

TO Mayor Jim Langfelder, Director Julia Frevert, Director Nate Bottom, Deputy Director Darryl Harris, City of Springfield

FROM Megan Willis-Jackson, Bloomberg Harvard City Leadership Initiative

SUBJECT Recommendations for the City of Springfield's Abandoned Properties Process

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## Executive Summary

The purpose of this report is to provide to the City of Springfield recommended changes and additions to the processes through which the City identifies and addresses vacant and dilapidated housing. It is broken out into three high-level sections, including recommendations for the inspection process carried out by the Office of Public Works, the legal process carried out by the Office of Code Enforcement, and the economic development processes performed by the Office of Planning and Economic Development (OPED). These three sections each include a series of recommendation titles followed by descriptions of the recommendations and the relevance and desired impact if the City chooses to implement them.

This report is based upon data analyzed from the City's database Cityworks, interviews with many City employees across Public Works, Code Enforcement, OPED, and the Mayor's office in addition to individuals on City Council and with organizations including Inner Cities Older Neighborhoods (ICON) and the Enos Park Neighborhood Improvement Association (EPNIA), and subject matter experts at the Bloomberg Harvard City Leadership Initiative. It directly and indirectly incorporates ideas discussed and critiqued over meetings with dozens of people throughout Springfield. Many thanks to all who took the time to provide their insights on the existing processes and thoughts on improvements. This report would not have been possible without their contributions.<sup>1</sup> None of the inefficiencies or deficiencies described in this report is the fault of City staff; they perform their jobs diligently and with care under the currently existing processes. Recommendations are presented here in the hope of making the process more effective and to ultimately lessen the burden of abandoned housing on the whole city.

These recommendations are meant to work in conjunction with each other to reduce the proliferation of problem properties throughout Springfield. Some recommendations will require more time and resources to implement than others; the feasibility impact matrix below provides a relative estimate of the variances. To provide a high-level overview, the main recommendation for Public Works is to transition to a proactive inspection process as opposed to reactive. The City is currently a hybrid of proactiveness and reactivity and has the foundations upon which a solidly proactive process can be built. In concert with this proactive process and identifying abandoned properties as early into their abandonment as possible is the main recommendation for Code Enforcement, which is to implement a policy of foreclosing on municipal liens in a

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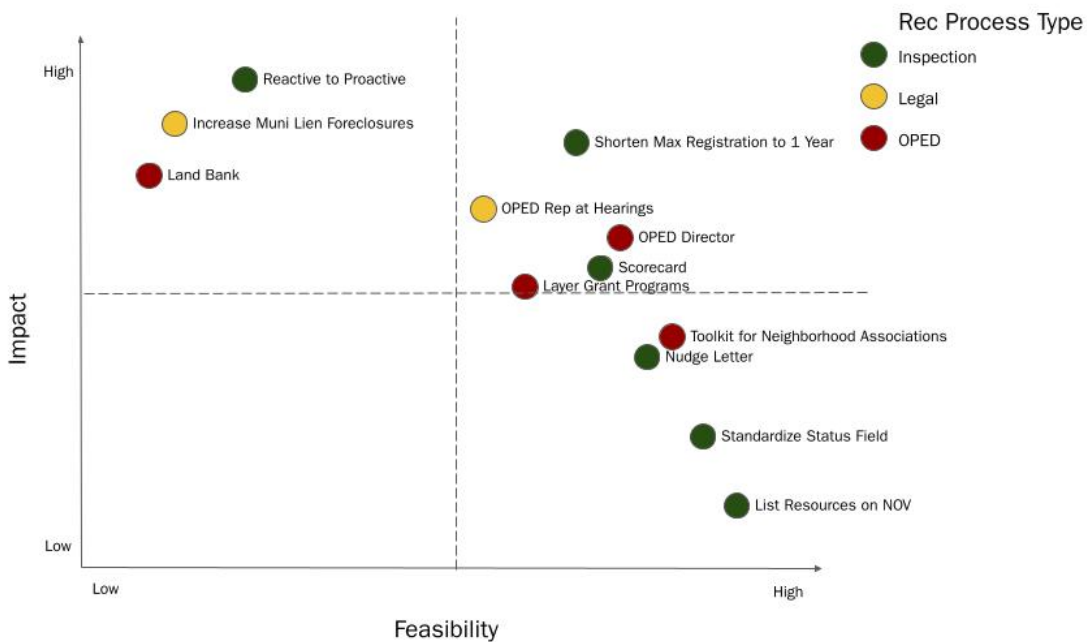
<sup>1</sup> In particular, I would like to thank the following city staff, community members, aldermen, and Bloomberg Harvard Initiative affiliates for their time and invaluable input over the past 10 weeks: Darryl Harris, Barb Jones, Julia Frevert, Rich Benanti, Tiffani Selinger, Kateah McMasters, Nate Bottom, Mesfin Lenth, Amanda Long, Alderman Shawn Gregory, Alderman Roy Williams, Nick Correll, Sarah Tepper, Riley Potts, Abby Powell, Krista Kolis, Bill Baskett, Polly Poskin, Jill Steiner, Michelle Ownbey, Kirk Jefferis, Linda Maier, Lindsay Tyler Woodson, Snapper Poche, and David Eaves.

targeted and public manner, demonstrating to problem property owners throughout the city that ownership comes with responsibilities that cannot be ignored. In order to ensure the City can transition the vacant lots it currently owns to productive use in addition to any it may acquire through foreclosure, the City should consider establishing a land bank, housed in OPED. There are a dozen total recommendations across the three departments, detailed below. The objective of each of these recommendations is to ensure an equitable, efficient, and effective code enforcement process.

## Recommendations

The feasibility impact matrix below lays out each of the following recommended changes to the various processes according to the feasibility, which is inverse to the amount of time and effort it would take the City to implement, and the changes' anticipated impact on reducing dilapidated housing.

*Feasibility Impact Matrix*



### Recommended Changes to Inspection Processes

There are several parts of the process through which the City identifies and addresses dilapidated housing. This section details recommended changes to the inspection process, which refers to the initial identification of the violation and subsequent issuing of citations prior to the case being referred to Code Enforcement and entering the Administrative Court system.

**1** Public Works should move from a reactive to proactive inspection process

Public Works' Housing and Building offices currently operate under a complaint-driven system that also has promising elements of a proactive system. The general process enables residents to submit complaints about nearby properties either online or over the phone, and an inspector will

subsequently travel to the property to determine if it is in violation of the building code. If it is not in violation, the case is closed, and if it is in violation, it triggers a series of events starting with a notice to correct within a specified timeframe which varies based on the nature of the violation. If the inspector believes the property to be vacant, the registration process is also triggered. The nature of this reactive process means that buildings tend not to be inspected and cited until they have fallen into disrepair enough that a neighbor submits a complaint. An inspector, when called out to a property for a complaint, may also notice other violations in the area and submit those for follow-up to Cityworks; these are referred to as voluntary inspections, or voluntaries, and are done as general practice by all Housing inspectors and by some Building inspectors; approximately 40 percent of the housing and environmental violations are identified in this manner. Generally, the more severe the violation, the more expensive it is to fix, and the problem will get worse the longer it is left unaddressed. In instances where the cost is the owner's main barrier to compliance, therefore, it will be beneficial to identify the problems as early as possible in order to reduce the cost to correct. Analysis of data in Cityworks shows that once a building has been classified as occupation prohibited, the City has seen a 37 percent rate of compliance with citations since 2018. This is the lowest of any classification, including demolition classifications (45 percent abated), likely because the City often pays for and performs demolitions themselves, which is not the case with abating occupation prohibited properties. However, when inspectors issue citations that do not result in a demolition or occupation prohibited classification, 67 percent of cases are brought into compliance.<sup>2</sup> Identifying violations in structures before they get dilapidated enough to be classified as occupation prohibited has the potential to sharply increase compliance.

In order to transition to a proactive inspection process inspectors should **conduct windshield inspections of the entire city at least every six months and preferably more frequently**. They should make note of which properties require a follow-up inspection and ensure it is completed in a timely manner. Part of working towards this goal will require all inspectors, not just Housing and some Building inspectors, to conduct voluntaries. The extent to which violations can be found earlier will enable easier and cheaper compliance, particularly when combined with techniques to increase the use of resources made available by the City detailed below. It will be important to conduct the windshield surveys consistently across all neighborhoods to ensure an equitable process where residents do not feel they are being unfairly targeted.

An additional change to enable more of a proactive system and much easier to do is **automate when cases are referred from Housing to Building**. Currently, if a Housing inspector suspects a property may be vacant based on existing violations, they send an email to the Building inspector to let them know to check the property for registration. Cityworks should be set up such that instead of the inspectors emailing between each other, there should be a workflow question (for example, currently existing "Need to check for registration?") that, if "yes," automatically opens a building complaint case and is put on a Building inspector's docket. This would facilitate that transition from Housing to Building, ensuring nothing is lost in translation in the email and that there is a record trail already in Cityworks if anyone needs to look back on a case after the fact.

An additional tool that Public Works may have at its disposal is utility data from CWLP. Currently, if inspectors believe a property to be vacant, the property's utilities are checked in CWLP's system. If the utilities are shut off, it is a good indication that the property is indeed vacant. Given this data already exists, Public Works should consider obtaining a monthly report from CWLP which includes a list of properties where the utilities are shut off long-term (i.e., not a

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<sup>2</sup> These figures are for building violations, not housing or environmental violations, and includes cases opened in 2021.

temporary deactivation between residents) as well as the most recent date that utilities were turned on. This additional data would provide another indicator Public Works can use to determine which properties may be at risk of deterioration before it becomes an insurmountable problem.

## 2 Develop a scorecard to enable consistent ranking of the severity of blighted properties

The City currently uses a consistent process to determine whether a property needs to be demolished upon inspection, the 6-point evaluation based on the International Property Maintenance Code (IPMC). If an inspector finds that a structure fails any item on the 6-point evaluation, the property will be added to the demolition list. If a vacant building has two or more violations, it is added to the occupation prohibited list and goes through the process of registration. Beyond these two lists, there is not much other quantitative ranking of problem properties that is available to track problem properties. This recommendation is for the City to **develop a scorecard to enable consistent ranking of the severity of blighted properties.**

The blight scorecard will enable buildings to be systematically rated using consistent criteria, enabling the City to track progress over time and identify any particular hotspots of dilapidation. The City of New Orleans saw great success in using a blight scorecard to rate vacant buildings to better determine if it would be a better use of resources to demolish a structure or sell it so it can be rehabilitated.<sup>3</sup> Particularly in the years after Hurricane Katrina, New Orleans had a rate of abandoned properties that far exceeds the issues that Springfield faces, so the scorecard itself could be much simpler in terms of categories. While the New Orleans scorecard has about a dozen categories upon which vacant structures are rated, an effective scorecard for Springfield could include a few key metrics such as the condition of the roof and structure, both weighted the highest, as well as number of nuisance calls made to police about the building and rate of vacancy on the block. Metrics such as these are straightforward enough for an inspector to identify without adding a large administrative burden to the process and will enable consistent tracking to add insight as to whether the problem of dilapidated housing is improving over time.

Within the properties included on the demolition list, Public Works has a level of flexibility over the order in which they execute the demolitions. This flexibility is important to keep because it is common for properties to deteriorate at different rates, so as a matter of safety Public Works must maintain the ability to demolish a property added more recently to the list than another. This scorecard would not replace the 6-point evaluation, nor would it determine an order of demolition. Rather, it would be an additional tool at Public Works' disposal to help make decisions surrounding problem properties. Given the catalytic aspects of community revitalization, it may be extremely beneficial for the City to be aware of the extent of blight and vacancy throughout the neighborhoods.

In line with ranking the severity of dilapidation in any given property is keeping track in Cityworks of the specific violations found. Currently, the violations found are added as notes to the Cityworks case file. It is generally clear when opening a case what the violations are, but the notes field with the violation does not appear as a field in the query results, nor is a user able to search by the notes field in any way. Violation type, however, is already a field that can be filled out on Cityworks and queried on, but it is not used. **When entering a new case, "Violation"**

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<sup>3</sup> Katherine Hillenbrand, "New Orleans Brings Data-Driven Tools to Blight Remediation," Data-Smart City Solutions, October 12, 2016, <https://datasmart.ash.harvard.edu/news/article/new-orleans-brings-data-driven-tools-to-blight-remediation-915>.

should be a required field with a dropdown menu of all possible violations. One option should also be “No violation found” and there should be a text box to include any additional comments on violation type.

**3 Standardize and ensure consistent use of the Status field within the Registration case types**

The Status field included for each registration case in Cityworks can provide useful information when examining them individually in conjunction with the notes added to each case. However, when trying to aggregate data to look at progress over time or a snapshot, or even when examining individual cases without looking at the Notes field, the Status field as currently used lacks the standardization necessary to be useful. **The Status field should be standardized to provide more clarity.** A table of current statuses that are currently in Cityworks is displayed below, showing a description of their current use(s) as well as a recommended use.

Status	Current Usage	Recommended Usage
VOID	Registered property changes owners, the previous case gets closed and a new one is opened, but the new owner never submits information/payment or does not want to renew.	No change
EXPIRED	Each registration permit is valid for three months, after which the owner may renew it for up to three years in three-month increments. Currently, a new RP is assigned upon renewal. Expired permits are also sometimes changed to "Closed" when the problem is abated under a subsequent RP, but inconsistently.	Renewed RPs should have the same case number, with the renewals happening in the Task workflow. Expired permits should be changed to "Abated" instead of "Closed," and done consistently, when a violation is corrected.
CLOSED	1. Registered property changes owner. 2. Violation is corrected.	Only when a registered property changes owner.
OPEN	A RP is renewed and receives a new case number. The expired RP is inconsistently changed to "Expired" or remains "Open."	Consistently use the "expires" field on the Workflow to ensure the change to "Expired" is automatic.
ABATED	N/A	New proposed status to be used when a property has been registered and received a certificate of occupancy.
LEGAL	N/A	New proposed status to be used when a property has been referred to Legal and is pending the outcome of that process. Legal is currently used for other case types, but not so far for registration cases.

**4 Shorten the maximum allowed registration time from three years to one year**

Currently, a property can be registered as vacant for a maximum of three years. The property owner must renew the registration permit every three months and pay the registration fee. At the end of the three-year period, per the ordinance, the violations must either be corrected or the building must be demolished. Most commonly, however, the case is referred to Legal at the end of the registration period, where the intention is to obtain a court order to force action. In these cases, it is the expiration of the registration period that triggers action on the property owner’s part, as opposed to the registration permit itself. To the extent that filing a complaint in Administrative Court will facilitate corrective actions taken by the offending property owner, shortening the maximum allowable registration period from three years to one year will ensure those actions happen sooner. Of a random sample of 20 registration permits checked in

Cityworks,<sup>4</sup> four had obtained the necessary work permits and corrected the violations; three of these properties were brought into compliance within one year of initial registration, and one within two years. Eight of the properties have obtained building permits and are in progress. The remaining eight have so far done no work despite being registered (seven for two years, one only for a few months). This last category, representing 40 percent of the random sample, may have already been brought into compliance or at least been in progress had the registration period been capped at one year.

**5 Employ a “nudge letter” upon receiving a housing/building complaint to reduce administrative burden**

The City’s current process for identifying violations starts with receiving a complaint, sending an inspector out to determine if the complaint is valid and if so, what violations may exist, sending a notice to abate to the property owner, reinspecting, and, if not abated, setting a court date, and sending a notice about that, as well. There are many necessary steps to this process which can place a noticeable administrative burden on the staff who complete them. A few cities around the U.S. have found that using certain methods aimed at changing people’s behavior can go a long way in decreasing this administrative burden by essentially decreasing the level of effort a property owner has to put in to figure out what is required of them. New Orleans, for example, previously used the same system as Springfield, in which they received a complaint and an inspector subsequently visited the property. New Orleans found that sending a letter ahead of the inspection that included the received complaint and ways to correct the most common violations increased compliance 15 percent by the time the inspector visited the property, thus negating the need for any of the subsequent steps in the process.<sup>5</sup> An example of New Orleans’ nudge letter is included in Appendix A. This recommendation is for Springfield to **develop a nudge letter that can be sent to a property for which the City has received a complaint**. This would be appropriate for housing and building complaints, but less appropriate for environmental complaints such as high grass and garbage which the property owners need to take care of as soon as possible. Springfield’s version of the nudge letter could also include a list of the resources available to homeowners through both the Office of Planning and Economic Development (OPED) and Public Works as well as contact information for a person in each of those offices who will be able to answer questions about the resources. Important to note is that this nudge letter likely would have little effect on properties that will be found to have violations severe enough to be classified as demolition or occupation prohibited. However, about a third of the public’s complaints result in some other type of violation, which may be corrected sooner and with less effort spent by the City if the owner is notified earlier and with additional information, ultimately saving on administrative costs later in the process.

**6 Include resources available to help with property improvements in initial notice of violation**

If the City decides not to pursue a nudge letter, it would require very little administrative cost to **list available OPED and Public Works resources on the existing notice of violation that is currently posted at a property found to be in violation**. Some key resources and informational sources to list include:

- Large Item Pickup (Public Works):  
<https://www.springfield.il.us/Departments/PublicWorks/LargeItem.aspx>

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<sup>4</sup> Due to the current usage of the Status field, automating this step is not feasible, so a sample was taken and checked by hand in Cityworks.

<sup>5</sup> Elizabeth Linos, Lisa Quan, and Elspeth Kirkman, “Nudging Early Reduces Administrative Burden: Three Field Experiments to Improve Code Enforcement,” *Journal of Policy Analysis and Management* 39 (November 5, 2019), <https://doi.org/10.1002/pam.22178>.

- Branch Pickup (Public Works):  
<https://www.springfield.il.us/Departments/PublicWorks/branchPickup.aspx>
- Leaf/Yard Waste Pickup (Public Works):  
<https://www.springfield.il.us/Departments/PublicWorks/leafPickup.aspx>
- Household Hazardous Waste (Public Works):  
<https://www.springfield.il.us/Departments/PublicWorks/HHW.aspx>
- General Information on Violations (Public Works):  
<https://www.springfield.il.us/Departments/PublicWorks/Violations/TVNViolations.aspx>
- Housing Programs (OPED):  
<https://www.springfield.il.us/Departments/OPED/ResidentResources/housingPrograms.aspx>

Including an internet link on a paper notice is not ideal, but it does let homeowners know to seek out the resources that they may not have even known existed previously. Paired with contact information for the resources, this addition could help property owners seek help. The City has some great programs available to help residents, but residents will not be able to take advantage of them if they do not know they exist.

## Recommended Changes to Legal Processes

- 1 **Include a representative from the Office of Planning and Economic Development at each of the Administrative Court hearings to provide information to property owners about available resources**

The City and its partners already have an assortment of resources they make available to residents to help improve properties, from home improvement grants to large item removal service. However, the general public does not seem to have much awareness of these programs, or knowledge of how to take advantage of them even if they are aware of their existence. A representative from OPED who is well-versed on the available Community Development Block Grants (CDBG) available and exterior rehabilitation programs offered by the City. Each of these grants have different eligibility requirements that may be difficult for a person to determine if they meet or not. Having an OPED representative present at the hearing and available to talk through some of the intricacies of the programs may increase grant utilization by overcoming the existing knowledge barrier of how to access the funds.

- 2 **Increase municipal lien foreclosures on problem properties in a precise, methodical, and public way**

Currently, if a property owner does not abate an issue identified on their property in the specified timeframe, the case is referred to the Office of Code Enforcement (“Legal”) where a complaint is filed in Administrative Court and a hearing is scheduled. Once a case is referred to Legal, it can be a matter of months or sometimes years before the violation is corrected by the property owner. Ultimately, for structural issues requiring attention, the City has limited tools available to it to ensure compliance. A case may be continued by the presiding judge for several reasons, including if the property owner has made any progress towards correcting the violation. The Code Enforcement staff work with the offending property owners to set goals for improvement, with the ultimate goal to bring the property into compliance. Throughout interviews with individuals outside of the government, it was this step in the process that seemed to ignite the most frustration, as it may give the appearance of lack of enforcement. However, the relationships built through legal staff working with property owners will play a key part in subsequent decisions on how to deal with the problem properties.

Owners of vacant properties can generally be placed into one of three groups. The first group includes property owners who are unaware they own a property or share ownership with multiple other parties, in either case making it difficult to find someone to take responsibility for the property, ensuring violations remain unaddressed. The second group is that of vacant property owners who are aware they own the property but are indifferent to its upkeep and choose not to maintain it properly, even once notified of violations. The third group includes property owners who are aware of the property and may care about its upkeep, but do not have the financial resources to maintain or fix violations on the property. Distinguishing between these three groups will be a critical aspect in determining on which properties to foreclose.

**Municipal lien foreclosures should be another tool that the City regularly uses to gain compliance.** Code Enforcement currently does not foreclose on properties, despite having the legal ability to do so, in large part because of the large administrative burden inherent in pursuing lien foreclosures. The administrative burden is substantial and an important consideration. The administrative burden resulting from having a problem property owner continually in court and the staff hours devoted to working on the case, including inspecting and reinspectng the property before every court date, is also large and unfortunately is not even guaranteed to result in abatement of the violation. Lien foreclosure itself is a complicated process and may require a paralegal or attorney to be hired specifically for this purpose; however, factoring in the direct savings from decreased administrative costs, the direct revenue from the resale of foreclosed properties, and the indirect effect of increased property values on the block resulting from halting dilapidation, the City would likely find the costs to be offset by the added value.

One of the main barriers to the City effectively achieving compliance for many cases is the lack of a method to literally force a homeowner to correct violations. The City can impose fines as the property continues to accrue violations, but if the property owner is indifferent towards the property's upkeep, they may choose to ignore both the fines and the violations. The City has the authority to arrest those who refuse to comply with court orders to fix their properties, but with a bail generally set at \$3,000 and requiring just 10 percent to post, this is generally a cheaper option than either paying the fines or correcting the violation, all while the property itself falls into deeper disrepair. When a building violation has been issued and the property owner fails to comply, the City legally has the right to correct the violation itself, similar to how Public Works currently removes waste and mows grass then passes the cost onto the offending property owner. This is not an action that any municipality would realistically take for structural improvements, however, because not only would the City have to assume liability for the property without owning it, but there is also an ethical question of whether it is appropriate to use taxpayer funds to correct a structural violation, thus increasing the property's value, for a homeowner who has shown themselves indifferent to maintaining the property. The only truly effective tool the City has at its disposal is foreclosure.

Sangamon County forecloses on properties that have been delinquent on property taxes for three years. Relying on these tax foreclosures is not an effective method for the City to see an improvement in dilapidation in Springfield. In assessment tax year 2021, there were only 39 privately owned properties in Springfield that were behind on taxes, when there are significantly more than 39 vacant properties in the city, indicating that many owners of vacant properties still pay property taxes. Not only does the tax foreclosure process not pick up on many of the vacant properties falling into disrepair, but when the County resells the properties in a tax sale, they accept the highest bid with no concern for what the intended use will be. Municipal lien foreclosure not only enables foreclosure on vacant properties not delinquent on taxes, but it will



also give the City agency to decide who will be able to purchase the acquired property through an RFP process (see below section).

**This recommendation is not for the City to conduct a widespread spree of foreclosures.**

Particularly with the July 31, 2021 expiration of the federal moratorium on mortgage foreclosures and evictions, a lot of uncertainty surrounds what any city’s housing situation will look like in the coming months. However, heavily publicizing instances in which the City decides to pursue municipal lien foreclosure on vacant properties will show other owners of problem properties that the City is serious about correcting violations. The City may find that issuing the notice of foreclosure itself may spur into action property owners who previously ignored violations and subsequent efforts by the government to bring the property into compliance.

## **Recommended Changes to OPED Processes**

### **1 Director of Planning and Economic Development Must Prioritize Problem Properties**

The City does not currently have a Director of Planning and Economic Development. Since late March 2021, OPED has seemed to carry out its regular functions without insurmountable issues arising. Each of the following recommendations for OPED as the office relates to abandoned housing, however, will almost certainly require someone in a full-time capacity as Director to implement. Without enthusiasm, buy-in from the highest levels of the city government, and a great deal of effort, it may only be possible to implement the most basic of the recommendations.

### **2 Encourage layering of different grant programs**

The current general practice in OPED is to not layer different grant programs, for example the CDBG funds with a TIF exterior rehabilitation grant. The reason for this practice is to ensure that as many Springfield residents as possible can have access to the funds; all grant programs have a limited amount of funds available. Looking at current utilization of the grant programs, however, this practice should be reversed. **The City should encourage grant-layering wherever possible if it will be the difference between enabling a meaningful improvement to a property versus a trivial or no improvement.**

This holds particularly true for the exterior rehabilitation grant funds available through the Far East TIF. Both the Far East TIF and the Enos Park TIF allocate funds to be available as exterior rehabilitation grants, and both have reasonable eligibility requirements including that the structure be a single-family, owner-occupied home and that the owner must put up 50 percent of the total project cost. The Enos Park TIF funds, however, are used far more heavily than the Far East TIF funds; in FY2021, 81 percent of the \$1.1 million budgeted Enos Park TIF *Awards and Grants* funds were used compared to just 0.1 percent of the \$2.8 million budgeted Far East TIF *Awards and Grants* funds.<sup>6,7</sup> FY2021 encompassed the worst of the COVID-19 lockdowns and economic tumult, and additionally there is uncertainty surrounding whether the Enos Park TIF will be renewed likely leading to higher usage before the funds are lost, so should not be the sole basis upon which to compare fund utilization of both TIFs. However, FY2020 also shows a wide

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<sup>6</sup> City Council of the City of Springfield, Illinois, “Annual Appropriation Ordinance of the City of Springfield, Illinois, for the Fiscal Year Beginning March 1, 2019, and Ending February 29, 2020, As Amended,” February 19, 2019.

<sup>7</sup> Office of Planning and Economic Development, City of Springfield, Illinois, “City of Springfield Proposed Budget FY2022: Agency Summary by Major Object - Budget Comparison,” 2021.

gap; 61 percent of the \$1.5 million budgeted Enos Park TIF *Awards and Grants* funds were used compared to 6 percent of the \$2.8 million budgeted Far East TIF *Awards and Grants* funds.<sup>8</sup> According to American Community Survey data from 2019, both Enos Park and the Far East have similar rates of owner-occupancy, both hovering around 37 percent, so the owner-occupancy requirement is likely not in itself a reason for the Enos Park TIF's higher grant usage, although low owner-occupancy in the Far East TIF is undoubtedly a barrier.<sup>9</sup> These substantial gaps likely have several other reasons behind them. Enos Park has the extremely active Enos Park Neighborhood Improvement Association (EPNIA), the members of which are familiar with the requirements of the programs and application process and are able to help fellow residents secure home improvement grants. Additionally, income likely plays a role in residents' ability to secure grants, given the 50 percent match requirement. Both neighborhoods have a mix of low- and moderate-income residents, but in the Far East TIF, the median income in 2019 was about \$26,000 compared to Enos Park's \$40,000, potentially making a 50 percent match more difficult.<sup>10</sup>

The below two recommendations are in part intended to help overcome the first two reasons for low TIF fund utilization (i.e., owner-occupation and neighborhood associations), but grant layering may help to overcome the barrier of meeting the 50 percent cost share. There are at least two available grants made from federal CDBG and HOME funds that may be appropriate here for both major and minor home repair projects. Moving forward with a policy to try and help homeowners qualify for home improvement grants in any way possible, including layering, the City may see an increased usage of these grant programs. Having the OPED representative present at the Administrative Court hearings who is well aware of opportunities to layer and can inform residents as such could be a big step towards putting the funds to use, as intended.

### **3** Develop a toolkit for neighborhood associations detailing resources available to improve properties

In conversations with city staff and aldermen who are particularly familiar with Wards 2 and 3, which has the highest concentration of dilapidated housing in the city, one issue of note that came to light is that a general lack of knowledge among residents on how some of these home improvement processes work can be a large barrier to actually pursuing repairs. For example, to apply for a home improvement grant, prospective grantees need to come to the table with at least two bids in hand, which is a perfectly reasonable requirement but may be difficult for someone who is not familiar with such processes. OPED should develop a toolkit to provide to neighborhood associations throughout the city with, for example, a list of contractors that have provided services to prior grantees, financial resources including the grant programs, and answers to the frequently asked questions/knowledge gaps that residents encounter (OPED already has detailed informational pamphlets on the exterior improvement TIF grants).

Inherent in this recommendation is a need for OPED to conduct active outreach to neighborhood associations throughout the city and particularly on the East Side. Collaborating with the alderpeople in this effort would be extremely beneficial, particularly since the current activity levels of neighborhood associations vary widely and may need more outreach to engage.

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<sup>8</sup> *Ibid.*

<sup>9</sup> U.S. Census Bureau, "2015-2019 American Community Survey," 2021. Figures were calculated by averaging the owner-occupancy rate for each Census Block Group that is at least partially inside the respective TIF boundaries.

<sup>10</sup> *Ibid.*

#### 4 Establish a land bank to develop and pursue a vision for vacant buildings and parcels

The City of Springfield currently owns hundreds of vacant lots throughout the city that they currently allocate time and resources to maintain the properties, keeping the grass cut and clearing any garbage that gets dumped.<sup>11</sup> That the parcels are city-owned also means the City collects no tax revenue from them. The City currently uses an RFP process that involves a fair amount of paperwork and several layers of review and approval before the vacant lots can transfer ownership. Additionally, if the City decides to pursue municipal lien foreclosure on particularly problematic properties, as discussed above, they will need a plan for the properties once they have ownership. Establishing a land bank, housed within OPED, to convert problem properties into assets is a large undertaking but can ensure the City has a vision for the properties and a plan to execute it.

Land banks in the United States are governmental entities or nonprofits that serve to convert into productive use vacant, abandoned, and tax delinquent properties.<sup>12</sup> Essentially, land banks were originally created to acquire title to the problem properties, eliminate the liabilities, and transfer the properties to conscientious owners. Transparency is critical, and land banks pursue outcomes that are consistent with community-based plans.<sup>13</sup> Land banks make the most sense for a municipality when the city has a large inventory of vacant parcels; properties with extremely low or no market value; properties with title problems; experienced issues with tax sale-purchasers and little flexibility in this process.<sup>14</sup>

The characteristics of the roughly 170 land bank programs in use across the country vary greatly from one another in terms of types of cities, economic conditions, geographical coverage, staff, parcel inventory size, and legal authorities, but there are a number of conditions that they tend to share, as discussed by the Center for Community Progress.<sup>15</sup> These conditions include:

- **Links to the tax collection and foreclosure process.** One recurring point that has come to light throughout interviews with city staff is their inability to affect the outcomes of tax sales, which are carried out by Sangamon County. The County accepts the highest bid for a parcel and does not seek any information on the buyer's intended use or history with purchasing lots in prior sales.<sup>16</sup> A land bank would enable acquisition and a subsequent RFP process to ensure the buyer intends to upkeep the property and does not have a history of purchasing and renting out properties with substandard living conditions.
- **Policy-driven, transparent, and publicly accountable transactions.** Something that has become clear in interviews with staff, community groups, and observing the local news is that Springfield residents care deeply about the neighborhoods and are affected by the presence of abandoned and blighted buildings. Land banks should always have a policy of transparency, with all goals and priorities being set with public input prior to any acquisitions. As part of this, the land bank should also have a functioning website to list all available properties. Even aside from the land bank, posting the City's currently owned

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<sup>11</sup> The City also performs the same routine maintenance for the county-owned parcels.

<sup>12</sup> Center for Community Progress, "Land Banking FAQ," 2018, <https://www.communityprogress.net/land-banking-faq-pages-449.php>.

<sup>13</sup> Alan Mallach, *Bringing Buildings Back: From Abandoned Properties to Community Assets* □: *A Guidebook for Policymakers and Practitioners*, 2nd ed. (Montclair, N.J.: National Housing Institute, 2010).

<sup>14</sup> Center for Community Progress, "Land Banking FAQ."

<sup>15</sup> Center for Community Progress.

<sup>16</sup> Sangamon County, Illinois, "Sangamon County Treasurer Annual Tax Sale," 2021, <https://co.sangamon.il.us/departments/s-z/treasurer/annual-tax-sale>.

vacant lots on a website and allowing the public to submit applications online would make that process monumentally more efficient.

- **Engagement with residents and other stakeholders.** A concern that was brought up in conversations with EPNIA, which in part owns and works to improve and transition to new ownership dozens of vacant lots in the Enos Park neighborhood, is that turning the parcels over to the City would take away the neighborhood's agency to ensure the lots' future uses comport with their Master Plan. The City could address these concerns by establishing an advisory board for the land bank to provide input on the development plan and the decision-making process and include a number of neighborhood representatives proportional to the number of properties held by the land bank in each neighborhood.
- **Alignment with other local or regional tools and community programs.** Land banks in and of themselves are not a cure-all for blighted properties. Rather, they are an additional, and if established properly, effective tool that can be used in concert with other tools to address blight and abandoned properties where the free market has failed. Alignment with the efforts of entities such as Public Works and Code Enforcement, neighborhood groups, and nonprofits such as Southtown Construction BONE LLC will set the land bank up to be truly effective.
- **Recurring, reliable source of funding.** Given that the nature of blighted properties necessarily means the real estate market has essentially rejected them, public support is typically necessary to keep a land bank going. There are state and federal grants available to help establish land banks. Land bank functions have a direct nexus to economic development, so for properties located within any of the City's TIFs, these functions may appropriately use TIF funds if the City Council were to pass an ordinance approving such use. Once the land bank is established and running, the intent is often that it is able to recoup some costs from the sale of some properties and the reentry of properties to the tax base.

Again, land banks are not an automatic fix for all issues caused by blight and should not be thought of as such. They are a tool that, when used strategically, can drastically improve outcomes for problem properties that affect entire neighborhoods. A land bank in Springfield could also be an effective method to increase the proportion of owner-occupied houses on the East Side, for example, providing opportunities for current renters to purchase a house from the land bank cheaply if they intend to live in it and make improvements. These types of goals and priorities need to be set with public input, and this is just one example of a way that the City can help some of these neighborhoods recover from decades of disinvestment.

## Useful Resources to Pursue a Land Bank

1. Frank S. Alexander, *Land Banks and Land Banking*, 2nd ed., 2015, <https://docs.google.com/viewerng/viewer?url=https://community-wealth.org/sites/clone.community-wealth.org/files/downloads/report-alexander15.pdf>. This book is one of the most detailed resources on land banking available, from the rationales for creating them to the creation process as well as three detailed case studies of existing land banks. Professor Alexander may be an ideal person to reach out to for advice on creating a land bank, or may be able to recommend consultants for that purpose.
2. Illinois Housing Development Authority, "Land Bank Capacity Program (LBCP) and Technical Assistance (TA) Network Frequently Asked Questions (FAQ)," February 28, 2020, <https://www.ihda.org/wp-content/uploads/2020/03/Land-Bank-Capacity-Program-and-TA->

[Network-FAQ-revised-2.28.20.pdf](#). The City may already be aware of this resources, but it provides details on IHDA's program requirements for awarding grant money for land banks.

3. Center for Community Progress, "Land Banking FAQ," 2018, <https://www.communityprogress.net/land-banking-faq-pages-449.php>. The data included in this easily digestible FAQ can serve as an overview of the key elements of land banks and how to start them, all of which Professor Alexander does a deep dive into in his book.
4. Central Illinois Land Bank Authority, "About Us," accessed August 13, 2021, <https://www.cilba.org/about/>. The Central Illinois Land Bank Authority (CILBA), founded in 2019, includes counties in eastern central Illinois and recently added Decatur. They have said that at this time they do not intend to add any more cities to the land bank, but reviewing their process for creating the land bank under existing Illinois state law will likely be extremely helpful for Springfield as a starting point, if desired, for their own land bank.

## Appendix A

The below images are the front and back of an example of a nudge letter. It is used by New Orleans to encourage early compliance.

### New Orleans: Treatment Courtesy Letter

CODE ENFORCEMENT AND HEARINGS BUREAU  
CITY OF NEW ORLEANS

Dear <<Owner POC>>

**An inspector has been scheduled to check your property at <address> for code violations.**

Below is the reported complaint:

<311 log>

On the back of this letter, you'll find a list of other examples of code violations that you should be checking.

We are sending you this courtesy letter to give you time to fix your property. If the inspector finds that violation(s) exist, you will likely face an administrative hearing and costly fines and fees.

We understand that bringing your property into compliance may be hard, but financial assistance may be available to help you. Please visit <<URL>> for a list of resources.

**Fix your property to avoid a hearing and costs.**

Respectfully,

City of New Orleans  
Code Enforcement and Hearings Bureau

CODE ENFORCEMENT AND HEARINGS BUREAU  
**CITY OF NEW ORLEANS**

<b>Potential violation</b>	<b>You can fix it by...</b>
Weeds and plant growth exceeds 18 inches in height	Cutting the grass.
Trash and debris on the property	Cleaning and removing debris.
Sidewalks and/or driveway are impassable or in disrepair	Maintaining sidewalks or driveway in good condition, free from hazardous conditions.
Exterior surfaces of the structure (including doors, windows, wood, and siding) not well maintained	Maintaining all exterior surfaces to avoid decay, corrosion, or intrusion. This may include painting, repairing, or replacing deteriorating materials.
Structural elements (including rafters, floor joists, and columns) not well maintained	Maintaining structural elements. This may include repairing or replacing broken, unsafe, or decayed parts.
Gutters and downspouts not maintained	Maintaining gutters and downspouts. This may include removing debris, cleaning, painting, and/or repairing or replacing broken parts.
Building overhangs not maintained	Maintaining building overhangs. This may include painting, and repairing broken or decayed parts.
Roof not well maintained	Maintaining roof so that it prevents water intrusion. This may include painting or weatherizing sections of your roof and repairing broken, unsafe, or decayed parts.

**Full city code available at: <<URL>>**