Vacant Properties:
A Tool to Turn Neighborhood Liabilities into Assets

What are Vacant Properties?

Vacant properties are vacant residential, commercial, and industrial buildings and lots that have one or both of the following:

- The property poses a threat to public health and safety (meeting the definition of a public nuisance)
- The owners or managers neglect the responsibilities and duties of property ownership (e.g., they fail to pay taxes or utility bills, default on mortgages, fail to make exterior repairs or carry liens against the property)

Vacant properties include abandoned, boarded-up buildings; unused lots that attract trash and debris; and may have overgrown weeds; vacant or under-performing commercial properties, known as greyfields (such as vacant or partially vacant shopping malls or big box stores and strip commercial properties); and neglected industrial properties with environmental contamination, known as brownfields.

The Problems of Vacant Properties

No matter if you call Germantown, Fairdale or Shawnee home, every neighborhood in Louisville has been affected by vacant properties. This has been an increasing problem since the foreclosure crisis and there are no signs of slowing. It has become the responsibility of concerned residents to take action to revitalize neighborhoods and strengthen our overall community. The Metropolitan Housing Coalition (MHC) created this tool to educate residents about vacant properties and what can be done to encourage revitalization.

Health and Safety Issues

Deteriorating single-family homes, apartments with significant housing code violations, and housing that remains unoccupied for long periods of time, are risk indicators for future vacancy and abandonment. State laws and uniform building codes define what constitutes an abandoned building. Often these structures have been unoccupied for over a year, are beyond repair, and pose serious danger to public safety. These dangers include fire hazards, illegal dumping, unwanted animals and illegal activities that threaten to destabilize neighborhoods. The police, fire department, and housing code enforcement agencies are spending significant amounts of money to combat these problems.

Environmental Issues

If we take care of and reuse existing buildings and infrastructure, we use less farmland and natural areas for new homes and streets. Reclaiming existing neighborhoods allows city areas to be less reliant on cars, saving on gas and cutting down on pollution. Reusing vacant properties leads to cleaning up and stopping illegal dumping and high weeds which otherwise attract insects and animals. Reusing abandoned buildings or their materials limits demolition waste and the social cost of new construction. Demolition waste nationally accounts for over 65 million tons of solid waste in landfills and other facilities.

How Can I Get Involved?

Louisville Vacant Property Campaign (LVPC) is a coalition of community activists and residents from neighborhoods across Louisville Metro. Together we work to confront the issue of vacant properties.

Join Us!

We currently meet the third Tuesday of each month from 5:30-7:30 PM at Presbyterian Community Center, 701 S. Hancock. Contact us at (502) 584-6858 or doug@metropolitanhousing.org.

This publication is made possible from the generous support of Louisville Metro.
Redevelopment: Our Chance to Get it Right

Even just a few abandoned buildings can cause decline and disinvestment that spreads well beyond the block where the vacant building sits. By facilitating the purchase and redevelopment of blighted, abandoned residential and commercial properties that harm neighborhoods, community developers and neighborhood associations can help to reverse this cycle of decline. Redeveloping blighted properties preserves our existing investments by supporting the neighborhoods in which we already live – once active places that have been allowed to fall due to poor development practices and neglect. By revitalizing vacant lots and abandoned buildings as a part of a larger strategy, we can create desirable mixed-use neighborhoods close to transportation and job centers, while providing affordable opportunities to first-time homebuyers and renters.

Communities throughout the country are successfully turning brownfields into thriving centers for business, housing, and even recreation. In Louisville, we can be proud of the Waterfront Park development which was littedered with industrial buildings and contaminated areas. We also find various collaborations working on the industrial brownfield area known as Park-Hill in the central area within the old city limits.

"Behind every house is a story, and behind every story is a life."

Simple Strategies = Big Results

Cleaning up and reinvesting in these properties increases local tax bases, helps job growth, utilizes existing infrastructure (like water and power lines), takes development pressures off of undeveloped land, and both improves and protects the environment. Redeveloping contaminated structures also helps preserve historic structures with unique architectural style and local character.

When citizens, nonprofit organizations, elected officials, city agencies and businesses work together, the problems of vacant properties and their negative effects can be addressed in a sustainable way. The critical first step in addressing vacancies is cleaning, boarding and securing the property. Neighbors must remain watchful of vacant buildings and lots and notify the responsible owners or city agencies immediately and consistently in order to protect their investment and neighborhoods.

Some of the potential strategies for addressing vacant properties include, but are not limited to, keeping the buildings occupied, registration and tracking, extra tax penalties, code enforcement, land banking, and targeted investments.

Keeping the building occupied requires many approaches. Among them include loan modification or partial loan forgiveness when a homeowner is facing potential foreclosure. Many times such action saves money and time for all involved. The debtor gets to remain and pay off the altered debt, the creditor gets some money where previously none or less was available, and the neighborhood is saved from its destabilization caused by the loss of residents and occupied buildings.

Louisville has no registration ordinance, but does have an abandoned property ordinance which triples the tax rate under certain conditions. There also exists a Vacant Property Review Commission to deal with this when an owner needs to appeal. Registration laws have been used in other communities to track vacant properties and put various responsibilities on owners who are neglecting their properties.

Vigorous code enforcement has been an effective tool for cities facing poor maintenance of both occupied units and vacant properties. Keeping an occupied building in decent, safe condition helps prevent later problems. Boarding up vacant buildings and maintaining vacant properties also help protect the investment and the neighborhood. However, code enforcement works best when citizens expect and demand that absent owners keep up their property. Organized neighborhood action helps city officials be vigilant and consistent in enforcement.

However, strict code enforcement without helpful education, supportive programs and a reasonable approach can put a financial burden on lower income homeowners. Louisville Metro has had a land bank since 1988. Although this authority needs to be reinvigorated, the tool is in place and citizens need to encourage its use. The Landbank Authority "acquires, manages and sells distressed properties and vacant parcels to responsible developers". Neighborhood activists and associations should work closely with the Landbank Authority to effectively promote land banking of properties and the appropriate use of those properties to enhance the neighborhood. Uses of such banked properties could include side yards for neighbors, new or rehabilitated housing, community gardens or other more temporary uses until a larger area for redevelopment is secured.

The Impact of Foreclosures

Nationally, the subprime mortgage crisis and resulting economic downturn has created the single worst negative effect on urban neighborhoods since the Great Depression. Louisville is no exception. Individual homeowners and their families are the most negatively affected by foreclosure. When a landlord or investor faces foreclosure, renters of the property can also be harmed and displaced by eviction, with no fault of their own. Further, the surrounding neighborhood and, eventually, the entire community declines as a result.

Many times, the owner, upon receiving a foreclosure notice, immediately leaves the property, exposing it to vandalism, theft, or general decay. Abandonment usually causes more problems for the property and the neighborhood than the original foreclosure. Additionally, the foreclosure process often puts properties in legal limbo, making it more likely the home will remain abandoned. Foreclosed is currently the leading cause of the recent increase in abandoned and vacant properties. The federal government has established the Neighborhood Stabilization Act and other legislation to help address the effect of foreclosures.

Louisville has chosen targeted neighborhoods for these efforts. www.louisvilleky.gov/housing for more information.

However, the best defense to a home becoming vacant and abandoned is to secure quick action by the homeowner to seek assistance from a reliable nonprofit housing counseling program in seeking a loan modification from the creditor. The chance of a property becoming vacant and abandoned is greatly diminished by the owner negotiating new loan arrangements and remaining in the home as long as possible.