

Genesee County Land Bank
Side Lot Transfer Program Evaluation

By

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Executive Summary

The Genesee County Land Bank Authority requested this study to evaluate its Side Lot Transfer Program in the City of Flint and to assess the impact of transferred side lots on surrounding neighborhoods.

This analysis indicates that the Side Lot Transfer Program is effective at transferring side lots. However, the evaluation shows that the program may be improved as a community development tool. The evaluation includes:

- A field survey of the 142 side lots that the program had transferred as of May 2005
- Interviews with 21 side lot purchasers
- Interviews with Land Bank staff who manage and operate the Side Lot Transfer Program
- Research on Flint and the Land Bank policies, procedures, goals and mission

The majority of side lots are well-maintained and in good condition. However, the Side Lot Transfer Program's positive impact can be improved by turning the remaining side lots into neighborhood assets. Interviews with the side lot program participants revealed that satisfaction with the Side Lot Transfer Program is overwhelmingly positive. Staff interviews show that the transfer process has recently been streamlined to be more efficient.

While the evaluation displays mostly positive findings, the following are recommendations to improve the Side Lot Transfer Program:

- Encourage side lot purchasers to use their side lots and integrate them with their adjacent homestead property by providing educational materials and financial incentives to stimulate owner investment in side lots.
- Create a separate Side Lot Transfer Program for nonprofit and faith-based organizations and partner with them to identify community uses for side lot parcels.
- Develop a more coordinated marketing effort to inform the public on how they may participate in the Side Lot Transfer Program using multiple forms of media.
- Bolster strong administration of the Side Lot Transfer Program by streamlining the transfer process and providing accurate parcel data coding with this information.
- Formulate a more detailed plan that establishes clear goals relating the use and integration of side lot parcels to positive effects on surrounding neighborhoods.

Based upon key findings, the Side Lot Transfer Program has proven successful as a tool to return vacant and abandoned land to private ownership with positive effects on surrounding neighborhoods. By implementing this study's recommendations, the Genesee County Land Bank Authority could encourage further side lot parcel investment to produce neighborhood assets. Due to the success of the Side Lot Transfer Program in Flint, the Land Bank should consider expanding the program to other municipalities with similar needs.

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Introduction / Problem Statement

The Genesee County Land Bank Authority operates six programs to deal with property conversion and reuse. This report focuses on one, the Side Lot Transfer Program.¹ Although the Land Bank provides services to every municipality in Genesee County, operation of the Side Lot Transfer Program is limited to the City of Flint. As of May 2005, the program had transferred 142 vacant lots to adjacent homestead property owners (Appendix A). The Land Bank has an additional 376 parcels that could be purchased through the Side Lot Transfer Program in its inventory of 2,392 parcels in the City of Flint.

The purpose of this report is to evaluate the Side Lot Transfer Program and assess the impact of transferred side lots on surrounding neighborhoods. In addition to evaluating the impact of this program, this report will discuss several ways that the Land Bank can improve the Side Lot Transfer program to convert qualified side lots to productive reuse and act as a more effective community development tool. Finally, the report recommends ways to facilitate replication of the Side Lot Transfer Program in other municipalities within Genesee County.

The first section of this report provides background on the Side Lot Transfer Program, including policies and procedures that guide the program, and potential neighborhood impacts. The second section presents findings from the evaluation of the 142 side lots and proposes recommendations on how the Land Bank can improve the Side Lot Transfer Program as a community development strategy.

¹ Land Bank Programs, <http://www.thelandbank.org>, accessed on October 23, 2005.

What is the Genesee County Land Bank Authority Side Lot Transfer Program?

Established in 2003, the Land Bank Side Lot Transfer Program aims to stabilize and strengthen property owners' investments in their neighborhoods by transferring parcels to adjacent homestead property owners. These properties are generally too small to be developed based on current zoning regulations. The City of Flint has many parcels that were platted at a time when houses were typically much smaller and closer together. Today, the City of Flint's zoning regulations do not allow development on these small parcels. In addition, prospective homebuyers generally are more attracted to larger residential lots for reasons such as desire for a larger house and a spacious back yard. Given the limited usefulness of side lot parcels for development due to new zoning regulations and homebuyer preferences, the Land Bank implemented the Side Lot Transfer Program to provide adjacent homestead property owners with the opportunity to purchase these side lot parcels. The Land Bank encourages these side lot purchases by offering the lots at low prices.

By implementing the Side Lot Transfer Program, the Land Bank aims to produce several positive outcomes. First, the Land Bank aims to stabilize neighborhoods by transferring vacant, foreclosed properties to adjacent homestead owners, who are more likely to care for land next to their home. Second, the Land Bank believes that a side lot's evidence of use and well-maintained condition will help to improve the neighborhood character and appearance. Third, shifting the ownership of the side lots to adjacent homeowners reduces the public costs associated with maintaining these properties. Fourth, by transferring ownership of side lots to adjacent property owners, the Land Bank returns these properties to the tax roll, increasing property tax revenue for the County.

The Land Bank has a clear set of policies and procedures for the Side Lot Transfer Program. Homestead property owners may only purchase parcels identified as "qualified" side lots by the Land Bank. A parcel qualifies for the Side Lot Transfer Program if it is:²

- Vacant, unimproved real property; and
- Physically contiguous to adjacent, owner-occupied residential property, with a significant (75 percent) common boundary line

The program gives priority to a contiguous homestead property owner, who occupies the residence, not just owns it. If no adjacent homestead property owner is present or willing to take ownership, the Land Bank reserves the right to sell the side lot to another prospective buyer.

² Genesee County Land Bank Priorities, Policies and Procedures, December 7, 2004: 6.

Residential property owners may not participate in the program if they:³

- Own any property in Genesee County that is subject to any unremediated citation for violation of state and local codes and ordinances;
- Are delinquent in paying taxes on any property owned in Genesee County; or
- Have been a prior owner of any property at the time of tax foreclosure whose title was transferred to the County Treasurer or to a local government in Genesee County.

Following is the Land Bank's pricing structure for side lot parcels:⁴

- For parcels foreclosed in 2004 or later, property owners may purchase the side lot for \$1 and a \$14 filing fee, used to record the transfer at the Register of Deeds; and
- For parcels foreclosed before 2004, property owners must pay any orphan-year taxes and liens owed on the property in addition to the fees stated above.

Owners may purchase only one side lot contiguous to their homesteads at the Side Lot Transfer Program's nominal price. If an owner would like to purchase more than one side lot, s/he must pay the property's assessed value for any additional side lot. If multiple adjacent homestead property owners simultaneously apply to purchase the same side lot, the highest bidder will take ownership, or the parcel will be divided between the interested property owners.⁵

The Side Lot Transfer Program policies require that homestead property owners not sell their side lots for a minimum of five years. While the policies specify that homestead property owners should consolidate their newly acquired side lots with their existing homestead parcels, the Land Bank is currently advising program participants not to consolidate the two lots because the title insurance is much higher on the whole consolidated lot. Title insurance for Land Bank properties is more expensive than insuring other parcels because title insurance companies are not confident that the change in state law has given the Land Bank the ability to clear title.

The Land Bank aims to stabilize neighborhoods that are in decline with many vacant, abandoned and tax-delinquent properties. The Land Bank believes providing incentives for homeowners to take ownership of vacant land will strengthen the neighborhood's character, appearance, and better sense of community. Following, are key findings from assessment of the 142 side lots transferred through the program to date, and proposed recommendations based on these findings.

³ Genesee County Land Bank Priorities, Policies and Procedures, December 7, 2004: 6.

⁴ Genesee County Land Bank Priorities, Policies and Procedures, December 7, 2004: 6.

⁵ Genesee County Land Bank Priorities, Policies and Procedures, December 7, 2004: 7.

Methods Used to Evaluate the Genesee County Land Bank Authority Side Lot Transfer Program

The evaluation of the Side Lot Transfer Program used the following approach:

- The Genesee County Land Bank Authority provided initial background information, parcel data for properties transferred from January 2002 through May 2005, and operating policies.
- Each property transferred through the Side Lot Transfer Program was photographed and its condition assessed (Appendix A). The evaluation of side lot condition considered level of maintenance, presence of trash, and evidence of previous structure. In addition, the assessment instrument included identification of current side lot use, as well as information on whether a lot had been integrated with adjacent homestead property.
- A random sample of 20 residential properties owned by the Land Bank, but not transferred through the Side Lot Transfer Program provided a comparison to side lot parcels. As for side lot properties, assessment of random sample parcels included a photograph and evaluation of the parcel using the survey instrument.
- Comparison of the side lot and random sample properties helped determine whether transfer of ownership under the Side Lot Transfer Program has a positive effect on the condition and use of the property.
- Ownership records maintained by the Genesee County Register of Deeds showed whether a change in ownership or foreclosure occurred following purchase of a side lot parcel.
- Interviews with 21 program participants provided information regarding side lot owner satisfaction with the program.
- Ongoing interviews and interaction with staff members from the Genesee County Land Bank Authority provided insight to inform recommendations to enhance the operation of the Side Lot Transfer Program.

Does the Side Lot Transfer Program Make a Difference in the Condition of Transferred Lots?

Following is an analysis of the results from side lot assessment using the survey instrument (Appendix B).

The survey instrument evaluates side lot parcels based on their current condition and identifies the side lots' uses. A side lot's condition, defined as well-maintained or poorly-maintained, is an indicator of the side lot owner's regular care of the parcel. Each side lot's lawn maintenance, degree of trash present, and remnants of a previous structure further determine side lot condition (Appendix C). Figure 1 compares the

Figure 1. Side Lot Condition



condition of side lot parcels and a random sample of Land Bank owned parcels. An overwhelming majority of side lots and Land Bank owned properties are well-maintained and in good condition.

Figure 1 also shows that a higher percentage of the Land Bank owned properties are poorly maintained. This difference is largely attributed to presence of illegal dumping on fifteen percent on Land Bank owned properties. In comparison, illegal dumping was not observed on any of the side lot properties (Figure 2). This finding shows that transferring ownership of side parcels to adjacent residents encourages a higher level of surveillance than when parcels are owned and maintained by the Land Bank Authority.

Figure 2. Illegal Dumping on Land Bank owned Properties



Photo taken by L. Bozgo October 2005

Owners of well-maintained side lots provide regular lawn care and watchful eyes over their property. However, adding value to the surrounding neighborhood demands more of the side lot owner than basic property maintenance. The exceptional side lots in Flint are characterized by a strong presence of ownership demonstrated by an apparent use,

and, often, significant investment of time and resources to improve the side lot. Signs of ownership and side lot usage take many forms. The following uses are identified as evidence of ownership: yard, garden, private play equipment, play space for pets, art or adornment, and commercial or business related. In this study, a yard is defined as a side lot that is integrated into the adjacent property owner's lot by fencing, landscaping, or other means that allow for easy identification of the side lot owner. Parking, storage, pathway, and vacant lot are also identified as side lot uses. Often, one can not assign ownership of parcels based on these uses to the adjacent property owner. A pathway is defined as evidence of use as a narrow footpath to cross all or part of property. A vacant lot refers to a side lot with no apparent owner and no evidence of use. Observations on individual side lots reveal uses, such as a pool or densely wooded area, that are not identified on the survey instrument and may or may not show evidence of ownership. These uses are identified as "other" and evaluated on an individual basis.

Frequently, side lots have multiple uses. For example, a side lot with play equipment and landscaping is assigned the following uses: yard, garden, and private play equipment. Table 1 shows the total number of each use present and the percentage of side lots and Land Bank owned properties where this use is present. Table 1 also shows the designation of uses as those Showing Evidence of Ownership, No Evidence of Ownership, and Uses that May Show Evidence of Ownership. Side lots and Land Bank owned properties containing one or more uses identified as Uses that May Show Evidence of Ownership are evaluated individually in to determine whether or not ownership is apparent.

Table 1. Number (Percent) of Side Lots and Land Bank Owned Lots by Uses

Use	Side Lots	Land Bank Owned
Uses Showing Evidence of Ownership		
Yard	74 (52%)	3 (15%)
Garden	23 (16%)	2 (10%)
Play Equipment	9 (6%)	0 (0%)
Play Space for Pets	3 (2%)	0 (0%)
Commercial/Business	2 (1%)	0 (0%)
Art/Adornment	2 (1%)	1 (5%)
Total Uses Showing Evidence of Ownership	87 (61%)	3 (15%)
Uses Showing No Evidence of Ownership		
Vacant Lot	47 (33%)	16 (80%)
Total Uses Showing No Evidence of Ownership	37 (26%)	15 (75%)
Uses That May Show Evidence of Ownership		
Parking	31 (22%)	2 (10%)
Storage	12 (8%)	0 (0%)
Other	6 (4%)	0 (0%)
Pathway	0 (0%)	1 (5%)
Total Uses That May Show Evidence of Ownership	18 (13%)	2 (10%)

* Because side lots can have multiple uses, percentages do not add to 100%

Each use listed above is associated with having a positive, negative, or neutral effect on the surrounding neighborhood (Appendix C). Uses identified as having a positive effect, such as the installation of private play equipment, typically require financial investment and signal an attempt at integrating the side lot parcel into the owner's property. On the other hand, uses identified as having a negative effect, such as the storage of several junk cars on a side lot, are typically not desirable in a residential neighborhood. Side lots with uses identified as having a negative effect have the potential to make a neighborhood undesirable for investment. Finally, a use identified as neutral, such as a parked car on a side lot, is not associated with having either a positive or negative effect. The identification of uses as having a positive, negative or neutral effect is used in combination with side lot condition, to determine if the side lot is an Improved Yard, Yard, or Vacant Lot or whether it has a Negative Impact.

Improved Yard

Figure 3. Example of an Improved Yard



Photo taken by L. Bozgo May 2005

Side lots defined as Improved Yards must also be well maintained, integrated with the owner's property and put to a positive use. Often, these side lots have received significant investment by the owner for fencing, additional landscaping, or driveway paving. The side lot above (Figure 3) is an example of an improved yard.

Yard

Similar to Improved Yards, Yards are also defined as well-maintained and regularly cared for with evidence of ownership. However, what distinguishes a Yard from an Improved Yard is the degree of investment by the owner. Often, Yards, like the one shown to the right, are fenced lots (Figure 4). Although Yards require significantly less investment of time and money by the owner, they are a community asset.

Figure 4. Example of a Yard



Photo taken by L. Bozgo May 2005

Vacant Lot

Figure 5. Example of a Vacant Lot



Photo taken by J. de Wit May 2005

Vacant Lots are defined as side lots that show no evidence of use, integration or ownership (Figure 5). Vacant Lots can either be well-maintained or poorly-maintained. These side lots have the greatest potential for improvement

Negative Impact

Side lots identified as having a Negative Impact on the surrounding neighborhood are poorly maintained and, although ownership may be apparent, the side lot's use is often an eyesore and hurts the surrounding neighborhood (Figure 6).

Figure 6. Example of a Side Lot Having a Negative Impact



Photo taken by J. de Wit May 2005

Table 2. Number (Percent) of Side Lot Properties by Category of Use

	Evidence of Ownership			No Evidence of Ownership		Total All Categories of Use
	Improved Yard	Yard	Negative Impact	Vacant Lot	Negative Impact	
Side Lots	58 (41%)	34 (24%)	3 (2%)	32 (22%)	15 (11%)	142 (100%)
Land Bank Owned	2 (10%)	1 (5%)	1 (5%)	16 (80%)	0 (0%)	20 (100%)

The table above shows Improved Yard as the most frequent categorization of side lot properties (Table 2). Forty-one percent of side lot owners have made a significant investment to improve property acquired through the Side Lot Transfer Program. By combining the number of side lots under the Evidence of Ownership heading (Table 2), one can conclude that evident ownership and use are present on 67 percent of side lot properties. Also of interest, is the apparent investment and ownership present on 15 percent of properties that are classified as Yards and Improved Yards and owned by the Land Bank. Figure 7 shows an adorned Land Bank owned property, identified as an Improved Yard, with planted flowers and a picnic table. Although this property is owned by the Land Bank, neighbors are caring for this potential side lot parcel.

Figure 7. Example of Land Bank Owned Property Identified as an Improved Yard



Photo taken by L. Bozgo May 2005

Summary of Side Lot Condition Findings

Overall, most side lot properties are positively contributing to the surrounding neighborhood, in good condition, and are well-maintained. However, most Land Bank owned properties are also well-maintained (Figure 1). Therefore, using side lot condition alone as an indicator of the Side Lot Transfer Program's success is insufficient if the program is to act as a community development tool. The success of the Side Lot Transfer Program is most apparent when properties are put to a positive use and fully integrated into the adjacent owner's property.

What is the Process for Transferring Land through the Side Lot Transfer Program?

Telephone interviews with twenty-one people who purchased side lots, interaction with staff, and examination of parcel data for transferred properties were used to examine the process used to transfer land through the program. These findings yielded insight as to how participants learned of the program, participants' interactions with the Land Bank, and satisfaction with the land transfer process. Study of land records and discussions with land bank staff helped show the financial impact of the program for the land bank.

Efforts to Publicize the Side Lot Transfer Program

Participant interviews included general questions concerning participants' perception of and overall satisfaction with the program (Appendix D). Participants learned of the Side Lot Transfer Program in a variety of ways, such as when viewing the Land Bank's website, seeing television news stories, receiving a mailing from the Land Bank, receiving information by word of mouth, when paying taxes at the Genesee County Treasurers Office and after contacting the County to express concern regarding a vacant/abandoned property in the neighborhood. While one-third of the participants interviewed learned about the program directly from the Land Bank, the majority of those interviewed were informed of the program from other sources.

The Land Bank's efforts to publicize the Side Lot Transfer Program include a mailing to those eligible to participate in the program and marketing through the Genesee County Land Bank Authority website. Staff also provided information regarding the Side Lot Transfer Program during ward meetings that occur once every twelve to eighteen months. (Appendix E). In 2002, the Land Bank mailed a letter to all qualified participants (i.e. homeowners who had paid all current property taxes and lived next to a vacant parcel). Of those interviewed, four participants (nearly one-fifth) learned of the program from this letter. Three of the participants interviewed learned about the program through information posted on the Land Bank's website. None of the participants interviewed reported learning of the program through a presentation made by staff during ward meetings. More recently, staff began to include information regarding the Side Lot Transfer Program in the Land Bank's monthly newsletter. It is too early to assess the effectiveness of this outreach strategy.

Of those who were interviewed, two-thirds noted that the Land Bank did not inform them of the Side Lot Transfer Program. Rather, they found out about the program when paying taxes, upon inquiring about a vacant/abandoned home in their neighborhood, when viewing a televised news story or receiving information by word of mouth. Nearly one-third of the participants interviewed learned about the Side Lot Transfer Program after contacting the County offices to inquire about an abandoned property in their neighborhood. An equal number of residents heard about the Side Lot Transfer Program through word of mouth and television news. Land Bank staff estimate that the Side Lot Transfer Program was announced on the news twice. The televised announcements were important in reaching people despite their infrequency. While none of the participants interviewed reported learning of the Side Lot Transfer Program through a presentation

made by staff during a ward or association meeting, a significant number of those interviewed learned about the program through word of mouth. The friend or neighbor who informed them may have learned about the program from a ward meeting presentation.

Table 3. Number (Percent) of Participants Who Learned of the Side Lot Transfer Program from Different Sources

Learned of Side Lot Transfer Program Directly from LBA	
Land Bank Authority mailing	4 (19%)
Land Bank Authority Website	3 (14%)
Subtotal	33%

Learned of Side Lot Transfer Program in Other Ways	
When paying taxes	2 (9%)
TV news	3 (14%)
Word of mouth	3 (14%)
Contacted County concerning abandoned property	6 (29%)
Subtotal	66%

Effectiveness of the Land Transfer Process

Participant satisfaction with the Side Lot Transfer Program, particularly the land transfer process, is overwhelmingly positive. Those interviewed consistently praised the service of the current Transaction Specialist, who was hired in October 2004. Seven interviewees noted that the process for purchasing an adjacent side lot was quick and free of complication. Since assuming the role of Transaction Specialist, this staff member streamlined the transfer process. Once eligibility is confirmed, she coordinates all necessary paperwork, allowing participants to complete the entire transaction with only one visit to the offices of the Land Bank.

The administration of the program may not have been as strong in the past. Analysis of side lot ownership information and transaction records identified several parcels sold in violation of the Side Lot Transfer Program's policies and procedures. Three side lot parcels were sold to landlords who do not reside adjacent to the purchased side lot parcel. Also, in one transaction, two side lots were sold to the adjacent homeowner for \$1.00 when one side lot should have been sold for taxable value. Finally, a non-profit organization purchased several side lots for \$1.00 instead of at taxable value. All of these parcels were transferred before the current Transaction Specialist was hired. These findings demonstrate the importance of a skilled Transaction Specialist who manages the land transfer process and coordinates daily activities associated with the Side Lot Transfer Program.

Participants' Satisfaction with the Side Lot Transfer Program

Participants expressed general satisfaction with their overall experience with the land transfer process. Participants were consistently pleased by the opportunity to increase the size of their property.

Despite the overall satisfaction, 42 percent of those interviewed were unhappy with the program's pricing structure. Current legislation requires that "orphan-year" taxes be paid on all parcels foreclosed prior to the implementation of the Genesee County Land Bank Authority in 2004. As a result, parcels foreclosed in 2002 and 2003 cannot be sold for \$1; the price must include unpaid taxes and liens accrued during the two-year foreclosure process.⁶ All of the participants who expressed dissatisfaction with the Side Lot Transfer Program were paid orphan-year taxes. As of December 2005, 376 parcels owned by the Land Bank Authority qualify as potential side lot parcels. Of this number, 172 parcels were foreclosed during 2002 and 2003. These parcels will have orphan-year taxes and liens attached to them, potentially making them more difficult to transfer to private ownership.

Financial Impact of the Side Lot Transfer Program on the Land Bank

The Side Lot Transfer Program has yielded cost savings for the Land Bank. In less than three years of operation, the program reduced costs for cleaning and maintaining vacant land by \$69,750⁷ compared to what the Land Bank would have spent if the lots had not been sold. Of the 142 side lots transferred to date, five side lots have been foreclosed upon. Of the side lots that went into foreclosure following transfer, two parcels were sold in violation of the Side Lot Transfer Program operating policies and procedures. Adjacent homestead owners who have paid all current taxes for the residential parcel foreclosed upon the remaining three parcels.

Summary of Process for Transferring Side Lot Parcels

Since the inception of the Side Lot Transfer Program in 2003, internal processes for transferring ownership of side lot parcels evolved considerably. Staff successfully streamlined the process for transferring side lots, reducing transaction time and increasing customer satisfaction. The transfer of land through the Side Lot Transfer Program has reduced maintenance costs for the Land Bank. These successes suggest the Side Lot Transfer Program is an effective land transfer system. However, the full potential of the program as a tool to catalyze neighborhood development has yet to be realized. The following recommendations suggest ways to ensure side lots become assets to their neighborhoods.

⁶ Orphan Year Taxes: In 1999 Michigan passed Public Act 123 which reformed the property tax foreclosure law by allowing for much faster foreclosure. Under this new law, property can be foreclosed within two years for failure to pay property taxes. For parcels taken for non-payment of property taxes, there is one year between forfeiture and foreclosure. This year is referred to as the "orphan year." When the Land Bank Authority acquires a parcel of land, all prior taxes are erased. The Genesee County Land Bank Authority was established in 2004. Orphan year taxes are not erased for parcels received by the Land Bank Authority that were foreclosed prior to the implementation of the Land Bank Authority in 2004. As a result, all parcels foreclosed in 2002 and 2003 have "orphan year" taxes. (Land Bank Authorities: A Guide for the Creation and Operation of Local Land Banks./ Local Initiatives Support Corporation. 2005)

⁷ Interview with Jeff Burdick, Genesee County Land Bank Neighborhood Planner, on October 12, 2005.

Recommendations to Enhance the Genesee County Land Bank Authority Side Lot Transfer Program

This section provides recommendations to strengthen the impact of the Side Lot Transfer Program as a tool for community development. Recommendations are also included to guide replication of the program in neighboring municipalities.

Recommendation 1: To increase evidence of side lot ownership, the Land Bank could provide educational materials and incentives to stimulate owner investment in side lot parcels.

Vacant lots showing no evidence of ownership made up 22 percent of side lot parcels. When integrated with an adjacent residential property and used in a way that has a positive impact on the neighborhood, side lot parcels have the potential to serve as neighborhood assets. Integrating a side lot with the owner's parcel enhances the potential for a side lot to increase property values because the residential parcel is larger in size. Staff currently provides little guidance regarding potential uses of side lot parcels and the benefits of integrating a side lot with a residential property. The Land Bank does not provide financial incentives and educational materials to help owners to invest in their side lots. In the effort to stimulate owner investment in side lot parcels, the Land Bank could:

- Provide program participants with **educational materials such as a pamphlet, technical manual, or "how-to" kit** that include photos of improved yards. Such materials could provide examples of side lot uses that have a positive impact on the surrounding neighborhood help property owners establish a plan for integrating a side lot with the residential parcel.
- Develop a **mini-grants program or buy materials in bulk** to fund small investments in side lot parcels such as flower gardens, fencing, and ornamentation.
- **Work with Michigan State Extension Service and/or other partners** to help new side lot owners landscape their properties.

New Kensington Community Development Corporation: Helping Residents Plan for Reuse of Side Lots

New Kensington Community Development Corporation (New Kensington CDC) in Philadelphia, Pennsylvania works to stabilize neighborhoods by reusing vacant side lots. Before transferring side lots to new owners, the New Kensington CDC asks applicants to submit a simple plan for reuse. The New Kensington CDC provides basic guidelines for how to reuse side lots in ways that complement the New Kensington neighborhood plan. The City of Philadelphia maintains ownership of the side lot until the resident implements the approved plan for reuse. Transfer of the land occurs once the lot has been incorporated into the adjacent owner's property. To increase landscaping and the amount of green space in the community, the CDC sells plants and offers gardening classes to local residents. Since the program was implemented, they have not had a single lot return to foreclosure in ten years, and all of the transferred parcels show evidence of ownership. (Source: Sandy Salzman, New Kensington CDC Executive Director, January 2006)

For further information regarding the New Kensington CDC's strategy for using side lots as a community development tool, visit: www.nkcdc.org

- Purchase materials, such as attractive fencing, plants, and gardening tools, in bulk to make them available at low prices to side-lot owners.
- Initiate a “**Side Lot of the Year**” contest to celebrate participants’ investment in their lot while increasing public awareness of the program.
- Require side lot purchasers to submit a **plan for reuse** prior to transferring side lot parcels to new owners (See *New Kensington CDC: Helping Residents Plan for Reuse of Side Lots*)

Recommendation 2: The Land Bank could develop a Nonprofit Side Lot Transfer Program to enable community-based organizations, churches, and other nonprofits to purchase side lots for specific purposes.

In the process of investigating parcels transferred through the Side Lot Transfer Program, we encountered five lots transferred to local organizations for \$1. According to policies established by the Land Bank, only adjacent homestead owners can purchase one side lot parcel for \$1. Additional parcels are purchased at the taxable value of the property. Selling multiple parcels to local organizations for \$1 violated Land Bank policies.

Partnerships with local organizations can play an important role in improving the appearance of vacant land and creating neighborhood assets. To decrease irregularities in the disposition process and more effectively engage nonprofit and faith-based organizations in reusing vacant lots, the Land Bank Authority could:

- Develop a separate **Side Lot Transfer Program for Nonprofit Partners**, establishing policies and procedures that allow nonprofit organizations to purchase multiple adjacent side lots for uses that benefit the community and complement the current neighborhood plan.
- Work with nonprofit and faith-based partners to **identify and plan for uses** for side lot parcels, such as community gardens, playgrounds and neighborhood parks that serve as assets to benefit both the organization and the neighborhood.
- Establish a **pricing structure appropriate for community organizations**. For example, the Cleveland Land Bank Authority sells side lot parcels to nonprofit organizations for \$100.⁸

Recommendation 3: To increase awareness of the Side Lot Transfer Program, the Land Bank could develop a more coordinated effort to inform the public.

Interviews revealed two-thirds of side lot purchasers did not learn of the Side Lot Transfer Program as a result of the Land Bank’s outreach and marketing. Interviews with staff confirm that efforts to publicize the program to eligible residents are limited. Nearly 20 percent of those interviewed learned of the Side Lot Transfer Program through a

⁸ City of Cleveland, Ohio. Department of Community Development. *Everything You Wanted to Know About Land Banking*. <http://www.city.cleveland.oh.us/government/departments/commdev/cdneigdev/cdndlandbank.html>, accessed on November 15, 2005.

single mailing by the Land Bank, while almost 15 percent of side lot purchasers learned about the program through the Land Bank website. The Land Bank Authority might:

- Pursue a partnership with **public television** to publicize the Side Lot Transfer Program or create public service announcements for broadcast through local private television networks.
- **Send letters** informing prospective participants of their eligibility to participate in the Side Lot Transfer Program on a semi-annual basis.
- Continue to build the “Side Lot Program” section of the **Genesee County Land Bank Authority webpage**. This section of the website could be enhanced by adding photos of previously vacant parcels that have been transformed into improved yards. The Land Bank may want to consider listing property information regarding side lots available for purchase on the website.
- Develop **marketing materials** that publicize the impact of the program through pictures of side lots that have become improved yards, positively impacting the neighborhood.

Recommendation 4: To strengthen the internal operation and financial impact of the Side Lot Transfer Program, the Land Bank could adopt a few specific changes to the administration of the program.

Internal operation of the Side Lot Transfer Program, particularly the land transfer process, is well managed and efficient. To further strengthen the internal processes guiding the program, the Land Bank could:

- Use the survey instrument to **evaluate the condition and use of side lot parcels in the future**. Later assessments of side lot parcels could be conducted using a smaller sample of side lot parcels reducing the amount of staff time required for this activity. This would allow the Land Bank to evaluate the condition of side lot parcels over time and determine whether strategies to increase evidence of side lot ownership are effective.
- Create a **stronger link between the Side Lot Transfer Program and Foreclosure Prevention Program**. Homeowners experiencing a significant financial hardship are eligible to request a one-year foreclosure postponement through the Foreclosure Prevention Program. By informing side lot purchasers of this program, the Land Bank could help prevent future side lot foreclosures.
- **Articulate the mission of the Side Lot Transfer Program** as a community development tool to strengthen neighborhoods.

Recommendation 5: The Side Lot Transfer Program is an effective land transfer system that the Land Bank should replicate in other municipalities within Genesee County.

Overall, evaluation of the Side Lot Transfer Program yielded positive results. Given that the challenges posed by vacant and abandoned land are not limited to the City of Flint,

other municipalities could benefit from this program. If the Side Lot Transfer Program is to be replicated, the Land Bank should consider the following recommendations:

- Invest in a **variety of strategies to publicize** the program, ensuring a diverse population is informed of and benefits from the program.
- Provide continued guidance by the Land Bank's **Transaction Specialist** to maintain consistent policies and procedures when expanding the Side Lot Transfer Program to other municipalities in Genesee County.
- **Maintain existing land transfer process**, particularly quick response to requests and minimal paperwork required to transfer land.
- **Strengthen internal systems** for managing parcel data from multiple municipalities, specifically accurate coding and owner information.

Conclusion

Based upon key findings, the Side Lot Transfer Program has proven successful as a tool to return vacant and abandoned land to private ownership with positive effects on neighborhoods. Evidence of investment and use by property owners is present on the majority of side lot parcels. Similarly, most side lots and Land Bank owned properties are well-maintained. The Land Bank Authority could take low-cost steps to improve outreach and marketing efforts aimed to directly inform prospective participants of the Side Lot Transfer Program. Engaging multiple stakeholders, including faith-based and nonprofit organizations that have demonstrated an interest in acquiring side lot properties, could strengthen the impact of the program. Finally, in order ensure side lot parcels become neighborhood assets; the Genesee County Land Bank Authority could take steps to reduce the incidence of uses identified as having a negative impact on the surrounding neighborhood. Implementing these recommendations would enhance the impact of the Side Lot Transfer Program within the City of Flint and result in a more effective program to replicate in other jurisdictions.