

# Recapturing Land for Economic and Fiscal Growth

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## Summary

Vacant land and abandoned properties challenge both older industrial metros struggling with the effects of long-term population decline and metros that were booming until the foreclosure crisis and the recession wrought havoc on their economies. These properties are a significant drag on local economic and fiscal health, exacerbating already intense fiscal stress for local governments. Yet they are also major potential assets for business growth, job creation, and neighborhood revitalization. Unfortunately, weak and antiquated state laws governing tax foreclosure, land banking, code enforcement, and other areas make it difficult for local governments to address vacancy and abandonment, and prevent them from unlocking properties' productive potential. To give municipalities the tools they need to repurpose distressed land and buildings, states should:

- Reform inefficient tax foreclosure laws
- Create clear paths to public control of vacant and abandoned properties
- Empower effective code enforcement and nuisance abatement
- Enhance local government's power to mitigate the harm created by mortgage foreclosure

## I. Introduction

The Great Recession has destabilized communities across the country. The housing and economic crises have heightened long-standing problems of decline in many older industrial metros, where decades of job and population loss have led to vast surpluses of vacant, abandoned, and often contaminated land and buildings. In other areas, particularly in the south and west, a more sudden drop in the demand for housing and commercial properties has driven vacancies up, undermining neighborhoods accustomed to steadily rising prices.

As early as 2000, cities like Detroit, Buffalo, and Cleveland had lost half their one-time peak population, and virtually all the industrial jobs that once fueled their economies. Left behind are vast surpluses of land and buildings. Nearly one out of every five addresses in Flint, Detroit, and Gary is vacant.<sup>2</sup> While long-term trends weakened their fiscal, environmental, and economic health, the tsunami of mortgage failures resulting from subprime and predatory lending, the bursting of the housing bubble, and even higher unemployment have made their already difficult situation far worse.

The mortgage crisis and the recession also inflicted severe damage in metro areas that seemed to be thriving in the mid-2000s. Arizona, California, Florida, and Nevada have the largest concentration of metros mired in the housing crisis. Denver and Colorado Springs have foreclosure rates that put them both in the top third of hardest-hit large metros, as do Memphis and Birmingham.<sup>3</sup> This is not just a problem for cities: Even before the crisis reached full force, foreclosures were growing more quickly in many suburbs than in the central city. In Shelby County, Tennessee, for example, foreclosures grew more than twice as fast in the suburbs as in the city of Memphis over the last decade.<sup>4</sup>

“Recapturing the value of vacant land is essential if American cities and metros are to stabilize and rebuild their economies.”

Similarly, in the Chicago area, the rate of foreclosures and vacancies in the city's racially diverse south suburbs exceeds that in the city of Chicago.<sup>5</sup> Not only have these properties lost a substantial amount of their value, but the problem is contagious: they have devalued thousands of others on their same blocks or in their neighborhoods.<sup>6</sup>

This is the heart of the issue for local government. Vacant land and buildings not only drain value and reduce revenue, they require government action, and thereby increase expense. Derelict buildings and abandoned property exert a significant drag on local economic and fiscal health. They heighten the need for fire safety and police services, code enforcement, property maintenance, and demolition while damaging the quality of life and the value of surrounding properties. A recent Philadelphia study found that vacant properties can reduce neighboring property values by as much as 20 percent. The study calculated that such properties have resulted in a loss of \$3.6 billion in housing wealth in Philadelphia, costing millions in lost property tax revenues.<sup>7</sup> And the city is spending over \$20 million each year to maintain vacant properties, a huge sum at a time of intense fiscal stress for local government.

Yet these same vacant properties are also major potential assets for their communities. Once recaptured, they can be restored to productive use—redeveloping downtowns, housing new businesses, creating mixed-use development, expanding critical anchor institutions such as hospitals and universities, building housing to meet new demands for urban living, or enhancing quality of life through parks, waterfronts, and other green spaces. Recapturing this asset is essential if American cities and metros are to stabilize and rebuild their economies, become competitive in new and emerging economic sectors, restore fiscal soundness, and fulfill their promise as engines of statewide job creation and economic growth.

State officials, executive and legislative, have the power to equip local governments to address this serious and growing problem. State laws and regulations define—and often limit—local governments' ability to repurpose vacant and underutilized land and buildings, or to manage properties that need to be properly maintained. Cities and counties across the country are poised to take on this challenge, but to do so, they need tools that only their state government can provide. This does not require spending new, hard-to-find resources, but only changing outmoded state laws and practices:

- ▶ to empower localities to use tax foreclosure as a flexible means to gain control of problem properties, and lay the groundwork to recover unpaid taxes, and sustain revenue growth;
- ▶ to equip localities to hold, manage, and dispose of properties in ways that support specific, long-term economic development goals, including the growth of regional industry clusters;
- ▶ to enable localities to use code enforcement and nuisance abatement flexibly to help eliminate blight and stabilize neighborhoods; and
- ▶ to give localities greater standing in mortgage foreclosure to minimize the harm to neighborhoods from abandonment, neglect, and lender “walkaways.”

New governors, among them those in Colorado, Michigan, New York, and Tennessee, are emphasizing local and regional economic development. Giving local and regional leaders the ability to transform vacant properties from a local liability to a community asset, spurring business growth, job creation, and neighborhood revitalization should be central to any such strategy.

## II. The Policy Challenge

**W**hile the major economic and market forces driving vacancy and abandonment are beyond the control of state government, the ability of localities to deal with the consequences is very much a function of state law and policy. Cities and counties are creatures of the state, with only such powers as the state chooses to give them. Weak and antiquated state laws governing tax foreclosure, land banking, and code enforcement can act as a straitjacket, preventing local governments from addressing blight and unlocking the productive potential of vacant properties.

**Every state has tax foreclosure laws that provide for the sale of properties whose owners have failed to pay their property taxes.** Unfortunately, many of these laws were written years ago and fail to address the realities of today's vacant property issues.<sup>8</sup>

Many state tax foreclosure laws, for example, require cities and counties to sell tax delinquent properties to the highest bidder, without regard for the bidder's plans or stake in the community.<sup>9</sup> As a result, some foreclosure sales allow properties to end up in the hands of speculators, who buy at fire sale prices. Under the "scavenger sale" provisions of Michigan's tax sale law, speculators bought 58 properties in Flint for \$25,350. Three months later, the properties showed up on EBay, and sold for \$92,800 to an unknown buyer.<sup>10</sup> Such transactions hinder cities, for years or permanently, from assembling properties for redevelopment, or allowing responsible for-profit or non-profit developers to purchase properties for productive reuse.

Tax foreclosure laws initially intended to protect home owners are often an additional obstacle. For example, periods of up to five years during which owners can redeem their properties by paying the back taxes leaves thousands of vacant properties in limbo with unclear, unmarketable title.<sup>11</sup>

**State laws governing land banking and related activities can provide cities and counties with a valuable tool for managing, assembling, and redeveloping land, or can hinder their efforts to deal with problem properties.** Outdated laws can limit local governments' ability to set up cost-effective, efficient mechanisms through which they can take control of abandoned, vacant properties, maintain them, and ultimately dispose of them in ways that reflect the community's planning goals, are sensitive to market realities, and further the region's economic development and sustainability goals.

Division of responsibility between cities and counties is often part of the problem. While cities are responsible for land use planning and redevelopment, counties are responsible for land titles and conveyances, taxes, and in some cases mortgage foreclosure. A few states—Michigan and Ohio among them—have laws that permit counties to create land bank entities that can accept title to vacant properties, and work with cities to align the reuse of those properties with land use and economic development plans.

No state bars localities outright from taking title to or disposing of properties, but many impose so many procedural hurdles that few local governments can act without difficulty. Property acquisition is often time-consuming, complicated, and expensive, requiring coordinated action by multiple local bodies. And when a city wishes to sell city-owned land or buildings it may be required to do so through "all-comers" auctions, which allow anyone to bid regardless of their intent or capacity to bring property back to productive use consistent with city or neighborhood goals and priorities. While it is usually a good idea to move property back to private owners, if it does not end up in capable hands, the outcome is often worse than if the city had retained it.

**Nuisance abatement and code enforcement are local government responsibilities, but state laws define and often limit their scope.** All states give cities and towns the power to enforce housing codes by issuing notices of violation and taking cases to court. Under some circumstances, local officials can enter properties to make repairs, board and secure vacant structures, or demolish abandoned buildings, and then assess the costs against the property as a nuisance abatement lien or against the individual as a judgment lien. A few states allow local governments to take responsibility for properties through receivership, a legal procedure under which a municipality (or in some states, a non-profit entity) can get a court order giving it control of a property whose owner has allowed it to deteriorate. And some states allow the creation of specialized housing/environmental courts, which can hear code enforcement and other property related cases.<sup>12</sup> In practice, however, the power of localities to act in these areas varies widely.

State laws can discourage local governments from ensuring that vacant properties are maintained or demolished when necessary, by creating time-consuming hurdles to be overcome before taking action, or by making it difficult to recover funds spent for those purposes. For example, if state law mandates a lengthy judicial procedure before a city can knock down a building that has become a hazard, the city may think twice before moving forward. Similarly, if state law permits a city to place a lien on a property for the cost of abating a nuisance, but makes that lien subordinate to other liens on the property—making it unlikely that the city will ever get its money back—the city cannot afford to act. Further, many state laws restrict or prohibit use of receivership or spot blight procedures against derelict vacant properties, even when they are clearly blighting their block and devaluing neighboring homes and businesses.

**State laws governing mortgage foreclosures provide localities little power to mitigate the devastating effects of growing numbers of vacant and neglected properties, not least, lost tax revenues and destabilized neighborhoods.** Local governments need the authority to hold lenders equally responsible with property owners for maintaining properties in foreclosure, or to ensure that properties remain occupied during and after foreclosure. Only one state—New Jersey—has given local governments such power. Connecticut, in fact, passed a law *barring* cities from enacting ordinances holding lenders responsible during the foreclosure process, although allowing New Haven—which had previously enacted such an ordinance—to continue enforcing it. Other cities have tried to take matters into their own hands, including Chula Vista and a number of other California cities.

Although these laws and policies may seem technical and esoteric, a backwater of public policy, they are critical to the ability of communities, metro areas and states to recover from the Great Recession. Even as property was a central cause of the nation’s economic crisis, so it will play a central role in its recovery. These laws and regulations will have a huge impact—positive or negative—on local land use and development. The ability to use properties productively is one of the most important potential assets that localities possess, yet without state laws that give them the tools to manage their market potential, the enormous value of those assets may go unrealized.

### III. A New State Policy Approach

Land and policy is not the only arena in which state government influences the future of its communities. Reform of state land laws must take place in a larger policy framework that recognizes the important role of cities and their metros as hubs of innovation and creativity, and that levels the playing field between central cities, suburbs, and rural areas through fair tax policy and responsible, strategic investment of state resources. Within that framework, states should not only *permit*, but actively *encourage*, localities to aggressively address their vacant and problem property issues to stabilize their neighborhoods, prevent decline, and create a strong environment for economic growth and revitalization.

The goal is not for government to replace private owners: The best outcome is for private owners to maintain their property and use it productively. Where this is not happening, local governments should be authorized by state law to gain control of vacant and abandoned property in timely fashion, abate blighting conditions, and restore property to productive use, either through private or public sector action.

**To this end, states should reform their laws and regulations to give local governments the necessary set of legal and regulatory tools. State action should focus on four distinct areas, interrelated parts of a single whole:**

**Reform antiquated, inefficient tax foreclosure laws.** State legislatures should amend existing tax foreclosure laws to permit local governments to foreclose expeditiously on tax delinquent properties, gain marketable title to them without having to offer them for sale, and eliminate redemption periods for vacant properties that are blighting their neighborhoods. Municipalities or counties should be able to determine which properties should be sold (and what criteria should be established for buyers), and which properties it should take title to directly. The process needs to be speedy, so that properties do not deteriorate to the point of worthlessness while awaiting change of title, or have a further blighting effect on surrounding properties. Michigan’s 1999 reforms, which dramatically transformed the rules governing tax foreclosure, cut the time for counties to gain clear title from as much as seven years to two years, and to one year for vacant, abandoned properties.<sup>13</sup> As a result, the Genesee County Land Bank Authority (Flint) has been able to acquire over 7,000 properties through tax foreclosure over the past five years, approximately 1,900 of which have been returned to use through the sale of homes and side lot transfers.<sup>14</sup>

## CRAFTING THE TOOLS TO ADDRESS PROBLEM PROPERTIES

In recent years, several states and localities have taken important steps to design and put in place the tools they need to address the problems of vacant and/or blighted land and buildings. These tools often have the dual purpose of better motivating private property owners to use their properties productively, and empowering local government to step in and act when they fail to do so.

### Land bank laws

Both Michigan (in 2003) and Ohio (in 2010) enacted state laws authorizing counties to establish land bank authorities. These land banks have the ability to receive properties—principally but not exclusively through tax foreclosure—maintain them, and hold or repurpose them for future use consistent with public goals and priorities. Over 30 separate land bank authorities have been established in Michigan since 2003, including the Genesee County Land Bank Authority, which has played the leading role in recent years in Flint, Michigan’s redevelopment. For more information see [www.thelandbank.org](http://www.thelandbank.org) and Michigan’s Land Bank Fast Track Legislation, Public Act (PA) 258 (signed into law January 2004); and Ohio’s Substitute House Bill 313, signed into law in April 2010.

### Creditor responsibility law

To address the growing problem of properties abandoned during the foreclosure process, New Jersey enacted its Creditor Responsibility Law in 2010. Under the law, those who initiate foreclosure on a property are deemed to have responsibility for the property if the owner abandons it, and can be held liable for code violations by local code enforcement agencies. Responsibility is triggered when code compliance actions are initiated, even though title has not yet passed to the creditor. For more information see: [http://www.hcdnj.org/index.php?option=com\\_content&view=article&id=370&Itemid=138](http://www.hcdnj.org/index.php?option=com_content&view=article&id=370&Itemid=138)

### Vacant property registration fee ordinance

Concerned that property owners were neglecting their vacant properties, the city of Wilmington, Delaware enacted a Vacant Property Registration Fee ordinance, which requires owners of vacant properties to register their properties with the city, and pay a fee which begins at \$500 and increases annually, reaching \$5,000 per year if the property is still vacant after 10 years. Owners who do not register their properties are subject to fines. For more information see [www.wilmingtonde.gov/vacantproperties](http://www.wilmingtonde.gov/vacantproperties)

**Create clear paths to public control of vacant and abandoned properties.** State statutes should give localities flexibility in acquiring properties, not only through tax foreclosure, but through gift, purchase, and the use of “spot blight” procedures. Local authorities should have the means to remove or recapture liens when creditors refuse or fail to exercise their lien rights to the detriment of public health and safety. Similarly, localities should not be limited to auctions as the only means by which properties taken into public ownership are conveyed back to private hands.<sup>15</sup> States should also grant broad authority to local governments to create dedicated land banking entities with the legal and fiscal tools to carry out acquisition, maintenance, and disposition activities in a cost-effective, efficient, and strategic manner. Those tools should include a dedicated revenue source that the land bank can either capitalize or use for operating purposes.

Under the Ohio land bank law, for example, land bank authorities may collect the penalties and interest on delinquent property tax payments. These tools have enabled the Cuyahoga County Land Reutilization Corporation (CCLRC), the first land bank authorized under Ohio law, to “hit the ground running” to tackle problem property issues in the Cleveland area. Since transferring its first property in January 2010, which became a community garden in South Euclid, the CCLRC has taken the lead

in bringing \$41 million in Neighborhood Stabilization Program funds to the area, and is taking title to more than 100 properties per month. In addition to taking tax-foreclosed properties, the CCLRC has begun to acquire properties directly from banks, Fannie Mae, and the FHA.

**Empower effective code enforcement and nuisance abatement strategies.** State laws should be amended to give local governments broad enabling authority to enact ordinances and implement programs that require abandoned vacant and rental properties to be registered and licensed. They should also give localities the ability to

- ▶ charge fees that truly reflect the cost of problem properties to the community and set high standards for maintenance of those properties by their owners;<sup>16</sup>
- ▶ enforce housing codes through administrative as well as judicial means, in order to avoid excessive delays and costs associated with judicial action in many states;
- ▶ use receivership flexibly with respect to neglected but occupied rental buildings and vacant properties;
- ▶ recapture funds spent on nuisance abatement through priority judgment liens; and
- ▶ create dedicated, special-purpose housing or environmental courts with broad jurisdiction to hear and act on code enforcement and other property-related matters.

Some states give municipalities limited authority to craft local ordinances to meet their particular circumstances under state home rule laws or locally-specific home rule charters. But those ordinances are rarely an adequate substitute for strong, well-crafted state enabling legislation. While the Wilmington vacant property registration fee ordinance (see sidebar), was enacted without state enabling legislation, and was subsequently affirmed by the Delaware Supreme Court, the outcome could easily have been otherwise.<sup>17</sup> While Wilmington prevailed, other states impose limits on those powers that are often out-of-touch with current conditions. For example, Virginia allows local governments to enact vacant property registration ordinances, but limits the fee charged to \$25—an amount that does not cover costs, and is ineffective as a deterrent, penalty, or cost recovery mechanism. And when St. Louis, despite its “home rule” status under Missouri law, adopted a receivership ordinance without a state enabling law in place, the ordinance was struck down by the Missouri courts as beyond the city’s legal powers.<sup>18</sup>

**Mitigate the harm created by mortgage foreclosure.** States should allow localities to address the collateral damage of the mortgage foreclosure process. First, states should require that local governments receive notice of foreclosure filings. Second, it should empower them to enforce codes against those with legal interests in the property if the owner has abandoned it. Third, states should increase foreclosure filing fees to create a source of funds localities can use to enforce codes and maintain properties in foreclosure. Finally, states should consider legislation granting former owners the opportunity to remain in their homes under a fair rental agreement after foreclosure. Such legislation has been introduced, although without success, in New Jersey, Ohio, and Arizona. Under the New Jersey proposal, the former owner would pay a fair market rent, and would be permitted to remain in the home until it was sold to a new buyer who planned to use the property as their own residence. All these actions enable local governments to maintain neighborhood stability and property values.

#### IV. Moving Toward Reform

Every state has different laws and policies governing these important subjects. No state has yet modernized its laws in all four areas. Michigan, for example, has revised both its tax foreclosure and land banking statutes to empower county government to play a strong role in addressing problem property issues, a role that has been pioneered by the Genesee County Land Bank Authority. At the same time, the state’s receivership law is limited, and rarely used.<sup>19</sup> Tennessee has a “spot blight” law, but New York does not.

Given the differences among states, each governor should begin by conducting an assessment of existing state laws, regulations, and policies affecting the use and reuse of distressed and underutilized land. In the course of that assessment, two questions should be answered:

- ▶ To what extent do relevant state laws, regulations, and policies empower local governments to take effective action to address vacant and problem property issues?

► To the extent that they do not, what specific reforms are needed?

Changes to state law and regulation may take different forms. Some changes may be purely regulatory and can be effectuated administratively. Others will require legislation. In some cases, the legislative “fix” may be a change of a few words or the addition of a paragraph or two to an existing law. In others, it may require drafting an entire new statute, which is what both Michigan and Ohio did in order to empower their counties to create dedicated land bank entities. New state laws should not mandate that localities use the tools provided—although they can encourage them to do so—but instead allow local governments to opt in by enacting their own local ordinances within the framework of state law.

These changes in state laws have few budgetary implications for state government. None calls for a state appropriation, or triggers the need for additional state funds or state workers, since the responsibility for action belongs to local government. However, an important part of empowering local government is providing the fiscal as well as the legal tools needed. Cities and counties need to be able to charge fees in connection with rental or vacant property registration and other code enforcement activities to recover the costs of problem properties. They need speedy, cost-effective ways of recovering nuisance abatement and receivership expenditures. States should explore other ways of giving localities needed fiscal instruments, such as an enhanced foreclosure filing fee or dedicated revenue sources for land bank authorities.

Although the state reforms discussed here do not require additional state budgetary outlays, they can be enhanced by strategic redirection of existing state resources. States should not only permit but actively encourage localities to take action to deal with vacant and problem properties. Revamping existing state grant-in-aid formulas could reward localities that adopt proactive strategies, such as initiating targeted code enforcement or creating a land bank entity. By giving local governments the ability to draw upon predictable revenue streams, such as the Brownfields Tax Increment Financing District created as a counterpart to the Michigan land bank statute, states enable cities or counties to gain access to investment capital. This is not grant money, but funds that would be repaid, for activities such as nuisance abatement, demolition, and steps to prepare sites for redevelopment.<sup>20</sup>

In recent years, the federal government has begun to address this issue. With three rounds of Neighborhood Stabilization Program funds since 2008, the U.S. Department of Housing and Urban Development (HUD) has made nearly \$7 billion available to states, localities, and nonprofit entities to acquire properties, rehabilitate houses, demolish vacant structures, and create land banks for future redevelopment. And through a pathbreaking partnership between HUD, the Department of Transportation and the Environmental Protection Agency, a number of federal agencies are looking closely at local and regional strategies for change, leading to the recently announced Sustainable Communities Challenge Grant awards. Among the awards announced in the fall of 2010 were planning grants to Flint, Northeast Ohio, and Jersey City for projects that include repurposing vacant land for productive reuse.

But there is much work still to be done. Four years into the foreclosure crisis, the federal government has yet to develop a consistent, effective place-based strategy to address the challenges homeowners, neighborhoods, and state and local governments still face. Where the federal government has acted, it remains unclear whether it is committed to a long-term strategy to deal with these problems, or whether political and fiscal constraints mean these efforts are little more than a series of one-shot initiatives. Despite these remaining questions, states and localities that develop effective strategies to deal with vacant land should view the new activity in Washington as an opportunity to forge stronger federal partnerships in coming years.

## V. Conclusion

How localities grapple with problem properties, and whether they can transform these liabilities into assets for economic growth and community revitalization, is not a high-profile issue. But few challenges are of more importance to the economic success or failure of cities, regions, and states. As they work to build a stronger, more resilient “next” economy, recapturing the value of urban land is a crucial part of the process. While direct responsibility for doing so may lie with local government, states will determine whether their localities have the right tools for the job. The time for action is now.

## Endnotes

1. Alan Mallach is a senior fellow at the Center for Community Progress and a nonresident senior fellow with the Brookings Metropolitan Policy Program; Jennifer S. Vey is a fellow with the Brookings Metropolitan Policy Program.
2. Jennifer R. Leonard and Alan Mallach, “Restoring Properties, Rebuilding Communities: Transforming Vacant Properties in Today’s America” (Washington: Center for Community Progress, 2010).
3. Howard Wial and Richard Shearer, “December 2010 Metro Monitor: Tracking Economic Recovery in America’s 100 Largest Metropolitan Areas” (Washington: Brookings, 2010).
4. Scott Bernstein, President of the Chicago-based Center for Neighborhood Technology, Testimony to the House of Representatives Judiciary Sub-Committee on Commercial and Administrative Law, July 19, 2010.
5. For statistics, see Leonard and Mallach, “Restoring Properties, Rebuilding Communities.”
6. Although it may make fewer headlines today than a year or two ago, the foreclosure crisis continues to rage: According to RealtyTrac, 2.9 million properties received foreclosure filings in 2010, an increase of nearly 2 percent from 2009 and 23 percent from 2008. Recent revelations about improper procedures followed by lenders have slowed down foreclosures temporarily, but the pace is all but certain to pick up again by mid-2011. RealtyTrac release, January 13, 2011.
7. Econsult Inc. for the Redevelopment Authority of the City of Philadelphia and the Philadelphia Association of Community Development Corporations, “Vacant Land Management in Philadelphia: The Costs of the Current System and the Benefits of Reform” (2010).
8. Frank S. Alexander, “Tax Liens, Tax Sales and Due Process,” *Indiana Law Journal* 75 (2000): 747-807.
9. Some states instead utilize tax lien sales, in which the buyer gets a lien (sometimes called a tax sale certificate) that gives him/her the right to foreclose on the property if the owner doesn’t pay the buyer the amount of taxes plus interest and penalties. The length of time before the buyer can foreclose varies widely.
10. Dan Kildee, “Legislature Needs to Make Reforms so Flint Can Deal with ‘Scavenger’ Sales of Homes,” *Flint Journal*, January 23, 2011.
11. In a tax foreclosure sale, the buyer gets title subject to the owner’s right of redemption, which can, depending on the state and the type of property, exist from a few weeks to upward of five years. The quality of title created by this process is often poor.
12. The Buffalo, NY Housing Court, for example, was created by an act of the state legislature in 1978. Under Judge Henry Nowak, it has played a leadership role in that city’s efforts to hold lenders accountable for problem properties. The Shelby County Environmental Court addresses housing, fire and building code violations as well as other environmental issues. Under Judge Larry Potter, it has played a valuable role in addressing quality of life issues in Memphis and Shelby County, TN.
13. Michigan Public Act 123 of 1999. More information available at [www.thelandbank.org/prop\\_acquisition.asp](http://www.thelandbank.org/prop_acquisition.asp)
14. Policy Memo for Auto Communities Roundtable on Repositioning Land and Infrastructure for Economic and Environmental Opportunities, March 2010.
15. Most states authorize municipalities and counties to create urban renewal authorities, which have the power to dispose of public property by negotiation in urban renewal areas. This is not a practical solution in many cases, since the process of creating an urban renewal area is time-consuming and costly, and inappropriate when the issue is disposing of a small number of scattered properties, rather than comprehensive redevelopment of a blighted area.



16. An example of legislation that would do the opposite is pending Georgia House Bill 110, which would pre-empt existing local vacant property registration ordinances, and allow cities and counties to enact such ordinances in the future only with such restrictions that they would be ineffective.
17. *Adjile, Inc. v. City of Wilmington*, 2004 WL 2827893, at \*2 (Del. Super.), aff'd, 2005 WL 1139577, at \* 2 (Del.).
18. *City of St. Louis v. Golden Gate Corp.*, 421 S.W. 2d 7 (Mo. 1967)
19. Danielle Bober and others, *Putting Back the Welcome Mat: A Neighborhood Guide for Turning Vacant Houses into Homes* (Ann Arbor: University of Michigan, 2007).
20. More information on the Michigan Brownfields Redevelopment Financing Act is available at [www.michigan.gov/deq/0,1607,7-135-3311\\_4110\\_23246---,00.html](http://www.michigan.gov/deq/0,1607,7-135-3311_4110_23246---,00.html)

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