

May 9th, 2023

Honorable Judge,

If I may, I would like to introduce myself and the reason for this correspondence.

I have attached my personal bio, but in brief, the vast majority (20+ years) of my professional career has been spent working in the arena of “neighborhood blight”, vacant/abandoned properties, and “zombie foreclosures”.

Several years ago, my company, MuniReg, partnered with the City of \_\_\_\_\_\_\_ on the administration of their existing vacant property registration program.

At the time and thereafter, I have encouraged City staff to leverage my experience in this niche arena.

In our most recent conversations, Mayor \_\_\_\_\_\_\_ and his team discussed their ongoing challenges with blight and vacant properties along with the strong desire to be more proactive in improving their community.

Among the various approaches we discussed, was the utilization of receiverships and similar actions (we do not perform this service). The understanding I took away from the conversation was though historically, the court was receptive to the City’s intent and objectives, there were some reservations surrounding the definition of “vacant” and/or “abandoned”. Which of course is a very valid concern, from many different angles i.e. in the banking world[[1]](#footnote-1).

Though we have not communicated prior, nor have I witnessed any of the court’s proceedings, I offered the mayor and his team that I would reach out and provide Your Honor with what I believe is a unique perspective, stemming from 20+ years of national experience.

In November 2022, I came across an article, for which I wrote a blog post. The title of the article is *Allowing blight in name of 'freedom' damaging communities[[2]](#footnote-2)* and the title of my blog post is N*eighbors of Blighted Properties have Same Rights as Owners of the Blighted Properties[[3]](#footnote-3).*

I am well aware of the concerns about misidentifying properties as vacant. In fact, I encourage my clients to err on the side of caution by having strong exemptions in their vacant property registry requirements (which is only to MuniReg’s detriment based on our contractual agreements). Specific to \_\_\_\_\_\_\_\_\_\_\_ Mayor \_\_\_\_\_\_ and his staff have demonstrated sensitivity and common-sense logic in approving all exemptions, which provides me the comfort in reaching out to Your Honor.

I further understand the precarious situation communities and the courts face in dealing with occupied nuisance properties[[4]](#footnote-4).

I state this, in the hopes of demonstrating that I do not take the challenges the court faces lightly and strictly seek a more balanced approach to what I am seeing nationally, resulting in the ultimate goal of better and healthier communities.

I am not an attorney, but it is my belief that owning a vacant property is not a crime, however allowing it to impact (physically, financially, and emotionally) others should be.

Here I will share some of the issues and evidence that the lack of active maintenance of vacant properties will result in, and in contrast, the value of active maintenance.

**Results of Inaction**

* Study by Aaron Klein[[5]](#footnote-5) (previously served as the Deputy Assistant Secretary of the U.S. Treasury Department for Economic Policy and Chief Economist of the U.S. Senate Banking, Housing, and Urban Affairs Committee)
	+ *Vacant properties lead to increases in violent crime with substantial costs: $14,000 per vacant property per year in increased crime, translating into $795 million nationwide for all vacant properties.*
	+ *The impact of vacancy on crime increases as the property stays vacant for longer periods, likely plateauing at between 12 and 18 months.*
* National Fire Protection Association study[[6]](#footnote-6) *In 2011-2015, U.S. fire departments responded to an estimated average of 30,200 structure fires per year in vacant properties. These fires resulted in an average of 60 civilian deaths, 160 civilian injuries, and $710 million in direct property damage per year. “Half of vacant building fires were intentionally set compared to 10% of all structure fires.”*
* Squatters - I am unaware of any study regarding squatters and impact on surrounding community, however this quote[[7]](#footnote-7) encapsulates the prior point along with squatters *“Thick smoke billowed from the vacant, crumbling St. Louis house, but Benjamin Polson knew homeless people might be inside taking refuge from the January chill. So, the 33-year-old firefighter went in. It cost him his life.*
* National Fire Protection Association study [[8]](#footnote-8)*“Vacant buildings are major fire hazards; vacant residential buildings account for one of every 14 residential building fires in America.”*
* LSU Department of Sociology study[[9]](#footnote-9) *“Results indicate that places most at risk of experiencing a homicide are located in areas where blighted properties are concentrated and in close proximity to convenience stores.”…………..”The results underscore how crime prevention through environmental design (CPTED) and blight remediation could be utilized as straightforward and prudent strategies to reduce lethal violence.”*
* Virginia Commonwealth University study[[10]](#footnote-10) “*Negligent landlords — those who allow their properties to become dilapidated despite having tenants — are a significant predictor of violence in Richmond neighborhoods”*
* LSU Department of Sociology study[[11]](#footnote-11) *“Researchers published findings that blight leads to an increased abundance of disease-carrying mosquitoes”*

**Results of Proactive Action**

* Journal of Behavioral Medicine study[[12]](#footnote-12) “*Although multiple interventions to remediate physical blight have been found to reduce urban firearm violence, there is limited evidence for demolishing vacant buildings as a violence reduction strategy.” ………” Receiving over 5 demolitions was associated with a 11% reduction in firearm assaults, relative to comparable control locations”*
* The American Journal of Public Health study[[13]](#footnote-13) “Abandoned building remediation significantly reduced firearm violence–39%”……” taxpayer and societal returns on investment for the prevention of firearm violence were $5 and $79 for every dollar spent on abandoned building remediation and $26 and $333 for every dollar spent on vacant lot remediation.
* Journal of American Medical Association study[[14]](#footnote-14) *“abandoned houses that were remediated showed substantial drops in nearby weapons violations (−8.43%), gun assaults (−13.12%), and to a lesser extent shootings (−6.96%)”*
* Journal of the American Medical Association study, [[15]](#footnote-15)*“found a tight link between municipally funded house repairs and a drop in crime on those blocks with a city-funded overhauled home.”.... (quote from lead author)” A maintained house might lead to a reduction in stress and a boost in mental health, which lead to a “cascade of good things” she said. “Perhaps it’s easier not to get mad at a neighbor’s barking dog or to connect with neighbors if there’s no mold in the house causing a child’s asthma.”*
* Iowa State University study [[16]](#footnote-16)“proximity to demolitions decreases the likelihood that a property’s condition deteriorated between 2015 and 2018 and increases the likelihood that it improved.”

From my perspective, communities (all branches of government) have let the pendulum swing too far in support of the property rights of the owners of vacant property. This results in severe negative consequences for the immediate neighbors and the greater community.

There are often extenuating circumstances, for which I always encourage concern and compassion, however there are many “bad apples” that should be aggressively addressed, which would make a dramatic impact on the lives of many.

While “hiding behind a corporate veil” in a maze of LLCs may be legal, shirking one’s responsibility not to damage others should not be. As real estate is an asset, theoretically one should want to improve the value of an asset (i.e. make money) and definitely not let it deteriorate. If deterioration is happening, it would indicate many red flags.

For cases of hardship, we advocate for utilization of various assistance programs, however often these properties are a result of either inaction by local government, inaction by neighbors, but more importantly the (out of town) owners not having to face any circumstances.

Additionally, I am aware of issues with “probate/heir properties” (owner dies intestate) which comprise a number of these properties, for which I am working with local governments for unique solutions. Furthermore, I understand there are multiple related issues that I have not discussed, but I wanted to share my thoughts - with a narrower focus.

I am acutely aware of issues pertaining to inadequate or incorrect notification to property owners. That being said, if a municipality can demonstrate a good faith and reasonable effort to identify and communicate with property owners then they should be encouraged to proceed in the betterment of the community.

In summary, (reasonably defined) vacant properties cause absolute damage to neighboring properties and their occupants. This is generally not brought to the forefront. These damages can be avoided with responsible ownership, that would actually be in their own benefit.

To strike the proper balance, aggressive enforcement is needed with the proper safeguards.

Thank you for your time and consideration and of course, if Your Honor would like to discuss further, I will avail myself as needed. As I know from city staff you care deeply about your community, I hope you found this information of value and interest.

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| **Thank you,****Michael Halpern**President |

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1. <https://www.munireg.com/how-do-banks-determine-define-vacant-or-abandoned-property/> [↑](#footnote-ref-1)
2. <https://www.joplinglobe.com/news/business/john-newby-allowing-blight-in-name-of-freedom-damaging-communities/article_10310432-5ec7-11ed-b8ff-9b0244fbfb7e.html> [↑](#footnote-ref-2)
3. <https://www.munireg.com/neighbors-of-blighted-properties-have-same-rights-as-owners-of-the-blighted-properties/> [↑](#footnote-ref-3)
4. <https://www.munireg.com/challenges-to-nuisance-property-legislation/> [↑](#footnote-ref-4)
5. <https://www.munireg.com/understanding-the-true-costs-of-abandoned-properties-how-maintenance-can-make-a-difference/> [↑](#footnote-ref-5)
6. <https://www.nfpa.org/News-and-Research/Data-research-and-tools/Building-and-Life-Safety/Vacant-Building-Fires> [↑](#footnote-ref-6)
7. <https://www.columbian.com/news/2022/feb/10/fatal-fires-in-st-louis-baltimore-expose-vacant-home-risks/> [↑](#footnote-ref-7)
8. <https://www.nfpa.org/News-and-Research/Data-research-and-tools/Building-and-Life-Safety/Vacant-Building-Fires> [↑](#footnote-ref-8)
9. <https://www.munireg.com/lsu-department-of-sociology-study-linking-blight-and-homicide/> [↑](#footnote-ref-9)
10. <https://www.munireg.com/virginia-commonwealth-university-study-negligent-landlords-predictor-of-neighborhood-violence/> [↑](#footnote-ref-10)
11. <https://www.munireg.com/lsu-study-blight-increases-public-health-risk-from-mosquito-borne-diseases/> [↑](#footnote-ref-11)
12. <https://www.munireg.com/journal-of-behavioral-medicine-urban-building-demolitions-firearm-violence-and-drug-crime/> [↑](#footnote-ref-12)
13. <https://www.munireg.com/study-determines-blight-remediation-impacts-firearm-violence-in-urban-neighborhoods/> [↑](#footnote-ref-13)
14. <https://www.munireg.com/jama-study-abandoned-house-repairs-reduced-nearby-gun-violence/> [↑](#footnote-ref-14)
15. <https://www.munireg.com/jama-study-municipally-funded-house-repairs-and-crime-rates/> [↑](#footnote-ref-15)
16. <https://www.munireg.com/fixing-up-after-tearing-down-the-impact-of-demolitions-on-residential-investment/> [↑](#footnote-ref-16)