the list, the City can take multiple nuisance abatement actions (e.g. mowing and maintenance) throughout the year. The City mows the properties approximately 11 times per year. There are currently 484 properties on this list, half of which have been maintained by the City for more than 10 years. Less than 10 percent of the properties on this list hold a structure. The majority are vacant lots. A map showing the distribution of these specified parcels across the city by years on the specified parcel list is shown in Figure 2.

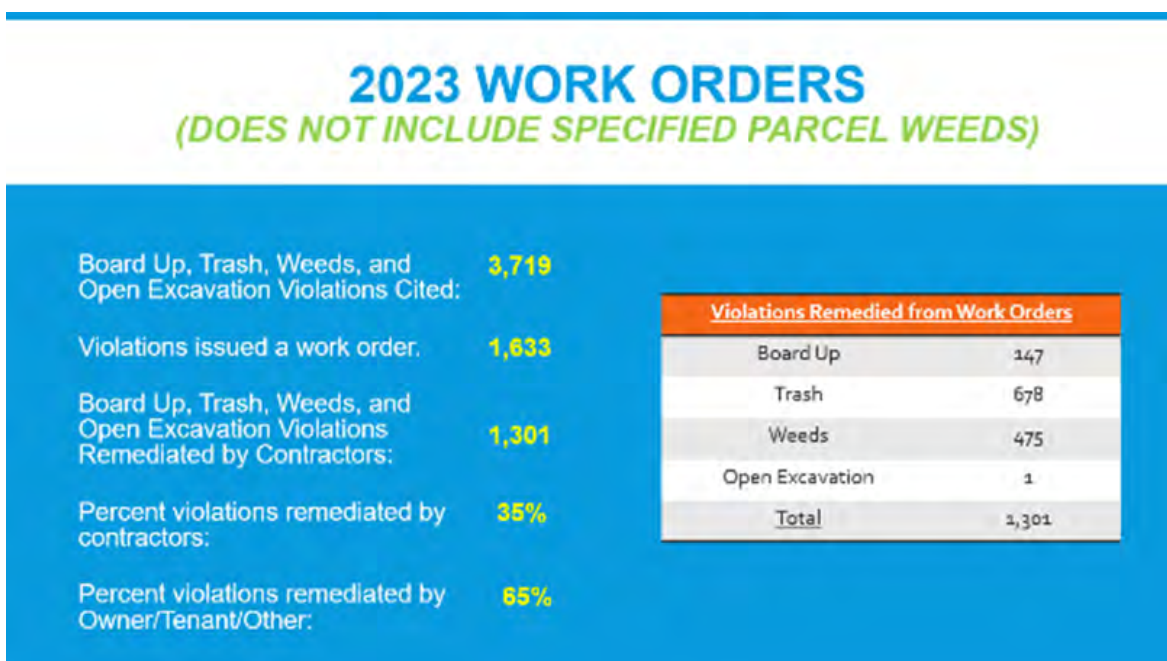
FIGURE 2: Map of Specified Parcels by Years on the List



Lima also maintains 158 City-owned properties, the majority of which were transferred from the Allen County Land Bank in 2023. Only one of these properties holds a structure. The remainder are vacant lots. A map showing the distribution of City-owned properties across Lima by parcel type is shown in Figure 6 in the *Approaches to Publicly Owned Vacant Properties* section.

The City maintains impressive data records of its enforcement actions, including violations issued and corrected, abatements conducted, and fines and costs paid. For example, a summary of violations, work orders, and outcomes in 2023 is shown in Figure 3. Using this data, the City is well-positioned to tailor code enforcement activities by property type and occupancy status, inform strategic allocation of resources, and advance equity goals.

FIGURE 3: Summary of Work Orders in 2023



Source: City of Lima

Section 2: Approaches to Partnerships and Community Relations

Intentional community engagement can cultivate greater understanding of the work the property maintenance team does to protect and preserve Lima's neighborhoods and communicate what is beyond the team's control. Further, strengthening relationships with community members may help improve the perception and treatment of property maintenance inspectors in the field. It may also help inspectors better serve residents, for example, by identifying when barriers such as the cost of repairs impede code compliance. This would allow inspectors to refer residents to resources as needed. A focus on achieving compliance and improving community engagement should be the foundation for code enforcement efforts in Lima.

Observations of Current Approach in Lima

- 1. The property maintenance team expressed a desire to better understand what resources are available to meet community needs, including repair funding and access to social services.** Organizations in Lima, such as Habitat for Humanity, Center for Agency, Mercy Health Saint Rita's Medical Center, and churches and faith communities, share the team's mission to support residents. There are likely more organizations at the local, county, and regional levels that are open to partnering in this work.
- 2. The property maintenance team has a history of participating in activities designed to build and strengthen relationships with community members.** In the past, the team participated in the mayor's "Walk the Wards" event where City staff walk different voting precincts and engage with residents. This gave inspectors an opportunity to meet informally with community members. However, inspectors no longer participate since the event now takes place after typical working hours. The Lima Pride Home Awards, awarded to residents who take exceptional care of their property, was another initiative developed to strengthen community relations, which has since been discontinued.
- 3. Property maintenance inspectors shared stories of being physically attacked by community members while carrying out neighborhood inspections.** Though these events are infrequent, they are notable and demand attention and care. Physical threats, real and perceived, impede inspectors' ability to identify and remedy code violations, interfere with inspectors' sense of safety at work, and may negatively impact mental health.

Recommendations

- 1. Provide professional development opportunities to support property maintenance inspectors using "soft skills" in the field.** Additional training could benefit inspectors. Conflict de-escalation training could help them navigate challenging conversations and situations encountered in the community. Implicit bias training could aid in strengthening community relations. Inspectors also identified a need for training that would enable them to better respond to and support community members in crisis, particularly mental health crises. In addition to these trainings, property maintenance inspectors should be provided with a list of mental health service providers they can refer individuals to in the region.

2. Partner with a local agency to inventory and map social services and organizations. Many challenges of deteriorating properties, especially occupied properties, are systemic and cannot be solved by code enforcement alone. The City should consider identifying and meeting with mission-aligned organizations to determine opportunities for coordination. One result of those meetings could be a printed list of public resources and social services for property maintenance inspectors to provide to residents. Small changes like this can shift the public perception of inspectors from punitive ‘enforcement officers’ to supportive ‘resource officers’ and ultimately help improve compliance rates.

3. Design and institute new community engagement programming. As noted above, the property maintenance team should connect with community residents outside of inspection and abatement activities. For example, the City could leverage the mayor’s weekly Wednesday addresses by incorporating a permanent segment highlighting the work of the property maintenance team.

The City may also consider a pilot program, modeled on a similar initiative in Peoria, Illinois.³ Through this program, individuals accepted into the Police Academy who are waiting to begin their training temporarily embed as members of the property maintenance team. This temporary employment gives the police recruits a better understanding of code enforcement, an ability to build relationships with community members, and first-hand perspective on community needs. It also boosts the capacity of the property maintenance team. To gain critical community input, the property maintenance team could also develop its own programming, adopt a model like Syracuse’ Kitchen Table Talks,⁴ or attend existing community meetings hosted by city council members.

³ Joe Dulin, “Strengthening Community Relations to Achieve Equitable Code Enforcement,” May 5, 2022, Center for Community Progress Webinar, 55:39, <https://www.youtube.com/watch?v=tui82LHuGY0>

⁴ In Syracuse, New York, leaders wanted to build stronger connections and trust with residents and gain a deeper understanding of the housing challenges community members faced. The City worked with a local nonprofit partner to organize over 60 “kitchen table talks” to gather input from residents on their housing concerns. The talks took place over food in neighbors’ homes. Some of the top issues residents identified were substandard rental housing conditions, a lack of awareness of property maintenance standards or how to bring their concerns to the City, and a desire to be more involved in the City’s efforts to address housing issues. In response, the City secured a \$1 million grant to hire four part-time community ambassadors to serve as liaisons between City departments, tenants, and landlords.

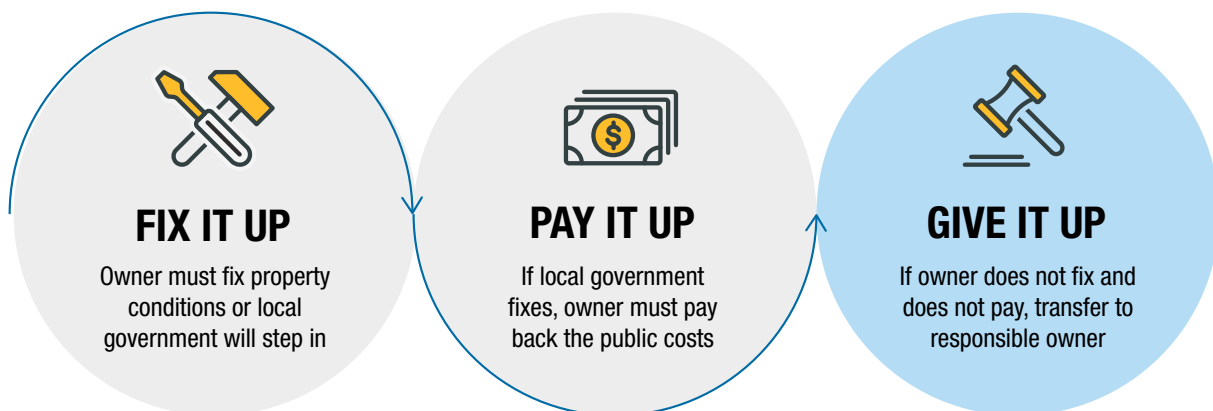
Section 3: Approaches to Vacant Properties

The most effective code enforcement tactic on privately owned vacant properties is what Community Progress calls a “Fix it Up, Pay it Up, Give it Up” approach:

1. **Fix it Up** means giving the owner the opportunity and, where appropriate, the resources or support to fix their property before the local government steps in.
2. **Pay it Up** means if an owner with resources is intentionally unresponsive to violation notices and unwilling to fix the property, the local government takes responsibility for reducing the harm caused by the vacant property by quickly securing, maintaining, and, where necessary, demolishing the property. The local government then makes the owner pay back the public cost.
3. **Give it Up** means if the owner refuses to reimburse the local government for the tax dollars used to abate the nuisances despite having resources to do so, as a last resort, the local government will take action to compel the transfer of the vacant, harmful property to new ownership, which may include temporary public stewardship.

“Fix it Up, Pay it Up, Give it Up” is the most effective practice to protect residents from the harms caused by vacant and abandoned properties. Moreover, this approach provides the City an opportunity to either recoup the public investment in a vacant property or compel transfer to a responsible owner.

FIGURE 4: Fix it Up, Pay it Up, Give it Up Approach for Vacant Properties



Copyright: Center for Community Progress

Our understanding of Lima’s current approach to addressing vacant properties, through the lens of a “Fix it Up, Pay it Up, Give it Up” approach, is as follows:

Fix it Up

When there is a violation at a particular vacant property, a property maintenance inspector follows the inspection, noticing, and reinspection process described in the *General Overview of Code Enforcement in Lima* section.

Pay it Up

If the City is forced to abate a code violation, a bill is sent to the owner to recoup the public’s expense for abatement costs. If the bill is unpaid, the City takes the following actions:

- If the bill is over \$1,000, it is sent to the law department for review and collection. The law department works with owners to set up a payment plan. The law department occasionally seeks a judgement against the owner for nonpayment of bills. That tactic has produced limited collection results.
- If the bill is under \$1,000, the abatement costs are added to the property tax bill.

Give it Up

The City’s primary lever to recoup the outstanding assessment charges⁵ (code liens) or compel the transfer of these properties to new owners is delinquent tax enforcement. There are two delinquent tax enforcement paths that can help transfer properties to new ownership.

The first is the **expedited foreclosure process for vacant and abandoned properties**.⁶ This administrative process overseen by the County Board of Revisions (BOR) is available *only* for properties that are unoccupied and meet the statute’s abandonment definition. At the conclusion of the process, the BOR can order the property sold at auction or, if the delinquent taxes and costs exceed the fair market value of the property, transfer it directly to specific entities, including municipalities and land banks.

The City accepts applications from third parties interested in acquiring properties eligible for this expedited foreclosure process. These parties pay an application fee which covers the cost of the foreclosure. The City then

⁵ In Lima, the City uses the term “assessment charges” to describe any penalties, fees, and costs owed to the City. While there are a few different types of assessment charges, for the purposes of this report, “assessment charges” is used to refer to those penalties, fees, and costs owed to the City that are related to code enforcement inspections and abatement activities.

⁶ R.C. § 323.64, *et seq.*

FIX IT UP | 2023 OVERVIEW

1,301 work orders completed by contractors to abate violations.

Nearly half of all assessments for abatement activities were levied on vacant properties.

City maintains 484 privately owned properties on the specified parcels list, 50% of which have been on the list for over 10 years.

PAY IT UP | 2023–24 OVERVIEW

As of August 2024, there was a total of **\$15.3 million in outstanding assessment charges** in the City of Lima, at least **\$11.2 million was owed on vacant properties**.

In 2023, **8%** of assessment costs were collected by the code enforcement office, **39%** of the remaining costs were collected through the tax collection process.

GIVE IT UP | 2023 OVERVIEW

481 properties on the specified parcels list (all but 3) owe some amount of delinquent taxes and are therefore eligible for a standard foreclosure.

The average amount of taxes owed for properties on the specified parcels list is \$24,565. The highest amount owed on a single property is \$92,972. Collectively the owners of these properties owe the County and City approximately **\$11.8 million**.

asks the BOR to conduct the foreclosure on approved properties. Currently, the County reports that it only has the capacity to bring two expedited foreclosure cases on behalf of the City at a time. These cases take several months to complete. The County will not file new cases until the previous cases are complete, creating a significant bottleneck for eligible properties. The City helps prepare these cases by submitting the requests they receive, along with an application fee, to the County and conducting the title search.

The expedited foreclosure process is the most efficient process to address abandoned properties where the amount of public debt exceeds the value of the property. Because they are underwater in value, these properties are almost certain not to receive a bid at a public auction during a standard judicial foreclosure, eliminating the opportunity for the City to recoup its expenditures. Using the expedited process allows the City and County to focus on returning these properties to productive use and the tax rolls without paying for a more costly judicial foreclosure process.

The City has offered in the past to pay for or perform the additional legal work needed to complete the process. The second delinquent tax enforcement path is a **“standard” judicial foreclosure process.**⁷ This process takes longer and does not allow the property to be transferred directly to the City. However, it is available for all tax-delinquent properties and provides a mechanism for municipalities to recoup their public expenses and compel the transfer of a property to new ownership. Under this process, the county prosecutor files a foreclosure action in the Court of Common Pleas. If the court approves the foreclosure, it orders the property sold at public auction. If the property does not sell at two auctions, municipalities have an opportunity to acquire the property. If the property does not sell at two auctions, municipalities have an opportunity to acquire the property, or it is forfeited to the state.⁸

In addition to carrying out only a handful of expedited foreclosures, Allen County brings very few standard foreclosures. The County reports it foreclosed on approximately 24 properties using this process in the last year. As of August 2024, there were at least 720 vacant, tax delinquent properties in Lima eligible for standard foreclosure, including all but three of the properties on the specified parcels list. A map of tax delinquent, specified parcels is shown in Figure 5. While representing just over one-third of tax delinquent properties in Lima, these 720 properties account for a majority of outstanding assessment charges (at least \$11.2 million out of \$15.3 million total).

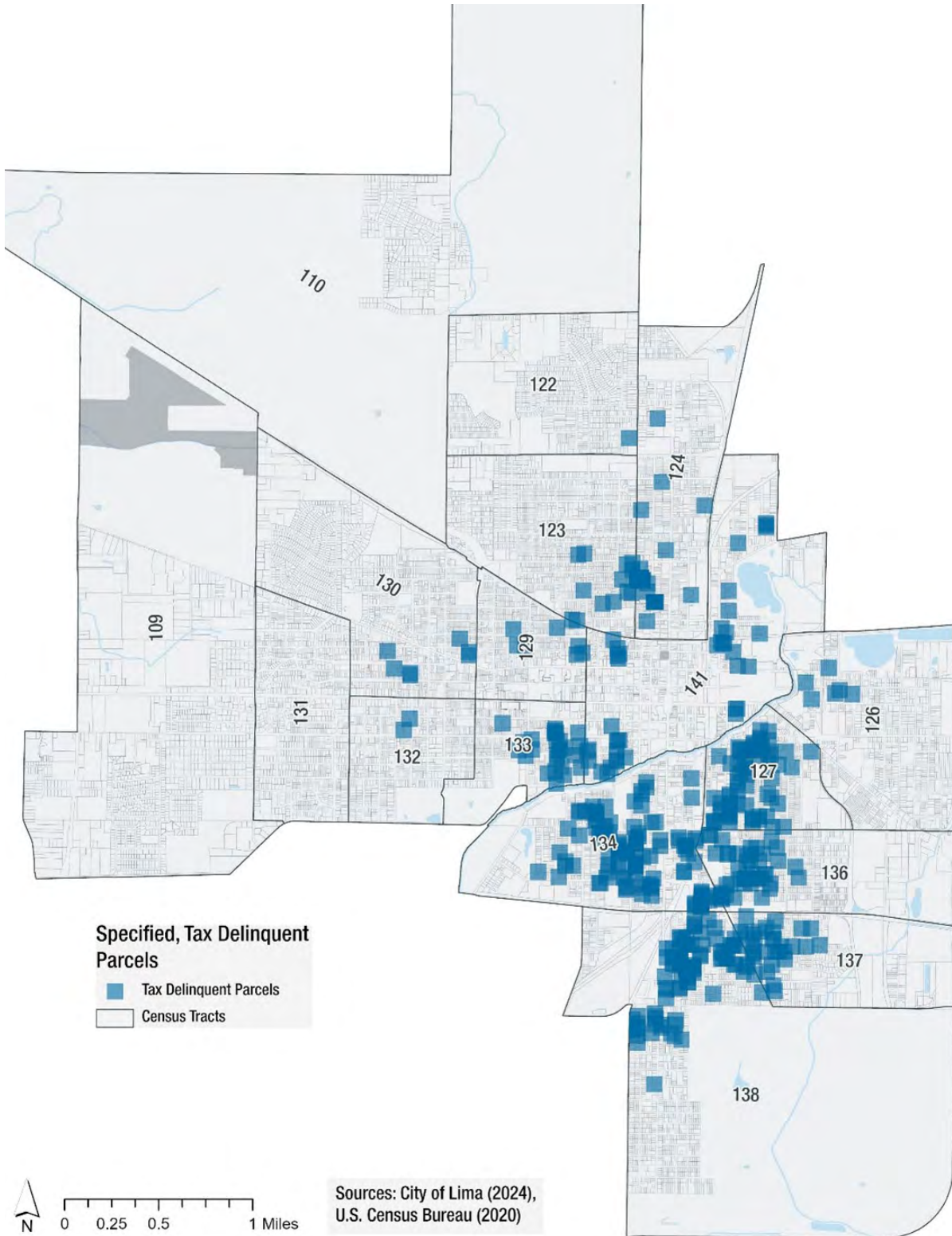
Allen County cites a lack of capacity and concerns about equity and fairness as reasons for not seeking to foreclose on more properties in the City of Lima. County officials explained that the county prosecutor’s office has only one attorney handling all civil matters for the County, including foreclosures. Given the costs the County’s failure to bring foreclosure actions on vacant and abandoned properties is imposing on Lima’s residents (who are also county residents), neighborhoods, and municipal finances, the County must find ways to address these concerns and expand its capacity. Beyond the cost of abatement actions, the City should seek to quantify the impact of the County’s failure to foreclose on properties on its overall tax revenue, the revenue of local school districts, and the resulting ability to deliver important services to residents.

The County could expand its capacity in various ways. First, in some circumstances, bringing enforcement actions will result in the property owners paying their delinquent taxes. A portion of the interest on these taxes is retained by the County. This increased revenue could be used to cover the costs of bringing additional enforcement actions. Second, the City has in the past offered and remains willing to pay for the costs of bringing additional foreclosure actions, an approach used elsewhere in Ohio. In Mahoning County, for example, the City of Youngstown provides \$75,000 for the prosecutor to hire an additional attorney to focus on the City’s foreclosure needs.

7 R.C. § 5712.18. et seq.

8 R.C. § 5723.01. The court notifies the City if a property within its jurisdiction has failed to sell at two auctions. The City can then submit a petition to the court requesting the property, and the property will then be forfeited to the City, rather than the state.

FIGURE 5: Map of Tax Delinquent Specified Parcels



The County also has options for addressing equity concerns. Bringing foreclosure actions only against properties identified as vacant and abandoned, for example, would reduce concerns that increasing foreclosures would harm seniors or low-income homeowners. For vacant heirs' properties, the County could partner with legal services to help owners resolve probate issues and offer repayment plans.

Observations of Current Approach in Lima

- 1. The County is foreclosing on approximately 1 percent of vacant properties in the City.** Under Ohio law, the power to foreclose delinquent taxes rests with the County. Thus, the City has no option to carry out foreclosure actions and relies exclusively on the County's cooperation and support. A total of 2,038 properties were tax delinquent in Lima in 2023, more than one-third of these (at least 720 properties) are vacant. Yet only 24 properties went through the standard foreclosure process this past year *for the entire county*. Without these final enforcement measures, or "give it up" actions, the properties remain stuck in a cycle of decline.
- 2. Allen County's failure to foreclose tax-delinquent, vacant properties harms Lima's residents, neighborhoods, and municipal finances.** When owners abandon their vacant properties, as indicated by a failure to maintain or pay taxes on the properties, the only way to return these properties to productive use is by facilitating their transfer to new ownership. The City is expending incredible resources and energy to reduce the harm these vacant and abandoned properties impose on neighbors and neighborhoods. However, the County's refusal to increase its capacity to carry out more foreclosures prevents the City from recouping these costs, returning these properties to the tax rolls, and using these properties to help meet critical local needs, like more and better-quality housing. Ohio's foreclosure processes are used across the state for this purpose and form the foundation of the state's nationally recognized land banking movement.⁹
- 3. The City's total inspection fees and abatement costs for 2023 were just over \$1.1 million.** While we unequivocally commend the City for providing a valuable public service that protects residents from the harms caused by vacant properties owned by irresponsible private parties, the scale of abatement is likely not sustainable because the City is not recouping their costs, and the properties continue to lose value. Furthermore, abatement costs and activities have been increasing over the past five years. Leaders in the City reported this is a result of both increased capacity and costs of abatement activities.
- 4. Owners face no real consequence for ignoring the City's notices of violation and abatement actions.** One code inspector reported that property owners have joked about adding abatement costs to the tax bill, knowing there will be no repercussions for nonpayment because of a lack of meaningful enforcement actions by the City or County.
- 5. The City is ramping up efforts to bring down the number of properties on its extensive demolition list.** In 2023 and 2024, the City leveraged funding through America Rescue Plan Act, as part of Lima's Better Together program to demolish over 100 properties. There are around 250 properties remaining on the demolition list.
- 6. The City recently brought an affirmative nuisance abatement case against a vacant property owner to compel compliance.** Ohio law allows municipalities and other entities to bring civil actions against owners of vacant properties with structures that meet the statutes' broad definition of a public nuisance. In these cases, the court can order the owner to abate the nuisance or appoint a receiver to carry out the abatement if the owner refuses. In the case brought by the City earlier this year, when faced with the required repair costs, the owner decided to sell the property. The new owner has made significant investments in the property, marking a positive outcome for the neighborhood.

⁹ See e.g., Gus Frangos, "A History of Ohio Land Banking 2009-2021: From Legislation to Operation," June 6, 2022.

7. There is interest from the necessary parties in bringing more nuisance cases to court. The law department expressed an interest in taking on more nuisance abatement cases given the success of previous nuisance cases. A municipal court judge also expressed interest in creating a housing docket to allow for a dedicated time to hear more housing related cases. These two critical parties can steward more legal actions against negligent property owners, and the interest of both parties presents a promising opportunity.

Recommendations

- 1. Establish a Vacancy Task Force and regularly share data.** Some stakeholders reported the City once had a task force, comprised of leadership from code enforcement and the law department, that met regularly to discuss challenges and potential actions at problem properties. These stakeholders reported having dedicated time with other colleagues made coordination easier. In our experience across the country, we have seen the communities that have the highest impact in addressing vacant properties institutionalize that work through a dedicated group of leaders from departments that most directly deal with vacancy. In Lima, these departments can include City Department of Housing and Neighborhoods, specifically Property Maintenance Code Enforcement and GIS, the City law department, the Allen County Treasurer's Office, the Allen County Prosecutor's Office, and the police department. The Task Force should meet on a regular basis (at least monthly) to prioritize actions on problem properties and inform the City's approach to addressing systemic vacancy. Consistent, timely access to data should guide decision-making within the Task Force.
- 2. Analyze vacancy data and triage properties for foreclosure.** The first task of the Vacancy Task Force could be to thoroughly review data on vacant properties in the City and identify those properties that are best suited for each of the tax foreclosure proceedings. As an example: the Task Force could identify 10 properties that meet the eligibility criteria for the Board of Revisions that have not already received an application from an interest buyer. These properties could then be transferred directly to the City for temporary stewardship. The Task Force could also identify a batch of 30 vacant properties for the standard judicial foreclosure process, where there could be interest from a private party, allowing the City and County to recoup tax and code assessments. These selected properties could be located near each other, giving the City an opportunity to stabilize multiple blocks.
- 3. Formalize a partnership with Allen County through an interlocal agreement or other mechanism to increase capacity to conduct foreclosures in Lima.** In Ohio, the Board of Revision and standard judicial tax foreclosure processes are the most efficient, effective, and equitable ways to return VAD properties to productive use. The County's failure to conduct these foreclosures is severely hampering the City's ability to address vacancy and revitalize its neighborhoods. Through an interlocal agreement, the City should agree to commit an annual payment to the County to boost capacity in the prosecutor's office for a dedicated staff person to exclusively handle foreclosures in the city, and the County must accept this support. There is precedent of cities and land banks in Ohio providing supplemental legal support to add needed capacity at the county level.
- 4. The City and County must find ways to increase capacity to bring legal action against vacant, tax-delinquent properties.** The City should continue ongoing efforts to build relationships with staff in the County treasurer's and prosecutor's office to increase delinquent tax and code lien enforcement efforts. The City should also explore expanding its capacity to bring nuisance abatement actions against properties with vacant structures.
- 5. Pilot strategic foreclosure processes.** After the properties have been identified and capacity has been built in the County Prosecutor's Office, the County, in partnership with the City, should initiate foreclosure proceedings. Those properties foreclosed on through the Board of Revisions process should be transferred directly to the City. If properties undergo the standard foreclosure process and do not sell

at two auctions as anticipated, the City should submit a petition to the court requesting the property be forfeited to the City.

6. Scale up nuisance abatement cases and consider piloting a nuisance abatement program.

Given the lack of delinquent tax enforcement by the County, the City should consider expanding its use of nuisance abatement cases to encourage owners to bring their properties into compliance. The City could pilot a program focused on the top five property owners with the most significant amount of code enforcement violations and abatement actions. It could also target a specific block radius in coordination with other tools—like delinquent tax enforcement or home repair funding—to further neighborhood stability.

To scale up nuisance abatement cases, the policies and procedures for the property maintenance team should be updated to reflect the standards of investigation needed to bring a case to court. City attorneys should be engaged in the development of those policies and procedures. Ideally, City attorneys would also provide annual training on requirements needed to prosecute a case in municipal court to the property maintenance inspectors.

After additional successful cases, the City should share those successes broadly by highlighting them in the mayor's weekly addresses and the City newsletter. Word will trickle through the community that the City is taking action against negligent property owners, which will compel other owners to address property violations voluntarily.

7. Consider changing the name of the “specified parcels list” to the “abandoned properties list.”

The leaders in the City possess a deep understanding of the financial strain and harm the properties on the specified parcels list cause. However, it is unclear if internal or external partners understand the relevance of this list to the City's neighborhood stabilization efforts. Renaming this list to better describe *why* the properties are included and require City attention can serve as an educational tool for current and prospective partners.

8. Consider decreasing abatement work on vacant lots and exploring alternative maintenance options, such as native low-grow vegetation or engaging community volunteers in abatement activities.

The level of abatement work being conducted by the City is a best practice and commendable, but not financially sustainable without a systematic process to recoup the abatement costs or compel the transfer of ownership. The City could consider shifting some resources from the high level of abatement to long-term solutions (e.g., providing financial resources for delinquent tax enforcement and nuisance abatement cases). For City-owned properties, Lima could also consider planting low-grow vegetation that would allow greater time between mowings or engaging community groups in an adopt-a-lot program to provide maintenance.

9. Explore acquisition of the properties on the forfeited land list. It appears that 13 properties in the City have been forfeited to the state after failing to sell at two tax foreclosure auctions. The City should explore acquiring these properties already on the forfeited land list pursuant to R.C. § 5722.04. Going forward, the City should explore acquiring such properties before they are forfeited, pursuant to R.C. § 5723.01(3).

Section 4: Approaches to Owner-Occupied Properties

Addressing health and safety violations at owner-occupied properties in an equitable manner can be the most challenging task for code enforcement officers, not just in Lima but across the country. Violations often stem from the owners' inability to make repairs due to lack of resources, or the economic reality that the cost of the repairs outweighs the value of the property.

The best approach to addressing owner-occupied properties is to find supportive measures to assist the owner in bringing the property into compliance. This commonly requires providing home repair funding, connecting owners to social services, and creating policies to give low-income owner-occupants additional time to bring their homes back into compliance. An approach that focuses on connecting homeowners to resources saves the municipality money down the road because it is less likely to slide into a state of extreme deterioration that would require costly rehabilitation or demolition.

Observations of Current Approach in Lima

- 1. Property maintenance inspectors can waive civil penalties and are encouraged to do so for first-time offenders.** However, when inspectors waive civil penalties for first-time offenders it is based off memory, not data. This practice could be applied unequally, based on the inspector's tenure with the department and case knowledge.
- 2. In 2023, the City reduced the civil penalties for 1,633 properties that remediated code violations after the first notice. The total amount of the reduced civil penalties was \$81,650.** This total represents charges to property owners that brought their properties into compliance after receiving the initial notice of violation.
- 3. In 2023, the City assessed a total of \$218,710 for code violations on 775 occupied properties.**¹⁰ This total includes both abatement costs and additional fees and penalties charged by the City. When these charges are not paid they are added to the tax bill along with additional fees and interest owed to the County.
- 4. The City has several programs to support property repairs.** These include an Emergency Repair program, a Safe at Home program for accessibility modifications to allow residents to age in place, a Home Update program to address major systems issues, the Better Together program for roof repairs, and a HUD-funded Lead Hazard Control program to remediate lead. Property maintenance inspectors noted the biggest need for property owners to address violations is increased funding for repairs, but there does not seem to be a streamlined process for connecting residents to these important resources.

¹⁰ This total was calculated by cross referencing 2023 assessment data provided by the City against data from the parcel survey and specified parcels list to determine the number of assessments against vacant versus occupied properties in 2023.

Recommendations

1. Consider amending the civil penalty to reflect the seriousness of different code violations.

Right now, high weeds are fined at the same rate as serious health and safety issues. The City should consider creating a fee structure that is reflective of violation severity.

2. If the code violation is remediated, consider removing the \$50 civil penalty. The ultimate goal of code enforcement is to reach compliance. As we have seen in communities across the country, the property owners most likely to pay fines are long-time residents, many of whom are under-resourced, potentially creating inequitable impacts. Removing the automatic \$50 civil penalty for all violations could also reduce some of the administrative and collections efforts for the City. This small reform could be part of a package of reforms that demonstrate the City's strong commitment to work with and thank responsible owners who achieve compliance, and a deeper commitment to go after perpetual violators harming the health and safety of neighbors. This comprehensive approach will demonstrate the City's commitment to equity and compliance, while also doubling down to protect neighbors from the harms of irresponsible owners of VAD properties.

3. Improve residents' knowledge of existing home repair programs. The City should explore other opportunities to reduce charges for income-eligible, owner-occupied households, including waiving fees and penalties and connecting homeowners to grants and loans to offset the costs of home repair. A first step could be creating an inventory of public and private programs that support homeowners in need of repair funds to achieve code compliance. This inventory could then be converted to a printed resource that property maintenance inspectors could carry with them in the field and distribute to eligible homeowners.

Section 5: Approaches to Rental Properties

When it comes to rental housing, Community Progress recommends a proactive approach to code compliance involving registration and certification of all rental properties contingent on regularly scheduled interior inspections. This is the most impactful policy solution to improve health and safety conditions in all housing units, prevent vacancy, and support both vulnerable tenants and responsible landlords. This approach also removes the burden of reporting interior violations from tenants. Tenants are often reluctant to report issues due to fear of displacement, particularly in communities where the supply of affordable rental housing is limited.

Observations of Current Approach in Lima

1. In January 2024, the City of Lima passed a rental registration and certification ordinance.

This ordinance is being implemented incrementally. Owners of 10 or more rental units must register by June 2024, owners of five to nine units must register by December 2024, and owners of one to four units must register by June 2025. There is no fee to register or obtain a registration certificate, and there is no inspection required to obtain a certificate. The ordinance allows the City to revoke a property owners' registration certificate if the property violates specific health and safety requirements and authorizes inspections in certain circumstances. The ordinance is an important first step toward protecting tenants and ensuring rental properties in the City of Lima meet basic health and safety standards.

2. Additional outreach regarding tenants' rights and responsibilities is needed. Lima has recently experienced an influx of new residents, including many Haitian migrants with limited English proficiency. Property maintenance inspectors reported difficulty communicating with non-English speaking residents about their rights as tenants and the need to remediate code violations at the properties where they lived.

Recommendations

1. Develop a resource list for rental property owners. The City should offer a list of resources to landlords to help them bring their properties into compliance with Lima's property maintenance codes. This list could include financial assistance opportunities and the names of local contractors who are qualified to complete repairs.

2. Provide educational resources on tenants' rights and responsibilities. The City must provide resources to tenants making them aware of their rights and responsibilities under state and local law. Given the recent increase of migrant residents calling Lima home, the City should make these resources available in multiple languages so they are accessible to all tenants. The City should also consider having property maintenance inspectors present on this topic to social service providers working with migrant populations. Social service providers can then share the information directly with their clients and reach out to local legal aid providers to find opportunities to partner on tenants' rights education and enforcement.

- 3. Expand the rental registration ordinance to include proactive inspections.** The current ordinance allows the City to conduct inspections upon request by the tenant or owner or when there is a record of code violations. However, this system relies on the tenants to report poor housing conditions, and many are reluctant to do so because of fears of retaliation and displacement. To ensure this ordinance can help improve housing conditions, the City should add proactive inspections of all rental properties, which would occur upon registration and at regular intervals.¹¹
- 4. Offer relocation support to tenants living in substandard housing.** Fear of displacement is a primary barrier to renters reporting interior code violations in their homes and may fuel tenant opposition to proactive rental inspections. The City can offset these concerns by offering relocation assistance or referring tenants to nonprofits that offer this type of support. The City of Minneapolis, for example, adopted an ordinance that allows the City to cover tenants' relocation expenses and then seek to recoup these costs from the property owner.¹² It is inevitable some units will be deemed uninhabitable, so a proactive rental inspection program without relocation support will generate inequitable outcomes.

¹¹ For more information on proactive rental inspection programs and examples, see Reevaluating Code Enforcement: A New Approach to Addressing Problem Properties," Washington DC: Center for Community Progress, 2024, www.communityprogress.org/code-enforcement-report; and Aaron Clapper & Alison Goebel, "Protecting Housing in Ohio's Cities Through Rental Property Registries and Licensure Programs," March 1, 2022

¹² Minneapolis, Minnesota, Municipal Code § 244.1950

Section 6: Approaches to Publicly Owned Vacant Properties

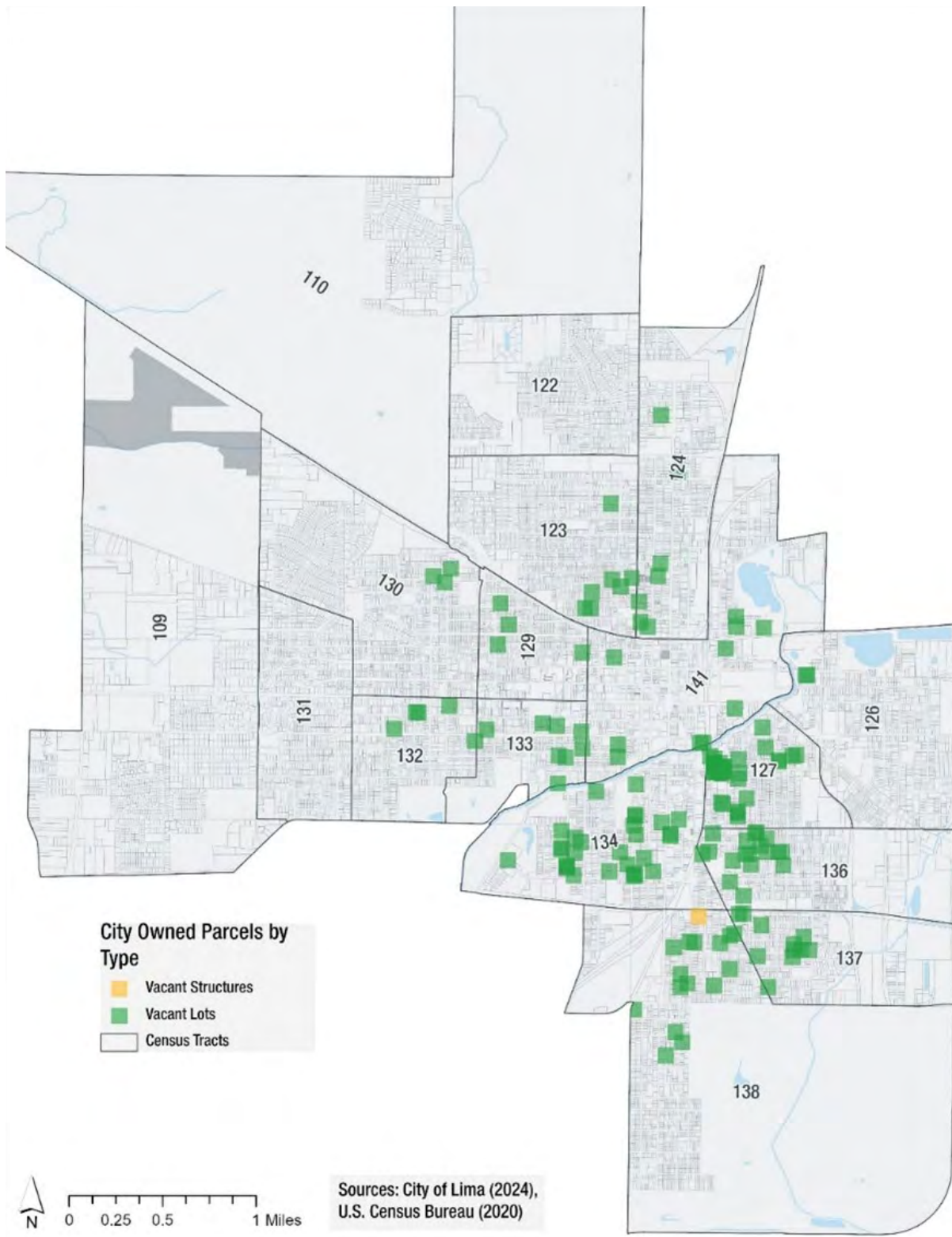
The best way for a community to mitigate the harms caused by VAD properties is effectively and efficiently compelling the transfer of those properties to new, responsible ownership—including temporary public ownership. Through temporary public ownership, the City can ensure not only that the property is returned to productive use, but that its use is aligned with community goals.

A critical component of this temporary ownership approach is community-informed priorities, policies, and procedures that enable the City to 1) return publicly owned properties it is currently holding to productive use and 2) gain control of privately owned, tax-delinquent properties on the specified parcels list to return these to productive use, in alignment with community goals. These goals should be developed in close consultation with residents and could include building new affordable housing, attracting new businesses, or creating community gardens or parks and open space on vacant land. Whatever the ultimate reuse, the transformation of VAD properties will generate positive fiscal impacts for the City and County by reducing abatement costs, returning properties to the tax rolls, and increasing adjacent property values.

Observations of publicly owned vacant properties in Lima

- 1. The City owns 158 vacant properties. The vast majority (if not all) are vacant lots.** In 2023, 113 of these were transferred to the City from the Allen County Land Bank. At present, the City is in the process of having these 113 properties declared tax exempt by the state. A map of these parcels by property type is shown in Figure 6.
- 2. While the City has goals of creating new affordable housing opportunities for Lima residents, there does not appear to be a community-informed and clearly articulated disposition plan.** The City has relied on interest from neighbors in purchasing these properties. These individuals have learned of available properties mainly through word-of-mouth.
- 3. Stakeholders reported Lima-based, market-rate developers are interested in acquiring at least some vacant properties for rehab and infill development.** The appreciating market and the housing affordability crisis are making some residential vacant lots more attractive to private and nonprofit developers. One for-profit developer was surprised to learn about the hundreds of vacant lots that could be accessed if the County foreclosed on the property and shared an interest in identifying lots for future development.
- 4. The City is at a critical moment to thoughtfully engage community members and stakeholders.** The policies, processes, and priorities for property disposition established by the City now can shape the future of Lima for years to come.

FIGURE 6: Map of City-owned Parcels by Property Type



Recommendations

- 1. Develop a better understanding of neighborhood-level markets to ensure disposition strategies are informed by data, economic realities, and housing needs.** These efforts could include quantitative data analysis (e.g., sales prices, time on market, types of purchasers, etc.) to understand market dynamics and qualitative analysis (e.g., convening realtors, local developers, and nonprofit organizations) to better understand market-based development opportunities and housing needs across the City. As part of these convenings, the City could present vacant properties on the specified parcels list (or the newly renamed abandoned properties list) to gauge which properties have development potential and where those groups may want to partner with the City. The City could use that information to triage those properties through either the Board of Revisions or standard judicial foreclosure process, as described in the recommendations in the *Approaches the Vacant Properties* section.
- 2. Engage community members to ensure disposition is informed by community goals and priorities.** It is critical for the City to engage local residents to better understand neighborhood-level concerns and goals and foster public buy-in for the resulting disposition plan. Opportunities to solicit community input could double as opportunities for the property maintenance team to strengthen relationships with residents. For example, the City Land Bank could co-host a “Coffee with Code” event where residents meet with property maintenance inspectors and share their ideas for reusing vacant properties in their neighborhoods.
- 3. Develop policies, processes, and procedures for property disposition informed by the qualitative and quantitative data gathered in the above recommendations.** Priorities should be clear and concise and reflect community goals, needs, and development opportunities. The policies should guide the City’s operations to reach those priorities.
- 4. Contact property owners living next to vacant lots with opportunities to purchase.** Homeowners living next to vacant lots are a critical partner in planning for the disposition of these lots. Where there is little potential for infill development, or other stated community needs (e.g., a pocket park, green storm water infrastructure, etc.) the City could send letters¹³ to such homeowners and offer them the chance to purchase these lots and extend their property lines before pursuing alternate disposition strategies.
- 5. Consider engaging Mercy Health – St. Rita’s Medical Center to gauge their interest and capacity in developing vacant parcels for community-driven reuse.** This institution identified housing and community conditions as one of its priorities in its 2022 Community Health Needs Assessment. In particular, the hospital is interested in investing in affordable homeownership and creating pocket parks in certain high-need census tracts.¹⁴
- 6. Leverage the large inventory of vacant properties to incentivize infill housing development.** While vacant properties harm communities, they can also serve as a significant asset, especially where housing is needed. If the City acquires these properties, it could incentivize a mix of housing options (deeply affordable, workforce, and market-rate). The City could offer publicly owned vacant land at low- or no-cost to for-profit developers to create affordable or mixed-income housing in exchange for an affordability commitment. Similarly, the City could partner with local nonprofits—including Habitat for Humanity Lima and Mercy Health Saint Rita’s Medical Center—to provide low- or no-cost land for committed affordable housing development. The City has an opportunity to respond to residents’ housing needs by leveraging its existing land through thoughtful policies and programs.

¹³ To see an example of the Dublin-Laurens Land Bank letter to neighbors of land bank owned properties, see Sara J. Toering and Allie Jett, Resource Guide for Georgia Land Banks, page 58, Center for Community Progress, (2022) Washington, DC, <https://communityprogress.org/wp-content/uploads/2022/09/2022-09-Resource-Guide-for-Georgia-Land-Banks.pdf>

¹⁴ Mercy Health Saint Rita’s Medical Center, “2022 Community Health Needs Assessment - Implementation Plan”, (Mercy Health, 2023), <https://www.mercy.com/about-us/mission/giving-back/community-health-needs-assessment>.

Conclusion

The City of Lima has instituted a proactive approach to code compliance and demonstrates a commendable interest in finding a more effective, efficient, and equitable approach to their efforts. The City's commitment to ensuring Lima is safe, stable, and not severely impacted by the harmful effects of unmaintained vacant properties is demonstrated by its impressive nuisance abatement activities. However, the staff capacity and public costs required for this substantial level of abatement is not sustainable. The City must find opportunities to partner with Allen County to increase capacity to bring legal action against vacant, tax delinquent properties. The City should also harness the momentum from the recent successful nuisance abatement case and the willingness from the law department and municipal court judge to pursue additional cases in court. Ramping up enforcement actions will send a clear message to negligent property owners that the City and County are serious about addressing harmful properties. Increasing these types of activities necessitates a thoughtful strategy to engage with community members and seek their valuable input in how the future of Lima should look.

Community Progress hopes this report helps the City and its partners identify actions needed for a successful approach to equitably, efficiently, and effectively addressing VAD properties. Community Progress remains available as a partner and resource to the City as it explores these recommendations, and we thank all those who contributed to the success of this engagement.

Appendix A: Interviewees

Name	Title	Organization
Sharetta Smith	Mayor	City of Lima
Shane Coleman	Chief of Staff to the Mayor	City of Lima
Carmillia Zion	Director of Housing and Neighborhoods	City of Lima
Angie Rex	Property Maintenance Code Inspector III	City of Lima
Brandon Weigt	Property Maintenance Code Inspector II	City of Lima
Nicolaus Casey	Property Maintenance Code Inspector II	City of Lima
Lamar Wright	Property Maintenance Code Inspector I	City of Lima
Roderick Simpson	Property Maintenance Code Inspector I	City of Lima
Eric Pheneger	Deputy Law Director	City of Lima
Mariah Cunningham	Assistant Law Director	City of Lima
Derek Younkman	Assistant Law Director	City of Lima
Miranda Hatfield	Legal Assistant	City of Lima
Carla A. Thompson	Councilwoman	City of Lima
Krista Bohn	Treasurer	Allen County
Kayla Rogers	Assistant Prosecutor, Civil Division	Allen County
Sherida Turner	Chief Deputy of Collections	Allen County
Tammie K. Hursh	Judge	Lima Municipal Court
Caleb Farmer	Associate Director	Habitat for Humanity – Lima Area
Kyle Wiechart	Wiechart Investment Properties, LLC	CEO

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