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COMMUNITY BLIGHT: A CANCER THAT CAN BE CURED

By Robert Klein

Michigan is waging an aggressive war on community blight. The additional ammunition it is receiving from the federal government, exceeding \$260 million for Detroit alone, will help. But money is not enough. Housing champions need to adopt a more proactive approach, particularly in Detroit, where tens of thousands of blighted structures require demolition and a similar number are well on their way to becoming blighted.

Detroit and the State of Michigan must be more strategically proactive to secure and preserve vacant homes, save neighborhoods and improve property values.

The \$188.1 million that Michigan is receiving from the Hardest Hit Fund in the latest round of funding is more than any other state. The fund provides significant resources to 18 states and the District of Columbia and targets critical resources toward programs that help Americans avoid foreclosure and stabilize housing markets. Since the program's inception in 2010, Michigan has received over \$761.2 million to demolish vacant and abandoned homes, provide foreclosure avoidance programs to help families remain in their homes, and support other efforts to revitalize neighborhoods.

Most of the new funding will go toward demolition, as will \$88 million from the federal Troubled Asset Relief Program that will be dedicated to Detroit's battle with blight. It's not difficult to understand why. The 2014 Detroit Blight Removal Task Force report identified more than 40,000 blighted structures in the Motor City alone – and another 38,000-plus well on their way to becoming blighted.

U.S. Sen. Debbie Stabenow has called Michigan a national model for blight removal. Yet the challenge is so daunting that even with an aggressive program in place, Detroit was able to remove only a little over 5,800 blighted structures between January 2014 and June 2015 according to the Detroit Demolition Impact report. In my 25 years in the property preservation industry, I have witnessed the devastating impact of community blight. What I have seen drives me to join with forward-thinking people and organizations across the country in working to fight it.

The foreclosure crisis of the Great Recession dealt Detroit a punch that still has the city staggering. I commend the efforts of the Detroit Blight Elimination Program and other programs to restore neighborhoods, attract investment and stabilize decades of decline.

Without question, aggressive demolition must continue. But demolition for demolition's sake is wrong. Only after years of abandonment and neglect – often extenuated by outdated foreclosure processes that can leave homes vacant and vulnerable for years – do most properties become candidates for demolition.



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By the time a house needs to be demolished, the damage to the neighborhood has already been done. Yet Hardest Hit Fund proceeds may not explicitly be used to secure or maintain vacant and abandoned properties to prevent them from becoming sources of blight. Those strings must be loosened if these federal funds are to be as effective as possible in combating community blight.

Many of the 38,000-plus structures in Detroit determined to be on their way to becoming blighted probably can be rescued. Strategic demolition can stem the spread of community blight, and at a fraction of the cost of wholesale demolition.

I like to use the example of a hypothetical city street with 20 homes. Ten are occupied, the other 10 vacant. Of those that are vacant, only five are in such disrepair that they clearly need to be demolished. Strategically demolishing just those homes thus removes the most obvious sources of blight and creates an environment in which maintaining and eventually rehabilitating the other five becomes a worthwhile investment.

In Cleveland, a collaborative effort taking that approach is helping to steady market volatility in a revitalized neighborhood, stabilize the larger community and match homebuyers with a stress-free home at a good price. To date, more than 50 homes have been rehabilitated and sold or are in various stages of construction. There are plans to preserve 200 more. Empty lots where run-down houses once stood are deeded to adjacent homeowners, who proudly tend to the properties and do not allow them to become overgrown dumping grounds. This is much like a program in Detroit that enables homeowners to take stewardship over vacant side lots and put them back into productive use.

Community blight is a cancer that can be cured, and successful programs like these and others across the country offer clear evidence that we can stop it from spreading. By working together to change laws and policies that allow blight to fester and by attacking the problem block by block, neighborhood by neighborhood, we can break the cycle and make our communities healthy and productive once again.

Robert Klein is the Founder and Chairman of Community Blight Solutions, a Cleveland firm that is active in blight remediation across the country, including in Detroit.