POLICY RESEARCH REPORT

Renewing the Urban Landscape: The Dilemma of Vacant Housing

Center for Public Policy Research
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RENEWING THE URBAN LANDSCAPE:  
THE DILEMMA OF VACANT HOUSING

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INTRODUCTION

This project studies vacant and abandoned housing in three American cities: Baltimore, Maryland; Providence, Rhode Island, and Richmond, Virginia. It has been conducted at the behest of the International City-County Management Association (ICMA) to assess different strategies for addressing the problem of urban housing abandonment. We initially picked these three cities on the basis of familiarity, but we soon discovered that they are, in fact, leading examples in the urban abandonment debate. Together they have faced some of the same societal trends that have led to abandonment, yet separately they each magnify a different aspect of the problem.

The scope of this inquiry is necessarily limited to housing. Questions of industrial sites and brownfields are outside the scope of this inquiry. Although urban decay and renewal have preoccupied policymakers since the 1950s, only recently has the final result of urban neglect manifested itself in the wholesale abandonment of cities, first to the poor, then to no one.¹ In some areas, the urban question has shifted from one of how to stem the tide of urban blight to how to dispose of the blight that remains.

In reviewing the record of abandonment and attempted remedies, we have engaged people involved in the formulation and implementation of housing policy in all three cities. These people include government officials, activists and academians involved in the debate. We have scoured the press in these cities and elsewhere to determine the extent of and responses to the problem. We have reviewed the existent literature on housing abandonment. Finally, we have made recommendations to improve existing policies in these three cities.

This report is divided into three sections. The first section highlights the importance of finding solutions to the housing abandonment problem. It is predicated on the idea that
abandonment is not simply an urban problem, one that the majority in the suburbs can ignore and neglect. The second section explores the various reasons for abandonment, from societal change such as spatial dynamics to day-to-day problems of code enforcement and other municipal responses to blight. The third section highlights current solutions to abandonment in the three municipalities and proposes recommendations to better address these issues.
WHY SHOULD WE CARE ABOUT HOUSING ABANDONMENT?

Americans are a mobile people. From the taming of the frontier to the establishment of the suburbs, Americans have always sought to escape the rigidities and confined nature of urban life. This is partly due to character; Americans have steadfastly held to the ideal of the individual in ways both mythical and real. The supremacy of the individual has manifested itself both in our economic system and distrust of governance. Private property is ingrained as a symbol of individual realization and as a necessary counterweight to the influence of the state. Property itself has been seen as an economic instrument, subject to the same commodification and pressures present in the market for goods and services. Simultaneously, notions of community have been given short shrift in our national psyche. Neighborhoods that once formed the basis of community life are also implements of wealth that can be bought and sold in search of profit maximization rather than community integrity. The roots of neighborhood abandonment can first be seen as a reflection of America's valuation of property.2

The notion of progress is another peculiarly American value that has fueled the decay and abandonment of our urban areas. America's move to the suburbs by trolley, train and finally automobile can be seen as an embodiment of progress. Through improved means of transportation, Americans could live in spacious surrounding in housing designed for progress. New housing did not need retrofitting for electricity, refrigerators, washer-dryers, or modern heating. Automobiles were the greatest gift and implement of progress. One needed no longer to live close to work, nor live close to those differentiated by race or class. The lure of the suburbs was the lure of progress.

The American desire to seek new vistas combined with the ability to do so made possible by technological progress has wreaked havoc in traditional American cities. With few exceptions,
what remains of our once great national cities are vestigial downtown office centers and pockets of
gentrified and well-maintained historic zones. Surrounding these anomalies are wastelands of
despair, abandoned industries representing lost economic opportunities, and housing stocks
disappearing in value, home only to those that cannot themselves escape. Periodic efforts are made
to "revitalize" these areas through stadiums or entertainment and shopping zones that try to lure
tourists and suburbanities back to spend money, though rarely to live and become stakeholders.³
Given America's predilection for suburban life and its disinterestedness in the plight of urban
communities, the question does need to be raised: Why should we care about abandoned housing,
abandoned neighborhoods and abandoned cities?

Two very different affirmative answers can be made to this question, albeit both share
aspects of reality and hope. The first answer is premised on the fact that not everyone wants to live
in the suburbs, even those who live there now. There is a large minority of the population that
continue to live in cities whether by choice or circumstance. For those that can choose, city life can
mean escape from total dependence from the automobile, plus proximity to history, culture and a
non-homogenized social life. Those tied by circumstance can still enjoy traditions, community, and
memory of familiar surroundings.⁴ Yet both groups of citizens face adversity in city living.
Boarded-up houses are a symbol of that adversity, a testament that urban living is no longer worth
the benefits it can confer.

Most city residents face a struggle every day. Those who live in cities by circumstance
confront a government struggling to maintain basic services in the face of dwindling tax revenues.
City governments struggle to educate children with fewer resources and inadequate facilities
compared with their suburban counterparts. For older children, these schools also must compete
with the lure of the streets, especially in a culture that rewards instant gratification. Cities struggle
to keep libraries and community centers open. They also struggle to provide basic services such as
fire and police protection, and to maintain antiquated infrastructure. The cities try to do this on a
fraction of their former tax base with diminished federal assistance and with states reluctant to pick
up the tab.

For those of greater means, the benefits of urban living must be tempered with increased
costs, both monetary and not. City residents in gentrified and remaining affluent areas pay for city
living through increased property tax rates and assessments. Increased tax burdens often spur
further exodus. Fire, homeowners, and automobile insurance must be factored in; so to must
private school tuition. The urban elites can shoulder these burdens and live in gentrified and
affluent enclaves. So can non-traditional populations: singles, gays, and retirees. The poor and
disadvantaged have no choice, yet they often do not bear the brunt of city taxes. But the middle
class, especially the traditional family with children, has a choice: a choice between shouldering an
ever greater share of the local tax burden to obtain inferior services, or choosing to move to the
suburbs. It is they who have abandoned the cities in droves.

This middle-class exodus has spurred the unprecedented rates of abandonment we see in
major American cities. In Baltimore, 300,000 people have left the city since 1970. Forty-thousand
dwellings are abandoned or vacant – nearly 15 percent of the housing stock. For the remaining
city residents, these ghost neighborhoods do not merely cast a pallor of defeat over the city, but
they also contribute to the city's accelerated decline, most conspicuously through increased crime
and fear. Crime is both a product of vacant housing and an impetus for further abandonment.

The abandoned neighborhood is the real-estate of choice for all manner of felonies.
Murders and rapes can occur out of sight in abandoned structures. Abandoned structures are
preferred locales for acts of prostitution, often favored by both parties as "neutral" territory. Fencing operations use vacant buildings as transfer points for stolen goods. The buildings themselves are targets of arson and vandalism.

Drug distribution thrives in abandoned neighborhoods and its abatement has become the primary rationale for combating abandonment through demolition.\(^6\) The drug trade has well taken advantage of the dynamics of the abandoned neighborhood. For the remaining hopeless residents of the community, the drug-trade provides narcotic escape. Abandoned structures provide the necessary venue to indulge sight unseen. These structures provide temporary shelter as permanent residence and contacts fade into the past. Drug-dealers become the masters of this turf even where the police eschew a continual presence.\(^7\) Even piece-meal demolition can aid the dealer. In Baltimore, open-air drug markets have sprung up in blocks where middle houses have been demolished. "Known to dope peddlars as 'holes,' these narrow crevices provide ready refuge from police and defensive strongholds against armed rivals."\(^8\) One narcotics entrepreneur in East Baltimore even began channeling his profits in purchasing entire blocks of derelict structures in order to provide haven for his trade and his cash.\(^9\)

The pathos described in the aforementioned paragraphs are the end-stage result of abandonment. However, petty neighborhood crime can start the process that lead to abandonment. The "Broken Window Theory," advanced by James Q. Wilson and George L. Kelling in 1982, outlines a progression of crime that, if not combated in the earliest stages, leads to the type of residential abandonment so commonly witnessed in America's cities. They postulate that "disorder and crime are usually inextricably linked." Therefore, if a broken window is not repaired, it "sends a signal that no one cares, and so breaking more windows costs nothing."\(^{10}\)
Although Wilson and Kelling's theory was advanced to spur more community involvement by the police, the cycle of dereliction also has clear parallels in neighborhood abandonment. If the broken window is not repaired, other malfeasance manifests itself. Older residents begin to withdraw from community life. New residents, younger and often of different ethnic backgrounds, are not welcomed by established residents who either move or withdraw from community life.

They turn away from neighborhood interactions, and focus on protecting house and family. This self-preservation makes them less caring and socially integrated. In the long run, [this] stoic acceptance is itself uncivil behavior and reinforces decline.¹¹

In this way, the street is ceded to elements hitherto checked by the police or self-enforcement. Crime, fear and incivility become the neighborhood dynamic, thus beginning the process that ends in abandonment.

The neighborhood that is abandoned, plus adjoining neighborhoods in the throes of blight, both drain the city. In the abandoned neighborhood, most property no longer has any real-estate value and has ceased to earn property-tax income for the city. In blighted neighborhoods that adjoin abandoned ones, existing homeowners face stagnating or declining property values. Unscrupulous real estate agents play on these fears to by inducing existing residents to sell cheaply in order to maximize profits at the expense of incoming families. Although this property is still generating revenues for the city, the combination of high resale prices and high tax rates discourage maintenance of such structures. In this way, communities in transitions start to look shabby and run-down.¹² Businesses see their profits dwindle and are unlikely to remain in such locales.

Anarchy in the abandoned neighborhood and increased crime in the adjoining one both increase the need for city services. Periodic efforts to curtail the drug-trade and its accompanying carnage strain the resources of the city police department. Junkies and hookers look to adjoining
neighborhoods for fresh venues to obtain drug-money. Burglaries and street-crimes increase in adjoining neighborhoods further draining city resources. In gentrified zones, prosperous residents must consider installation of elaborate burglary protection systems as another cost of city living. The Fire Department must respond to additional calls because of arson and fires set by homeless squatters. All of these calls cost money; monies the city no longer has.

The foregoing response to "why we should care about abandoned housing?" has focused on the quality of life for the city dweller. But what of the suburbanite, who has crossed the invisible boundary between city and county specifically to flee the perils and costs of urban life? To many suburbanites, cities are perceived as being poorly managed and incompetently run. This 'fact' can be seen by the city's inability to provide basic services. In addition, deterioration of inner-city neighborhoods have been attributed to city residents who are lazy, shiftless, and do not care about their surroundings. Convincing those in the suburbs that housing abandonment is their problem too is a tall order. As a columnist wrote about a housing development proposal in 1995,

> The Rusk proposal is too late because Baltimore City is no longer worth saving for most people in the metropolitan area. Most people may be wrong, but they are still most people. In a democratic society, most people get their way.\(^{13}\)

Two remaining factors may focus their attention.

Blight does not stop at the city line. Suburban jurisdictions in all three cities have already witnessed the appearance of blighted areas. The machinery of the real-estate industry has pushed ever outward the location of desirable living. In turn, new residents of the suburbs pay exorbitantly to escape the ravaged city, thus putting off maintenance and contributing to shabbiness. Retailers seek the demographic with the most purchasing power, namely those who have moved further out. In short, the whole pattern of blight is replicated in the suburb and at an accelerated rate.
Neighborhoods in Baltimore often took one hundred years to get from infancy to dereliction; that process is down to forty in suburbs such as Essex and Dundalk.

The same engine that contributes to urban and suburban blight further contributes to suburban sprawl. The acclaimed suburban lifestyle is undermined by frenzied development (much of it structurally inferior to those people avoid in the city), and a life spent commuting or paralyzed in traffic. Sprawl is considered a hot political issue in many fast-growing localities. Yet the only way to effectively deal with sprawl - without strictly circumscribing property rights through development controls - is to make infill development (i.e. redevelopment of property in traditional municipal areas) attractive. In order to make this development widely attractive however, Americans will have to reevaluate their desire for space and their willingness to live in proximity to others.
THE CAUSAL EFFECTS OF ABANDONED PROPERTY

The following section will identify the key reasons for abandonment of property and why abandonment continues to plague the urban centers. In keeping with the evaluation method used, historical examples and reasons for abandonment will reflect research based on Baltimore, Providence, and Richmond.

Upon examination of the available material on urban decline and interviews of city officials in Baltimore, Providence, and Richmond, we discovered a variety of reasons for the abandonment of property. City government concerns over vacant and abandoned property stem from several historical events and social and political factors. All three cities began as prosperous industrial centers that attracted entrepreneurs and diverse ethnicities. Around the turn of the twentieth century a series of social and political incidents occurred that provided the impetus to the dissolution of communities and the out-migration of the middle class. These factors contributed to the demise of cohesive neighborhoods and added to the degradation of city housing.

Transportation and Federal Policies

The introduction of the streetcar was a prime motivator for city residents to move out of their increasingly crowded surroundings and into towns beyond the city limits. Although streetcar service provided access to the downtown arena, companies like Richmond Union Passenger Railway bought suburban land on which they built amusement parks at the end of their streetcar lines in order to attract home buyers. This encouraged the growth of suburbs, yet was only affordable to the middle class. The out-migration of the middle class meant a greater focus on creating new housing instead of repairing existing housing in the city. In the years preceding
World War I, the growth of suburbs encouraged residential segregation as whites moved to the city's edges and blacks moved into commercial areas and formerly white residential areas. This residential segregation, in conjunction with racial zoning codes designed to manipulate property values, was a tool used in by the Richmond municipal government to separate racial groups. By 1929, studies indicated that inadequate housing among black residents was a primary cause of poor health and rented homes were in dire need of repair. Although the situation required consideration, residents lacked the financial means to move and cities did not funnel resources into improving existing structures.

In Baltimore, zoning ordinances implemented in the 1920s opted for a more covert socio-economic segregation. Row houses were excluded from the "New Annex" to make way for cottage housing in Guilford and Forest Park. These ordinances accommodated the desires of the middle class and were established at the expense of blue-collar workers, and by extension blacks and new immigrants: "Zoning was consciously employed to put everybody in their proper place."\(^{14}\)

Subsequent to World War Two, federal policies drastically altered the composition of cities and promoted the movement of city dwellers to suburban neighborhoods. The Eisenhower Administration created the Interstate Highway System which offered the promise of effortless commuting between suburban homes and employment in city centers. Improved transportation methods reduced commuting times and made living outside the city center possible. Before World War II, suburban development occurred primarily along streetcar lines and in bedroom communities served by commuter railways. As automobile transportation became universally affordable, suburban living became an available dream for the middle class.

A byproduct of improved transportation was the destruction of neighborhood integrity. A primary example of this occurred in Richmond, Virginia with the construction of Interstate 95
through Jackson Ward and the Downtown Expressway through Oregon Hill. This construction split historically and predominantly African-American and blue-collar neighborhoods: those without the political power to resist. Highway construction demolished 700 homes, stores, and office buildings in Jackson Ward, along with the elimination or rerouting of 34 streets. Around nine hundred families, ninety percent of whom were black, were displaced. The Interstate segregated those remaining from the rest of the city and caused many to abandon their homes.

Federal housing policies complemented the exodus to the suburbs by favoring new construction in suburbs and sanctioned the redlining of the inner cities. The Federal Housing Administration (FHA) provided loans that aided the building of tract housing outside the city, while appraising old, increasingly black neighborhoods as unqualified for investment. In addition to this redlining, coloring areas of the city in red to indicate money could not be borrowed against them, the FHA and Veterans Administration policies prohibited loan guarantees for black families in white neighborhoods. These policies accelerated the first white flight to the suburbs.

**White Flight**

White Flight complemented highway construction during this period. The decision by the Supreme Court in “Brown v. Board of Education” in 1954 encouraged many white families to migrate out of the cities. Desegregation, in turn, resulted in the forced busing of African-American children to traditionally white schools. Racist fears in both northern and southern cities caused white families to leave their homes. Prompted by the influx of non-white groups into their neighborhoods and school systems that were becoming increasingly poor and African-American, residents uprooted and moved to surrounding towns that were “more white.” Those moving into
the city, mostly minorities, let property fall into disrepair because they lacked the means for maintenance. Landlords could not charge enough rent to cover the costs of upkeep.

Aiding the migration of whites out of the city was a practice called “blockbusting.” Used in Baltimore, and to a lesser extent in Richmond, real estate agents would buy white properties and resell to African-American families. These same real estate agents would spread the word that “blacks were moving in.” This practice caused panic among the remaining white families who would sell their property at a lower than market value in order to avoid living in an integrated neighborhood.

Suburban Flight

Suburban sprawl is a byproduct of the migration out of the cities. In the aftermath of white flight, many cities businesses, and their tax bases, left for the suburbs. Suburbs were close enough to commute and offered affordable housing in spacious surroundings. Lower crime rates attracted increasingly fearful city residents. The exodus to the suburbs was aided by industrial growth attracted by low-cost green field sites. In this manner, suburban growth also drained the city of jobs. Suburban flight left the city with a lower tax base and increased the proportion of renters to homeowners. The lack of ownership made it easier for families dissatisfied with city life to abandon their residences and move elsewhere. Consequentially, the number of houses available in cities grew faster than the number of households. This lapsed demand for housing eventually created a situation where landlords, lacking a sufficient number of renters, deferred essential repairs, defaulted on their mortgages, and stopped making tax property payments.
De-Industrialization

De-industrialization is another factor causing property abandonment. After World War II, once prosperous industrial cities began to lose their manufacturing base. Industries moved to areas in the Sunbelt, the suburbs or other countries seeking cheaper overhead and labor. This loss of economic opportunity forced many to leave cities in search of work and made cities a less attractive place for potential investors. "Central city decline was perhaps inevitable once it ceased to be the preeminent hub and focus of the transport system."15 Although cities attempted to revitalize downtowns by erecting shopping centers in the late 1960s, the effort was overshadowed by suburban shopping centers that were easily accessible to a growing number of people. The loss of economic vitality in city centers triggered a downward spiral that resulted in continued disinvestments and prevented problem areas from being repaired.

Riots in the 1960s

During the turbulent 1960s, cities were the center of racial and social upheaval. White flight to the suburbs left behind primarily minority families with jobs providing inadequate wages. Cities, still responsible for providing services to needy families, failed to assist the poor economically and socially. Residents grew tired of the poor quality of life and the inability of city government to improve the situation. Eventually these tensions resulted in urban riots. Riots resulting from the death of Martin Luther King Jr. left areas of devastation in many center cities that are still wastelands to this day. Fires resulting from this era added to the destruction of homes and stimulated the demolition of others, causing the number of vacant lots to rise.16
Economic Boom of the 1980s

The economic boom of the 1980s caused numerous speculators to purchase urban properties in the expectation of making a profit off renters. This land speculation caused property values to increase tremendously. At the same time, median family incomes had not risen proportionally to real estate values. In Providence, median incomes grew by 89 percent, while rents rose by 177 percent between 1980 and 1990.17 When the economy took a downswing and property values dropped, these property owners suffered, as tenants could no longer afford rents required by speculators to make payments on their properties. Landlords found they could not charge enough rent to meet costs. Some resorted to arson to recover insurance money while many abandoned their properties, stopped mortgage payments, and failed to pay property taxes. These abandoned homes turned into hazards to the community, and ultimately responsibility lay with the city to demolish the structure, thus leaving an empty lot.18 This method of abandonment, in conjunction with the social and economic factors that contributed to the abandonment of property, have left cities like Baltimore, Providence, and Richmond with an over-abundance of abandoned and vacant lots.

The effects of de-industrialization and suburban flight were extensive. As Peter Medoff writes in Streets of Hope, “the cycle of abandonment was exacerbated as private and public investment followed the migration to the suburbs.”19 Cities were left without a firm tax base and few prospects for growth. In response to these problems city officials looked to increase the attractiveness of the city environment through urban renewal projects. These projects often demolished entire neighborhoods and uprooted families in order to develop public housing, highways, and infrastructure. Because these projects often dislocated dispossessed black populations, they were often known derisively as “Negro removal” projects.20 Although cities
appeared to help revitalize downtrodden neighborhoods, their principal motivation was to aid the
growth of downtown businesses by increasing highway access and removing "blighted areas."

Crime

Decay of the city was also due to sociological factors. Cities are centers for industry,
learned institutions, and promote social and cultural life. Yet, cities also have a greater crime rate
than suburbs or rural towns. Beginning with de-industrialization there was a marked increase in
criminal activity in neighborhoods. Increasing crime rates and the breakdown of law and order
added to disenchantment with city life. This further promoted suburban flight and was the impetus
to move into the suburbs. Also, the reciprocal nature of crime causes an increase in abandoned
property by fostering an unsafe environment that residents wish to escape.

Housing Code Enforcement

The dynamics of city government aid the persistence of abandoned property. Although
cities have enforcement procedures in place to fine housing code violators, the level of enforcement
has not been adequate. Housing authorities often face difficulties enforcing code violations, thus
homeowners can long avoid the consequences of tax arrears or substandard maintenance. The lack
of sufficient means to track owners not in accordance with housing codes prohibits cities from
deterring violators. Therefore, weak housing code enforcement and the complex bureaucratic
process involved in disposing tax delinquent properties increases the problem of abandonment.

Yet strict housing code enforcement may accelerate decline. Rational property owners
facing increasing operating costs because of code sanctions may choose abandonment. A study of
Baltimore’s housing code enforcement revealed that municipal codes were based on an ideal
concept of lifestyle, were voluminous in content, yet often vague in detail. Because adherence to this code is often unrealistic, inspectors have inevitably been selective in its enforcement.\textsuperscript{21}

The destruction of property, inadequate investment, a high proportion of renters to homeowners, land held through speculation and a variety of other causes has made revitalization of these properties difficult. Owners of vacant lots and abandoned property cannot afford to fix the dilapidated structures or clean the litter and debris that accumulates from illegal dumping. In the past, speculators had the upper hand by not being liable for cleaning up the land in which they held title and therefore the property remained an underutilized eyesore for the rest of the community.

The legacies of these historical, social and political events are multi-faceted. In cities such as Richmond, the legacy of segregation has left a housing stock that is still divided by color and is less marketable to outside investors. In Baltimore and Providence, the dilapidated condition of the housing stock, in addition to the presence of public housing, limit any chances for revitalization. In such communities as South Providence, the out-migration of middle class renters, de-industrialization and unchecked land speculation has amplified the vacant and abandoned property problem. City officials and community groups must now focus their attentions on methods to alleviate the increasing number of vacant properties and improve means of transferring the property into the hands of responsible owners.

Ultimately, in order to begin to make any changes in the right direction, cities must examine their existing policies to determine why abandonment occurs. Although the aforementioned historical trends initially caused abandonment, policy must now be formulated around how the abandonment began, why it still persists, and how the situation can be helped. With these factors in mind, the quest for revitalization of vacant and abandoned property can be achieved.
PROPOSED SOLUTIONS AND RECOMMENDATIONS

In this final section we discuss the current solutions used by cities to address the problem of abandoned housing. After presenting current solutions, we discuss some proposed recommendations. Some of these recommendations have been made by city officials and residents themselves, others were developed during the course of this research. In discussing both the current solutions and the recommendations, we use three levels of analysis that are based upon the type of actor to which the solutions and recommendations are targeted: individuals, neighborhoods, and cities.

INDIVIDUALS

The first level of analysis focuses primarily upon individuals – the people who, acting on their own, address the problem of abandoned housing. There are three types of solutions currently in use: tax credits, liens, and property transfers. The cities could benefit from greater flexibility in the waiver of liens and taxes, more tax incentives, and greater capacity to enforce their building codes and effect repairs on properties.

Current Solutions

Tax Credits. Currently, only rental property is eligible for federal tax credits. By contrast, in Virginia property owners are able to use state historic tax credits of 25 percent, which go to homeowners as well as landlords. In Richmond, property owners can also take advantage of a city tax abatement program. Under this program, a property owner who increases the value of a property by 20 percent does not have to pay property tax on the improved value for 10 years. In
years 11 through 15, the full tax on the improved value is phased in. Richmond also makes use of its taxing power in an interesting way – as an enforcement incentive, the fee for having the city cut the grass is charged to the tax bill.

Homeowners in Baltimore have a variety of tax incentives from which to choose. Like the City of Richmond, the state’s Historic Restoration and Rehabilitation Program offers ten year abatements on increased property taxes resulting from value added from historic preservation. In addition, Baltimore offers several tax incentives: ten-year tax waivers for home owners in distressed neighborhoods; a five year phase-in of property taxes on rehabilitated vacant houses city-wide; and tax relief for low-income homeowners. Unfortunately, despite these tax incentives Baltimore City residents pay nearly twice the property tax rates of the surrounding counties.

**Liens.** In Providence, the *Clean and Lien* program is designed to make enforcement procedures more effective. The Department of Public Works (DPW) sends a notice of violation to the owner, and if the owner does not respond within three days DPW cleans the property and places a lien on the property for the costs of the cleanup. Also, liens placed against lots cleaned under the City’s Clean and Lien program are now given the highest priority in collection of liens (they used to be last priority after sewer and water liens). The increase in priority is designed to help the city recover its cleanup costs more quickly and completely. However, this program has suffered funding cutbacks and can only clean a limited number of properties each year.
Property Transfers: Tax Sales. There are two types of property transfers: tax sales and “dollar lot” programs. Each of the three cities has some sort of tax sale process, also known as a tax auction.

In Richmond, the city uses an open auction of tax-delinquent properties. A property is eligible for a tax sale if the property is at the time four years tax delinquent and unoccupied. The open auctions are handled by a real estate company in the hope that better marketing will bring out more bidders, which would increase the sale prices. Currently, sale prices are often not high enough to cover the cost of the auction. If no owner is found for a property, a guardian ad litem is assigned to the property.

In all auctions, a Special Commissioner is assigned as an administrative law judge, who then takes testimony, and sends report about whether or not to auction the property to a district judge. If the district judge approves the auction, closing must be made within 30 days of the sale, and the deed is transferred to the new owner. Under the previous system of closed bids, 15 – 25 properties were sold at one auction, and there were three auctions per year. The number of properties auctions has increased under open bidding.\(^{25}\)

In Baltimore, the 1999 tax sale at the Baltimore Convention Center offered 11,904 properties, of which 5,668 received bids. Properties in Baltimore are subject to the tax sale process either for tax arrears or for municipal liens. To secure a clear title, a successful bidder must file a notice of foreclosure with the Baltimore Circuit Court between six months and two years of ownership. If no action is taken to secure title in this period, the property reverts once more to the
city. This process has generally been used for occupied property rather than redeeming property from abandonment. Investors bid on these properties primarily to receive the 24 percent per annum interest accruing from taxes or liens. In 1993, attempts by the city to tie bids to property improvements caused a precipitous fall in bids, thus jeopardizing the tax sale as a method to recoup unpaid taxes. Consequently, this requirement was abandoned.²⁶

In Providence, at auction an individual pays the delinquent taxes and therefore acquires a “tax title.” Then there is a one-year moratorium after which a court petition is filed (the holder of the tax title seeks to foreclose on the “right of redemption”) which involves going to court to clear the title. It takes about three months to get a final decree and thus a clear title. From the time a property is bought to the time the new owner obtains title – about a 15-month wait – the house remains vacant because the former owner (the one who lost the tax title at the tax sale) is the only one with the right to go on the premises. If a property is not bought at auction it is “tax reverted” to the city which becomes the new owner.

For a speculator in tax sales, this is a very lucrative form of investment because they are guaranteed by state law a 16 percent return on the money invested in tax sales. Speculators are held responsible for maintaining the lots they purchase at tax auctions if they do not foreclose on the lot. Thus both the tax title holder and the property owner are held jointly liable for cleanup (using the deep pockets method) until the tax title owner finishes foreclosure on the right of redemption. Finally, any individual who is tax delinquent cannot bid at tax auctions: this may deter speculation, increase the amount of taxes collected from speculators, or force speculators to foreclose on their properties.
The Providence Redevelopment Authority targets specific properties that owe back taxes to the city, removes them from the tax sale process, and uses them for neighborhood development. In 1997, twenty properties were removed from the tax sale process at request of non-profit agencies.

*Dollar Lot Programs.* The Richmond Redevelopment and Housing Authority makes tax-delinquent properties available to non-profit organizations at low prices, but the city has reported some difficulty in acquiring properties for this purpose.

In Providence, the Special Vacant Lot Program sells publicly-owned property to neighbors at low prices, with the condition that they will use and maintain the land properly. The process involves submitting an application, and if it is approved by the Providence Redevelopment Authority the land is conveyed for $0.25 per square foot. A non-profit may acquire land for $1, but preference is given to abutting landowners (who can also buy the lot for $1) since non-profits do not pay property taxes. Since 1997, the "Vacant Lot for a Dollar" program has allowed approximately 70 lots to be transferred.

Baltimore was a pioneering city in municipal homesteading programs. In the 1970s, the historic neighborhood of Otterbein (located between Camden Yards and the Inner Harbor) was transformed by a dollar house program. This program was abandoned in 1983, however, as the stock of such housing in prime locations dwindled. Municipal officials point out that in many of the city's abandoned neighborhoods there is no demand for housing at any price. Development experts see the success of dollar-lot programs as dependent on their proximity to stable neighborhoods or
successful commercial areas. Therefore, these observers see the possible return of homesteading adjacent to the West Downtown redevelopment plan.\textsuperscript{27}

What is Needed

\textit{Greater Flexibility in the Administration of Liens and Taxes.} Tax delinquency is a problem, especially in areas with depressed housing values, for in Virginia it is legal for an owner to board and secure a property, ensure the grass is cut, pay the taxes, then leave it alone. But many tax delinquent properties have been sitting for 10-25 years. Often, the property is tax delinquent and abandoned because the previous owner died without any heirs. Additionally, there is often no way to clear the title because of old, unpaid liens. Only in ten percent of the cases can the owners be found, thus there is the long state-mandated process before a property can be sold at a tax sale. A new problem is the use of limited liability corporations by individuals who incorporate their property to protect them from liability.\textsuperscript{28} In order to improve the transfer of property to new owners, Richmond can selectively waive its liens for demolition and boarding costs, and is seeking state permission to also selectively waive its taxes.\textsuperscript{29}

In Baltimore, no distinction is made between a slumlord and an owner-occupier – liens are attached with an interest rate of 24 percent (compounded monthly), which are assessed on boarding-up and demolition costs. If property owners cannot pay the liens, the city assumes the title and will not resale unless either the new purchaser or the old owner pays the liens (which can accrue to several times the property’s value).\textsuperscript{30} A lien abatement procedure is available in Baltimore, but it is a long process (see Appendix A) involving both Housing and Community Development and the Baltimore City Board of Estimates.
More Tax Incentives. In Richmond, the city supports federal legislation that would allow owner-occupied as well as rental property to be eligible for federal tax credits.

Greater City Capacity to Enforce Building Codes and Effect Repairs on Properties. Richmond could benefit greatly if it had the ability to require that the new owner of a tax sale property redevelop their property. Currently, the property may remain blighted. Richmond also does not have the capability to repair buildings – if the building is not a candidate for demolition, and if it is secure, the city can only board the structure. Furthermore, if a code violator is local, the city issues a summons – but if the owner is out-of-state, which is often the case with vacant properties, then the city rarely enforces code violations. This results from the nature of the penalty available to the city: code violations are “unclassed” misdemeanors, which other localities either do not take seriously, or else charge a fee for their issuance.31

After issuing notice of a code violation, Richmond will use abatement agreements between the city and the owner, which will delay enforcement of code violations, but only if contacted by the owner. Code violations can be remedied using funds from Federal Community Development Block Grants (CDBG), which are used for grants and low-interest loans, but state-level funding is limited. The Virginia Housing Development Authority (VHDA) makes some below market rate loans available to Community Development Corporations (CDC) and first time homeowners, but no grants are available.32

In Providence, programs such as the original Special Vacant Lot Program and dollar lot programs need to allow for purchases of vacant publicly-owned properties by actors other than just
nonprofits and abutting landowners. Extending ownership ability would open up the process to a greater number of affected individuals – especially in South Providence where a majority of the residents are renters. Also, for these programs there needs to be an easier way to access this information, and applications should be disseminated on a regular basis.

NEIGHBORHOODS

Each city has certain initiatives that are primarily targeted at the neighborhood level: spot blight programs, historic district designation, improvements to public housing, the use of Community Development Block Grants, demolition, and neighborhood-specific crime reduction efforts. In order to secure neighborhoods against future problems, the cities need to ensuring a greater mix of housing types, income levels, schools, and jobs. Finally, the cities may wish to explore the use of land trusts.

Current Efforts

Spot Blight. Richmond has tried several initiatives in the 1990s in a continuing effort to reduce blight. Richmond uses a “spot blight” program administered by the Richmond Redevelopment and Housing Authority (RRHA). Under a state law adopted in 1994, the RRHA can acquire single blighted properties, proceed with demolition or renovation, and offer them for sale to potential homeowners. Richmond’s Neighborhood Teams process consists of a group of nine teams, each representing a geographic area, that identify blighted property. The city or the RRHA is required by law to notify the owners that the property is considered blighted. The owners then have 30 days to respond with an improvement plan. If an owner fails to respond, the RRHA may hold a public hearing and recommend a plan to dispose of the property.
Historic District Designation. Richmond uses historic districts to ensure that owners who want to make changes in their property – including painting, changing types of windows, screening in a porch or building a fence – secure approval from the city’s Commission of Architectural Review. Typically, property values in city historic districts increase. This can be a problem, though, if lower-income people cannot afford to keep up their properties to the standards of the commission or cannot pay the increased taxes.33

Improvements to Public Housing. Both Richmond and Baltimore are razing some of their public housing. Richmond is currently using Federal Hope VI Grants to demolish public housing as part of a broader neighborhood renewal program. A $27 million Hope VI grant was approved by the federal Department of Housing and Urban Development (HUD) in October 1997. The RRHA started tearing down buildings in the South Richmond neighborhood of Blackwell in the fall of 1999. Tenants were relocated with the help of Hope VI money, and will be eligible to return to Blackwell after new homes are built. All 440 units of public housing scattered throughout Blackwell will be demolished. The project should take about two years, and the first new single-family homes should be up by January, 2000. Many commentators have observed that Blackwell was “demolished” in 1970, when 440 public housing units were placed into a stable 1,000-home community.34

Baltimore has nearly completed the demolition of its high-rise public housing stock and replaced them with low-rise townhouse style construction. Since 1995, the city has received over $146 million to demolish Lafayette Court, Lexington Terraces, Flag House and Murphy Homes.
As many of these towers had already been de facto abandoned, large scale displacement of tenants was avoided and relocation was effected in the same manner as Richmond's example.

**Community Development Block Grants.** Federal Community Development Block Grants (CDBG) are used in all three cities. In Richmond, CDBGs, along with Home Investment Partnership (HOME) funds, are used to help fund the city's *Neighborhoods in Bloom* initiative (NIB), which began in July, 1999. NIB focuses on six target neighborhoods over a two year period, eliminating vacant buildings and helping owners upgrade their homes.

By investing more money in fewer neighborhoods at a time, Richmond expects to improve those neighborhoods more quickly so that it can move on to the needs of other neighborhoods.

Traditionally, the funds were divided among 20 or more different neighborhoods – and dozens of groups – for revitalization projects that often took 15 to 20 years to fully complete. This "shotgun" approach worked in some neighborhoods, but the payoff was so delayed that its impact on the whole city was diminished. The six target neighborhoods were recommended by three separate groups – the housing task force, the neighborhood team chairmen and the city staff. The city estimates there are about 2,500 vacant buildings city-wide (for more information, please see the Richmond Case Study).

In Baltimore, the Sandtown-Winchester redevelopment – a holistic approach to neighborhood renewal that included schools, community centers, and rehabilitation – used CDBGs.

In Providence, the Department of Planning and Development uses CDBGs to benefit low and moderate income persons. The funds also go to supporting the housing program delivery costs.
of 12 nonprofit housing agencies in Providence. These agencies provide rehabilitation, abandoned property reuse, historic preservation and new home construction.

**Demolition.** Demolition is used in both Richmond and Baltimore, but in very different ways. In Richmond, the budget for demolitions has been generally increasing until the present fiscal year.\(^{35}\) In FY 1998–99 there was $1 million to demolish approximately 160 buildings. In the present Fiscal Year, the city’s demolition budget has decreased to $400,000.\(^{36}\) As a result of the increase in the budget for demolition, in 1999 the city created the Vacant Buildings Review Team (VBRT). The VBRT includes representatives of the City Demolition Inspector, the City Architectural Review Board, the Richmond Redevelopment and Housing Authority, the community development corporations, and the City Planner’s office.

The VBRT assigns one of three ranks to vacant buildings: rehab 1 (a “no brainer” rehab); rehab 2 (the building can be rehabilitated but it has problems), and demolition. If the VBRT approves a building for demolition it then goes through Federal Section 106 review because it is felt that there must be $1 of federal money somewhere in the budget.\(^{37}\) Also, city building inspectors work with the police to identify the worst vacant properties, but in many cases they are abandoned apartment buildings or housing projects, and tearing down a big apartment complex would consume an entire year’s budget. A demolition fee of between $5 – 10,000 for the bulldozing is charged in addition to the property taxes when the owner is found.\(^{38}\)

In Baltimore, demolition is the primary solution to the problem of abandoned housing. A demolition initiative launched by the Department of Housing and Community Development in 1995 seeks to eliminate the city’s private sector abandoned housing stock by the year 2007. Over
2,000 properties are slated for demolition every year. Legislation adopted in the 1999 Maryland General Assembly allows for confiscation of occupied properties when 70 percent of the block is abandoned. This allows for demolition of entire blocks of housing. The bill was criticized for penalizing those homeowners who have toughened it out, by forcing them out of their homes, yet city officials claim that many only remain in the mistaken belief that they can obtain a higher price than what the city is willing to give.39 Boarding-up and beautification is used in Baltimore in an effort to stabilize neighborhoods by making the fronts of buildings look lived in, while securing the back to prevent entrance by sealing doors and windows with cinderblock. Yet this is often an intermediate step to demolition.

**Crime Reduction.** Crime reduction is used in neighborhoods in part to increase property values. In Richmond, the Blitz to Bloom project, a component of the city’s *Neighborhoods In Bloom* initiative, has proven very successful, but its effectiveness may prove short lived if it is not continued. Under Blitz to Bloom, the police descended in unusual force and chased off the drug dealers; city inspectors cited nearly three dozen buildings for various code violations; while other city workers hauled away the junked cars and trash, trimmed the trees, cleaned up and repaired the sidewalks, and fixed the street lights.40

**What is Needed**

*Neighborhood Stabilization.* Each city needs to stabilize its neighborhoods by ensuring a greater mix of housing types, income levels, schools, and jobs. In Richmond, the HOPE VI project in the Blackwell neighborhood calls for the construction of 308 single-family houses for homeownership and 232 rental units, the rehabilitation of many of Blackwell’s existing, privately
owned houses; the development of new infrastructure: a new community center, elementary school, and expanded park, and implementation of a self-sufficiency training program.

**Land Trusts.** The cities could also benefit from the use of land trusts. A land trust is "a non-profit organization whose purpose is to protect natural, scenic, recreational, agricultural, historic, or cultural property" that "acts in the public interest, to acquire, protect, and manage property."\(^{41}\)

In Baltimore, the outgoing Housing Commissioner Daniel P. Henson III advocated the use of land trusts for lots created through demolition to promote future development. He noted that Baltimore presently has very few vacant development sites for commercial or housing development.\(^{42}\)

In Providence, a city-wide land trust, as used in Burlington, Vt. and Boston, could address individual neighborhood needs of housing, parking, and open space. Land trusts could provide general information, technical assistance and follow-up support. By becoming the major landholder and leasing out properties, or selling the land but maintaining an easement/title restriction on the deed that allows the land trust to dictate use and price, the land trust could work outside the auspices of municipal government. This approach seems plausible to involve the community more directly and is eligible for funding from the City.
CITY-WIDE

At the city-wide level, as in the specific neighborhoods, cities are trying to improve property values and community vitality through efforts at crime reduction that will make the city itself more attractive. Also, the cities have used community task forces and special courts to improve their ability to manage vacant properties. Each city would benefit from more law enforcement generally, and code enforcement in particular, plus better record-keeping. The inability to acquire and publish information – to both city agencies, non-profits, and individuals – remains a major hindrance to the elimination of vacant properties.

Current Efforts

Crime Reduction. Crime reduction efforts make the city itself a more attractive place to live. In Richmond, Project Exile was launched in February 1997. Under this program, local police began to turn criminals found in possession of illegal guns over to federal prosecutors, who can use tougher federal laws. Project Exile has been a psychological victory for Richmonders. As of August 1999, all major crimes were down, including aggravated assaults, rapes, robberies, burglaries and larcenies (for more information, please see the Richmond Case Study).

In 1999, a delegation from Baltimore traveled to Richmond to assess the feasibility of implementing Project Exile in the city. Unfortunately, Baltimore’s crime rates have not followed the national downward trend. Baltimore ended the decade as it began with over 300 homicides recorded for the year. Crime and the safety of employees are cited as leading factors by businesses abandoning the city or spurning financial incentives to relocate here. Martin O’Malley, the new mayor, was credited with victory because of his tough anti-crime stance. Ridding Baltimore’s
reputation as 'Gotham of the Chesapeake' is a necessary precursor to ameliorating the abandoned housing problem.

**Community Task Forces.** The use of community task forces has proved very successful in Providence. The Vacant Land Task Force (VLTF) is composed of community residents, community organizations, city officials, and academics. The VLTF produced a comprehensive report that defined the issue and offered a series of recommendations to help fight the problem. Several of the recommendations have been implemented: environmental ordinances have been revised, DPW was restructured, an environmental court was established, the clean and lien program was established, and a vacant lot database was created.

**Special Courts.** Providence has also changed the way it uses its legal system by creating a special court and changing its laws. The Default Law of 1997 hastens the court process and ensures that more violators pay their fines. It allows the newly created Environmental Court to fine any offender who fails to appear in court. The DPW was also given the authority to settle cases out of court by holding nonjudicial hearings. This process is working well so far: the percent of offenders who have responded to violations increased from 10 percent to 40 percent.

**What is Needed**

**Improved Code Enforcement.** Each city needs greater law enforcement capabilities. In Richmond, the city wants the ability to prosecute out-of-state violators of the building code. Richmond also wants a special housing court for code violations and tax sales.
The cities might also benefit from more housing code flexibility. As part of Maryland’s Smart Growth plan to curb suburban sprawl, Governor Glendening appointed a “Smart Code” taskforce with the mandate to develop a rehabilitation code distinct from building codes for new construction. Legislating implementing this rehabilitation code, based in part on the Nationally Applicable Recommended Rehabilitation Provisions promulgated by the U.S. Department of Housing and Urban Development, will be introduced in the 2000 General Assembly session. In New Jersey, a separate rehabilitation code has been adopted and the results thus far have been dramatic. Building permits to rehabilitate existing structures increased 83% in Jersey City, 40% in Trenton, and 63% in Newark.43

**Improved Record-Keeping.** Improved record-keeping is sorely needed in each city. In Baltimore, the *Sun* captured the record-keeping problem in a 1997 article:

> The backlog is now so immense that officials are now floundering in paper. City attorneys trying to collect debts are literally pursuing ghosts, mailing payment demands to addresses that were demolished long ago and filing lawsuits against owners who have been dead for years.44

Although computers have now been installed in most Department of Community Development agencies, there continues to be a lack of communication or a common data-base between the municipal abandonment players: the Housing Authority, the Department of Health and the Bureau of Treasury Management.45

Richmond’s property database prevents the city from facing the magnitude of problems faced by Baltimore, yet the city would certainly benefit from a more complete system. Richmond’s computerized system on which officials can determine the tax status of a property, and whether or
not an owner has applied for the authority to improve the property. The database lists every property in the city, but the screen displays the caution that “information is deemed correct but is not guaranteed.” Furthermore, this information is not available to the general public, nor is the ownership of many properties known. More importantly, there is no loop between the city’s code decision (to demolish or rehabilitate) and the decision to sell at tax auction except for a system of fax transmissions between the city and the private attorneys and auctioneers that handle the city’s tax auctions.  

A better record-keeping system might also alleviate the confusion that results from the existence of so many different actors in the city, such as building inspectors, the police, the Richmond Redevelopment and Housing Authority, several CDCs, the Department of Taxation, and the private attorneys and auctioneers. An additional factor that limits the city’s ability to resolve many cases of blight is the lack of housing inspectors: there are only 7 on average for 9,000 cases. There conditions have led some observers to describe the city as bordering on being “dysfunctional.”

In Providence, there is a dire need for the Providence Redevelopment Authority (PRA) to have computerized records to track properties and aid the advertisement of the dollar lot program. Presently it is difficult to get accurate ownership data from the relevant agencies. A person wanting to purchase a vacant lot or abandoned property has to go to the PRA, then to City Hall to identify the lot’s owner. Because the Tax Assessor’s Office, the Recorder of Deeds, and the Tax Collector’s Office do not have the same records on file there may be conflicting owner information. Deed transactions and tax auction sales or tax reverted properties are not reported to each agency to update their files. Each maintains a separate database and distinct hardcopy files. At any given
CONCLUSION

In our study of housing abandonment in Baltimore, Providence and Richmond, we have attempted to show the various tools these municipalities have employed to combat the problem. In each of these locations, the use of abandoned housing as sites for criminal activity has been the predominant motivation for addressing the problem. Especially in Baltimore and Richmond, the drug trade has devastated poor, predominantly African-American neighborhoods. This trade utilizes existing vacant structures and in turn creates additional abandonment, as neighborhoods wracked by drug violence, crime and vice no longer remain habitable.

Municipal responses to abandonment reflect the differing dynamics in each locality. In Providence, the problem is viewed as an adjunct to the ongoing downtown renewal effort. Richmond attempts to systematically rejuvenate neighborhoods by focusing multiple resources in selected areas. The scale of the problem in Baltimore creates an altogether different dynamic. Baltimore is faced not with abandoned houses but with abandoned neighborhoods. It relies on demolition with the hope of starting anew.

Our study has found a program or an incentive for nearly every aspect of the problem. The problem is not the lack of ideas, but rather a disconnect between various agencies responsible for housing policy in municipalities. Moreover, market forces and government incentives favoring suburban development as well as the city’s isolation in the governmental structure reinforce this detachment. Some of this is technologically based: only Richmond seems to have begun a seamless technological integration throughout city government. However, the problem of integration is not just technological. Loss of population in Baltimore translates to loss of political clout in Annapolis. Virginia’s cities, including Richmond, suffer not only corresponding isolation from prosperous
suburban counties, but also increasingly from racial isolation as well. In order to mitigate these
disadvantages, the cities must leverage their remaining resources.

First and foremost, current city processes do not encourage the participation of the public in
the amelioration of abandonment in their communities. Procedures to purchase or to claim title to
an abandoned or vacant property often require a generous investment in time and effort. Numerous
city agencies are often involved in the process, adding to the complexity for the average citizen. For
the publics they serve, cities need to establish a centralized venue where information can be
obtained, and action taken on issues related to abandoned property.

In order to be able to provide such a service to the public, however, interagency cooperation
is vital. Different agencies with jurisdiction over housing must have a common goal: a structurally
sound, healthy and safe housing stock. In Richmond, the *Neighborhoods in Bloom* project is an
attempt to put this thesis into action. Baltimore, in contrast, recently has had little interagency
cooperation as the Departments of Housing and Community Development, the Health Department
and the Department of Finance continue to conduct their activities oblivious to their
complementary functions. Agencies will not be able to achieve significant cooperation until their
databases are linked and departments can communicate electronically with each other. Easy cross-
referencing of data is a reality in none of the three cities investigated.

Once cities can claim an internal efficiency, they can begin to affect policies to change the
dynamics of housing abandonment. Maryland's adoption of a separate rehabilitation code and its
increased use of tax incentives to encourage revitalization are examples of policies that will give
financial incentives to invest in Baltimore. *Neighborhoods in Bloom* promotes investment in
Richmond by improving the quality of life to make threatened neighborhoods more appealing.
Providence's *Clean and Lien*, likewise seeks an improvement in neighborhood quality by clearing vacant lots of trash and debris.

The problem of housing abandonment is ultimately tied to the fate of the cities and their ability to attract residents and investment. The steps we have suggested can only help on the margin in the face of overwhelmingly adverse socio-economic trends and governmental policies. In our research, we have encountered policy incentives that encourage abandonment and subsidize sprawl. These tax policies, conducted at all levels of government, are candidates for further research. In addition, the role of non-profit community organizations merits closer study.

At the local level, property taxes encourage both suburban sprawl and urban disinvestments. Suburban jurisdictions rely primarily on the property tax to fund local government. They are interested in limiting density and encouraging large, expensive lot development. Sprawl is encouraged as "[e]ach jurisdiction acquires an incentive to maximize the assessed valuation of its real estate in relation to the expense of providing local services."\(^48\) At the same time, property taxes in urban areas are generally assessed on improvements, rather than on land itself. This practice encourages long-term speculators to keep parcels unimproved or 'out of circulation' to retain low tax rates. These underutilized lots encourage blight and building abandonment. By taxing land itself, holding land idle for speculative purposes becomes less attractive. The incentive structure changes to encourage redevelopment or reuse of the parcel.\(^49\)

A comparison of tax policies in Europe and America finds differences that contribute to the variance in housing choices and locales on the two continents. Generally, the focus of taxation in Europe is on consumption, whereas in America it is on income. Because Americans do not pay for their consumption decisions, they consume larger housing and accommodate more possessions. In
addition, the lack of significant gasoline taxes encourages the use of larger cars and the continued use of the Highway Trust Fund continues to favor highway solutions. The shift of taxation from income to consumption would discourage the purchase of bigger houses, ever outward, and more mammoth vehicles to get to and fro.\textsuperscript{50} These example are not exhaustive, but they are meant to show how seemingly unrelated fiscal policy can influence suburban sprawl which, as we have seen, have so contributed to housing abandonment in the cities.

Our research touched on how non-profit community based organizations can positively affect the neighborhood dynamic. These groups have rehabilitated houses, fought encroachment from highways and competing land uses, contributed to neighborhood stability through the provision of community centers, outreach programs and crime watch efforts. In many distressed communities, these organizations are supplanting traditional governmental functions rendered inadequate by fund shortages. Further research should examine the role these non-governmental organizations can play in the abatement of urban abandonment.
Baltimore, Maryland's Crown Jewel

Baltimore was established as a port settlement on the Patapsco River in 1729, although it was not formally chartered by the State of Maryland until 1797. It quickly grew as a seaport and, because of easily accessible water-power in the Jones Falls Valley, as a mill based manufacturing center. The first railways in the nation linked Baltimore to inland markets and assured the prosperity of its ports and industry. During the Civil War, Baltimore had conflicted loyalties. The city prospered as a supplier of the Union Army, but its Southern sympathies led to a virtual occupation of the city by the North. Baltimore was the second largest port of entry for waves of immigrants in the late 19th and early 20th century adding workers to its industries and creating additional need for housing. In the early 20th century, Baltimore was one of the ten largest cities and one of the five largest ports in the nation. The great Baltimore Fire of 1904 devasted the downtown commercial and retail district, yet this conflagration became the impetus for the creation of a twentieth century city.

Baltimore has a long and checkered history of urban renewal. In many ways it has been a pioneer in reshaping the city to current needs. The Charles Center complex represents the 1950s approach to urban renewal. The austere campus of modern office buildings (including those of noted architect Mies Van Der Rohe) swept away the clutter of the existing street grid and it conformed to contemporary planning notions of the modern city. The decaying inner harbor area was transformed in the 1970s, first as a waterfront promenade and park, then as Harborplace and associated shopping and entertainment complexes.
Attempts at slum clearance removed successive generations of poor and African-American residents from tenements and alley dwellings to public housing, whether into garden apartment during the 30s and 40s, high-rise towers in the 50s and 60s, or townhouses-either rehabilitated and newly constructed since the 1970s. Baltimore has also pioneered numerous blight abatement programs such as urban homesteading and shopping revitalization. Yet, Baltimore continues its slide in population and significance in the metropolitan region. In 1950, Baltimore was still a compact metropolis; 71% of its residents lived within the city limits. Today, only about 1/3 of the metropolis’ residents live in Baltimore city. More than 300,000 Baltimoreans have left the city since 1970, and most are unlikely to return.

Many city residents were lured away by the plushness of suburbia; yet many were also driven away by crime, blockbusting and racial tensions. The 1968 riots following Martin Luther King’s assassination left a psychic imprint on the city perhaps greater than the actual damage it caused. Damage was significant to businesses in black ghetto areas; looting and arson was common. Martial law was declared and five thousand troops were deployed to restore order. Yet the legacy of the riots was that the city was out of control. Businesses and investments were not safe.

The four days of civil disorders in April 1968 signaled the collapse of the inner city housing market. What little confidence there had been amongst investors that they could ride out the weak market before the riots waned away as the scale of the vandalism after the riots increased; the seeming inability of city authorities to control it in any way became evident, and the polarization of landlord and tenant intensified.
Baltimore finished the 1990s with its decade long streak of 300 homicides per year intact. The City’s high crime rate has been attributed to the scourge of drugs, especially crack cocaine, the cycles of poverty and despair endemic among the city’s underclass, the lack of a quality school system and persistent joblessness. There is no doubt it has contributed both to flight from the city and its byproduct, housing abandonment.

Baltimore has the eighth oldest housing stock in the nation. Its street plan was laid out in the Poppleton Plat of 1812. The grid envisioned large rowhouses of two to three stories, 10-18 feet wide on major streets and scaled down versions of these in alleys and side streets. Many of Baltimore’s familiar brick rowhouses were built for the city’s blue collar work force from the 1880’s to the 1920’s and were never envisioned to be standing in the 21st century. With the development of the streetcar and the annex of 1920, roomier daylight houses and bungalows were constructed for tradesmen and white-collar workers.

A 1916 promotional tract called Baltimore the ‘City of Homes’. Ownership of these sturdy brick rowhouses was within easy reach of blue-collar workers. With liberal payment terms offered by ethnic and neighborhood based building and loans, mortgages for $1000 houses proved no more costly than rent. Noticeably absent from Baltimore’s housing landscape was large-scale apartment living. Early awareness of the squalor and disease associated with tenement housing led to the first wave of slum clearance in the 1930s. Such apartment dwellings that did exist served elderly residents of the upper classes. Zoning regulations discouraged construction of tenements and apartments; realtors were comfortable with a policy that encouraged scarcity.

Baltimore’s zoning plan had one further notable aspect; it restricted and segregated all larger industry to the southeast quadrant of the city. Not all city observers were enamoured with the prospect of large industrial operations in Baltimore. The noted journalist H.L. Mencken wrote,
What Baltimore needs, of course, is not more factories, but fewer. All truly
civilized cities, in fact, prohibit such factories altogether. They are shoved into
ninth-rate towns where the smells they radiate seem natural, and the poor half wits
they employ may be suitably entertained by evangelical religion and the Klan.56

But industry did come. General Motors, Lever Brothers, Western Electric, Allied Chemical,
Glidden Paint located in the City’s southeastern quadrant. Bethlehem Steel built the largest
vertically integrated steel mill in the world at Sparrows Point in Baltimore County. Yet, because of
this spatial separation, workers became removed from their place of employment. Once the habit of
commuting was established, first by streetcar, later by automobile, ties to the old neighborhood
loosened. This process was accelerated during WWII as Baltimore contributed to the arsenal of
democracy. Planes, tanks and ships were churned out by Baltimore’s industrial behemoth in
factories often far from the city center. As these facilities were converted to civilian uses, many
city residents moved to new suburban-style homes closer to their jobs.

Blockbusting was not unique to Baltimore, but it was practiced with virulence. In West
Baltimore, the de facto segregation line had slowly been moving west through the interwar period.
After the war, however, pent-up demand for housing in the black community was aided by
unscrupulous realtors such as Morris Goldseker. Realtors would spread rumors and fear about an
impending “Negro invasion.” They would then make that prophecy come to pass by installing a
black family as an owner or renter in a new block. Whites, panicked by the threat of change,
integrated schools and declining property value, sold out to these agents at a fraction of the
property’s value. As fear gripped the community, neighbors turned against each and dealt in
secrecy.57 At this point, the realtors would resell to black families at a considerable premium.
Known on the street as the ‘black tax’, this additional housing cost represented not only the markup
on the house itself, but also higher finance charges and longer mortgages.58
These practices did not pass unnoticed; they were well documented and became the focus of concerted activity by black political leaders. Yet, it must be noted in Goldseker’s defence that he was the only game in town. Banks had redlined most of West Baltimore, even the city’s municipal pension fund invested primarily in county development. His form of self-financing, surely exploitive, was often the only way to black home ownership in the Baltimore of the 1950s.  

Other neighborhoods did not change racial or socio-economic composition overnight. Often the process took decades. One common scenario has been that the parents stay in the old neighborhood, while the children move to the suburbs. When the property is inherited, it is often retained and rented out by the children who hold an attachment to the house – though no desire to live there themselves. Renters bring a new socio-economic dynamic to the neighborhood, and the house may lose its attractiveness if maintenance costs increase. In this manner, many formerly viable dwellings are abandoned or sold to slumlords who extract any remaining value from it.

Some policy choices have no easy solutions. Historic designations have been used to attract upscale residents and gentrifiers in neighborhoods such as Butcher’s Hill, Fells Point, and Federal Hill. Yet, these designations cause property values to increase and can make neighborhoods unaffordable to lifelong residents. In 1976, community activists fought off attempts to make the working-class area around Union Square (site of H.L. Mencken’s house) an historic district. Yet, gentrification may have been the last chance for this neighborhood; its level of abandonment and decay are now some of the worst in the city.

Baltimore adopted the automobile and shunned mass transit as did other cities in this period, yet highway construction did not wreak a havoc as great as that in other metropolitan areas. The first interstate highway into the city, the Jones Falls Expressway, generally followed industrial and railway right-of-ways, thus avoiding the destruction of neighborhoods. Proposals to link the JFX (I-
83) to I-95 through Fells Point and Canton were successfully resisted by these neighborhoods through grass-roots community action networks. Senator Barbara Mikulski, a Highlandtown activist at that time noted,

We didn’t think it was right to destroy healthy neighborhoods so that suburban commuters could get in and out of the city faster. We didn’t believe it when they told us it was going to be good for us.61

I-95 itself was rerouted under Fort McHenry in order to spare neighborhoods in South Baltimore.

The I-70 link to downtown caused the greatest destruction to neighborhood integrity. Some 971 homes, 62 businesses and a school were leveled to create a one mile long spur. The highway tore a path of destruction through neighborhoods that had the highest level of black home ownership in the city. I-70 ends at Leakin Park: the casualty of better organized environmental activists.62 Poignantly, the neighborhoods were destroyed, but the highway goes nowhere. The destruction of the forests of Leakin Park was bitterly and successfully opposed; building a tunnel under the park was considered too expensive. It is worth noting that white residents prevailed in the debate over highway choices in South Baltimore, Canton and Leakin Park, yet the highway plowed through predominantly black West Baltimore neighborhoods. Many of the residents of what were considered slums were removed to Lexington Terrace and Murphy Homes, high-rises that recently have been demolished.

Although spared the wholesale destruction from highway construction that neighborhoods in other major cities faced, Baltimore embraced the highway culture. Streetcars were abandoned and commuter lines such as the Northern Central trains from York PA were discontinued. Like many other cities, Baltimore has a beltway that encircles the city and connects various suburban locales. Beltways were initially envisioned to keep trucks and long distance travelers from congesting metropolitan areas, yet they have also allowed commuters to avoid the central city altogether. Traditional ‘hub-and-spoke’ commuting (i.e. commuting between the suburb and the
downtown core) has been replaced for many with commuting between suburbs. The beltway has become Baltimore’s main street, linking homes, jobs and shopping malls.

The city admits to approximately 11,000 abandoned residences, out of approximately 230,000 residential structures. Even if there was a large rehabilitation campaign, it is not clear that one could find people to live in them. Indeed, Baltimore has an infrastructure designed for a population of over 1 million residents, a figure last seen when Johnny Unitas started playing for the Colts on 33rd Street in the 1950s.

Demolition has been the favored method of dealing with the abandoned housing problem, but as the foregoing report indicates the City has also engaged in many alternative solutions: tax incentives, historic designations, code enforcement to reclaim the city from blight. Yet, the problem has consistently gotten worse. Until people feel safe living in the city, secure their children will be well educated, able to find employment and confident about investment in their locale, Baltimore will continue to lose residents. Thus, more neighborhoods that have contributed to Baltimore’s history and her soul will sit empty, awaiting the bulldozer.
The decade following the chartership was both politically and economically eventful. A rebellion led by Thomas Dorr failed to bring about "free suffrage" and reapportionment within the Rhode Island General Assembly and instead strengthened the rights of the upper class minority by dissolving the secret ballot and required naturalized citizens, predominantly Irish Catholics, to own real estate if they wished to vote. Although these constitutional reforms were a setback to some groups, the economy was on the upswing. Due to the introduction of the railroad to Providence in 1835 and the increase in public works projects within the city, industry prospered and jobs were plentiful. The streetcar created "streetcar suburbs," yet immigration still was a strong factor in the population increase. The jewelry and textile businesses attracted a conglomeration of ethnicities and South Providence became the hub of immigrant residences.

The new century demonstrated economic stability, yet there were signs that the city was headed for a downward spiral. In 1900 Providence was first in wool textiles, third in manufacturing of machinery and machine tools, and was the jewelry capital of the nation. Despite these industrial triumphs, the city was aging and faced increased competition from Southern cities. Southern facilities offered non-union labor, low energy costs, reduced transportation charges, tax incentives and modern plants. In 1925 the population peaked at 267,000, which would dwindle continually in future decades. Unemployment levels reached twenty-five percent during the Depression. The lack of a high water barrier left the city defenseless to the hurricane of 1938. Buildings in the downtown arena were damaged beyond repair, essential power lines were destroyed, and 311 Rhode Islanders died. A report issued by the City Plan Commission in 1948 recognized the changing nature of the city: "Urban areas are changing in character from one thickly populated central city to a group of satellite cities around a central city." Evidence of this claim was demonstrated by the 1950 census population estimates of 249,000. By
1970 the population dropped 28 percent to 179,000, the largest percentage of out-migration of any major city in the U.S. Irish Catholics, once the largest minority group in Providence, left South Providence and West Elmwood neighborhoods for the suburbs. Their residences now became rented houses that landlords let fall into disrepair.

The exodus to the suburbs was fostered by the improvement in highway transportation and a lack of quality housing. Construction of Interstate 95 through Providence divorced the lower half of Providence from the downtown area. The financially secure persons left the city in search of a better environment, opening up substandard residential districts for redevelopment. Industrial parks and urban renewal projects replaced run-down housing. Available living space was also diminished by an increase in social institutions (i.e. churches, hospitals, colleges, etc.) that further reduced the city's tax base.

Reacting to the lack of available housing and the poor quality of existing housing, the city instituted a number of laws and developed agencies to deal with the problem. From 1940 to 1970 the city government established both the Providence Redevelopment Agency (PRA) and the Department of Planning and Urban Development (DPUD), revised zoning laws, instituted a minimum housing code, and organized a chapter for historic preservation. In the 1940s and 1950s money was allocated for the building of public housing projects for low-income families, and in the 1960s the focus was shifted to building complexes for the elderly.

The Vietnam War protests and civil rights movement did not pervade the lives of Providence residents, yet war dissent and protests produced outbreaks of riots from 1965 to 1970. Across America major cities experienced riots that resulted in fires and vandalism that destroyed homes and made many residences unsafe places that needed to be demolished. In Providence, neighborhoods were spared any fatalities and the extreme devastation that other U.S. cities
experienced. In fact, by the early 1970s Providence regained economic strength and experienced a renaissance. With the help of incoming Mayor Vincent Cianci, Jr. and a progressive city council, Providence opened 20 parks, targeted a number of downtown buildings as historic preservation sites, and refurbished a number of commercial strips. Residents and community groups combined in force; restoring homes and opening 15 new community centers. By 1980 property values were rising due to the economic boom and speculators were stimulated to buy property. The revival did not last long. When the economy declined new owners could not make their mortgage payments or pay land taxes. Consequentially, residences lacked the upkeep they required and neighborhoods in disrepair declined even more.

Presently, the lack of ability to clean up these vacant lots and abandoned houses is due to scarce resources. The majority of vacant and abandoned houses are located in Upper and Lower South Providence (69.9 percent). The largest landowners of vacant lots are the PRA, the City of Providence, and land speculator Patrick Conley. Some of these properties are aimed for redevelopment while others remain surplus public property. The median family income in these neighborhoods is below the poverty level and the majority of residents are renters, not homeowners. Residents in these neighborhoods do not have the resources to contribute themselves and a lack of cohesiveness prevents community groups from cleaning up the properties. Groups such as Keep Providence Beautiful, and Direct Action for Rights and Equality (DARE) have organized cleanup projects and work with the city on transferring the property to local residents but they cannot act alone.

Various concerned parties have brought the problem of vacant lots and abandoned housing to the forefront. The city of Providence has made cleanup and rehabilitation an integral component of making Providence beautiful and has responded to the crisis by engaging the help of community
organizations and government agencies. In February 1996, Mayor Vincent Cianci, Jr., created the Vacant Land Task Force (VLTF) and included community groups, city agencies, city council, and academics as members. Their mission was to develop and implement policy solutions to the city's vacant land problem. The product was a comprehensive report defining the issue and offered recommendations to abate vacant property. In addition, independent of city government, there are numerous community organizations that focus on neighborhood renewal.

In the past it has been profitable for land speculators to buy up tax titles without having the responsibility to upkeep the properties. In 1997 the Rhode Island General Assembly passed the Tax Sale Realty Law. The statute allows the PRA to target specific properties and remove them from the tax sale process and use them for neighborhood development. Speculators are required to accept responsibility for maintaining the lots they purchase at tax auctions and the city can pull any property that is valuable for redevelopment. Another facet of the new law was the Special Vacant Lot Program. The objective is to acquire vacant lots that are blighted and make them available for improvement and by returning them to the tax roles the city will widen the tax base. At the onset of the program nonprofits paid $1 and abutting landowners paid $0.25 per square foot while commercial developers paid full price. Following the recommendations of the VLTF and DARE, the program was altered to allow nonprofits, abutting landowners, and neighborhood residents to pay $1 with the stipulation to maintain the property. Interested parties submit a site plan and evidence of financial commitment to the project. The PRA reviews and approves plans based on this criteria and following approval administers the progress of improvements.

In 1997 the Super Lien Law targeted abandoned property owners that violated the housing code. Under the "Clean and Lien" program, the Department of Public Works would clean up a dirty lot if the owner does not respond to the notice of violation within three days. After the
form of government. The City Council, composed of nine elected members, is the legislative body of the city. The position of Mayor is now largely ceremonial as most former administrative and appointive responsibilities have been transferred to the City Manager.\textsuperscript{75}

In the twentieth century, Richmond’s political environment conformed to James Q. Wilson and Edward C. Banfield’s model of local politics.\textsuperscript{76} In this model, those who favored an activist government – namely business interests and the upper-middle-class – struggled against those who favored a less activist government – primarily conservatives, African-Americans, and lower class residents. The activists wanted to use the city’s power to create a metropolitan Richmond capable of competing with other Southern cities. In response, conservatives who favored a smaller, less costly government, allied with African-Americans who all too often saw their homes and businesses demolished in the name of the city’s greater good.

Through aggressive annexations and highway projects, the activists largely succeeded. Virginia cities could annex land so long as they could prove to a special annexation court that there was just cause, and provided that the city could pay the costs imposed by the court. Richmond’s current population of 192,500 is close to the city’s 1920 population, but the city has doubled in land area since then. By 1940, Richmond’s annexations had increased its population from 85,000 to 190,000, with an area eight times its size in 1900.\textsuperscript{77} Yet by focusing on the city’s periphery at the expense of the core, the activists created many of the problems that Richmond must now resolve.

A 1913 study documented substantial evidence of blighted housing in both white and black working-class neighborhoods. Moreover, the study reported that “there is much unoccupied land space within the city limits in the form of vacant lots. . . .”\textsuperscript{78} But the activists focused on both the suburbs and the Central Business District (CBD), considering them to be the keys to Richmond’s prosperity. As real estate values in the white neighborhoods surrounding the CBD increased, and
as developers – with city assistance – created new suburbs, the white residents of Richmond moved to the suburbs, primarily between 1914 and 1924.

The growth of suburbs in these years encouraged racial segregation as whites moved to the city’s edges and blacks moved into formerly white residential areas. This residential segregation was aided by the city’s use of zoning to separate the races, but even after Richmond’s zoning ordinance was declared unconstitutional in 1929, racial segregation continued through deed restrictions and limited instances of blockbusting. White flight, in response to racial issues, was not a major factor. However, as whites moved out, lower-class residents, of both races, moved in. Poor housing conditions persisted after 1930. Because of economic conditions, poor city residents – black and white alike – preferred to live in the city close to its jobs and retail sections.

The suburban growth of the 1940s and 1950s was accompanied by the city’s adoption of a development plan in 1946. Known as the Bartholomew Plan after its author, Harland Bartholomew and Associates, the plan attributed the deterioration of inner-city neighborhoods to the city’s focus on fringe communities: “the city has for many years been financing its own undoing through the extension of urban facilities at great expense to the entire municipality in order to serve in some new area a population largely being drawn from and abandoning other sections of the community.” The poor conditions persisted due to a lack of capital for new development, in part due to federal policies that acted as a kind of red-lining.

As slum clearances and highway projects demolished predominately black neighborhoods, the former residents were forced to move into other inner-city neighborhoods, prompting the remaining white residents to flee to the city’s fringe. This was now truly white flight, unlike the earlier wave of suburban flight that was prompted by rising land prices in white neighborhoods. The Bartholomew Plan also recommended that a bypass highway be built through the
balance neighborhood revitalization in Jackson Ward with the expansion of downtown commercial interests.

Subsequently, in the 1960s, the suburbs began to rebel against the city’s annexation attempts. As land values in the counties increased, Richmond found that it could no longer afford to annex land as easily. The unpopular Chesterfield annexation in 1970 spurred further white flight. When Richmond annexed 23 square miles of Chesterfield County, the U.S. Supreme Court ruled that the annexation was racially biased – designed to dilute growing African-American voting strength – but allowed it to stand if the city re-adopted a ward system (City of Richmond, Virginia, v. United States et al.; 422 U.S. 358). Once the ward system was re-established, a African-American majority took over the City Council, and the city elected its first African-American mayor, Henry L. Marsh III. Richmond is now predominantly African-American (55.2 percent).

In 1979, the General Assembly froze localities within their existing boundaries, a demonstration of the growing clout of suburban counties. Virginia counties argued that as more of them became urban the counties were offering many of the same services as cities, undercutting the traditional rationale for enlarging city boundaries. Today, the counties of Chesterfield and Henrico each have a population of about 250,000. Richmond’s population, which peaked in the 1950s at approximately 225,000, currently stands at about 192,500. In 1999, the Virginia legislature extended the annexation ban until 2010.

RICHMOND TODAY

There are several legacies of Richmond’s housing and transportation policies. The most obvious is racial, for Richmond has an unfortunate history of using governmental power to ensure segregation. This has affected today’s housing stock as many neighborhoods are still de facto
segregated. Private investment is limited in many Richmond neighborhoods, for even if race were not a factor in an individual’s housing decision, the dilapidated condition of the housing, plus the presence of public housing, limits a neighborhood’s attractiveness to investors and home owners. The legacy of urban renewal may be seen in the distrust of demolition, while the creation of highways, like the streetcars before them, further limits the potential for revitalization as the suburbs are now more attractive than the central city. Richmond has begun to address these legacies, by using city and federal money to rehabilitate housing in an effort to attract private investment.

In 1994, five new members joined the City Council. After the FBI ranked Richmond as the city with the second-highest murder rate per capita in 1994, the Council drafted a strategic plan in which the first priority was a reduction in violent crime. This priority was addressed in part through Project Exile, which was launched in February 1997. Project Exile has been a psychological victory, by sending the message that crime could be reduced. The City Council’s goal of reducing the homicide rate by 30 percent was reached in 1998 – two years before the deadline.

With their first priority accomplished, the City Council undertook to further fight crime by reducing blight, for the primary indicator of crime in Richmond is vacant housing. This neighborhood revitalization goal, which evolved into the Neighborhoods In Bloom initiative (NIB), is designed to eliminate vacant buildings, while also assisting homeowners in improving their homes. At a retreat in August, 1998, the City Council set a goal of eliminating 1,000 vacant and abandoned buildings a year for three years, while simultaneously restoring the infrastructure of neighborhoods to increase private investment. The city administration then developed the NIB project. For thirty years Richmond has been engaged in neighborhood revitalization, spending $
4 – 6 million per year. But the results were spotty, for it was politically desirable to keep adding neighborhoods to the list, further diluting the available funds. The two systemic differences between NIB and earlier efforts consist of strong code enforcement (historically, code enforcement was done by complaint only), and the city’s commitment to focus resources on six neighborhoods instead of twenty.

Every year, Richmond receives about $10 million from the Federal government to invest in housing development, neighborhood planning, and public service agencies, such as non-profit organizations. The city receives about $7 million in the form of Community Development Block Grants (CDBG) and about $3 million in the form of Home Investment Partnership (HOME) funds. The money is traditionally divided among twenty or more different neighborhoods – and dozens of groups – for revitalization projects that can take 15 to 20 years to fully complete. In fiscal year 1998, the city distributed $10.4 million to more than 100 organizations. This “shotgun” approach worked in some neighborhoods, but the delays diminished any impact on the city as a whole.

The six target neighborhoods were recommended by three separate groups. NIB began with a “windshield survey” of code violations by the city building inspectors, which produced an estimate of 3,000 vacant properties city-wide, of which 1,600 were open and vacant with exterior maintenance violations. Next, the three groups examined data on violent crime, current and proposed neighborhood investment, demographics, and the estimated number of vacant or abandoned buildings. In addition, the neighborhoods were selected on the basis of other factors indicating the neighborhood’s potential, such as the strength of the neighborhood organization, and market conditions.

Working in parallel, but with no interaction, each group agreed on five of the six neighborhoods, but each group disagreed on which area should be the sixth neighborhood. In order
to choose the sixth neighborhood, three people from each group (for a total of nine) met for one afternoon. A unanimous recommendation was made to the City Council in December, 1998. The choice of neighborhoods was not politically easy – it meant de-funding some neighborhoods, plus the fact that there was not one neighborhood in each council district. Indeed, five of the six are within one district (the 6th). Yet the unanimity of the recommendation to the City Council by the three groups allowed the Council to also reach a unanimous decision.

In January, 1999, the neighborhoods were selected and City Council committed to spending $8 million per year for two years ($1 million of city funds in each year, the rest is federal funding). After holding a series of town meetings, the City Council choose six of Richmond’s more troubled neighborhoods: Blackwell, Jackson Ward, Church Hill, Highland Park, Barton Heights and Carver/Newtowne West.

In each of the six neighborhoods, critical “beachheads” were chosen. These “impact areas” were identified with the aid of the neighborhoods and the housing providers through Neighborhood Partnership Boards (NPB). The NPBs picked the properties where the improvements will be most apparent and have the most impact, not the worst areas or the best structures. Within the smaller impact areas of each neighborhood there are a total of 900 properties, of which almost half are vacant, and two-thirds have code violations. Of the 900 properties, 25 percent are owner-occupied, 25 percent are vacant lots that once had a house, 25 percent are vacant structures, and 25 percent are occupied by non-owners. After choosing the impact areas, CDBG and HOME applications were developed in conjunction with neighborhood residents.

The impact areas were also targeted because they have single family homes, plus some duplexes, for a key initiative adopted by the City Council in 1994 was to increase home ownership. The percentage of owner occupied housing units in each census tract within the six neighborhoods
ranges from 10 percent to 75 percent, compared to the national homeownership rate of 67 percent. The city is trying to encourage renters to become owners through workshops and counseling, such as that offered by another component of NIB – the Community Leaders Academy at Virginia Commonwealth University. The Academy offers coursework that is targeted at building neighborhood capacity. The courses are free and open to anyone, and college credit is received. Courses are offered in subjects such as real estate development or community/consensus building. Richmond’s Local Initiatives Support Corporation (LISC) chapter assists in conducting the courses. Each neighborhood has one or more neighborhood associations. These associations comprise the most consistent and resilient contact with the local residents. The city, working with the neighborhood associations, approaches residents in order to open the door for a community development corporation (CDC) to later contact the resident and explain how he or she can become eligible for their programs. For example, Elderhomes (a CDC concentrating on home repairs) works with city code inspectors to create a list of code violators who are then contacted.

The city states that it prefers to not tear down buildings. This is a major concern for many Richmonders, from the preservation-minded to those who recall the failure of past attempts at neighborhood renewal. In the early 1990s, a renewal effort was begun in Jackson Ward but never finished. Many structures were razed in an area between the Richmond Coliseum and I-95 in a single-family housing development project known as Jackson Place, but no willing developer was found. Under NIB, any demolition would require an independent engineer’s report, and a review by the Vacant Buildings Review Team (VBRT). If the VBRT approves a house for demolition it then goes through Federal Section 106 review – Federal funds predispose to rehabilitation because the city assumes that every individual project has at least $1 of federal money.
NIB, which became effective on 1 July 1999, creates both positive and negative incentives for change. Negative incentives include active code enforcement on every property, which is designed to both improve housing and eliminate externalities. The latter is especially important for the primary indicator of crime in Richmond is vacant housing. Within the impact areas, tax delinquent properties are put into the tax sale process immediately. Current or potential property owners are encouraged to participate through such positive incentives as home repair, and the availability of lots for new development.

In addition, Richmond is asking the 2000 General Assembly Session create a new state income tax credit for any investment in 20 statewide zones – this includes all six NIB areas. The NIB areas have very minimal private sector involvement because of low market values – which is why the city hopes NIB will be a catalyst. Because of market values in the NIB areas, the CDCs are increasingly turning to rental property: it costs $100,000 to build a house in an NIB area, but the house is valued at only $90,000 on appraisal; the same house is appraised at $150,000 in the counties. Virginia homebuilders are very supportive of Richmond’s legislative proposal because it gives them a profit incentive to work in the city and demonstrates their embrace of “smart growth.”

The success of Neighborhoods In Bloom will be measured by the resulting increases in homeownership, private investment, and housing values, plus decreases in crime. The same could be said for the success of Richmond itself. In 1997, Fortune magazine named the Richmond area one of the nation’s ten most improved cities for business, and in 1998 Money magazine picked the Richmond area as Number 1 for quality of life among midsize cities in the South. The metro area is thriving, and the city is rediscovering its historic neighborhoods. Richmond’s challenge is to redefine itself in an age where its suburbs are thought by many to be more attractive.
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1 Reporting about the woes of Detroit, a Dallas Morning News reporter remarked, "Vast parts of the city have reverted to prairie so lush that game wardens export Detroit pheasants to the countryside to improve the rural gene pool." December 6, 1995.
4 Jakle and Wilson, p. 267.
5 This figure consists of dwellings unoccupied as well as abandoned and indicates the softness of the rental real estate market. The city claims approximately 11,000 structures to be abandoned under the stricter definition.
7 Conversation with John Milton Wesley, Department of Housing and Community Development, Baltimore, December 28, 1999.
8 The Sun, April 7, 1997.
9 The Sun, December 19, 1999.
12 Jakle and Wilson, p. 158.
20 Alejandrino, 8.
23 Interview with Charles Lynch, Department of Community Development, City of Richmond.
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25 Interview with Charles Lynch.
55 Ibid., p.649.
56 H.L. Mencken, quoted in supra, p. 159.
57 Orser, p. 211.
58 Olsen, p. 379.
61 Quoted in Fee, Shopes and Zeidman, p.149.
63 City officials maintain that the figure of 40,000 vacant dwellings used by The Sun and others represents each unit in multi-unit structures and temporary vacancies in otherwise occupied dwellings. Conversation with John Milton Wesley, December 28, 1999.
64 http://www.providenceri.com/history.html (Providence: “Three and One Half Centuries At a Glance”
65 http://www.providenceri.com/history.html (Providence: “Three and One Half Centuries At a Glance”
67 Alejandrino, 9. (As of 1994 figures, the median family income in Upper South Providence is $11,604 and in Lower South Providence it is $18,867.)
68 Alejandrino, 32.
71 CSX, Dominion Resources, Circuit City, Reynolds Metals, Universal Corporation, Richfood Holdings, Owens & Minor, and Pittston.
74 John F. Dillon, an Iowa state Supreme Court Justice, argued that the state legislature gives local governments “the breath of life without which they cannot exist” (City of Clinton v. Cedar Rapids and Missouri River R.R. Co., 24 Iowa 455, 1868).
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80 The illegal practice of inducing homeowners to sell their properties by making representations regarding the entry or prospective entry of persons of a particular race or national origin into the neighborhood. http://homes.inresco.com/Bglossary.html

69
98 The VBRT includes representatives of the City Demolition Inspector, the City Architectural Review Board, the Richmond Redevelopment and Housing Authority, the community development corporations, and the City Planner’s office.
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