

Policy Recommendations for Addressing
Abandoned Housing and Property in the City of Muncie
Political Science 648
Ball State University
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Preface

An interdisciplinary group of graduate students conducted the analysis presented in this report for an Immersive Learning Project associated with a graduate political science course in policy analysis. It was my pleasure to teach the course and coach the students in applying the methods of policy analysis to an important public issue: abandoned housing in the City of Muncie. But the project was truly student-driven. The students engaged the community partner and other key stakeholders, conducted the research, developed the policy alternatives, sought and incorporated feedback from stakeholders, and prepared the final report. The students divided into three teams and investigated three facets of the larger issue: vacant lots, existing structures, and the public presence of policies to address these issues. The team members were:

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It is the students' hope and mine that the analysis and recommendations in this report will serve to stimulate further discussion about how to address the problems of substandard and abandoned housing, vacant lots, and other forms of blight, not only in the City of Muncie, but in other communities experiencing the same issues.

I would like to take this opportunity to offer my heartfelt thanks to Megan Quirk and the Muncie Redevelopment Commission for serving as the community partner and providing the students with the opportunity to work on this project, Heather Williams, Zane Bishop, Brad King, and the members of the Old West End Neighborhood Association for providing their perspectives on the causes and effects of the abandoned housing issue, and the many individuals from the Muncie and Ball State communities that attended the students' presentations and provided feedback and critique. The project could not have been successful without your interest and support.

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Introduction

This report is the culmination of a semester's worth of intensive study and research conducted by a class of graduate students in Political Science 648: Policy Analysis. While one of the purposes of this class was for the graduate students enrolled in this course to learn about the process of how to conduct a policy analysis of a real-world problem, our main purpose in this class was to conduct a policy analysis of the problems associated with abandoned housing policy in Muncie, Indiana. We were asked to present our findings and make policy recommendations to the Muncie Redevelopment Commission (MRC) and the Old West End Neighborhood Association (OWENA). We found the issue of abandoned housing and property to be a complex issue that requires a nuanced understanding of economic, political, environmental, social, and legal system challenges. Through this process, we learned a lot about the issues of urban blight and feel encouraged by the major strides that MRC and the OWENA has already made regarding the challenges of deindustrialization in Muncie. The report we have assembled explains the background of abandoned homes and vacant lots in Muncie and outlines our pragmatic policy analysis methods and the data we gathered from stakeholders. The report includes our understanding of the problems and the complex nature of potential solutions. We present our recommendations for MRC policies going forward and potential steps for the City of Muncie and the Old West End. Finally, we summarize the things we learned about policy analysis through this project in one neighborhood in Muncie.

Background

Muncie, like many other deindustrialized cities across the United States, has struggled with population decline from manufacturing job loss and economic hardships. The exit of many

manufacturers and the decrease in moderate- to high-paying jobs has caused an economic ripple effect that has left many *legacy cities* struggling to reinvent themselves and find innovative solutions to the problems of blight, crime, job loss, and population decline. Decreased resources, fragmented policies, and community disengagement have increased the challenges facing many smaller towns. A recent report from the Lincoln Institute of Land Policy lists suburbanization, closing of factories, restrictive zoning, inadequate policies, racial conflicts, dependence on local property taxes, and weak leaders as the cause of many of the problems in deindustrialization (Mallach & Brachman, 2015). The term *legacy city* refers to older, industrial urban areas that have experienced significant population and job loss, resulting in high residential vacancy and diminished service capacity and resources (Legacy Cities Partnership, 2017) and Muncie, Indiana fits this definition.

Muncie meets many of the criteria for a *legacy city* and has struggled with many of the issues common to legacy cities. “Legacy cities are older, industrial urban areas that have experienced significant population and job loss, resulting in high residential vacancy and diminished service capacity and resources” (Legacy City Partnership, 2017, par. 1). As is the case with many other cities in the midwestern rust-belt region, Muncie has seen a significant population decline, resulting in job loss, high residential vacancy, and loss of resources in the city. Around 7,131 people (8.5%) have left Muncie and Delaware County since 1980 (Muncie-Delaware County Economic Development Alliance, 2016; Stats Indiana, n.d.). Muncie also has a big problem with regard to concentrated poverty, specifically childhood poverty. Over thirty-one percent of kids live in poverty in Delaware County – the highest county in Indiana – compared to an average of 20.4% of children statewide (Indiana Youth Institute, 2017). Muncie’s median income (\$38,830) is well below the median income level for the state of Indiana (\$50,532)

(Muncie-Delaware County Economic Development Alliance, 2015). Muncie also has 2,400 vacant lots within the city and around 4,700 vacant homes (Scout Muncie, 2017). The Old West End neighborhood has 91 vacant lots and around 150 vacant homes (Scout Muncie, 2017).

The decline of property values and upkeep is one indicator of economic decline from deindustrialization in legacy cities. As manufacturing jobs leave a city, many people struggle with losing their homes through foreclosure and tax sales, because they have no source of income. As people struggle to choose between paying bills, making repairs, and buying groceries, many of these homes lose value from minor disrepair and significant structural problems. Owners struggle with the economic impact of having too little money to fix the problems in their home. Cities work to demolish the homes beyond repair and sometimes the lots are left vacant for prolonged periods as the city works to find productive uses and buyers for the properties.

Pragmatic Policy Analysis Method

The pragmatic policy analysis method (Clemmons & McBeth, 2017) involves five major steps. We defined the problem and figured out what the causes were (step one). Each group defined the problem differently and wanted to tackle separate issues regarding abandoned housing. One group focused on the issue of vacant lots. This group focused on the high number of vacant lots in Muncie and critically examined the pocket parks, community gardens/orchards, and side lot policies in the MRC policy manual. A second group considered existing structures and they decided that there are too many homes that are subject to substandard maintenance, repair, and living standards. They identified the existing policies and the key stakeholders for the community. The final group decided to center their research on the existing marketing of the MRC policies (public presence). Finally, the group focusing on public presence believes that

there is an insufficient public presence of the MRC within the city of Muncie, Indiana. All of these issues were contributing factors into the housing issues that Muncie has seen over the years.

In the subsequent step, we worked to establish criteria for evaluating the alternatives (step two). To better understand the issue of urban blight, we listened and asked questions of Megan Quirk and Zane Bishop from the Muncie Redevelopment Commission (MRC). We also heard from Heather Williams from BSU Community Engagement. We met with Old West End Neighborhood Association members at the Friends Church in Muncie as well. They told us about the issue, their beliefs about its causes, and some ideas about solutions. We reviewed and analyzed the Muncie Redevelopment Commission's policies, too. We examined the technical feasibility and the political climate in Muncie (including the political viability of the options we were considering).

We wanted to create policy alternatives that had outcomes that would be feasible, suitable, and sustainable (step three). These policy alternatives were intended to return properties to productive use in ways that were cost effective, legally feasible, and politically viable. To create alternative policies, we needed a course of action. We learned as much as we could about innovative solutions in other cities around the United States. We discussed and debated ideas that we thought could work and those we thought would not. Together we identified innovative ideas that have worked in other cities. We investigated the legal implications of our choices and problem-solved potential barriers. After weighing pros and cons, we developed effective outcome measures that were specific, measurable, attainable, realistic, and time-limited (SMART). During the fourth step, we evaluated and selected the policies we thought would work the best. We presented our best ideas to the MRC and OWENA and the next step will include

their decisions about choosing which policies will work and evaluating those options. The next section outlines our process for the first of three problem definitions: vacant lots.

Vacant Lots

Muncie, as a legacy city, has experienced population decline and job loss from deindustrialization. The Muncie community has struggled with the challenges of job loss, population loss, increased poverty, and the abandonment of property in Muncie proper. In the last three or four decades, Muncie has experienced population decline and an increase in vacant lots. There are around 2,400 vacant lots in Muncie and 91 in the Old West End Neighborhood (Scout Muncie, 2017). We investigated the ownership of these vacant lots and found that many of the owners live in Delaware County. Only nine of the owners with abandoned lots in the Old West End (OWE) live out of state (two have LLC corporations) and five of the owners live outside Delaware County, but inside Indiana (Scout Muncie, 2017). Seventy-seven of the properties (84.6 percent) are local owners, in other words. Getting buy-in for community development might be easier than if they primarily live outside the county. Most of the lots are scattered – not contiguous – which might make development more difficult. There are a few parcels that are side by side, which might be useful for developing pocket parks or community gardens.

Vacant lots are problematic for several key reasons. Abandoned and neglected properties tend to attract unsavory elements of crime, trash, and health hazards (Garmin, et al, 2012). Muncie's crime rate is higher than the national average for property crimes, theft, and crimes committed per square mile (Federal Bureau of Investigations, 2014), and this may be due to the large number of vacant properties in the city limits. The *Broken Window Theory* (Wilson & Kelling, 1982) maintains that high levels of physical disorder (measured by the number of

broken windows in a neighborhood) invites further neighborhood degradation and crime. As the property is neglected, trash accumulates, animals move in, crimes increase, and fearful neighbors withdraw. In addition to increases in crime, unkempt vacant lots are ugly and they detract from the value of the neighboring properties. Vacant lots represent an economic loss for the city and the services it can provide.

Unmaintained vacant lots are a breeding ground for rodents and insects (EPA, Barichello 2010). As a matter of public health, these sites need to be maintained to prevent the spread of disease within the community. The lots that have been abandoned and are overgrown or have become an unauthorized dumping ground are the biggest public health threat to properties in these areas. Not only do these lots enable vermin infestation, but they also create hazardous areas for children with sharp or piled debris and sites for criminal activity (Deller et al.)

Several environmental groups and urban biologists maintain that ecodiversity is increased when lots remain undeveloped. For example, Riley, Gardiner, & Herms (2017) found significantly more biodiversity in species of plants in the 53 urban vacant lots they surveyed than in the set of 54 well-manicured suburban yards they examined in Cleveland, Ohio. These biologists maintained that not all is bad in urban vacancies. The value added by vacant lots was important for the environment. “The quantity and monetary value of ecosystem services provided by the urban forest was greatest on inner-city vacant lots.” (Riley, Herms, & Gardiner, 2017, p. 17). Other researchers have also investigated using vacant lots for preservation of insect species (Gardiner, Burkman, & Prajzner, 2013), rainwater collection systems (Chaffin, et al., 2016), butterfly populations (Shapiro, 2002), the very popular urban gardening idea (Pfeiffer, Silva, & Colquhoun, 2015; Wekerle & Classens, 2015), and even hops production (Thompson, 2016). Several large-scale projects of urban ecology in cities have included the Urban

Biodiversity and Ecosystem Services (URBES) and the Cities and Biodiversity Outlook (CBO). The urban ecology programs have investigated land use in Stockholm, Berlin, New York, Rotterdam, and Barcelona (Schewnius, McPherson, & Elmqvist, 2014). These large-scale projects might work in cities where the population was growing, but we needed to find solutions that would work for a deindustrialized city like Muncie.

Understanding the impact of vacant lots on Muncie was important to our group and we wanted to learn more about how to return these vacancies to productive use. We investigated the current Muncie Redevelopment Commission policies and worked to create alternatives for vacant lots. We agreed that success would be determined by the percentage of people who were involved in the community and by the reduction in the number of negligent owners. The MRC has done significant work in the area of vacant lots and there are several policies that are being used for guidance. Those include: 1) Pocket Parks, 2) Community Gardens and Orchards, and 3) the Side Lot program.

Current Policies

After reviewing the MRC's current policies regarding vacant lots, we decided that these policies are certainly viable solutions (Muncie Redevelopment Commission, 2014). These policies include the Pocket Park Program, the Community Garden/Orchard Program, and the Side Lot Program. In this section, we will briefly discuss the advantages we identified in these solutions to justify our decision to suggest maintaining these policies.

Both the Pocket Park Program and the Community Garden/Orchard Program are viable leasing options for vacant lots/green spaces. The advantages for both of these programs is that the MRC holds the liability insurance for the vacant lots in which they own that are used for these purposes. The Community Garden/Orchard Program can provide an option of food security

to a community, which is especially important in low-income neighborhoods. Additionally, both of these options are great for neighborhood aesthetics and creating a sense of community, which importantly, may also lead to a reduction of crime.

The current policy the MRC has in place for its side lots program is an effective way of handling the issue related to side-lots. It is a pretty popular program. Furthermore, the advantages of it are as follows: First, once sold to an adjacent property owner/occupier, it gets the side lot back onto the tax rolls, creating tax revenue for the city of Muncie. Second, it is an inexpensive way for property owners to acquire more property because it only costs the property owner \$100 to purchase the side lot from the MRC.

Clean and Lien

Indiana, like most localities, already allows for city crews to clean up the lots under the current laws, but the law requires the liens to be connected to the property on which the code violations occur, rather than attaching it to the violator's other properties (Indiana Code §36-1-6-2). The current statute states that a lien placed for ordinance compliance administered by the municipality goes onto the property forced into compliance. Whereas this does address the issue of public health, the liens may not be paid. Owners who have walked away from the land may decide to not pay the fines or their property taxes, where they would be bundled after a period of time without payment. This situation results in repeated cleaning by the municipality and additional liens placed on the same property. Eventually, the property will be placed in a tax sale. However, it is possible that at this point the lien value has superseded the property value, discouraging buyers and leaving the lot to gain more liens through continued maintenance.

Springfield, Massachusetts utilizes a traditional type of clean and lien similar to what Muncie currently uses. It has successfully used the clean and lien policy to clean up properties

and put liens on the property after they are cleaned up by the city (City of Springfield, 2009; Turner, 2009). They have successfully cleaned 831 properties and 73 buildings have been demolished since this program was implemented (City of Springfield, 2009). The downside of the traditional clean and lien is that it adds costs to the purchase price of the blighted property and deters buyers from considering a purchase and foreclosures can drag on for years (Driscoll, 2014).

There has been an alternate solution to this predicament proposed and attempted in Providence, Rhode Island. At Livable Providence 2000 An Urban Environmental Conference, the participants suggested that maintenance liens be placed on the owner's primary property instead of the lot being maintained (Deller et al., n.d). This was originally in response to large budget cuts to the existing program to encourage payment of these liens. Later, they implemented this alternative and thus far the evidence shows mixed reviews of the success of the program. The largest complaint is the length of time for the process, as the legal notifications have time restrictions attached to them. However, the violations have had an increased response from offenders.

The Indiana state code would need to be revised for this policy to be implemented; this is, however, a viable long-term option if the state legislature can be lobbied to change the current laws. If this were enacted, the affected lots would be more likely to remain maintained, decreasing public health risks, crime, and unsightliness in the neighborhoods where they reside. It also encourages property sales by reducing the burden on the purchaser in instances where the liens would have exceeded the lot value.

Fry (2014) and Driscoll (2014) reported about blighted property owners who have challenged clean and lien ordinances on appeal in Ansonia, Connecticut. The property owners

have challenged due process violations and trespass when the city cleaned up the property and put a lien on their main property. There are not many challenges to the clean and lien ordinance (Driscoll, 2014), but the policy alternative is somewhat controversial.

We recommend this as a long-term strategy. It would take time to convince other cities to band together to lobby for this legislative change and the time needed for the legislative process to be completed, but this would enable property owners to be held responsible to a greater degree than the current clean and lien procedures do. An option to contact for starting the process would be Accelerate Indiana Municipalities, AIM (aimindiana.org). This would allow Muncie to evaluate if there are enough municipalities interested in this change to continue forward. Also, since this would stem from state level legal changes, it would allow for a reduction in negligent owners statewide, improving Indiana as a whole and not just Muncie.

Community Service

The backbone of a well-functioning community is often its engaged members and volunteers that work hard to make the city stronger and safer for those living there. When looking at policy alternatives and solutions, it was clear that volunteer recruitment and neighborhood cleanup events should be an aspect of the plan. It is our recommendation that volunteer opportunities should be open to anyone looking to help out in the community. Specifically, communication should be targeted to groups that have service hour requirements, such as the Fraternity and Sorority community at Ball State, local high schools, and church groups.

To solicit volunteers, word of mouth is often the most effective tool. Starting with the members of the Old West End Neighborhood Association, they should contact their friends, family, and acquaintances in the community to let them know about any upcoming events. The

neighborhood association should offer scheduled and structured volunteer days, as well as a list of vacant lots needing extra attention for larger groups that would like to spend time cleaning up the Old West End.

Another effective recruitment tool is targeted outreach to organizations in the area. The Fraternity and Sorority community at Ball State requires their members to complete volunteer hours each semester. We recommend contacting the chapter president of each individual group or requesting a time to speak to a Panhellenic (female) or Interfraternity (male) council meeting. These councils are the governing bodies of the Greek-lettered community and a great way to communicate volunteer opportunities. This can be organized through the Office of Greek life at Ball State.

Similar methods should be used for the Ball State volunteer center, local high schools, and churches. And to assist in these efforts, we created a template flyer advertising volunteer opportunities to clean up the Old West End neighborhood. This flyer includes the day and time for events (when applicable), contact information for the neighborhood association and/or the MRC, and the specific location needing attention. The flyer can be placed around the community and the Ball State campus.

The purpose of this initiative is to create buy-in from neighbors of the Old West End and Muncie community members, as well as offer meaningful volunteer opportunities to those individuals and the Ball State community. All of which are working together to make the area more attractive, because ultimately clean lots increase home values, pride in the neighborhood, and sets stage for improving buildings.

Solving the vacant lot problem has implications for other abandoned properties in Muncie as well. Comprehensive strategies that address both lot and home vacancies are important for the

redevelopment of the neighborhoods and the community. The next section addresses the issue of property degradation and abandonment by delinquent property owners.

Existing Structures

Along with vacant lots are vacant and abandoned houses and structures in the OWE and Muncie area that have come to hinder the presence of the neighborhood and become homes to pests and crimes the longer they stay unoccupied. The problem definition for the existing structures is that too many houses are subject to substandard maintenance, repair, and living standards. Home inspections are not being made, and housing codes are not being kept up on and not being enforced as strictly as they should be to make sure the house does not become a nuisance to the city and area that it is located in. Vacant and abandoned homes attract animals and pests to live in them and amongst it when no one is around for the upkeep and to keep them out, as well as people will look to use abandoned and vacant homes for drug crimes and other criminal activity that can then hurt the value of the other homes around it that are well maintained and with people living in them.

Looking into the success criteria for these problem areas, here are a few suggestions to help with alternatives to maintain or abolish abandoned and vacant homes in these areas. An increase in responsiveness of structure owners to policies on substandard housing is a way to keep owners in check with their rentals or owned housing. Increasing the capacity for the city to handle substandard housing will aid in the overall decisions on what to do with houses so that they do not reach the point of being vacant and abandoned. City policies are kept up to date and in line with community concerns, this way the city and community can be on the lookout to make sure that homes do not reach the point of being condemned or inviting unwanted guests. Lastly, more houses in productive use is the ultimate goal because fewer abandoned and vacant

homes means a better community and better living areas to help with the value of all the homes in the area.

Thoroughly explained policy alternatives that seek to provide ways to act and remove these nuisances are listed below. These alternatives are meant to aide in the completion of the success criteria and to do away with vacant and abandoned housing. These alternatives are a Receivership Program, Home Stabilization Tax Credit, Housing Tax Increment Financing, and Request for Proposals of Development.

Receivership Policy

Receivership is a tool that has been used by the courts to take on the abandoned housing situations in many cities across the county. It has been successfully implemented in major cities like Chicago and Baltimore, and states like Massachusetts. In this process, the court appoints a third-party unbiased person or company to take temporary ownership when a building is hazardous, in dangerous condition, or abandoned and dangerous to the community. A receiver is appointed when the owners are unable or unwilling to make repairs to buildings. Receivers can only perform duties that are authorized by the courts, and must keep an account of their expenses used to revitalize the property. The owner of the property will then be billed by the receiver for full reimbursement. If not paid, the receiver has legal recourse to sue the owner or foreclose on the property.

Essential to the development of a receivership program for the Muncie Redevelopment Commission (MRC) will be the collaboration between MRC, the courts, and the Muncie Building Commissioner's Office. This process relies heavily on the courts to award discretionary powers to a receiver in order to complete the needed repairs. The legal process in Indiana for this policy is progressive to addressing blight and abandoned properties because it removes the need

for an owner's identity and cooperation, whereas it would be needed if addressed by code enforcement. In cities like Chicago and Baltimore, where receivership programs have been successful, Housing Courts are responsible for overseeing the judicial process that selects and appoints a receiver. Since Indiana does not allow Housing Courts, the collaborations mentioned earlier will be essential to see success for this program.

To implement a receivership program, the MRC, in collaboration with Muncie City Court and Delaware County Circuit Courts, Muncie Building Commissioner's Office, and members of the Old West End Neighborhood, could launch a pilot program by first selecting two or three properties that would be suitable to rehab and then actively seek out receivers to apply for the program. Applications can be taken from potential receivers (ideally who are neighbor residents, but not limited to) and they will be evaluated based on the receiver's experience and expertise, proof of finances, and an understanding of the process. The suggested applicants will be forwarded to the courts for final decision and appointment.

The Muncie Building Commissioner's Office would first identify a distressed property and refer it to the MRC for examination. MRC would inspect the property and identify owners and/or parties with interest in the property. Then, the MRC would refer the property to the receivership program and work with the courts to identify a potential receiver. The owner and/or parties with interest in the property would be notified about the possibility of the property entering the program, and they would have the option to enter into a repair plan, or forfeit the property to the program. At the end of the process, the property is returned to safe conditions within the city's codes and is no longer a danger.

Receivers are incentivized by their desire to have a healthy neighborhood and community. In addition, receivers are typically individuals with personal interests in house

rehabilitation and the opportunity to gain income properties should the original property owner forfeit their ownership in lieu of repayment for improvements. Since the receivership can oftentimes serve as a method to clear a title of property, it is attractive to private developers and individuals who are interested in renovating and reusing properties that otherwise may not be accessible.

Home Stabilization Tax Credit

The purpose of this alternative is to provide a proactive approach to encouraging and assisting home owners whose residential units may be at risk of abandonment or neglect by providing a slight break on the tax burden that these owners face. There are several tax relief methods for those homeowners who are rehabilitating their home (IC-6-1.1-12-18, 22; IC-6-1.1-12.1-4.1), but no real such programs for preventing the issue from occurring in the first place.

The base recommendations for the relief program would be that it applies to all homes throughout the municipality that are valued at less than \$50,000 and are older than 20 years of age. Around the 20-year mark many homes begin to experience critical repair necessities throughout the unit (heating and cooling, plumbing, paint and sealing, etc.). In addition, assuming that citizens choose to match the affordability of their residence to their income, many of these homeowners are likely low-income households. This may lead to scenarios where a low-income household cannot afford the necessary home repairs and will inevitably result in lower property value, if not the total abandonment of the property. Any lost municipal revenue caused by the implementation of such a tax relief program would expectedly be either equal to or less than the loss of property tax income caused by property values lowering from inadequate care and repair, and significantly lower than the losses incurred if the homes were left to abandonment and thus realistically produced no valid tax revenue.

To incentivize the property owners to utilize the funds not spent on property taxes for the purpose of home repair, the tax relief could be contingent on home condition. Any home with an active or recent code violation or unsafe building order would be disqualified from applying for the tax relief. In addition, there could be general assessment of the home (for example, observed during the assessor's evaluation of the home or surrounding homes) that can also be used to qualify or disqualify a property from applying for the tax relief.

The degree of the tax relief is up to the city's discretion to set when implementing. Similar programs throughout the country can range anywhere from a 5% relief to a full 100% relief. While a 5% relief may seem significant, with Indiana's property tax cap and the low value of the homes involved, that may only result in a maximum benefit of \$25. In contrast, a 100% relief would provide a maximum benefit of \$500, but would put significant strain on the municipal revenues. The purpose of the tax relief and the current state of revenues should be considered when setting the relief levels.

The final stipulation that should be discussed is whether this relief would only apply to owner-occupied homes or if it can apply to renter-occupied homes as well. The recommendation would be to apply the program to any single-family residential structure, whether owner or renter occupied. This opens up the program to households who own their residential property and to owners who lease their property to only one household (which may be a non-family household, such as a group of college students renting together). This would encourage landlords to keep homes as one unit, discouraging the unpopular trend of subdividing structures into multiple units. While initially addressing the issue of subdivided structures, it also provides the added benefit of occupying more, likely originally abandoned or vacant, structures as landowners may choose to acquire and rent more properties to keep the same quantity of rental units.

Housing Tax Increment Financing

IC-36-7-14 permits redevelopment commissions throughout the state to establish housing tax increment financing (HOTIF) within established redevelopment areas. Any increases in property taxes within the HOTIF are used to fund reinvestment into the area. This investment can come in the form of acquisition, construction, rehabilitation, repair, or demolition of residential units and property as well as financial assistance to allow families (or individuals) that are below the county's median income to purchase or lease a unit within the area. HOTIFs are similar to the commercial TIFs that the MRC is already administering, making this a seemingly administratively feasible option.

There are a series of requirements to a HOTIF beyond needing a redevelopment area and the specifics of how the funds can be utilized. The redevelopment commission must also show that one third of the parcels are vacant, three fourths of the area is currently or expected to be used for residential, one third of the parcels were constructed before 1941, and one third of the parcels are either not permanently occupied, subject to code or unsafe building violations, or have more than one delinquent property tax payment.

The funds from a HOTIF may be used up-front or over-time. The former involves utilizing bonds or similar financing to make a large investment into the area at one time, and then utilizing the collected funds to repay the debt incurred. The second format involves spending the funds as they are collected each year. Many redevelopment scenarios have shown that large investments at one time make a greater impact than the same quantity of funds invested over time, which gives some validity to the up-front approach. However, as it involves the municipality incurring debt, it is not politically favorable. Over-time fund disbursement may be suitable if the intended use is for rent assistance for low income households, as the funds needed

and the funds acquired would both be dispersed over time. The length of the HOTIF lifetime should be tied to the fund usage - in an up-front format the lifetime would be the length necessary to repay the debt financing, while in an over-time format the lifetime would be aligned with the intended use of the funds (for example, rent subsidies for ten years would lead to a ten year HOTIF).

Some examples of HOTIF success within Indianapolis (which has been able to utilize HOTIF longer than the rest of the state) include the Barrington, Fall Creek Place, and Near Eastside neighborhoods.

Request for Proposals

A request for proposal, or RFP, is a tool many government agencies and other organizations use to develop a pool of individual companies to choose from through a well-thought out and unbiased selection criteria. The use of an RFP spans beyond the search for developers to redevelop an area of land within a city. Some of these other uses would be searching for a third-party to administer a program at a hopefully lower cost than if implemented by themselves. The use of an RFP in this case would allow the city and the Muncie Redevelopment Commission to request specific changes to be made during the redevelopment process and have actual control over the project. These specific changes can vary depending on the direction and style the city would like to take with the design of the project.

The city would offer a large quantity of properties, generally highly concentrated in a single area, to do a massive scale housing development on (similar to an urban version of a subdivision). The city can place restrictions within the RFP on the development expectations, such as requiring a certain percentage of mixed income, a requirement to hold historical images intact, etc. This project would allow developers to petition their ideas to the city or the MRC;

they would then evaluate the idea and grade it using a specific rubric designed to fairly assess each project idea to ensure the idea meets all of their requirements to the fullest. This process contains the incentive for developers to gain access, if selected, to use new funding sources provided by the state or city, such as the HOTIF, HOME funds, or state-funding for low-income families, as a way to offset the cost of their build.

If we look at the Old West Neighborhood simply by the numbers for 2016 and potential demographic numbers for 2021, we can see the 5-year projected change in occupancy composition transitions a number of units used previously as owner or renter-occupied units into a two percent increase in the number vacant units. This may not seem like a huge increase in abandoned housing but when the current amount of housing units in that area is 1,205, it means that 24 units will become vacant or abandoned over the next five years. There is also a slight aging of the current population as well, this can be seen in the percentage of change in the age groups and the median age increasing by about a year. Another issue provided from the data would be the \$10,000 increase in the median home value in the area, and yet the median household income only increases by a dollar over a five-year timeframe. This obviously plays a key role in families being able to afford either a mortgage or rent in this area.

<i>2016 Housing Units</i>	1,205
Owner Occupied Housing Units	12.8%
Renter Occupied Housing Units	54.9%
Vacant Housing Units	32.3%

2021 Housing Units	1,205
Owner Occupied Housing Units	12.4%
Renter Occupied Housing Units	53.4%
Vacant Housing Units	34.1%

Median Household Income

2016	\$21,593
2021	\$21,594

Median Home Value

2016	\$67,568
2021	\$77,239

Median Age

2016	35.5
2021	36.4

Based on these potential demographics we have been able to develop some potential areas of focus that can be included in the main requirements of the RFP. The age group to focus on in the upcoming RFP should be 18 to 54 years of age. This selection may seem like a wide range to consider, but you might notice that it ends at 54. The rationale behind this is that downtown Muncie, and some other nearby neighborhoods, already have a number of 55 and older housing units that currently meets this age bracket, so the MRC should focus their resources towards a population that does not receive specialized assistance.

Another factor that would need to be discussed would be to build owner or renter occupied housing units in this project. Given the high amount of current renters in the area, we would suggest continuing that trend by providing affordable and quality rental units to the

neighborhood. This may seem counterintuitive given the five-year outlook of increased vacant housing, but this can be counteracted by requiring demolition as part of the RFP for new construction. That way the amount of vacant and abandoned housing will be reduced and the amount of affordable, quality rentals will increase.

Something else to look at would be the areas in which employment is the highest. In this area, white collar-professionals are the highest population. This of course might seem odd in comparison to what the median and average incomes in the area are, but this actually shows the great divide between the low and high income population. As such, a potential way for the MRC to meet all of these needs would be to require the developers to address this in the RFP by providing a mixed-use and mixed-income project. For example, a two- or three-story development that has retail or office space on the first level for these white-collar professionals, but also have market rate rental units and subsidized rental units above. There are numerous programs that can be used by developers to generate subsidized rental opportunities.

This RFP process might seem complicated due to the focus areas and other areas addressed above, but the actual process is much simpler. The starting point would be the MRC developing agreed upon requirements for the upcoming project and a grading rubric that will assist in an unbiased approach to finalizing the selection of companies to complete the project. The RFP is then made publicly known so that developers can begin to generate ideas for how the project will include the RFP requirements. After the developers have produced some project ideas they will then deliver them to the MRC so that they may assess and grade these project ideas based on the rubric that was created previously. The MRC will then select the developer with the best project idea that fully encompasses their project requirements. Now the fun part can begin as the project will start after financing, construction, and deadlines have all been finalized.

Public Presence

The policies addressed in this section will focus on remedying the insufficient public presence of the MRC. After meeting with various stakeholders, Ball State Immersive Learning students determined a successful awareness campaign should increase the number of applications received and the number of homes and lots sold by the MRC. Both educational courses and grassroots marketing have been developed to help provide the MRC with a greater public presence. These two policies are projected to reduce the number of vacant homes in the Old West End of Muncie and provide the MRC with a clear marketing campaign. This can be seen in the marketing demographics, the educational course curriculum, and the implementation of yard signs. The educational courses are intended to complement the efforts of Capstone housing classes and will help reach a larger population. The grassroots marketing will work alongside current MRC promotional efforts. These policies are subject to change and are merely suggestions for the MRC.

Public presence and a well put together marketing campaign is a requirement for any organization that wishes to be successful. An organization without a strong foundation in marketing may not find success in what they want to achieve. When looking at the MRC in particular we found that the marketing could be analyzed and improved immensely. With improving the MRC's marketing, inquiries of properties owned by the MRC, and more public outreach could help the MRC be successful and reach their goal. The issue the MRC could run into with having so little marketing is members of the community would not know that this organization has resources available to help people.

The MRC has many different entities that could help further spread the marketing campaign. Using neighborhood organizations such as the OWENA can further help spread the

word of what the MRC has to offer. The marketing campaign can be broken down into various different options. We have found that if we are able to produce signs to put at properties owned by the MRC, people from the community will begin to learn who the MRC is, and what they do. This will allow the MRC to obtain more recognition from communities, and when people see abandoned properties, they may even reach out to the MRC letting them know of potential parcels of land to buy.

The general aim of the educational course is for the MRC to provide information to those who could benefit most from, or are already considering, their services. A general curriculum has been developed for the MRC to further evaluate, plug in information, and distribute to the Old West End Neighborhood Association to hold monthly educational courses. These educational courses would be provided free to the public and would cover assorted topics related to the MRC's work and housing in Muncie. We believe that there is a general lack of knowledge in regard to the housing difficulties in Muncie, as well as a lack of resources to provide such information. Utilizing educational courses, we project that the MRC will receive more inquiries and more follow throughs, will be able to utilize testimonials about the effectiveness of the courses through media, and will reach and educate a broader scope of potential home owners.

Educational Course

The first portion of the educational curriculum entails the MRC logo and the flowchart that they are currently developing. Emphasizing the logo works to further strengthen the branding of the MRC and works generally towards greater awareness of the program. The MRC flowchart will provide a visual for the attendee detailing the progress that the MRC has made thus far. Beginning with this initial MRC data will allow them to create a branding for themselves, tying them to work that has already been done.

The curriculum then goes on to discuss neighborhood specific financial details of what it could cost a potential interested buyer, not only for acquiring the home but also for the general restorations that need to take place to bring the house up to standards. This gives the buyer an up-front, general idea of the sort of project that they are getting themselves into. This is not meant to scare away potential buyers, but to empower them and strive towards buyers who wish to settle and invest in their homes.

Developing this curriculum from the perspective of a potential buyer and what we would want to know, our group thought it important to include specific information on who can be contacted for the new home buyer. By this, we mean providing information for local contractors, plumbers, electricians, and the like, so that the process is even easier for the customer, and hopefully relationships can develop between these companies and the MRC. We also believe that it could be beneficial to reach out to these contractors, bankers, etc., to set up speakers at the educational events, as they would be able to answer direct questions from the potential buyers and it would further create connections amongst the community and its stakeholders.

Ending our curriculum, we think it is important to provide MRC resource information, entailing contact information, minimal code compliance standards, and the required timeline for the restoration process. This information gives the potential buyer a further idea of the scope of the restoration process and a better idea of its feasibility. We also create a connection between the potential buyer and the MRC through the contact information. The final note of our curriculum is a discussion of the benefits of owning at the Old West End. This would include discussion of the downtown amenities, the MITS transportation system, and the current community development taking place in downtown Muncie.

Much of the feedback we received regarding this program discussed a preexisting program, Capstone Low Income Housing Training. We believe that parts of our curriculum could be detailed in this training program for greater ease of implementation. This generally makes sense, as the MRC, at its current state, would not be able to provide adequate staffing to manage these educational courses. We suggest that the curriculum be developed and implemented through utilizing a future immersive learning course to do so. The role of the MRC at that point would then be to approve the materials for education distribution. Once more, the curriculum for the educational courses was designed from the perspective of young, potential first home buyers, including information that someone from this demographic may not outright know or would wish to have included to better empower the decision-making process.

Grassroots Marketing

The advertising campaign being proposed will focus on increasing the MRC's public presence throughout the city of Muncie and generally raising awareness of the organization and what it has to offer prospective participants of its programs. Awareness begins with name recognition, so the most important part of this suggestion is simply to make the MRC more visible and get its name out to as many people as possible.

In order to increase name recognition and general awareness, we have come up with a yard sign marketing program to advertise the MRC. The MRC yard signs can be placed on every property that the MRC possesses. This includes recent acquisitions and purchases, properties already up for sale through the MRC, and properties that have already received interest but have not yet officially been transferred to new ownership. Each parcel of property would have a sign advertising the location's availability and how to contact the MRC for further information. These signs would be similar in purpose to those signs put up by Habitat for Humanity when they are

working on a property, or could also be compared to realtor signs that are put up when a property is available for rent or sale.

Utilizing these signs as a marketing tool should theoretically provide a number of desired outcomes. First and foremost, there should be an increased awareness of the MRC throughout Muncie. This should come as a direct result of the increased presence the signs create. The second projected outcome is an increase in the number of inquiries the MRC receives, both about certain properties in particular and their other programs more generally. As the MRC's presence increases, more and more people should want to know more about the organization and what it may have to offer them. This outcome will be a direct result of the increased presence. Lastly, there should also be an increase in the number of lots that the MRC is able to sell or repurpose because of the increased number of inquiries. Basically, the more signs that are displayed, the more Muncie citizens will become aware of the MRC; the more aware they become, the more likely they are to make inquiries; the more they inquire, the more likely they are to act and actually take an interest in a property. Each outcome builds off of its predecessor to maximize the gains the MRC can experience.

The signs themselves can be fairly simple. At a minimum, they should include the Muncie Redevelopment Commission's full name, the logo that is currently being produced by another agency, and contact information for interested parties, including a phone number and web address. An example can be seen in figure 1 that shows a loose design that could be used in its current form or as a template for a more elaborate design.

A great benefit to using this type of yard sign is that it has a very low overall cost. Signs can be purchased from a number of different places, each with their pros and cons. For example, Outfitters of Muncie makes custom signs. This is a great choice if the MRC would like to

support local businesses, but it also comes with a higher price tag. Conversely, if the MRC chooses to focus more on cost-efficiency, cheaper options exist. One website, <https://www.signsonthecheap.com>, can provide signs at a very reasonable rate. Through that website, the MRC could purchase 100 12” x 18” signs (including ground stakes) for less than \$300 (\$298 total before any discounts are applied). Either option would be suitable, so the final decision depends on the highest interests of the MRC.

The Old West End Neighborhood in Muncie would be a great place to try these yard signs and could act as a pilot program to test the effectiveness of the advertising campaign. After the yard signs had been placed in the Old West End for a period of six months, the MRC could then evaluate their effectiveness to determine whether or not the program was producing the expected outcomes. If, at that time, it is not meeting expectations, then the program can be reevaluated and reformed based on the feedback received. If, however, the program does appear to be succeeding, then after the six-month trial period these signs could be put up at properties located in other neighborhoods around the city. Assuming the campaign is successful, every MRC property should have a yard sign by the end of the first year.

Overall, this new advertising campaign attempts to take a grassroots approach and focuses on making sure that knowledge of the MRC’s existence and presence grows throughout Muncie. The suggested yard signs are a cost-effective way of meeting this goal, and can lead to increases in both inquiries and property purchases over time as a direct result of increased awareness.



Figure 1: Sample MRC Yard Sign

Overall, these two policies are projected to outline a marketing campaign for the MRC to adopt, and reduce the number of vacant homes and lots in the Old West End. By utilizing the educational courses and grassroots marketing outlined in this section, the MRC should be able to increase their public presence within the Muncie community. We have included a sample yard sign, as well as an outline for the education course which can be changed to meet the MRC's specific needs. With a successful implementation, the MRC should hope to see an increase in inquiries about the homes and lots the MRC owns and an increase in the number of applications received and number of homes and lots sold. The policies can be utilized how the MRC sees fit, or can be adapted to meet their needs.

Conclusion

This report attempts to tackle the problem of urban blight in the city of Muncie, Indiana. We worked alongside the MRC to help develop policy alternatives to address the issue of blight.

We came to realize that tackling the issue of blight was extremely complex, which led us to break down the issue into three sections: vacant lots, existing structures, and public presence of the MRC. First, one group determined that there are too many unproductive vacant lots in the city. Another group identified there are many existing homes that are subject to substandard maintenance, repair and living standards. Finally, we addressed the lack of an awareness campaign for the MRC.

In order to combat these problems, various policy alternatives were developed. Vacant lots could benefit from community service cleanups, which encourages more people to be visible and increase pride in the area. A clean and lien policy is also suggested. This would place a lien on the property owner's primary residence to hold the owner accountable. This is a different approach than the current clean and lien policy. Several policy alternatives were offered to combat the problem of unsafe existing structures. A receivership program is a tool used by the courts to take on abandoned and unsafe structure. The appointed person or company would then be responsible for preserving the structure. Other alternatives include a home stabilization tax credit and housing tax increment financing. Both of these policies would allow for more money to go into fixing up old homes and structures. Finally, two policies were developed to address the lack of public presence of the MRC. An educational course campaign would be used to educate interested buyers about the MRC and the policies it has. A yard sign marketing campaign would then be used to showcase the properties the MRC possesses.

Moving forward, we believe that it would be beneficial to incorporate some of these recommendations into an already existing plan that is working fairly well. In the case of the clean and lien, a policy already exists; however, adapting a new way to lien a property could be beneficial to increasing the number of lots that are cared for. Although not entirely feasible at the

moment, new legislation concerning the clean and lien could be beneficial in the future. The MRC could also use current neighborhood cleanups, such as the OWE, as a trial run for more community service interaction. This would involve combining more organizations together and working together across the city. This can also be done in the area of public presence. For example, the educational curriculum could be tied with an existing course such as Capstone's low income housing classes. Finally, the MRC could begin looking into current HOTIF policies within the OWE to see if the area qualifies for Home tax increment financing. This would at least get the screening process started to see if this alternative is possible. Most of these policies can be tested in a six-month time period, meaning results can be examined within the first year. None of the policies are cure-alls, but together they help decrease the problem of urban blight in Muncie.

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