

VITAL NEIGHBORHOODS CONSULTING, LLC

STRATEGIES TO ADDRESS AND PREVENT  
VACANT AND BLIGHTED PROPERTIES  
IN DES MOINES

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# EXECUTIVE SUMMARY

## DATA

- To induce private abatement of property nuisances, the City needs to [map the strength of neighborhood real estate markets](#).
- To track cases effectively and evaluate strategic decision-making, the City should proceed with its plans to [update the code enforcement case management system](#).
- The City should [ensure that economically feasible rehabilitation opportunities are made available to new purchasers](#) in cases where current owners are unwilling or unable to make repairs.
  - The City should [amend the Property Nuisance Code to clarify the Administrator's authority to order non-emergency repairs without filing a legal action in District Court](#).

## CODE ENFORCEMENT RESPONSE

- In responding to property nuisances, the City should seek private [rehabilitation in every case where it is economically feasible and demolish only those properties that have no prospect of productive use](#).
- The City should provide [funding for emergency demolitions](#).
- The City should [amend the Housing Code to require unoccupied properties be free of both significant exterior code violations and interior violations that would be dangerous if occupied](#).

## PREVENTION OF ABANDONMENT

- The City should [enhance the inspection system for land contract sales](#).
- For occupied properties, the City [should amend the Housing Code to remove the exemption for owner-occupied properties at least with respect to all significant exterior code violations and any dangerous interior condition](#).
- The City [should amend the Housing Code to authorize issuance and enforcement of administrative orders to correct significant exterior and dangerous interior code violations](#).

## EXECUTIVE SUMMARY

### LAND BANKING

- The City should continue and expand its decade long collaboration with the County to match property nuisances in tax sale with ready, willing, and able developers.
- To coordinate investment in distressed neighborhoods, the City should develop the capacity to transfer clear title to multiple neighboring vacant houses and lots simultaneously.
  - The City should work with nonprofit and for-profit developers interested in investing at such a scale.
  - The City should develop the capacity to assemble and hold properties while developers are being identified.
- The City should develop land banking as a community planning tool for its distressed neighborhoods.



## UNDERSTANDING THE PROBLEM OF VACANT AND BLIGHTED PROPERTIES

A single derelict vacant house imposes significant costs on its block, its neighborhood and the city forced to respond to it. Living next door to or even down the street from an empty house with broken-out windows and doors raises fear of fire and crime. First responders know first-hand the dangers of entering such a house without any light or certainty about who or what is inside. When a long-empty house falls so far into disrepair as to make it unsafe, everyone who cares about the community wants the problem gone.

According to a 2012 analysis sponsored by the Federal Reserve Bank of Cleveland, every derelict vacant house reduces the values of homes within a 500-foot radius by 1.3%. Multiple property nuisances cause problems today but also limit the future of the neighborhood. They signal that the market has moved on and that owners are abandoning their investments. Even in communities where this is clearly not true, prevalence of property nuisances can help make it come true.

Fortunately, neither the scale nor the concentration of property nuisances in the City of Des Moines is so severe as to bring about the downward spiral that has taken

hold in so many older urban communities in the Northeast and Midwest. Des Moines, with a population of more than 200,000, currently has 177 property nuisances. By comparison, at the beginning of 2013, the author's home city of South Bend, Indiana had more than a thousand such derelict, vacant houses, even though it has less than half of Des Moines's population.

While Des Moines is not experiencing vacancy and abandonment at the same rate as other cities, property nuisances are only one aspect of the problem. According to the Polk County Assessor, approximately 5,294 properties in Des Moines are in subnormal condition. In addition to properties that have been declared a public nuisance, code enforcement staff is monitoring another 339 vacant properties, including some that have been vacant for over 10 years. Some neighborhoods have a higher concentration of these problem properties than others.

Although Des Moines did lose population in the 1960's and 1970's, it was already rebounding before the end of the 1980's. Since then, census figures have shown small but increasing growth. While the regional economy continues to draw new residents, many opt to buy newer homes built just outside the City limits, where greenfield sites are still available. Even with the appearance of

vacant lots through demolition and efforts to ensure that zoning requirements do not discourage infill development, Des Moines's older neighborhoods will struggle to compete with the suburbs for new home construction. Some inner-ring neighborhoods have continued to lose residents, but Des Moines does not have any areas with populations far below their historical peaks. Overall, there are few neighborhoods with truly distressed housing markets but many neighborhoods that could become distressed.

This report addresses the need to coordinate the City of Des Moines's short-term and long-term responses to the problem of vacant and blighted properties. Understanding the problem is fundamental and is the focus of the current introduction. Relevant and accurate data should drive both resource allocation decisions and effectiveness assessments. The next section analyzes and offers recommendations regarding the code enforcement response to property nuisances. Preventing property nuisances requires attention to code enforcement of both unoccupied and occupied properties before they become nuisances. The report ends with a discussion of how land banking can be appropriately deployed in Des Moines to assist neighborhoods for which even vigilant code enforcement efforts are inadequate to address the spread of property nuisances.

## DATA

### Neighborhood Market Analysis

Although regional, local and sublocal population trends both shape and reflect housing demand, a strategic approach to property nuisances requires a more direct analysis of neighborhood residential markets. The basic legal requirements of the building and housing codes are the same across all Des Moines's neighborhoods. But, the capital investment needed to bring a derelict, vacant house back into full code compliance depends on the likelihood of financial return. Any agency decision between seeking demolition and pursuing rehabilitation, therefore, must take the economic feasibility of the latter into consideration.

Building code officials need to know which properties can be feasibly rehabbed. In each case, they must compare the cost of the needed repairs with the likely resale value of the property. Because the location of the rehabbed property has such an enormous impact on its market value, officials need to know which neighborhoods still have sufficient market strength to support rehabilitation of a typical derelict, vacant house.

Neighborhood market value analysis is an increasingly indispensable tool in the fight against vacant house

blight. The data compiled is usually shared in the form of maps setting out the relative strength of each census block group. In Des Moines, a typical census block group consists of between 12 and 20 city blocks. The maps typically comprise between half a dozen and a dozen different layers of various data sets that vary directly or inversely with neighborhood market strength. For instance, the high concentration of property nuisances in a census block group usually indicates a distressed real estate market.

A building code official, however, cannot judge the feasibility of a rehabilitation just by looking at such a map. As discussed below, the extent of deterioration will vary significantly from one derelict house to another. Even houses in similar condition may differ in size and quality of construction. But, if an official looking for recent comparable house sales could only find them in a different neighborhood, a well-made map would help with the comparison of neighborhoods. To understand the feasibility of the repairs needed, he or she must be able estimate the likely return as well as the amount of the investment needed.

The maps will be even more helpful in spotting those areas that can benefit from land banking activity. By identifying neighborhoods that lack sufficient market

strength to support major housing repairs, the City can work with those communities overcome their obstacles. Demolition of property nuisances that will not be rehabilitated is one tool. But, facilitating investment in the neighborhood by clearing title to multiple vacant properties and making them available for sale together actually moves the neighborhood forward. As will be discussed below, this kind of land banking activity can be part of Des Moines's community planning process if the data is available to show where it is needed.

The Planning staff in Des Moines have already been using various neighborhood housing indicators to depict the current character of various Des Moines neighborhoods. This point in time analysis helps inform what strategies and resources will likely be needed to achieve neighborhood revitalization goals. However, the current indicators focus mainly on the characteristics of the housing stock – size, condition, values. While there is some data gathered on sales transactions, foreclosures, and building permits, the market value analysis suggested here will use a slightly different set of indicators. Table 1 shows the indicators currently used in Des Moines as well as examples from two different communities already using market value analysis. City staff will need to determine which indicators are best based on data availability and reliability.

**Table 1.**

**Des Moines – Current Housing Indicators:**

\*new in 2016

- |                            |                                |
|----------------------------|--------------------------------|
| 1. Condition (residential) | 6. % Contract Sales            |
| 2. % of Public Nuisances   | 7. % Foreclosure Sales         |
| 3. Average Home Value      | 8. Marketplace Measure         |
| 4. Homestead Exemptions    | 9. Building Permits*           |
| 5. Total Home Sales        | 10. Residential Vacancy Rates* |

**South Bend - Market Value Analysis Indicators:**

- |                                      |                            |
|--------------------------------------|----------------------------|
| 1. Average change in assessed values | 5. Average home sale price |
| 2. % of abandoned properties         | 6. Average days on market  |
| 3. % of tax sale properties          | 7. Mortgage to sales ratio |
| 4. % of foreclosures                 | 8. % of vacant properties  |
|                                      | 9. Homeownership rate      |

**Youngstown, OH - Market Value Analysis Indicators:**

- |                       |                                 |
|-----------------------|---------------------------------|
| 1. Vacancy Rates      | 6. Change in Homeownership Rate |
| 2. Mortgage Ratio     | 7. Calls for Service per 1,000  |
| 3. Sales Ratio        | 8. Poverty                      |
| 4. Median Sales Price | 9. Population Loss              |
| 5. Homeownership Rate | 10. Tax delinquency             |

**Case Management Software**

As important as neighborhood data is to setting strategic objectives, information tracking agency response to each property nuisance is even more critical. Obviously, every official working on a specific code enforcement case needs a detailed and well-organized account of the case

itself. Supervisors, however, need to be able to aggregate data from the various cases to evaluate efficiency and find opportunities for improvement.

The Community Development Department is starting to explore a replacement software package for its current case management system called Tidemark. A full review of that system is beyond scope of this report. Nevertheless, the next two sections' recommendations focusing on code enforcement response to vacant and occupied houses will need to be considered in selecting a replacement for the current case management information system.

For occupied properties, performance data will impact not only the evaluation of enforcement efforts but strategic planning as well. Just as market strength shapes the approach to the abatement of property nuisances, code enforcement response to occupied properties will be affected by whether it is occupied by the legal owner, a tenant or a purchaser under an installment land contract. Because property nuisance prevention steps are necessarily different for each of these occupancy situations, it is important for code enforcement officials to be able to track early warning signs of building abandonment by each category.



## RESPONDING TO VACANT PROPERTY NUISANCES

### PRIMARY GOAL: PROMPT ABATEMENT OF NUISANCES THROUGH PRIVATE INVESTMENT

Prompt abatement of property nuisances through private action is the main objective not only of this section but of the entire report. A swift, decisive response to every dangerous structure is essential both to public safety and to neighborhood vitality. Just as the neglect of vacant houses by their owners sends messages encouraging disinvestment and even disorder, an effective timely enforcement response signals accountability. The communication to surrounding stakeholders is all the more encouraging when the nuisance is abated by returning the derelict structure to full occupancy with little or no public subsidy.

When a neighborhood's real estate market is weak enough to be susceptible to the occasional abandoned house but strong enough to reward an owner's repair efforts, prompt enforcement action directed at rehabilitation can play a vital role in sustaining that neighborhood's stability. Demolition uses public funds to create vacant lots. Such a move provides relief for

immediate neighbors, but can also mark the neighborhood as one in decline.

In Des Moines, demolition has been and continues to be an attractive option for officials and community members faced with an owner unwilling or unable to fix up his or her property. While the City cannot demolish a structure it does not own without a ruling that such is necessary to protect public safety, convincing a court to force an owner to make repairs against his or her will is often far more difficult. Thus, when the City decides that it is necessary to bring an owner to court for failure to abate a property nuisance, it frequently is requesting authorization to demolish the property.



*Figure 1. Abandoned since 2005. Public nuisance actions in 2007 & 2015.*

To ensure that those vacant structures that can be restored are rehabilitated in a timely manner, the City of Des Moines needs to develop its abatement alternatives to demolition. While an actual court proceeding to obtain a demolition order can move a delinquent owner to rehabilitate a property, orders to repair the property focus on that outcome. Alternative enforcement methods need to be developed that would see the property repaired even if the owner continues to neglect his or her obligation to abate the nuisance. While some of these alternatives may involve the City performing stabilizing repairs on property nuisances, the goal of these public expenditures will be to pave the way for future private investment including the repayment of these expenses.

Development of rehabilitation options may also allow demolition to work more effectively by focusing it on appropriate cases. As discussed below, owners of property nuisances, even those already given many opportunities to make repairs, often contest demolition proceedings by asking a court to grant them to save their investments. When the City can demonstrate that it requests demolition only in those cases where compelled rehabilitation would be a less appropriate enforcement mechanism, it may be easier for a code enforcement attorney to persuade the court that the City's request for

demolition is the only available means of abating the nuisance.

## DETERMINING THE STRATEGIC OBJECTIVE AND THE STRATEGY

Focused on a clear goal of abating property nuisances promptly in all cases and through private investment whenever possible, code enforcement will select between the strategic objectives of rehabilitation and demolition. The development of legal mechanisms that truly further the objective of rehabilitation, even when owners are unwilling or unable to undertake the necessary work, will make this choice meaningful. In deciding upon the nuisance abatement goal and the strategy for reaching it, code enforcement officials look to three categories of information:

- The Physical Condition of the Vacant House
- The Strength of the Real Estate Market Surrounding the Vacant House
- The Readiness & Willingness of the Owner(s) to Rehabilitate the Vacant House

Using these three types of case information, code enforcement officials determine what type of nuisance

abatement they should seek as well as how they should pursue it. The first two determine the economic feasibility of full rehabilitation and thus whether it should be prioritized over demolition. Some neighborhoods will be so strong as to reward renovation of any house, while other markets will be so distressed as to discourage any investment in a vacant house. But, for most neighborhoods, the economic feasibility of rehabilitating a structure so clearly uninhabitable as to qualify it as a property nuisance will depend on the comparison between how much code-compliant neighborhood houses sell for and how much actually needs to be spent to return it to productive use. Only when it is not economically feasible for the house to be restored should code enforcement officials prioritize a property nuisance for demolition.

When demolition has been chosen as the mode of nuisance abatement, the strategy for pursuing that objective is straightforward and reflects current City practice. If the owner of the property is somehow willing and able to rehabilitate the property despite the lack of economic feasibility, the owner will have that opportunity before the City requests authorization from the City Council to seek a court order. But, pursuing abatement of a property nuisance through demolition entails asking

a court to allow the City to carry out the demolition directly.

With rehabilitation as the primary objective, the owner's willingness and/or readiness may ultimately determine which of the legal alternatives described below code enforcement official use to achieve the result of a fully rehabilitated residence ready for occupancy. If an owner clearly has the wherewithal to renovate but simply refuses to do so, judicial enforcement of an order to correct the violations may be appropriate and successful. If, on the other hand, the property is capable of rehabilitation but not by the current owner, then a transfer of ownership is an indispensable step to abating the nuisance. After a brief discussion of the mechanics of the choice between rehabilitation and demolition, the following two sections will discuss the recommendations for more effective pursuit of demolition and rehabilitation, respectively.

## SPECIFICS OF DETERMINING STRATEGIC OBJECTIVE

A truly effective mapping of neighborhood real estate markets will help code enforcement officials determine which neighborhoods have sufficient market strength to reward rehabilitation of the typically derelict, vacant house. The difference between conditions in these neighborhoods and those that just barely lack the

economic vitality to support significant capital investment may be fairly small. But, discerning the boundary matters for two reasons. First, property nuisances in the former type should be prioritized for rehabilitation while such a goal may not be feasible for those in the latter area category. Second, a relatively healthy neighborhood's ability to attract investment is so important and so fragile that prompt nuisance abatement through rehabilitation should be an especially urgent public priority. In short, the closer a neighborhood is to losing its ability to support rehabilitation, the more important it is that its property nuisances be fully rehabilitated and quickly. This type of prioritization can be implemented only with a precise and accurate market value analysis mapping.

As mentioned previously though, the physical condition of the property is generally an indispensable element of determining the feasibility of rehabilitation. Initially, it may seem that this information is more readily available than the strength of the surrounding real estate market. But, code enforcement inspectors frequently make property nuisance determinations based solely on the exterior condition of the property. Even when a house is unoccupied, an inspector must have proper legal authorization before entering it. For properties that have been unoccupied and neglected for extended periods of time, the extent of deterioration inside the structure can

vary widely. Therefore, it is important that inspectors make attempts to arrange for interior inspections by consent soon after, or even before, a vacant house is declared a property nuisance and to document its condition with pictures and written descriptions. With this information, code enforcement officials will be able to be more confident in their choice between rehabilitation and demolition as the mode of nuisance abatement. The documentation can also help build the legal case, in the event legal action becomes necessary.

Although the market value analysis map may be generally helpful in determining the strategic objective for a property nuisance, it is just as likely that inspectors and their supervisors will rely on more individualized assessments in deciding between rehabilitation and demolition. When an inspector has been able to acquire a comprehensive understanding of a property's deterioration, it may be possible to roughly estimate a scope of work and cost of repairs. With that information, a comparison with resale values in the neighborhood may rule out the possibility of renovation without subsidy. An awareness of the criteria that those renovating properties in the area use to select new projects can likewise give code enforcement officials a sense of how the market for vacant properties is functioning in a particular neighborhood.

## SEEKING DEMOLITION EFFECTIVELY

In discussing the pursuit of demolition orders, Des Moines's code enforcement leadership team reported two primary constraints on their ability to abate property nuisances: the extensive amount of time courts take to grant contested orders of demolition and the availability of demolition funds.

Before a property nuisance abatement action can even be brought in court, city officials must request authorization from City Council. When the authorization is granted and the City files a petition to abate the property nuisance, the case is assigned randomly to a District Court judge. An owner appearing to the code enforcement officials' petition for a demolition order may ask the court for more time to save the house and avoid demolition. A court may examine that request not as a direct challenge to the validity of the City's petition but as an application for a continuance that would allow for a mutually satisfactory conclusion. Even if the City can show that the owner has already ample time to remedy the situation, the court may not want to be hasty in denying the owner an opportunity to redeem the property from demolition. That each judge sees a code enforcement case only infrequently and may not even keep the case only work together to compound the problem.

Although obtaining contested orders for demolitions quickly will always be challenging, the administrative judge for the District Court may be open to organizing a special docket for code enforcement petitions. The need for such an arrangement may be clearer if the District Court sees an increase in the number of such actions. Even if the docket shifted to a new judge from time to time, there would be a definite benefit in having a judge become familiar and identify with this type of litigation.



Figure 2. A vacant property becomes fire damaged in 2014.

### Funding Emergency Demolitions Directly

Currently, the lack of adequate financial resources is responsible for the more serious bottleneck for demolitions of property nuisances that cannot be rehabilitated. The federal funds commonly used for abatement of these properties comes with significant strings attached. Before a house can be demolished using Community Development Block Grant Funds, an extensive review process must be completed. This delay makes these funds completely inappropriate for emergency demolitions. Even though these house demolitions represent only about 15% of those the City orders each year, it is crucial to health and safety that they be carried out promptly. With a modest annual appropriation, the City could both have the capacity to address emergency demolitions properly and free up federal funding for additional demolitions of chronic property nuisances.

### SEEKING REHABILITATION EFFECTIVELY

Before seeking rehabilitation of a property nuisance, code enforcement officials have already made the determination that the repairs are financially feasible. Some owners will recognize the economic sense of returning the property to productive use and will comply with their legal obligates to make the repairs and abate

the nuisance. Others, of course, either will choose not to or will not be able to comply. To seek rehabilitation effectively in both instances, the City needs to create quick mechanisms for moving willing and able owners into compliance as well as more involved legal tools for putting noncompliant owners to the question of whether they will fix up their properties or lose them altogether. To streamline voluntary rehabilitations, the City should amend the Residential Property Maintenance Code to require basic maintenance of unoccupied properties. To ensure that no owner can avoid abatement of a property nuisance indefinitely, the City should amend the Property Nuisance Code to authorize the administrator to issue, enforce and fulfill repair orders without first having to file a district court action.

### Code Enforcement on Unoccupied Properties

Under the current Housing Code, unoccupied properties are clearly addressed under the Property Nuisance Code, but they are neither exempted nor specifically included in the Residential Property Maintenance Code. As part of a reform to prevent housing abandonment, the City should amend its Residential Property Maintenance Code to require that unoccupied properties be free of significant exterior code violations and any interior violations that would be any immediate danger to any occupants. The City's Building Code already requires that residential

structures, regardless of their occupancy, not be allowed to become unsafe. Building officials, however, are appropriately focused on new construction and rehabilitation permits.

To empower the code enforcement officials who police the condition of existing structures, the standards for unoccupied buildings should be written into the Residential Property Maintenance Code. [As discussed below](#), these standards, together with the means to enforce them, should also apply to houses occupied by legal owners and contract sale purchasers. These changes would not just prevent property nuisances but facilitate quick abatement without application to the City Council, as required for legal action under the Property Nuisance Code.

With this amendment to the Residential Property Maintenance Code, officials could pursue owners of deteriorating vacant houses both before and after such properties become nuisances. If these owners are ready, willing, and able to take on these economically feasible repairs, then judicial action in District Court should not be necessary. The amendment should allow enforcement of repair orders on unoccupied properties in Small Claims Court, which will be able to deal with them expeditiously.



*Figure 3. Code enforcement staff currently monitor over 300 vacant properties.*

### Ensuring that Feasible Rehabilitations Happen

When an unoccupied property becomes a property nuisance that can be rehabbed, code enforcement officials need the tools to make sure the property is repaired even if the owner is unwilling or unable to do so. For those owners that lack the ability or will to complete an otherwise feasible rehabilitation, the City of Des Moines should develop methods of foreclosing on the property based on the failure of the owner to meet basic code obligations. The City can use its authority to carry out needed stabilizing repairs and to place liens on the property that would have to be paid off by the owner to avoid loss of the property through tax sale. Several owners of lingering property nuisances have protected their properties from tax sale foreclosure by belated

payment of real estate taxes and interest. But, with this new strategy, officials would force such owners to repay the City for repairs to roofs, siding, doors, windows, cornices and gutters. For those owners that truly lack the ability to rehabilitate the property, the mere threat of such action may induce them to sell the property by voluntary transfer. For properties that cannot serve as collateral for rehabilitation financing because the owners lack clean title, the tax sale foreclosure process can clear out all interests and make the property available to a purchaser chosen by the City.

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<sup>1</sup> Iowa Code Ann. §657A.2 et seq. (2016). Like the City's Code Enforcement division, a court-appointed receiver is also allowed to make necessary repairs to eliminate the nuisance and to place a lien on the property. But, the extent of the repairs inside the property may be much greater under a receivership as the receiver would have complete possession of the property. Unfortunately, the statute outlines no clear process for foreclosing on the receiver's "mortgage." Instead, it appears to assume that the property will go back to the owner only after the nuisance has been abated and the costs have been repaid in full. For use against an owner that lacks the wherewithal to make needed repairs, this receivership statute cannot offer a path to rehabilitation that is superior to the first alternative proposed

<sup>2</sup> Iowa Code Ann. §657A.10A (2016). Cities may petition the court, wait 60 days and then show that a property has been "abandoned" in

Iowa law offers two other ways for local governments to force neglectful owners to face the choice of repairing the nuisance house or losing it. Iowa statute provides for the judicial appointment of a receiver for property nuisances<sup>1</sup> to take possession of the property, make repairs and then sell the property to recoup costs. The same chapter of the Iowa Code also authorizes the court to transfer to the local government a house that has abandoned by its owners and lienholders.<sup>2</sup> But both of these legal tools would require significant investment and/or risk with little certainty of how often they would be used.

order to have the court transfer ownership of the property to the city. The statute offers a list of factors for the court to consider in making a finding of abandonment, including its habitability, the extent of its physical deterioration, tax delinquency, compliance history as well as the readiness and willingness of stakeholders to make needed repairs. As an alternative to proving abandonment in this manner, the statute allows the city to show that the owners and other lienholders have been properly served and have either consented to the transfer or made no "good-faith effort" to comply with the city's nuisance abatement order. The statute does not affect title transfer through a foreclosure sale but does explicitly state that the City takes title free and clear of existing interests, provided that notice is given to all parties with a substantial interest in the property. . An owner or a lienholder, however, may be able to defeat the petition without showing any ability or commitment to complete the necessary repairs. Even one who appears later may claim that his or her property was taken without just compensation.



For Code Enforcement officials to ensure that property nuisances are promptly abated, their authority to make repairs cannot be limited to emergency action. As currently written, the Property Nuisance Code allows emergency repairs without any notice or hearing but appears to require that any non-emergency repairs that the City undertake be made only after authorization by both the City Council and the District Court. While such an extensive process may be appropriate for the drastic remedy of demolition, simple repairs to a property that has been declared dangerous should not require two hearings months apart. Instead, before the City engages in non-emergency repairs, it should be required to notify owners and, if the costs are to be assessed against the property, lienholders. The notice would allow the public nuisance determination to be challenged by requesting a hearing before City Council. The current Property Nuisance Code should also be amended to clarify that the City not be required to abate the nuisance completely before collecting repair costs.

# PREVENTING VACANT PROPERTY NUISANCES

## IMPORTANCE OF EARLY INTERVENTION

Even the most complete and effective response to vacant property nuisances is limited by the fact that it is reactive as opposed to proactive. A comprehensive approach to eliminating property nuisances necessarily involves prevention. The root causes of weak demand for housing and lack of capital investment are too varied to allow for a wide-ranging approach to preventing housing abandonment. But, a focused effort on residential code compliance problems before they become property nuisances and before they even become vacant does merit attention.

Although the City's current version of the International Property Maintenance Code authorizes the monitoring of a wide variety of building deficiencies, there are two types of occupied property code violations that are particularly relevant to the prevention of housing abandonment: exterior violations so significant as to expose building components to the elements and interior violations so severe as to threaten health and safety of the residents. Both can hasten a property's fall from occupancy and habitability. Significant exterior violations,

if not attended to, can allow damp and cold to subject a house to rot and decay. Severe interior violations contribute to housing abandonment but warrant urgent attention from code officials for their immediate rather than potential threats.

## UNDERSTANDING DIFFERENT OCCUPANCY TYPES

Remedying these types of violations may require expenditures that are relatively small when compared with the rehabilitation costs discussed above. Code enforcement officials that compel correction of these types of violations may be saving property owners greater expenses that would follow their neglect. Nevertheless, bringing about these repairs, which help occupants, neighbors, as well as the property itself, will require focusing enforcement efforts on the person who will benefit economically from the property's maintenance. Building code officials need to know who to hold responsible for violations if they are to be effective in achieving compliance.

For properties occupied by the legal owner as well as those occupied by a tenant, identifying the key economic stakeholder is straightforward enough. When the person who acquired the house by deed is the only occupant, any economic benefit from timely repairs accrues to him

or her. When the house is occupied by tenants, the landlord realizes the return from economically sensible repairs. But, the situation is more complicated when the occupant of the house has entered into a long-term contract with its legal owner to purchase the property.

An occupant who is slowly paying off a contract to buy the property may see the financial benefit of repairs someday in the distant future. But, because the contract locks them into a set payment plan, contract sale purchasers cannot realize any equity by selling their interest and cannot use that equity to move into a conventional mortgage. Many contract sale purchasers are simply tenants who have a growing security deposit that may someday become usable equity. Unlike regular tenants, nearly all contract sale purchasers have released the legal owners from any obligation to maintain the property and instead have taken that burden on themselves. Just like regular tenants, they rarely have the resources to make significant repairs.

While a building or housing code does not typically override the contract between the purchaser and the title holder, neither does a private contract dictate who a building code official can hold responsible for code violations. Both the model codes used in Des Moines and throughout Iowa—the International Building Code

and the International Property Maintenance Code—allow the legal owner of the property to be held responsible for code compliance even when the property is occupied by a contract sale purchaser. These Codes define the word “owner” to include both a contract sale vendor and a contract sale purchaser.



*Figure 4. Occupied home owned on contract.*

In adopting the International Property Maintenance Code as the basis for its Residential Property Maintenance Code, however, the City of Des Moines has exempted from enforcement all houses occupied by owners. Because the definition of “owner” is so broad, the

Neighborhood Inspection Division cannot currently use the Residential Property Maintenance Code in responding to problems with houses occupied by contract sale purchasers. The City needs to modify this exemption to allow houses occupied by legal owners and those owned on contract to be subject to at least some of the standards now being used for rental properties. The City should also take steps to minimize gap between land contract houses and rental properties in its systems for establishing a baseline of housing conditions.

### BASELINE MONITORING

The City already has a rental registration system that includes baseline inspections for all rental properties. Such a comprehensive survey of all tenant-occupied properties is crucial for two reasons. First, it affords code enforcement inspectors an opportunity to find serious interior code violations that would go undetected absent a resident complaint. Second, the registration process collects landlord contact information and requires the identification of a local managing agent if the property's legal owner lives outside Polk County. Both registration system features lessen the likelihood of rental properties following into long-term disuse. The City's recent amendment of the rental code adds provisions to shorten

the length of the certificate given to landlords who have frequent code violations.

As the accountability for conventional landlords grows, the City must take care not to induce them to abandon the rental market in favor of land contract sales. While the costs to landlords must be kept reasonable, the City also needs to make sure that there is an appropriate approach to baseline monitoring of contract sale properties. The current system of mandated inspections for land contract sales provides a possible avenue for monitoring that is comparable, if not identical, to the rental registration system.

It may seem that any serious effort to monitor housing quality during the inception of a land contract sale must involve blocking the sale if serious structural deficiencies are uncovered by the inspection. But, devoting stretched City resources to preventing a transaction between two willing parties is questionable at best. Instead, the current system of disclosing to the purchaser and filing with the City should be strengthened for serious interior violations and for exterior violations that expose the structure to the elements. In these cases, the licensed inspector should be required not only to share the report with the City, but refer the property to code enforcement review for the violations found and inform the purchaser

that such a referral has been made. Once the referral has been made, code enforcement staff should follow-up and ensure that any code violations are corrected. With this modification, delinquent property owners will not be able to evade monitoring by moving rental to land contract transactions.

For properties that pass from one legal owner to another through a traditional mortgage and closing process, home inspections are already common, as are bank-required appraisals. The incentives of the homebuyer and the lender to protect their investments are strong enough to decrease the need for public intervention at the point of sale. But, to make sure the baseline monitoring as between rentals and land contract sales are comparable, the mandated inspection system needs to increase the attention given to significant exterior violation and dangerous interior conditions, either of which could lead to later abandonment.

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<sup>3</sup> Des Moines Municipal Code §60-7 (b). In a section entitled "Exceptions", the following appears: "Single-family dwellings occupied by the owner(s), as defined in this chapter, or members of

## EARLY WARNINGS

### Code Enforcement on Owner-Occupied Properties

Because code enforcement on property nuisances will regularly involve cumbersome and costly court actions, it is critical that neighborhood inspectors catch properties before such drastic remedies are required. An appropriately broad approach to baseline monitoring should help keep the number of occupied houses with serious interior and structurally compromising exterior violations to a manageable number. Although the changes to code enforcement on unoccupied properties [discussed earlier](#) will also help, the City needs a robust system for responding to serious code violations in all occupied houses as well. Only by making by confronting significant exterior and dangerous interior code violations,

The Residential Property Maintenance Code, as currently written, applies only to rental properties. Any property occupied by an owner is exempt from its standards and enforcement provisions.<sup>3</sup> While not every code violation

the owner's nuclear family." §60-8 defines owner as the "holder of legal title or contract purchaser of record of the real estate who is requesting a rental certificate."

should subject an owner who lives at the property to enforcement action, the City has a clear public interest in making sure that houses are free of both significant exterior violations and conditions inside that present an immediate threat to the health and safety of the residents.

Significant exterior violations, such as dangling gutters, damaged roofs, broken windows and holes in siding, accelerate the deterioration of a house dramatically.<sup>4</sup> They send signals of disinvestment and disorder not unlike those associated with property nuisances. Dangerous interior conditions, such as exposed wiring, improperly vented gas heaters, and unsound stairs or flooring, also contribute to the likelihood that a property will be abandoned.<sup>5</sup> More importantly, they present an imminent threat to personal safety that the Neighborhood Inspection Division should not be expected to ignore.

With the small change to contract sales inspections described above, the different approaches to baseline monitoring among occupancy types makes sense. The

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<sup>4</sup> The 2015 International Property Maintenance Code provides detailed exterior structure standards in Section 304.

City's current system for monitoring code violations, however, treats rental properties completely differently from those occupied by deed holders and contract sale purchasers. When dealing with conditions that affect public health and contribute to abandonment, turning a blind eye to most of the occupied houses in Des Moines makes no sense. According to the City's analysis of subnormal properties, rented houses make up less than 20% of the subnormal properties in the City. While only 10.5% of rental certificate properties are in subnormal condition, 19.5% of contract sale properties are graded subnormal. Des Moines needs sensible exterior housing condition standards that, along with interior protections, that apply to all occupied houses.

<sup>5</sup> The interior standards that would best serve this focus on imminent danger can be found in Sections 108, 305.1.1, 603, and 604 as well as Chapter 7 of the 2015 International Property Maintenance Code.



*Figure 5. Occupied rental property in below normal condition.*

### Code Enforcement Responses

Vacant property enforcement begins with letters to property owners requesting voluntary compliance and threatening legal action in court. Such letters are also a sensible first step to responding to occupied property code violations. But, for occupied properties, intermediate steps need to be developed.

For serious exterior violations that can be observed directly by a code enforcement official standing on the street, owners of occupied properties should receive administrative orders to correct the violations. Currently,

such orders are issued by inspectors to address a wide variety of serious code violations including zoning infractions. The notice addressed to the property owner provides for a set period of time, usually 30 days, for the owner to come into compliance. With the adoption of specific property maintenance standards, inspectors would have clear mandates as to when a property's condition warranted the issuance of an order. Any property owner that chooses to ignore the administrative order will have committed a civil infraction and face fines. Further enforcement action could be sought in Small Claims Court or, if against landlords, before the Housing Appeals Board. For rental properties, a notice of violation would have consequences for its rental registration certificate as well. The Small Claims Court would be able not only to impose fines for continued noncompliance but also to issue its own order requiring full compliance with the Code. Taken together, these intermediate enforcement options facilitate prompt compliance without significant unreimbursed expenditure of public resources.

The Code should also be amended to specify that, once an order is issued, any repair work necessary for compliance be carried out in a workmanlike manner using like material, even if the lack of such similarity in materials would not, by itself, have been a violation of

Code standards. The imposition of basic quality and aesthetic standards in mandated repair work would encourage all property owners to keep the exteriors of their properties in compliance with the Code at all times.

For interior violations serious enough to threaten the health and safety of residents, administrative orders could also be suitable responses to complaints made by residents, even if the deadlines for compliance would be much shorter. Since people rarely alert authorities to the need for repairs for which they themselves are responsible, tenants are the most likely complainants. But, referrals from contract sale inspections may be an additional avenue for learning of serious interior Code violations.

Identifying and notifying landlords will be facilitated by the information collected as part of the rental registration process. Because title searches will not be part of this violation notice approach, orders concerning occupied properties outside the rental system will be issued to the properties occupants, as identified through the Polk County Assessor's records, whether they be legal owners or contract sale purchasers. In the latter case, subsequent enforcement action may need to involve the contract sale vendor as well, but the initial notice should go to the purchaser. The notice will allow the purchaser to address

the violation without fear the seller will claim a forfeiture under the contract due to the purchaser's failure to maintain the property. If that citation is ignored, stepped-up enforcement may require that the contract sale vendor, as the property's legal owner, be brought into the process in Small Claims Court.

For properties occupied by their legal owners, the issuing of notices for glaring exterior violations will be an important part of a proactive approach to preventing vacant property nuisances. If, however, the mere issuance of an administrative order does not bring about compliance, code enforcement officials should endeavor to understand the owner-occupant's circumstances before escalating enforcement efforts. Sometimes a homeowner's indifference to the outward appearance requires that code enforcement take action on behalf of the neighbors. But, when violations, exterior or interior, are serious enough to threaten the habitability of the home, then City officials need to explore that possibility that the homeowner lacks the resources to keep his or her home up to basic code standards. In cases of homeowners of advanced age or diminished capacity, it may be necessary to enlist the help of community partners that provide social services. Facilitation of repairs in a timely manner can save the City a great deal of money down the line.





*Figure 6. Vacant monitor property. Numerous code enforcement actions since 2002. Previously a rental and contract sale.*

## MONITORING OF VACANT STRUCTURES

The City of Des Moines is already monitoring more than 320 houses that are vacant but have not deteriorated to the point of becoming nuisances. Houses are required to be habitable, but no applicable law in Des Moines requires that they be occupied. But, the early warning systems developed for occupied properties can be further developed to monitor still more intensively properties that have fallen into disuse and have become far more likely to drift into property nuisance status.

The systems for issuing exterior violation notices on occupied properties can be extended easily to unoccupied properties. The notice language would

remain the same for the same violations, but inspectors would not wait for complaints on properties that had not had active utility services for six months. Instead, the inspectors would check their condition periodically looking specifically for violations related to the roof, cornice, siding, windows and doors that could lead to the property being exposed to the elements or casual entry. The City is already monitoring largely compliant, vacant houses, but the development of a citation system that could take advantage of a more robust property maintenance code would incentivize owners of unoccupied properties not only to intervene early to prevent structural deterioration but also make the investments necessary to return their properties to productive use while the costs involved are still manageable.

Several cities with large numbers of vacant properties have undertaken the project of developing special registration systems for vacant structures or vacant lots or both. In theory, these vacant property registration ordinances facilitate accountability by gathering information and collecting revenue. They are especially attractive in communities where many vacant properties have resulted from foreclosure by large banks. While well-designed examples of these registration systems have raised enough money from annual fees to pay for

themselves, the ability of local governments to use them as a means of taxing vacant property owners is very doubtful.

For a city that is not overwhelmed by the number of vacant houses or lots, such as Des Moines, a different approach to vacant property registration may be more effective. When vacant properties are cited for code violations, owners should be required by ordinance to confirm that the contact information that the City has obtained, usually from property tax records, is current. Moreover, any owner to correct a violation on an occupied property should also be required to continue to update his or her contact information with the City whenever it changes under threat of additional fines. This expanded use of the administrative order system would allow Des Moines to take advantage of vacant building registration without creating a separate bureaucratic process.

Code enforcement officials that frequently deal with long-term unoccupied houses must also contend how to approach the legality of owners' boarding of their vacant structures. The closing up of doors and windows with sheets of plywood is not only unsightly but clearly marks the property as derelict. Even under the simplest of building codes, boarding makes residential structures

uninhabitable and therefore noncompliant. On the other hand, code officials may not want to discourage owners from securing properties against casual entry when the alternative is to wait until the City is forced to do so at its own expense.

To navigate this potentially confusing area of enforcement, the City should always be clear that a boarded-up house is always noncompliant with Code. But, in those areas, where the City has determined that the market lacks sufficient market strength to support individual rehabilitation of derelict properties, the City should refrain from citing properties merely because they are boarded. Instead, they should monitor those properties even more intensively and consider them prime candidates for land banking activity.

## LAND BANKING: HELPING NEIGHBORHOODS OVERWHELMED BY VACANT PROPERTY NUISANCES

### NEIGHBORHOODS TOO FAR GONE FOR A CODE ENFORCEMENT APPROACH TO REVITALIZATION

The importance of preserving neighborhood market strength drives this report's strong emphasis on urgency and vigilance in responding to and preventing vacant property nuisances in those neighborhoods that still have sufficient market strength to reward rehabilitation investments. Once a neighborhood has been so affected by blight and crime as to lose that strength, the options for addressing vacant property nuisances diminish greatly and become more dependent on public investment. When the costs of rehabilitation are compared to those of demolition, it is not surprising that publicly funded efforts to abate property nuisances favor the latter approach.

Demolition helps make sure that neighborhoods already suffering from disinvestment do not have to endure the range of problems associated with derelict houses. But, the present unavailability of private capital to rehab houses should not be accepted as a permanent reality.

Many areas can be connected to a more viable future with the proper encouragement of market activity.

Rather than relying primarily on monetary subsidies for the rehabilitation of vacant houses, land banking facilitates investment by making it easier for qualified developers to acquire parcels. In a neighborhood too distressed economically to support rehabilitation of properties one at a time, it is essential that developers have confidence that all the derelict structures in the immediate area will be repaired.

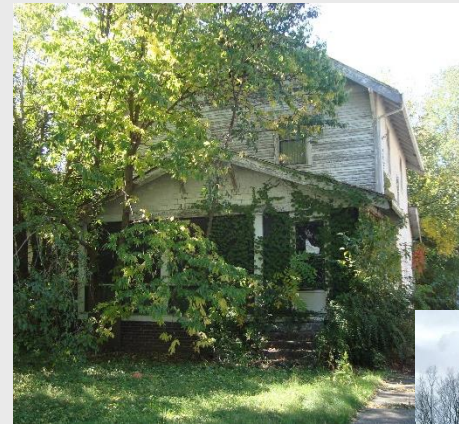
Land banks coordinate private investment frequently by making vacant properties available to developers in bundles. When all the vacant houses on a block are acquired by the same qualified developer, that new owner can invest in rehabilitation knowing that all the vacant houses on the block will be rehabbed creating a new trajectory for the neighborhood. To take advantage of this approach, the City should build on its current efforts to get tax-delinquent vacant houses and lots into the hands of qualified developers. By firming up the procedures for selling acquired properties, the City will be ready to explore options for transferring them in bundles.

## Current Land Banking Efforts

For nearly a decade, the City of Des Moines has collaborated with Polk County to facilitate the transfer of vacant houses and lots to qualified developers. Like other successful land banking efforts, the City has taken advantage of a tax sale foreclosure reform that allows the City to quickly acquire derelict houses without having to pay the County the full amount of taxes owed on them. Due to the limited staff resources invested in the effort, the City has used this process sparingly, focusing on those properties for which a qualified private developer has already been identified. Even so, Des Moines current land banking efforts have put dozens of vacant houses and lots into the hands of non-profit and for-profit developers ready, willing and able to return them to productive use.

The City has been able to transfer some of these properties to these new private owners without actually taking title to them itself. In these cases, the City has acquired the tax certificate, which gives the holder the right to foreclose if the taxes are not paid in full, and assigned it to the developer. The developer has then completed the foreclosure process and become the new owner. But the law requires in these cases that back taxes and other public assessments be paid in full. Since the amounts owed often exceed the value of the property

in its derelict condition, the City has often been required to perform the foreclosure itself, request tax forgiveness from the County (which the Board of Supervisors will grant to the City but not to private property owners), and then sell or transfer the property to the new owner.



*Figure 7. Before and after of property the City acquired through tax sale and sold to a private developer.*



Whichever approach is taken, it is important that the City choose a new owner that will return the property to productive use and that it obtain an appropriate price for the transfer. It is too simplistic to say that all tax delinquent vacant properties are worthless. Some derelict houses require so much work that the costs of repairs will match or exceed the resale price. In those cases, a nominal price for the vacant

house is appropriate. But others have significant value even in their deteriorated condition. It may not be necessary, or even practicable, to perform an appraisal for properties salvaged through tax sale. But, any future transfer should pass through a formal process to determine if a nominal purchase price is sufficient. If not, then there should be an attempt to estimate roughly both the investment needed and the likely resale value to determine the price the City should expect. With such a process in place, the City will not only be able to avoid problems with its current approach but will also lay the foundation for expanded land banking activity.



*Figure 8. Before and after of a property the City acquired through tax sale and sold to a developer for rehabilitation.*

### A Land Bank for Des Moines

Through the Capital Crossroads planning process, serious attention has been given to the development of a functioning land bank that would greatly expand public efforts to facilitate productive use of vacant properties. Looking to improve not only purely residential areas but also key commercial corridors, the Capital Crossroads proposal illustrates the possibilities for neighborhood revitalization that can follow from creation of a land bank. In doing so, it makes the case for assembling properties over time rather than limiting acquisition to properties already requested by developers.

There are significant challenges involved in holding vacant properties for a long time, however, and the types of redevelopment the Capital Crossroads proposal seeks cannot be accomplished by land banking alone. When the City or a City-sponsored land bank authority takes ownership of a vacant property nuisance, neighbors will hold the land bank to a high standard for ensuring that the property is renovated quickly and does not cause them problems in the meantime. Through its land banking efforts, the County has acquired and holds many vacant lots, but the costs of maintaining those open spaces are not greatly increased by owning them. Acquiring vacant houses without a clear plan for

disposing of them carries significant financial and reputational risks.

Procedural delays involved in selling properties owned by the City can also be a problem. Frequently, a city can have very strict and complex rules designed to make sure that properties it owns are not sold prematurely or at less than market value. While these procedures make sense for a repurposed school building or firehouse, they sometimes frustrate the efforts of a land bank to make properties available for new investment. Some cities have created special disposition procedures for vacant houses and lots acquired by tax sale. Others have made sure that title to these properties goes to a land bank authority that is legally separate from the city. This land bank authority has its own publicly created rules for selling property to those will return it to productive use. The creation of such an organization usually involves authorization by state legislation.

In 2002, Baltimore led the way in land banking efforts through then-Mayor Martin O'Malley's program to acquire 5000 vacant houses and lots. Baltimore succeeded in getting the state legislature to enact land bank authority legislation. But, internal City politics ultimately prevented the formation of a land bank authority in Baltimore. While Baltimore did succeed in

making some important disposition reforms, it has since tried to develop methods for getting properties into new private ownership without ever being owned by the City or a land bank. This streamlined approach to returning neglected properties to productive use has not prevented Baltimore from bundling neighboring properties to cording investment. Baltimore calls these bundles [Community Development Clusters](#). Neighborhoods that had been written off for private investment are now attracting buyers due to that city's unique approach to land banking.

In deciding how best to help distressed neighborhoods make all their vacant properties available for investment, Des Moines has several options. The City can develop the capacity to take ownership directly or through a land bank. This choice would require even greater attention to the disposition procedures already mentioned. It would also involve developing the capacity to manage vacant lots and houses during the time that the City or its land bank owned them.

An alternative approach would involve transferring groups of vacant houses and lots in the same neighborhood immediately after tax sale to a single developer without the City owning them for any significant period. The City is already transferring

individual properties. In the future, some properties could be transferred as a bundle. Under this approach, the hard work of identifying the developer and setting an appropriate price for the properties involved would have to be done just before the tax sale took place. The timing required for this selection and pricing is already challenging under the current system. But, given the challenges involved in establishing a more conventional land bank, it may be worthwhile to imitate what Baltimore has done with its Community Development Clusters.

#### Land Banking as a Neighborhood Planning Tool

During the site visit discussion on whether and how to move beyond the City's current land banking efforts, a middle way began to take shape. The City's Neighborhood Development division works with resident leaders of selected neighborhoods to create neighborhood plans. These strategic plans are discussed, articulated and implemented over the course of several years. Rather than create a land bank charged with the acquisition of all vacant properties with development potential, the City could expand its current land banking efforts to support those neighborhoods engaged in strategic planning.

Under the current approach, the City acquires a tax-delinquent property only after a developer has come

forward to pledge its investment. But, this type of land banking does not help neighborhoods where houses cannot be fixed up one at a time. As with Baltimore's Community Development Clusters, a neighborhood-based strategic planning process would be able to identify clusters of vacant houses that could be redeveloped if bundled. Other improvements and public investments identified by the neighborhood plan might be coordinated to encourage developers' interest in the bundled parcels. The City would need to develop the capacity to hold the properties while a potential developer is identified. But, these resources would be focused on those very few distressed neighborhoods actively in strategic planning. By adding land banking as an additional tool to be used in neighborhood planning, the City of Des Moines and other partners may be able to create a use of land banking more appropriate for cities that are not overwhelmed by vacant houses.

## NEXT STEPS: IMPLEMENTING THE RECOMMENDATIONS OF THIS REPORT

This Executive Summary of this Reports lists a dozen recommendations. Each one is an action item that the City of Des Moines can implement without first having to seek legal authorization or funding from the state or federal governments. Some of these recommended changes—notably, both recommendations listed in the Data section—are already under way. This final section will focus on how to begin work on the others.

Three recommendations address Neighborhood Inspection Division response to property nuisances. The first one, urging a deliberate choice between rehabilitation and demolition as the strategic goal, is supported by the leadership of the Neighborhood Inspection Division and can be implemented right away. Inspectors have the basic tools they need to judge the economic feasibility of rehabilitations. This capacity will undoubtedly improve as tools such as the neighborhood market strength map become available.

But, the success of property nuisance abatement efforts depends significantly on the two action items that require City Council action. The backlog in pending demolitions

must be decreased. An adequate appropriation from the City for all emergency demolitions is essential. Also, for neighborhood inspectors to pursue economically feasible rehabilitations with any confidence, the City Council needs to amend the Property Nuisance Code to clarify the administrative process for ordering non-emergency repairs.

All three of the recommendations listed in the Prevention section, as well as the one remaining from the previous section, of the Executive Summary involve City Council amendments to the Housing Code. The first of these prevention measures, the modest change to the land contract sales inspection ordinance, should be easy to make and implement. The filing with the Neighborhood Inspection Division of these sales inspection reports is already required. The new requirement that certain defects be flagged will simply make official review of them easier.

But, the ultimate value of knowing that land contract sale properties have serious code violations presupposes that neighborhood inspectors can act on them. The City Council should, at its earliest opportunity, begin consideration of the amendments to the Housing Code that will allow the Neighborhood Inspection Division to respond to serious violations on all houses, even if they



are occupied by contract sale purchasers instead of tenants, even if they are not occupied at all. Currently, a landlord wishing to avoid accountability can simply evict the tenants or have them sign a land contract. To prevent the property nuisances of tomorrow, this gap in the Housing Code needs to be addressed now.

The extension of liability under the Housing Code to true homeowners may require more debate. If concerns about possible overreach by the Neighborhood Inspection Division complicate the removal of this exemption to the Property Maintenance Code, then it may be best if the exemption of properties occupied by legal owners is considerably separately from the other items. But, the existence of standards for homeowners, many of which are already present in the Building Code, will not lead to overenforcement. The Neighborhood Inspection Division is committed to implementing the recommendations of this Report about facilitating repairs by owner-occupants with limited resources.

Finally, the three recommendations regarding land banking may require a longer timeframe for implementation than the other action items in this Report. The City, in partnership with the Treasurer of Polk County, is already facilitating the transfer of tax-delinquent properties to those who would return them to

productive use. That system does not transfer bundled properties for concurrent development. But, before that process is expanded beyond its current capacity, there needs to be an assessment of the feasibility of identifying developers that will make the kinds of scaled-up investments to rehabilitate neighboring distressed properties at the same time. When that development capacity has been identified, then the City should be ready to move forward on the creation of a land bank.