

Supporting the Long-Term Sustainability of Housing and Neighborhoods in Grand Rapids

Synopsis

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The foreclosure crisis has led to a significant shift in neighborhood dynamics. More than one in seven homes have gone to foreclosure since 2004 and therefore, the number of vacant properties causing detrimental effects to neighborhoods has grown significantly. Additionally, there has been an increase in the number of single-family rental units, which are not required to maintain a Certificate of Compliance. These combined issues necessitate enhancements to local ordinances to meet the current needs of the community.

Stemming from advocacy efforts that began in May 2009, the City of Grand Rapids agreed to participate in a work group to address the issues of substandard single-family rental units and the growing number of vacant properties that lower property values, increase crime, and add stress to City systems. The work group was comprised of representatives from City staff, the City Commission, housing advocates, neighborhood organizers, developers, and service providers. Reputable data and best practices were utilized to develop budget neutral policy recommendations that address such concerns.

The work group recommends the following actions with the goal of improving neighborhood sustainability:

1. Modernize the certification program to include single-family rental units in a budget neutral pilot project that would phase in inspections over three years and enhance the rental registration to include a yearly renewal, local property management information, and a \$50 registration fee to support program costs. Also, a 120 day grace period from when the policies are enacted is proposed to allow for free initial registration and to bring properties into compliance, with the recommended changes resulting in a net cost of \$85 a year per parcel for rental property owners. The recommendations include hiring six new inspectors to conduct single-family rental certifications as well as a half-time clerical support. This will allow current staff to address other needs, such as certifying two-family and multi-family rental units.
2. Enhance the Vacant Property Registration Ordinance to provide the City and other entities accurate data on vacant properties, supply relevant parties a local contact number for parcels, and initiate a "No Trespassing" order. The recommendations call for a \$45 registration fee per parcel to fund additional staff that will use windshield surveys and other methods to locate unregistered parcels, along with performing exterior/nuisance code compliance on vacant properties.
3. Deliberately evaluate the effects of the proposed pilot projects to ensure the long-term sustainability of Grand Rapids' housing stock and neighborhoods. The recommendations suggest utilizing an outside consultant and an oversight committee of community stakeholders and City staff to evaluate the Single-Family Rental Certification Pilot Project and enhanced Vacant Property Registration Ordinance. This will help ensure that the City's actions are positively affecting neighborhoods and promote continuous quality improvement within the Code Compliance Department.