

A photograph of a two-story blue house with white trim. The house has a gabled roof with a white cornice. Two windows are visible on the second floor, each with a white frame. The first floor features a central white door and two large windows, all framed in white. A small porch with white columns and decorative brackets is in front of the house. The house is surrounded by lush green trees and bushes. A red geometric shape is overlaid on the bottom right of the image.

Center for  
**COMMUNITY  
PROGRESS**

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# From Harm to Home

Replicating Detroit's Make it Home Program



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### About Center for Community Progress

The Center for Community Progress empowers people to transform vacant spaces into vibrant places. Since 2010, their team of experts has provided urban, suburban, and rural communities battling systemic vacancy with the policies, tools, and resources needed to address the full cycle of property revitalization. As the only national nonprofit dedicated to tackling vacant properties, Community Progress drives change by uncovering and disrupting the unjust, racist systems that perpetuate entrenched vacancy and property deterioration. Community Progress has delivered customized, expert guidance to leaders in over 300 communities and provided hundreds of hours of free educational resources as well as leadership programming to help policymakers, practitioners, and community members across the country return properties to productive use. To learn more and get help for your community, visit [communityprogress.org](http://communityprogress.org)

### ROCKET Community Fund

The Rocket Community Fund aims to simplify complex and inequitable systems to ensure that every American has access to stable, healthy housing. It also invests in people and practices that provide meaningful opportunities for education and employment. Through its For-More-Than-Profit model, the Rocket Community Fund recognizes that business and community are inextricably linked, and it purposefully harnesses team member talent, technology, policy advocacy and philanthropic resources to invest in comprehensive community development in Cleveland and across the country. Alongside financial investments, the Rocket Community Fund has organized Rocket Companies, Bedrock and other affiliated team members to provide more than 865,000 volunteer hours nationwide. For more information, visit [RocketCommunityFund.org](http://RocketCommunityFund.org).

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# Introduction

When landlords fail to pay their property taxes and face foreclosure, the effects on tenants and neighborhoods can be devastating. Tenants worried about their housing stability may move out when learning of a potential foreclosure, rather than face the risk of eviction. Other times, tenants are evicted by the local government conducting the foreclosure, or by new owners after a sale. In both cases, the result is a dramatic household upheaval.

These moves impose significant financial, emotional, and physical costs on tenants and, in the case of a foreclosure, leave properties vacant to decline and depress surrounding property values. In many communities these properties are purchased at the tax sale by investors who “milk” the properties by collecting rent while failing to make repairs or pay property taxes—reducing homeownership opportunities and continuing the harmful cycle of property decline and tenant displacement.<sup>1</sup>

In Detroit, Michigan, the City of Detroit, United Community Housing Coalition (UHC), and Rocket Community Fund (RCF) created a program that disrupts this cycle and instead harnesses the power of the property tax foreclosure process to prevent displacement, stabilize neighborhoods, and improve housing conditions. The Make it Home Program uses the City’s legal power to acquire tenant-occupied, tax-delinquent, primarily single-family properties and then transfers the properties to the tenants while providing funding and assistance for repairs and education and resources to help sustain their homeownership.<sup>2</sup> Since its launch in 2017, the program has helped 1,396 tenants purchase their homes for an average cost of less than \$10,000.<sup>3</sup> A University of Michigan study of the first cohort of Make it Home participants found that after four years, 85 percent of the 80 participants still owned their homes.<sup>4</sup>

In May 2022, with support from and in partnership with RCF, the Center for Community Progress launched the Make it Home National Replication Initiative, which aimed to explore whether Make it Home could work in other communities. Community Progress interviewed stakeholders and reviewed the programs materials and research to identify the key components needed for replication and important lessons learned from Make it Home to inform successful replication in other communities. We also convened a Make it Home Learning Cohort, which helped thirteen selected communities learn about Detroit’s program and explore whether they could create similar programs in their communities. Finally, we leveraged our national expertise to identify other cities likely to possess key replication components.

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<sup>1</sup> For more background on reforming delinquent property tax enforcement systems to better address vacant and abandoned properties, see Kim Graziani, *Reimagine Delinquent Property Tax Enforcement: How to Reduce Vacancy, Advance Racial Equity, and Improve Public Services*, Center for Community Progress, October 2022, <https://communityprogress.org/publications/reimagine-delinquent-property-tax-enforcement/>.

<sup>2</sup> For simplicity purposes, this report refers to the acquisition of tenant-occupied properties and refers to property occupants as “tenants” because most Make it Home participants are tenants. However, a small percentage of Make it Home participants are former owners, occupants who may not have had a legally recognized tenancy, or victims of predatory land contract schemes.

<sup>3</sup> City of Detroit, “Mayor Duggan, Rocket Community Fund, United Community Housing Coalition celebrate Make it Home program helping nearly 250 more Detroit residents become homeowners,” October 13, 2022, <https://detroitmi.gov/news/mayor-duggan-rocket-community-fund-united-community-housing-coalition-celebrate-make-it-home-program>.

<sup>4</sup> Margaret Dewar and Roshanak Mehdipanih, “Lessons From Detroit’s Make It Home Program For Sustaining Very Low-Income Homeownership,” University of Michigan Poverty Solutions Policy Brief, August 2022, <https://poverty.umich.edu/publications/lessons-from-detroits-make-it-home-program-for-sustaining-very-low-income-homeownership/>.



This report summarizes Community Progress' findings from the National Replication Initiative and is intended to serve as a resource for the Make it Home Learning Cohort communities and other communities interested in creating a program like Make it Home.

In this report, we provide an overview of how Make it Home currently operates, its history, and its outcomes; summarize the key components for replication; and identify cities that are likely to have these components and therefore potential for replication. Finally, we share lessons learned from those implementing this innovative program in Detroit to inform replication in other communities. If your community is interested in creating a program like Make it Home, we encourage you to contact Community Progress at [info@communityprogress.org](mailto:info@communityprogress.org) to learn more about the program and further learning opportunities.

Equitable property tax foreclosure reform is key to getting vacant properties back to productive use.

Don't know where to start? **We can help.**

Contact the Center for Community Progress at [info@communityprogress.org](mailto:info@communityprogress.org) for customized, expert guidance to craft solutions that last.



# An Overview and History of Detroit's Make it Home Program

## Program Overview

Detroit's Make it Home program is a partnership between the City of Detroit, United Community Housing Coalition (UCHC), and Rocket Community Fund. The program gives tenants of tax-foreclosed properties the opportunity to buy their homes and helps these tenants sustain their homeownership. This homeownership support includes funding for critical home repairs and help coordinating these repairs.

Because the Make it Home program uses the property tax foreclosure process to cost-effectively acquire the tenant-occupied, tax-delinquent properties, Michigan's annual property tax foreclosure process shapes the program's design. Under Michigan law, the foreclosing governmental unit—typically the county—forecloses on properties with property taxes that are three years delinquent on March 31 each year and transfers title to the properties directly to the county.<sup>5</sup> After this foreclosure, the state, cities, and counties can purchase these properties from the county for taxes, fees, and interest owed before the county offers the property for sale at a public auction in the fall—a power referred to as “right of first refusal.”<sup>6</sup>

<sup>5</sup> See Michigan's General Property Tax Act, MCL 211.78 *et seq.* This approach is commonly referred to as “strict foreclosure.”

<sup>6</sup> Please see the Emerging Issues box below for a discussion of recent statutory changes and court decisions regarding this process.

## Emerging Issues: Hall v. Meisner

On October 13, 2022, the federal Sixth Circuit Court of Appeals held—in part—that a Michigan local government's exercise of its right of first refusal pursuant to the Michigan General Property Tax Act essentially constituted a taking of a former tax delinquent property owner's “equitable title” without just compensation, in violation of the U.S. Constitution's Takings Clause. *Hall v. Meisner*, No. 21-1700 (6th Cir. Oct. 13, 2022). The court indicated that the lack of a public sale and lack of opportunity for the former owner to access any potential value derived from such a sale exceeding the amount of taxes foreclosed were key deficiencies of the Michigan system. Michigan attorneys and other advocates are still attempting to answer questions and assess the full scale of this decision's impact on the Michigan tax enforcement system and the right of first refusal. A key question is the extent to which changes made to Michigan law in January 2021—which the Hall court did not consider—resolve some of the court's concerns. Under those changes, if someone with an interest in the property files a claim for auction sale proceeds exceeding the sum of the minimum bid plus other costs, these government purchasers must pay the greater of taxes, fees, and interest owed or “fair market value.” Regardless of the answer, local governments that acquire tax-delinquent properties through Michigan's revised right of first refusal process or similar mechanisms provided by other state or local laws should consult with local counsel before using this or a similar process to implement a program like Make it Home.

Under the Make it Home program, UCHC begins outreach in January to occupants of properties that are scheduled for foreclosure in March using a variety of tactics, including sending mailings to and canvassing properties likely to be eligible for the program. UCHC screens potential candidates for eligibility and provides pre-enrollment counseling to potential participants, which includes an overview of the tax foreclosure and Make it Home process, information about their tenants' rights, and screening for potential eviction risks and referrals to legal assistance to keep them housed during the foreclosure process as needed.

After the March 31 foreclosure, UCHC continues to conduct outreach and begins formally enrolling participants in the program. The enrollment process includes providing an overview of the program, sharing estimated purchase prices and repair costs, helping potential participants develop savings plans, and completing administrative paperwork. Tenants who are occupying the property, interested in purchasing the property for homeownership, and able to afford the costs of maintaining their homeownership are eligible for the program. During this period, UCHC also inspects the property to confirm that the potential participant is occupying the property and that the property does not pose any immediate hazards to its occupants.

In late July, the City of Detroit uses its right of first refusal to purchase tenant-occupied, tax-foreclosed properties from Wayne County that UCHC has identified for participation in the program. The City then immediately sells these properties to UCHC for the taxes, fees, and interest owed on the properties, less any taxes, fees, and interest owed to the City. UCHC purchases the properties using a revolving loan, which was seeded with donations, and is now primarily composed of payment made by prior participants to purchase their homes. UCHC then sells the properties to the tenants either through a lump sum or 0 percent interest land contract for a price based on the back taxes owed. Rather than causing harm by displacing tenants, the City and partners have reimagined the tax foreclosure system to transition low-income residents to homeowners, advancing equity and promoting local ownership.

During the enrollment counseling and at the time of transfer, UCHC educates participants about their responsibilities as homeowners, which includes providing an overview of projected repair costs and property taxes, and potential resources. At transfer, UCHC files property transfer affidavits and principal residence exemptions with the City for participants. UCHC also helps eligible participants apply for the City's poverty exemption, which may significantly reduce a participant's property tax burden.

Following the successful transfer of the property to the participant, UCHC aims to provide wraparound services to help participants maintain their homeownership. Through its Make it Home Repair Program, UCHC helps participants with critical home repairs, including by helping participants identify their most urgent repair needs, screening the participants for eligibility for external home repair funding (such as the City of Detroit's 0% Interest Home Repair Loan Program), and providing its own grant funding for repairs. As part of its Repair Program, UCHC coordinates work with contractors and releases payments. UCHC provides other ongoing support to help participants maintain their homeownership, including helping participants apply for property tax exemptions and financial assistance, and hosting community events to help maintain connections with participants.

## Overview of Detroit's Make it Home Program

Wayne County, the City of Detroit, and local nonprofit United Community Housing Coalition (UCHC) each play key roles in executing the program.

Step 1	Step 2	Step 3	Step 4	Step 5	Step 6
UCHC identifies eligible tax-delinquent properties and tenants	Wayne County forecloses delinquent tax liens	City of Detroit uses its right of first refusal to purchase properties from Wayne County before public auction (See "Emerging Issues")	City of Detroit sells properties to UCHC for back taxes owed, less city taxes	UCHC sells properties to tenants, for cash or using 0% land contract	UCHC provides homeownership support, repair assistance and funding to new owners



## History

Make it Home was created in 2017 in response to an unprecedented rise in tax foreclosures in Detroit and a concerted effort by residents, volunteers, community organizations, local elected officials, nonprofits, philanthropies, and others to reduce the harm imposed by these foreclosures on the city's residents, neighborhoods, and tax base. Tax foreclosures in Detroit rose from 189 in 2002 to more than 24,400 in 2015,<sup>7</sup> and thousands of the tax foreclosures were on owner- and tenant-occupied properties.<sup>8</sup>

At the time, there was a growing recognition of the harms caused by these foreclosures, both to the homeowners and tenants who lost their homes and to the city's neighborhoods, in the form of increased vacancy and declining property conditions and values. Research and investigative reporting showed that many of the city's tax-foreclosed properties became vacant or were purchased by investors, often in bulk, many of whom had business models, such as milking or flipping the properties, that imposed further harm on the communities.<sup>9</sup> Advocates won state legislative reforms to allow county treasurers to reduce interest and fees and offer payment plans to low-income homeowners; secured city-level reforms that made existing property tax exemptions more accessible; and worked directly with homeowners and tenants to avoid foreclosures and displacement, including through the creation of Make it Home.

Prior to Make it Home, UCHC helped tenants of tax-foreclosed properties try to purchase their homes at the annual tax sales, but the tenants were often outbid by investors, and it was difficult for UCHC to anticipate how much funding would be needed to complete the purchases. In 2017, the City of Detroit agreed to use its right of first refusal to purchase the properties occupied by eighty tenants interested in buying their homes before the public auction, creating a more reliable and predictable acquisition process.<sup>10</sup> Rocket Community Fund (RCF), then called the Quicken Loans Community Fund, gave UCHC \$300,000 to seed a revolving loan fund that UCHC could use to purchase these properties from the City.

When Make it Home began in 2017, UCHC's primary goal was to prevent tenant displacement and improve housing stability. In their experience, many tenants forced to move from tax-foreclosed properties moved to housing situations that were less safe and stable or became homeless. Because of the high eviction rates and lack of housing and building code enforcement in Detroit's rental market at the time, a program that allowed tenants to purchase their current homes, even those with significant repair issues, had the potential to provide some of the city's more vulnerable residents with a safer, more stable, and often even more affordable housing situation than they could find in the private rental market.

During the first year of the program, eighty tenants had the opportunity to buy their homes through a 0 percent interest land contract at prices that ranged from \$2,000 to \$5,000.<sup>11</sup> The tenants participating in Make it Home had very low incomes, often less than \$15,000 per year.<sup>12</sup> The program expanded in 2018 and 2019 to include more than 500 participants each year.<sup>13</sup>

In 2018, in response to feedback from participants and researchers that poor property conditions threaten the housing stability of some Make it Home participants, UCHC launched the Make it Home Repair Program to help Make it Home participants address necessary repairs by providing funding, repair education, and coordination.

<sup>7</sup> Margaret Dewar, "Detroit's Tax Foreclosure Problem," *Tackling Vacancy and Abandonment: Strategies and Impacts after the Great Recession*, ed. Robert E. Finn, Lisa Nelson, and Sarah Stein (Center for Community Progress, Federal Reserve Bank of Cleveland, Federal Reserve Bank of Atlanta, 2021), 50. Professor Dewar attributes this rise in foreclosures to increasing financial hardships among property owners, over assessed property values, a lack of willingness among property owners to pay taxes given the lack of city services, and a failure by the City and County to help low-income homeowners avoid foreclosure.

<sup>8</sup> Sarah Cwiek, "2015 Wayne County tax foreclosure auction ends, but a vicious cycle continues," Michigan Public Radio, October 23, 2015, <https://www.michiganradio.org/politics-government/2015-10-23/2015-wayne-county-tax-foreclosure-auction-ends-but-a-vicious-cycle-continues>.

<sup>9</sup> Dewar, "Detroit's Tax Foreclosure Problem."

<sup>10</sup> Please see the "Emerging Issues" box for a discussion of recent statutory changes and court decisions regarding this process.

<sup>11</sup> Dewar and Mehdipanih.

<sup>12</sup> Dewar and Mehdipanih, 2.

<sup>13</sup> These cohorts included low-income homeowners in addition to tenants, who were able to purchase their homes for the fixed price of \$1,000 as a result of a settlement with the ACLU of Michigan.

**I always treated this home like mine, and I'm glad I can finally call it mine.**

*Barbara Sledge, 52, Make it Home participant and first-time homeowner*

RCF granted UCHC \$300,000 in January 2019 to launch the program, and an additional \$750,000 in December 2021 to continue the program. RCF recently dedicated an additional \$1 million to the program.

Except for a few properties in 2021, Make it Home did not operate in 2020 or 2021 because Wayne County paused property tax foreclosures on occupied properties during the COVID-19 pandemic. The program resumed in 2022 and 239 participants are on track this year to become homeowners through the program.<sup>14</sup> Several factors may have contributed to the decline in participants this year, including a partial moratorium on property tax foreclosures that remained in effect for some properties and the fact that COVID-19 precautions made outreach to potential participants more difficult.

The 2020 to 2021 property tax foreclosure moratorium also meant delinquent taxes continued to accrue and, as a result, the average sale price, which is based on total taxes owed (plus fees and interest), increased to an average of almost \$13,000.

## Outcomes

UCHC, City leaders, and RCF all describe Make it Home as a “win-win-win.” It’s a win for tenants who get to keep the homes where they are living and become homeowners. It’s a win for neighborhoods that gain a home being cared for by the person who lived there instead of a property sitting vacant or owned by an irresponsible investor. And it’s a win for the City government when they avoid the public costs imposed by displacement and vacancy and instead gain a new homeowner and a more stable neighborhood. At a recent event announcing the completion of the 2022 cohort, Mayor Michael Duggan described Make it Home as “one of the most impactful programs that the City manages.”<sup>15</sup>

Formal evaluations of Make it Home support this assessment. A detailed study of participants in the 2017 Make it Home cohort concluded that Make it Home had largely met its goals of preventing tenant displacement and improving housing stability.<sup>16</sup> It found that four years after the 2017 foreclosure and subsequent transfer of the property to the tenant, 85 percent of participants continued to own their homes, a strong indicator of housing stability.<sup>17</sup> It also found that, despite the challenges of homeownership, including the cost of home repairs and property taxes, the participants were better off than if they had remained renters.<sup>18</sup> The study tracked occupants of tax-foreclosed properties that were unable to purchase their homes over the same period and found that these individuals faced more unstable housing conditions, including landlords filing for evictions. Moreover, interviews with Make it Home participants found that they were generally glad to have been able to buy their homes and wanted to stay.

Make it Home participant Barbara Sledge became a homeowner for the first time at age 52 as a result of the program. At the City’s press conference celebrating the 2022 cohort, she said, “Make It Home took a lot of stress off me because I wanted to stay in Detroit and didn’t want to lose my home. I always treated this home like mine, and I’m glad I can finally call it mine.”

<sup>14</sup> “Duggan, Rocket Community Fund, United Community Housing Coalition celebrate Make it Home program.”

<sup>15</sup> “Duggan, Rocket Community Fund, United Community Housing Coalition celebrate Make it Home program.”

<sup>16</sup> Dewar and Mehdipanah, 2.

<sup>17</sup> Dewar and Mehdipanah, 2.

<sup>18</sup> Dewar and Mehdipanah, 4.

# Communities with the Potential for Replication

## Key Components for Replication

While the scale of occupied tax foreclosures in Detroit that spurred the creation of Make it Home was unique, many communities across the country face challenges like those Make it Home seeks to address, including substandard rental properties, the potential for tenant displacement after foreclosure, increasing vacancy, and declining homeownership.

To understand the key components needed to replicate Make it Home in other cities, Community Progress conducted online research, reviewed existing articles describing and evaluating the program,<sup>19</sup> and interviewed key stakeholders involved in the design and implementation of Make it Home.<sup>20</sup> Community Progress also reviewed information about and interviewed stakeholders involved with similar occupied-to-owner programs to understand potential alternative program designs as well as potential common challenges.<sup>21</sup>

From this research and these conversations, we identified the following five key components for replication:

- 1. Supportive Leadership.** Local government decisionmakers *must be willing to invest in using the property tax foreclosure system to achieve equitable outcomes*. This involves recognizing the harms imposed by this enforcement system, valuing equitable outcomes and, practically, a willingness to acquire tenant-occupied properties and to forego back taxes or directly allocate funding to support the program.
- 2. Property Inventory.** A community must have an inventory of tax-delinquent, occupied rental properties, preferably single-family properties.
- 3. Acquisition Mechanism.** A community must have the ability to *cost-effectively and reliably* gain control of tax-delinquent, occupied rental properties. The availability of such mechanisms will vary based on state and local law and practices. Examples of such mechanisms local governments or land banks could use to acquire such properties include:
  - The ability to acquire properties through the delinquent tax enforcement process,
  - The ability to acquire properties from an existing portfolio of publicly held properties, such as properties held by land banks or forfeited to the state, and
  - Leveraging existing public claims against the property, such as delinquent taxes and code liens, to encourage property owners to sell or donate properties to be included in the program.

<sup>19</sup> The key literature reviewed is listed in Appendix A.

<sup>20</sup> The individuals interviewed are listed in Appendix B.

<sup>21</sup> These programs include the City of Milwaukee's Tenant Transition to Ownership Program, the Detroit Land Bank Authority's Occupied Buy Back Program, and the Greater Syracuse Land Bank's Tenant to Homeowner Program.



**4. Program Administration Capacity.** A local government or land bank must have the capacity to provide, or to contract with one or more trusted nonprofit partners to provide, the following activities:

- Identification of occupied, tax-delinquent properties,
- Tenant education about the program, potentially through canvassing, including eligibility, requirements, timeline, and how to apply,
- Tenant and property screening, including property inspections,
- Property acquisition and holding,
- Property transfers to tenants, including through payment plans,
- Fiscal management, including the management of grant funds and participant payments,
- Assistance with property rehabilitation, potentially up to and including direct oversight of repairs, and
- Homeownership counseling and ongoing support services to help participants maintain their ownership.

**5. Property Rehabilitation Resources.** Because many tax-foreclosed rental properties have not been properly maintained, a local government or land bank must have access to sufficient recurring funding to help participants address significant health and safety or property preservation repairs, such as new roofs and furnaces, as needed. To the extent possible, this funding should be provided to participants in the form of grants or forgivable loans.

## Communities with the Potential for Replication

Community Progress took two approaches to identify communities with the key replication components. First, we provided an opportunity for communities to identify themselves, by inviting cities and land banks to submit a letter of interest to participate in a Make it Home Learning Cohort to learn more about the Make it Home program and explore whether a similar program could be replicated in their community.<sup>22</sup> Community Progress then worked with these communities to conduct a detailed assessment of their potential for replication, which is summarized below.

Second, Community Progress drew on our existing knowledge of communities facing vacant, abandoned, and deteriorated (VAD) property challenges and state and local laws related to VAD properties to identify additional communities where there may be potential for replication. For these cities, our analysis primarily focused on two of the five key replication components: the likely potential inventory of tax-delinquent, occupied, single-family rental properties and the ability to cost effectively and reliably acquire such properties.

### Replication Potential: Make it Home Learning Cohort

Thirteen cities and land banks were competitively selected to join the Make it Home Learning Cohort:

- Tucson, Arizona
- Atlanta, Georgia
- Louisville, Kentucky
- Salem, New Jersey
- Chautauqua County, Sidney, and Syracuse, New York
- Cleveland, Lima, Summit County, and Trumbull County, Ohio
- Memphis, Tennessee
- Milwaukee, Wisconsin

The learning cohort included four virtual training sessions, which provided an opportunity for participants to learn about the key elements of the program and important lessons learned from City of Detroit leaders, UCHC staff, and others.

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<sup>22</sup> Community Progress issued this invitation in March 2022 and publicized this learning opportunity to its national network and to selected cities and land banks where there was likely to be a strong interest or potential for replication.

Community Progress evaluated the potential for replication in each of the thirteen participating communities through background legal and policy research, ongoing conversations with cohort participants, and interviews with key stakeholders. Community Progress created a “Replication Playbook” for each of the eleven communities with moderate to strong replication potential. These playbooks, included in Appendix C, assess whether a program like Make it Home would meet the community’s needs, evaluate whether the community possesses the key components for replication, and suggest potential next steps for successful implementation.

Examining the five key replication components, we assumed by virtue of application to the Make it Home Learning Cohort that all eleven communities have the first component: political leadership committed to supporting and investing in a program like Make it Home. Moreover, as explained in more detail in each Replication Playbook, creating a program like Make it Home would address a key need or priority identified in local plans or articulated by local leaders in each of the communities, such as preventing tenant displacement, increasing homeownership opportunities, or improving neighborhood stability.

Except for Atlanta, our analysis showed that all eleven communities with moderate to strong replication potential have the second component: a significant inventory of tax-delinquent, occupied, single-family rental properties relative to the size of their respective communities.

The following table summarizes our analysis of three remaining key components for each community: a property acquisition mechanism, program administration capacity, and property rehabilitation resources. If a community does not already have a key component in place, the table indicates the level of action needed to secure the component. The table shows that communities that have identified a mechanism to gain control of tax-delinquent, occupied rental properties have the highest potential for replication.

	<div> <div></div> Ready </div>	<div> <div></div> Minor Action Needed </div>	<div> <div></div> Moderate Action Needed </div>	<div> <div></div> Major Action Needed </div>
	Acquisition Mechanism	Administrative Capacity	Program Funding	
<b>Strong Potential for Replication</b>				
Milwaukee, Wisconsin				
Syracuse, New York				
Trumbull County, Ohio				
Cleveland, Ohio				
Memphis, Tennessee				
Chautauqua County, New York				
<b>Moderate Potential for Replication</b>				
Summit County, Ohio				
Lima, Ohio				
Louisville, Kentucky				
Atlanta Metro Region, Georgia				
<b>Low Potential for Replication</b>				
Salem, New Jersey				

## Replication Potential: Additional Communities

The geographic, population, and demographic diversity of the communities with replication potential among the learning cohort communities suggests that there are likely many communities, especially in the Northeast, Midwest, and South, that could benefit from and have the potential to replicate a program like Make it Home, though the scale of such programs may vary widely based on the potential property inventory. To identify such communities, Community Progress drew on our decade of experience analyzing, drafting, and reforming state property tax foreclosure systems and land bank statutes as part of our work to help communities better understand the causes of and solutions to vacant, abandoned, and deteriorated properties to identify communities likely to have a potential inventory of tax-delinquent, occupied, single-family rental properties and the ability to cost-effectively and reliably acquire such properties.

### Acquisition Mechanisms

First, we focused on identifying communities that can acquire tax-delinquent, occupied rental properties using their property tax enforcement systems. In Make it Home and similar occupied-to-owner programs identified, as well in our analysis of the learning cohort communities, such acquisition mechanisms provided the most cost-effective and reliable methods to acquire such properties.

The likelihood by which a community could acquire such properties through the delinquent tax enforcement system and the ease and speed by which they can do so varies greatly based on the nature of the foreclosure system and housing market conditions.

Many states, for example, require local governments to offer their tax liens for sale at public auction, which can create a barrier to public acquisition of the properties. These tax liens are overwhelmingly purchased by investors, who are interested primarily in collecting the interest, fees, and other charges on the delinquent taxes, rather than acquiring the properties themselves. As a result, properties with owners who do not redeem—i.e., regain control of their properties—by paying off the full amount owed, may continue to deteriorate as they cycle through the delinquent property tax enforcement system. In Missouri, for example, most counties are required to repeatedly offer tax liens that do not sell at the initial auctions for sale, and it can take over six years before counties can acquire these properties and begin to direct them to new uses.<sup>23</sup> The likelihood that these properties will remain occupied decreases with each year they remain tax-delinquent.

**Many states require local governments to offer their tax liens for sale at public auction, which can create a barrier to public acquisition.**

The laws in Arizona are even more extreme, making it nearly impossible for local governments to gain control of chronically tax-delinquent properties. Arizona requires counties to sell all property tax liens at public auction, and any tax liens that are not purchased are technically assigned to the state.<sup>24</sup> After five years, counties can request deeds to any such properties that have not been redeemed but is then required to publicly auction the properties in nearly all cases.<sup>25</sup>

At the same time, the tax enforcement processes in some states that require the sale of tax liens would provide mechanisms for local governments and land banks to acquire tax-delinquent, occupied rental properties. In New Jersey, for example, tax liens that do not sell at the public auction are automatically transferred to municipalities which, after a six-month redemption period, can then foreclose the liens and take title to the property.<sup>26</sup> In cities or neighborhoods with weak housing markets, where many tax liens are unlikely to be purchased at auction, this

<sup>23</sup> See Mo. Rev. Stat. §§ 140.010, *et seq.*

<sup>24</sup> A.R.S. §§ 42-18101(A), 42-18401(A).

<sup>25</sup> A.R.S. §§ 42-18261; 42-18303.

<sup>26</sup> Housing and Community Development Network of New Jersey, Tax Foreclosure & Tax Sales as a Redevelopment Tool, <https://www.hcdnnj.org/tax-foreclosure-and-tax-sales>.



could provide a cost-effective, though unpredictable, mechanism to gain control of tax-delinquent, occupied rental properties. The Make it Home Learning Cohort community of Salem, New Jersey, for example, estimates that it holds around 250 tax liens and could obtain title to these properties.

In Cleveland, another Make it Home Learning Cohort community, the Cuyahoga County Land Bank estimates that there are around 330 occupied properties with tax liens that were not purchased for sale and are available for acquisition from the state forfeiture list at no cost to the land bank.

Among these communities, those with property tax enforcement systems that produce marketable and insurable title at the end of the process, such as communities in New York, would be even stronger candidates for replication. Marketable, insurable title would allow participants to access more traditional financing products, if needed, to purchase the properties.

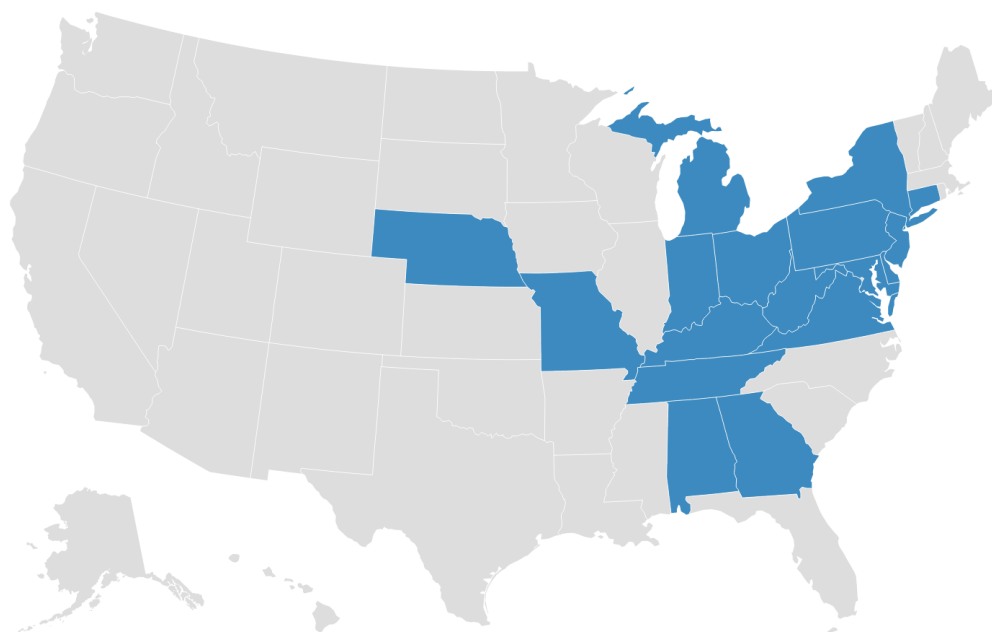
### ***Inventory***

In hotter market cities, such as the learning cohort communities of Atlanta and Tucson, nearly all tax liens will be purchased at the auction (or the tax-delinquent property owner will sell their property to avoid foreclosure), eliminating this stream of potential properties for a program like Make it Home. If these communities were interested in creating programs like Make it Home, they could explore partnering with local legal aid and tenant organizations to leverage existing public claims against substandard rental properties, including delinquent taxes and code violations along with any tenant claims based on conditions of disrepair, to negotiate the purchase or donation of the properties to a land bank or local nonprofit for resale to the tenants. This is a model the Trumbull County Land Bank, a learning cohort member, in Ohio is exploring.

### ***Disposition Authority***

Finally, even in communities where local governments and land banks *can* gain control of tax-delinquent, occupied rental properties, these local governments and land banks must have the legal authority to transfer the properties to the tenants, rather than be required to offer the properties for sale. Most land banks have this

## **States with Comprehensive State-Enabling Land Bank Legislation**



authority under their state-enabling acts, which make communities with land banks connected to the property tax enforcement system strong candidates for replication. The seventeen states shown in the map below have land bank enabling legislation. In Cleveland, for example, the Cuyahoga County Land Bank has such an authority under state law and therefore could transfer the occupied rental properties it receives from the state forfeiture list to the tenants.<sup>27</sup> In Memphis, the Blight Authority of Memphis, the City's land bank, has a similar disposition authority.<sup>28</sup>

## Conclusion

Based on our analysis and national experience working with a wide range of communities that have varying housing markets and unique legal systems pertaining to property tax foreclosure and land banks, the following communities seem best positioned to explore adding a program like Make it Home to their toolbox of strategies to address their housing and VAD property challenges:

- Cities in New York that have active land banks, such as Albany, Binghamton, Buffalo, Rochester, Schenectady, and Utica.
- Cities in Ohio that have active land banks, such as Akron, Cincinnati, Dayton, Elyria, Mansfield, Middleton, Springfield, and Toledo.
- Cities in Michigan that have active land banks, such as Benton Harbor, Flint, Hamtramck, Highland Park, Pontiac, Muskegon, and Saginaw.
- Cities in West Virginia with land banks, such as Charleston and Huntington.
- Cities in New Jersey, such as Bridgeton, Burlington, Camden, Pennsauken, Plainfield, and Trenton.



Photo: Garrett MacLean, The Tricycle Collective, 2015

<sup>27</sup> See R.C. §1724.01 *et seq.*; R.C. §5722.01 *et seq.*

<sup>28</sup> T.C.A. § 13-30-101 *et seq.*

# Key Lessons and Takeaways

## Lessons Learned and Takeaways

Stakeholders and researchers have identified many important lessons from the Make it Home program's cohorts. Many of these, such as the need for repair funding to help participants sustain their homeownership, resulted in program adjustments and changes. These lessons and takeaways include:

### **The importance of developing a common understanding of the goals of the program during the program development and design.**

Communities could use programs like Make it Home to further a variety of goals, including:

- preventing tenant homelessness and displacement,
- preventing vacancy and stabilizing neighborhoods,
- improving property conditions,
- creating homeownership and wealth-building opportunities for low-income renters, and
- directing properties to community members instead of out-of-area institutional investors or speculators.

The optimal program design and outcomes of a program like Make it Home will depend on local goals, and communities should seek to develop a common understanding of the program's primary goals when designing and evaluating their programs. If the goal of the program is to prevent involuntary tenant displacement, for example, the community may want to include fewer participant and property eligibility requirements and may determine that simply keeping tenants in the properties for several years would be considered a success. If the goal of the program is participant wealth building or long-term housing stability, the community might choose to include more financial eligibility requirements, but, as a result, would likely serve fewer tenants and exclude some of the community's most vulnerable residents.

### **The need for public and private investments to achieve more equitable outcomes.**

Creating a successful program like Make it Home requires not only a willingness of local leaders to change their approach to rental properties during the tax enforcement process (e.g., to bring these properties into temporary public ownership rather than auctioning them to the highest bidder) but also a recognition from local leaders that achieving more equitable outcomes will require public investments in the program. The City of Detroit, for example, has invested in Make it Home by foregoing back taxes on participating properties, providing direct funding for the program, and dedicating staff time and resources to support the program.

Funding from RCF has also been critical to Make it Home's success. RCF funded UCHC's revolving loan fund for property acquisition and provides funding for program administration to UCHC and its partners. This outside funding has eliminated the need for UCHC to build its staff and operating costs into the sale price of the homes.





Make it Home participant Barbara Sledge (right) celebrates with Mayor Mike Duggan and Detroit City Council Members Latisha Johnson and Fred Durhall III after an event announcing the 2022 Make it Home cohort. Photo: City of Detroit, Flickr

This has allowed UCHC to keep the sales prices of the properties affordable and for greater flexibility when collecting land contract payments.

### **The need for a trusted community partner with experience working with low-income tenants and homeowners.**

UCHC is critical to Make it Home's success. UCHC brought to the program decades of experience working directly with Detroit tenants, homeowners, and community organizations to fight displacement. Its staff members had deep respect and empathy for program participants. The City of Detroit, UCHC, and RCF also appear to share many of the same values and perspectives on the challenges facing the City and participants. As a result, there exists a strong sense of trust between the City, UCHC, and RCF, which gives UCHC the ability to use its discretion to adjust the program on both a case-by-case basis and program-wide level to achieve the best outcomes for participants and neighborhoods.

### **The need for effective outreach to potential program participants and education about the program.**

The Make it Home program has made significant investments in identifying and then educating potential applicants about the program and the subsequent responsibilities of homeownership, including through door-to-door canvassing, mailings, and workshops that walk potential participants through the application process. In 2022, the City of Detroit used American Rescue Plan Act (ARPA) funds to partner with trusted neighborhood organizations to expand this outreach even further. As University of Michigan researchers who have studied the program have

## **Make it Home has been successful because of the willingness of the organizations involved to honestly and regularly evaluate the program and make quick and responsive changes.**

noted, it is especially important to provide participants with details and estimated costs of potential repairs, the importance of home insurance, and the costs of homeownership, including taxes, utility bills, and maintenance.<sup>29</sup>

### **The need for flexible property rehabilitation funding.**

As explained in the key components for replication listed above, given the substandard condition of many tax-delinquent rental properties, programs like Make it Home must include funding for critical repairs. Make it Home recognized this problem early on and added a repair program, which it has continued to refine and expand as the program has developed. Stakeholders noted that it was essential to secure flexible funding for such repairs (e.g., local government general funds and philanthropic resources) because participants may not be eligible for traditional home repair funds based on their financial situation, the property's condition, the weakness of the neighborhood housing market, or strict program rules tied to federal or state funding that make accessing resources prohibitive.

### **The need for ongoing support to new homeowners.**

A study of participants in the 2017 Make it Home cohort found that many participants continued to face threats to their housing stability. In January 2022, for example, 31 percent of the remaining owner-occupants from the first cohort were behind on their 2019 property taxes, which put them at risk for foreclosure unless they paid off these taxes or entered a repayment plan.<sup>30</sup> While this percentage likely decreased before the 2022 tax foreclosure deadline, it is important to note that the participants' tax-delinquency rates were still slightly lower than the comparison group, which included tenants who purchased their homes without the Make it Home program. Nonetheless, the findings emphasize the need to provide ongoing support to participants and suggest small investments in these post-purchase services could significantly improve long-term housing stability for participants.

Again demonstrating flexibility and responsiveness to evaluative findings, Make it Home partners and administrators recently began providing more support to participants, many of whom were first-time home buyers or had very low incomes, to help them maintain their homeownership. This support has included helping participants access tax exemptions and sources of financial assistance, conducting targeted outreach and specific counseling, as well as organizing community events for program participants.

### **The need to build in evaluations and ongoing adjustments.**

Make it Home has been successful because of the willingness of the organizations involved to honestly and regularly evaluate how the program is operating and to make quick and responsive changes. After each cohort, UCHC debriefs and reflects on their work both internally and with partners at the City and RCF. They have also begun to gather feedback more formally from past participants through surveys and counseling. Cities and land banks should try to build evaluation into their programs from the beginning, including capturing and analyzing relevant data, seeking participant surveys, publishing evaluations, and providing the space and mechanisms to make needed changes.

### **The need for upstream investments.**

Researchers and stakeholders have noted the need for cities to not only create a program like Make it Home but also invest in upstream interventions to prevent property deterioration and tenant displacement. Such interventions

<sup>29</sup> Dewar and Mehdipanah, 5-6.

<sup>30</sup> Dewar and Mehdipanah, 3.

could include strategic and equitable code enforcement; a proactive rental inspection and licensing program;<sup>31</sup> expanded repair resources for small scale, income-eligible landlords; increased tenant protections and resources; increased education and resources for homeowners facing foreclosure; and the creation of new quality, affordable housing.

## Conclusion

Make it Home is an innovative program harnessing the power of an otherwise harmful system and process to make a tremendous difference in the lives of many low-income Detroit tenants, and it can serve as model for other communities.

Though the Make it Home program is structured around Michigan's property tax foreclosure timeline and process, by identifying key components of the program and engaging communities facing similar housing challenges to assess whether they have these components, the Make it Home National Replication Initiative has shown that there is a strong potential to create a program like Make it Home in six communities:

- Jamestown, New York
- Syracuse, New York
- Cleveland, Ohio
- Trumbull County, Ohio
- Memphis, Tennessee
- Milwaukee, Wisconsin

The initiative also confirmed a moderate potential to create a program like Make it Home in four additional communities:

- Metro Atlanta, Georgia
- Louisville, Kentucky
- Lima, Ohio
- Summit County, Ohio

Drawing on Community Progress' experience working with communities facing vacant, abandoned, and deteriorating property challenges from around the country and resulting familiarity with local and state laws governing property tax enforcement and land banking, we identified the following additional cities that are likely to have a potential inventory of tax-delinquent, occupied rental properties and the ability to cost effectively and reliably acquire such properties, potentially making them good candidates to replicate a program like Make it Home:

- Cities in New York that have active land banks, such as Albany, Binghamton, Buffalo, Rochester, Schenectady, and Utica.
- Cities in Ohio that have active land banks, such as Akron, Cincinnati, Dayton, Elyria, Mansfield, Middleton, Springfield, and Toledo.
- Cities in Michigan that have active land banks, such as Benton Harbor, Flint, Hamtramck, Highland Park, Pontiac, Muskegon, and Saginaw.
- Cities in West Virginia with land banks, such as Charleston and Huntington.
- Cities in New Jersey, such as Bridgeton, Burlington, Camden, Pennsauken, Plainfield, and Trenton.

We encourage such communities to use this report to explore creating similar programs and to shape their approach to tax-delinquent rental properties.

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<sup>31</sup> Alan Mallach, *Raising the Bar: Linking Landlord Incentives and Regulation through Rental Licensing: A Short Guide for Local Government Officials*, (Center for Community Progress, 2015), <https://communityprogress.org/wp-content/uploads/2021/08/2015-09-Raising-the-Bar-EP-Resources.pdf>.

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# Appendix A: Additional Resources

Alexa Eisenberg, Connor Wakayama, and Patrick Cooney, [Reinforcing Low-Income Homeownership Through Home Repair: Evaluation of the Make it Home Repair Program](#), February 2021.

City of Milwaukee, [Tenant Transition to Ownership Program](#).

Detroit Land Bank Authority, [Buy Back/Occupied Program](#).

Karen Ann Kling and Evelyn Zwiebach, [In Good Faith: Reimagining the Use of the Land Contracts](#), June 10, 2021.

Margaret Dewar and Roshanak Mehdipanah, [Lessons From Detroit's Make it Home Program For Sustaining Very Low-Income Homeownership](#), August 2022.

Roshanak Mehdipanah, Margaret Dewar, and Alexa Eisenberg, [Threats to and Opportunities for Low-Income Homeownership, Housing Stability, and Health: Protocol for the Detroit 2017 Make-It-Home Evaluation Study](#), *International Journal of Environmental Research and Public Health*, 2021, 18, 11230.



# Appendix B:

## Stakeholders Interviewed

Name	Organization	Title
Amy Alexander	United Community Housing Coalition	Director of Homeowner Programs
Alex Alsup	Rocket Community Fund	Former Senior Director of Housing Stability
Margaret Dewar	University of Michigan Taubman College of Architecture and Urban Planning	Professor Emerita
Keturah Epps	United Community Housing Coalition	Make it Home Program Coordinator
Gwen Gell <sup>32</sup>	Rocket Community Fund	Housing Stability Program Manager
Elizabeth Kmetz-Armitage	City of Detroit	Deputy Group Executive for Planning, Housing & Development
Chelsea Neblett	City of Detroit	Financial Empowerment Manager
Michele Oberholtzer <sup>33</sup>	City of Detroit	Chief Policy Advisor
Ted Phillips	United Community Housing Coalition	Executive Director
Amy Turim	City of Milwaukee	Real Estate Development Services Manager
Tim Bishop	United Community Housing Coalition	Director of Repair Services
Kim Stroud	United Community Housing Coalition	Director of Homeownership Services
Roshanak Mehdipanah	University of Michigan School of Public Health	Associate Professor
Katelyn Wright	Greater Syracuse Land Bank	Executive Director
Alysse Miller	Detroit Land Bank Authority	Grants and Occupied Program Manager

<sup>32</sup> Ms. Gell previously served as United Community Housing Coalition's Home Repair Coordinator.

<sup>33</sup> Ms. Oberholtzer previously served for five years as United Community Housing Coalition's Director for Tax Foreclosure Prevention.



# **Appendix C:**

# **Replication Playbooks**

# Make it Home Learning Cohort: Replication Playbook

## Metro Atlanta, Georgia

When landlords fail to pay their property taxes and face foreclosure, the effects on tenants and neighborhoods can be devastating. Tenants worried about their housing stability may move out when learning of a potential foreclosure, rather than face the risk of eviction. Other times, tenants are evicted by the local government conducting the foreclosure, or by new owners after a sale. In both cases, the result is a dramatic household upheaval. These moves impose significant financial, emotional, and physical costs on tenants and, in the case of a foreclosure, leave properties vacant to decline and depress surrounding property values. In many communities these properties are purchased at the tax sale by investors who “milk” the properties by collecting rent while failing to make repairs or pay property taxes—reducing homeownership opportunities and continuing the harmful cycle of property decline and tenant displacement.<sup>1</sup>

In Detroit, Michigan, the City of Detroit, United Community Housing Coalition (UCHC), and Rocket Community Fund (RCF) created a program that disrupts this cycle and instead harnesses the power of the property tax foreclosure process to **prevent displacement, stabilize neighborhoods, and improve housing conditions**. The Make it Home Program uses the City’s legal power to acquire tenant-occupied, tax-delinquent, primarily single-family properties and then transfers the properties to the tenants while providing funding and assistance for repairs and education and resources to help sustain their homeownership.<sup>2</sup> Since its launch in 2017, the program has helped 1,396 tenants purchase their homes for an average cost of less than \$10,000.<sup>3</sup> A University of Michigan study of the first cohort of Make it Home participants found that after four years, 85 percent of the 80 participants still owned their homes.<sup>4</sup>

In May 2022, with support from and in partnership with RCF, the Center for Community Progress launched the Make it Home National Replication Initiative, which aimed to explore whether Make it Home could work in other communities. Community Progress interviewed stakeholders and reviewed the program’s materials and research to identify the key components needed for replication and important lessons learned from Make it Home to inform successful replication in other communities. The Metro Atlanta Land Bank (MALB) was one of thirteen local governments and land banks selected to participate in the Learning Cohort and, over the course of four virtual training sessions, learned about the key elements of the program and important takeaways from the City of Detroit, UCHC staff, and others.

With this experience, MALB is better informed about the limited opportunities for replication in the City of Atlanta as well as the potential for such a program in neighboring jurisdictions, namely College Park and East Point. This Playbook describes how a program like Make it Home could address key regional needs and priorities, assesses the current ability of MALB to replicate such a program, and then outlines potential next steps for successful implementation.

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<sup>1</sup> For more background on delinquent property tax enforcement systems and how they can be reformed to better address vacant and abandoned properties, see Kim Graziani, *Reimagine Delinquent Property Tax Enforcement: How to Reduce Vacancy, Advance Racial Equity, and Improve Public Services*, Center for Community Progress, October 2022, <https://communityprogress.org/publications/reimagine-delinquent-property-tax-enforcement/>.

<sup>2</sup> For simplicity purposes, this report refers to the acquisition of tenant-occupied properties and refers to property occupants as “tenants” because most Make it Home participants are tenants. However, a small percentage of Make it Home participants are former owners, occupants who may not have had a legally recognized tenancy, or victims of predatory land contract schemes.

<sup>3</sup> City of Detroit, “Mayor Duggan, Rocket Community Fund, United Community Housing Coalition celebrate Make it Home program helping nearly 250 more Detroit residents become homeowners,” October 13, 2022, <https://detroitmi.gov/news/mayor-duggan-rocket-community-fund-united-community-housing-coalition-celebrate-make-it-home-program>.

<sup>4</sup> Margaret Dewar and Roshanak Mehdipanah, “Lessons From Detroit’s Make It Home Program For Sustaining Very Low-Income Homeownership,” University of Michigan Poverty Solutions Policy Brief, August 2022, <https://poverty.umich.edu/publications/lessons-from-detroits-make-it-home-program-for-sustaining-very-low-income-homeownership/>.

## Overview of Detroit's Make it Home Process

Wayne County, the City of Detroit, and local nonprofit United Community Housing Coalition (UCHC) each play key roles in executing the Make It Home program.

Step 1	Step 2	Step 3	Step 4	Step 5	Step 6
UCHC identifies eligible tax-delinquent properties and tenants	Wayne County forecloses delinquent tax lien	City of Detroit uses its right of first refusal to purchase properties from Wayne County before public auction	City of Detroit sells properties to UCHC for back taxes owed, less city taxes	UCHC sells properties to tenants, for cash or using 0% land contract	UCHC provides homeownership support, repair assistance and funding to new owners

## Suitability Assessment

Because of its strong housing market, the City of Atlanta lacks a large inventory of tax-delinquent, occupied rental properties. However, smaller cities in the Metro Atlanta Region may have such an inventory. MALB should seek to better understand the property inventory and trends in these cities to determine if they would be good candidates for a program like Make it Home.

Suitability Summary	
Inventory of Tax-Delinquent, Rental Properties?	?
Meets Local Priorities?	✓

**Tax-Delinquent, Rental Inventory.** Based on the experiences of Detroit and other cities, programs like Make it Home are most successful when used to address tax-delinquent, occupied, single-family rental properties. Because of Atlanta's strong housing market, most tax-delinquent property owners in Fulton County, especially within the City of Atlanta, redeem their tax liens and pay off their debt before an enforcement event, limiting the inventory of any tax-delinquent occupied properties. In the Metro Atlanta area, there may be a larger inventory of such properties in other cities, like College Park and East Point, that have weaker housing markets and larger rental inventories.

**Meets Local Priorities.** Make it Home has experienced continued success and support in Detroit because it addresses several key needs and priorities of the community, including reducing displacement caused by the City's tax foreclosure system, improving housing conditions, and increasing homeownership. Atlanta's housing market appreciated and strengthened considerably in the last five to ten years, and as in other similar metro areas across the country, there is an acute housing affordability crisis that has the full attention of local leaders and partners. More than half of all Atlantan households are cost-burdened, and this number is even higher among renters.

Under the Mayor Keisha Bottoms' administration, Atlanta released an ambitious plan to address this crisis, One Atlanta: Affordable Housing Action Plan, with commitments to invest \$1 billion in the creation or preservation of 20,000 affordable housing units by 2026, create equitable growth, and minimize displacement. Mayor Andre Dickens, elected in 2022, continues the commitment to 20,000 housing units by 2030. All levers and options are being pursued. Even the city's key economic development agency, Invest Atlanta, was directed by City Council to prioritize affordable housing. Invest Atlanta announced in September 2022 a commitment of \$342 million to support the production of 1,834 affordable housing units across 13 different real estate development projects. Atlanta has also become a hotbed for institutional investors, according to multiple 2022 reports by

market research firms, which report that 30 to 40 percent of all home sales in the latter half of 2021 were to buyers with “LLC” or “Corp” in their name, continuing a trend that started a few years earlier. A program like Make it Home could support local priorities of increasing local homeownership, supporting equitable development, and preventing displacement.

## Replication Readiness Assessment

While a program like Make it Home may align with Atlanta’s local priorities, there are too many market and policy barriers to successfully implement such a program in Atlanta.

**Property Acquisition Mechanism.** To create the most effective program, cities or land

banks should have a reliable, cost-effective mechanism to gain control of tax-delinquent, occupied rental properties. Unfortunately, due to the delinquent property tax enforcement system used in Atlanta and its incredibly strong housing market, there is little to no prospect to deploy a *reliable, cost-effective* acquisition strategy. Delinquent taxes in the City of Atlanta are managed by the Fulton County Commissioner, who orders the sale of tax liens, in bulk, to private purchasers monthly. MALB has the authority to bid at this sale and did so regularly in the past to acquire tax liens on vacant, dilapidated properties that were ‘underwater’ (public lien debt greater than the fair market value) at no cost in the absence of other bidders. However, with the significant rise in market values, this reliable and cost-effective acquisition option has virtually vanished. MALB can still attend the monthly Sheriff Sales and compete with other private bidders for tax liens on occupied, single-family rental properties, but there is no guarantee the owner won’t redeem. Given the market strength, most owners of income-producing properties do redeem. The County Tax Commissioner is also authorized to withhold a tax lien from the sale and assign, transfer, or sell the lien directly to MALB upon request, but again, there is a strong likelihood that the owner will redeem within the year before MALB can initiate an enforcement event and take title to the property.

That said, there are two municipalities in the Metro Atlanta area—College Park and East Point—that do not contract with the Fulton County Tax Commissioner to enforce delinquent property taxes and instead handle this function in-house. MALB has been in conversation with both communities about joining the land bank as members, which opens the door to explore a program like Make it Home in these communities, where the housing market is not as strong as Atlanta and where rentals make up a large portion of the housing inventory.

**Program Administration Capacity.** To be successful, a local government or land bank must have the capacity to provide or contract with one or more trusted nonprofit partners to administer the program, including community education and outreach, property and participant identification, property acquisition, and ongoing homeownership and repair support. MALB has partnered with local nonprofits and private developers for years, particularly through its Land Banking Depository Program, and was named as a key implementer of the housing goals in the One Atlanta plan. MALB is also part of the Affordable Housing Strike Force led by the administration of Mayor Dickens. MALB has also formalized a collaboration with the Atlanta Land Trust, Inc., and continues to explore how it could be a more effective partner in solving the regional housing challenges, which are less about vacancy and abandonment and more about housing affordability and access.

If MALB were to consider a Make it Home pilot program in College Park or East Point, the parties would need to think carefully about each other’s role and responsibilities and identify and resource other community-based partners that could help with the other program components, such as tenant education, tenant and property screening, home repairs, and ongoing homeownership counseling.

Replication Readiness Summary	
Component	Readiness Level
Property Acquisition Mechanism	Major Action Needed
Program Administration Capacity	Minor Action Needed
Funding Sources	Moderate Action Needed

**Potential Funding Sources.** Local governments and land banks need funding for property acquisition, program administration, and, in many cases, for property repairs and rehabilitation. Given the lack of opportunity in Atlanta, MALB will need to help identify and bring resources to any pilot effort in either College Park or East Point. Neither are entitlement communities that receive direct, annual HUD grants, and their ARPA allocations were relatively small, especially compared to Atlanta's. Should these municipalities join MALB as members, they could together explore funding from local or national foundations, which have shown an interest in supporting housing and equity goals in the Metro Atlanta area.

## Replication Next Steps

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A program like Make it Home would allow MALB and its potential partners in College Park and East Point to leverage a small inventory of tax-delinquent, occupied rental properties to help low-income renters avoid involuntary displacement, improve their housing conditions, and become homeowners, which can help stabilize and strengthen neighborhoods. To create such a program, however, MALB needs to take several key steps, including:

- **Better understand the tax-delinquent inventory and trends in College Park and East Point to assess the scale, costs, and needs of a pilot program.** MALB should work with local leaders to better understand the inventory and trends to determine if a pilot program is a worthwhile venture.
- **Carry out necessary steps to bring in College Park and East Point as formal members of MALB.** The state's land bank legislation makes it relatively simple to create multi-jurisdictional land bank entities and add new municipal partners to an existing land bank. MALB should set a goal to have the jurisdictions that are interested in joining MALB formally become members by the end of Q1 2023.
- **Develop program administrative capacity and funding.** If the inventory of tax-delinquent properties suggests potential, then MALB should work with the appropriate jurisdiction to identify roles and responsibilities, and where help from local nonprofits will be needed with the tenant education, tenant and property screening, financing and administration, home repair program, and homeownership support and counseling. If local governmental funds are unavailable, then MALB must work with their local partners to identify philanthropic support.



# Make it Home Learning Cohort: Replication Playbook

## Chautauqua County, New York

When landlords fail to pay their property taxes and face foreclosure, the effects on tenants and neighborhoods can be devastating. Tenants worried about their housing stability may move out when learning of a potential foreclosure, rather than face the risk of eviction. Other times, tenants are evicted by the local government conducting the foreclosure, or by new owners after a sale. In both cases, the result is a dramatic household upheaval. These moves impose significant financial, emotional, and physical costs on tenants and, in the case of a foreclosure, leave properties vacant to decline and depress surrounding property values. In many communities these properties are purchased at the tax sale by investors who “milk” the properties by collecting rent while failing to make repairs or pay property taxes—reducing homeownership opportunities and continuing the harmful cycle of property decline and tenant displacement.<sup>1</sup>

In Detroit, Michigan, the City of Detroit, United Community Housing Coalition (UCHC), and Rocket Community Fund (RCF) created a program that disrupts this cycle and instead harnesses the power of the property tax foreclosure process to **prevent displacement, stabilize neighborhoods, and improve housing conditions**. The Make it Home Program uses the City’s legal power to acquire tenant-occupied, tax-delinquent, primarily single-family properties and then transfers the properties to the tenants while providing funding and assistance for repairs and education and resources to help sustain their homeownership.<sup>2</sup> Since its launch in 2017, the program has helped 1,396 tenants purchase their homes for an average cost of less than \$10,000.<sup>3</sup> A University of Michigan study of the first cohort of Make it Home participants found that after four years, 85 percent of the 80 participants still owned their homes.<sup>4</sup>

In May 2022, with support from and in partnership with RCF, the Center for Community Progress launched the Make it Home National Replication Initiative, which aimed to explore whether Make it Home could work in other communities. Community Progress interviewed stakeholders and reviewed the program’s materials and research to identify the key components needed for replication and important lessons learned from Make it Home to inform successful replication in other communities. Jamestown, represented by the City of Jamestown and Chautauqua County Land Bank Corporation (CCLBC), was one of thirteen communities selected to participate in the Learning Cohort and, over the course of four virtual training sessions, learned about the key elements of the program and important lessons learned from City of Detroit and UCHC staff, and others.

With this experience, the City of Jamestown and CCLBC are well positioned to begin exploring the creation of a similar program. This Playbook describes how a program like Make it Home could address Jamestown’s key local needs and priorities, assesses the City and CCLBC’s current ability to replicate such a program, and then outlines potential next steps for successful implementation.

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<sup>1</sup> For more background on delinquent property tax enforcement systems and how they can be reformed to better address vacant and abandoned properties, see Kim Graziani, *Reimagine Delinquent Property Tax Enforcement: How to Reduce Vacancy, Advance Racial Equity, and Improve Public Services*, Center for Community Progress, October 2022, <https://communityprogress.org/publications/reimagine-delinquent-property-tax-enforcement/>.

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<sup>3</sup> City of Detroit, “Mayor Duggan, Rocket Community Fund, United Community Housing Coalition celebrate Make it Home program helping nearly 250 more Detroit residents become homeowners,” October 13, 2022, <https://detroitmi.gov/news/mayor-duggan-rocket-community-fund-united-community-housing-coalition-celebrate-make-it-home-program>.

<sup>4</sup> Margaret Dewar and Roshanak Mehdipanih, “Lessons From Detroit’s Make It Home Program For Sustaining Very Low-Income Homeownership,” University of Michigan Poverty Solutions Policy Brief, August 2022, <https://poverty.umich.edu/publications/lessons-from-detroits-make-it-home-program-for-sustaining-very-low-income-homeownership/>.

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UCHC identifies eligible tax-delinquent properties and tenants	Wayne County forecloses delinquent tax lien	City of Detroit uses its right of first refusal to purchase properties from Wayne County before public auction	City of Detroit sells properties to UCHC for back taxes owed, less city taxes	UCHC sells properties to tenants, for cash or using 0% land contract	UCHC provides homeownership support, repair assistance and funding to new owners

## Suitability Assessment

Based on its property inventory and local priorities, the City of Jamestown and CCLBC are good candidates to create a program like Make it Home.

**Tax-Delinquent, Rental Inventory.** Based on the experiences of Detroit and other cities, programs like Make it Home are most successful when used to address tax-delinquent, occupied, single-family rental properties. Chautauqua County forecloses on approximately 350–400 tax-delinquent properties each year. Given that approximately 52 percent of residential properties in Jamestown are rentals, CCLBC estimates that a significant number of these tax-delinquent properties are occupied rentals and is exploring ways to better identify these properties.

**Meets Local Priorities.** Make it Home has experienced continued success and support in Detroit because it addresses several of the key needs and priorities of the community, including reducing displacement caused by the City's tax foreclosure system, improving housing conditions, and increasing homeownership. Like Detroit, Jamestown and Chautauqua County have prioritized improving housing conditions, especially reducing lead hazards in rental properties, and increasing homeownership opportunities, especially among people of color and low-income residents, and a program like Make it Home is well-suited to meet these goals. Like Detroit, Chautauqua County also forecloses on all tax-delinquent properties each year, including occupied properties, and a program like Make it Home could help reduce tenant displacement caused by these foreclosures.

Suitability Summary	
Inventory of Tax-Delinquent, Rental Properties?	✓
Meets Local Priorities?	✓

## Replication Readiness Assessment

The City of Jamestown and CCLBC largely have the key components in place to create a program like Make it Home.

**Property Acquisition Mechanism.** To create the most effective program, cities or land banks should have a reliable, cost-effective mechanism to gain control of tax-delinquent, occupied rental properties. New York land banks have such a mechanism: if a land bank submits a bid on a tax-delinquent property offered for sale equal to at least the amount of the delinquent taxes and other

Replication Readiness Summary	
Component	Readiness Level
Property Acquisition Mechanism	Ready
Program Administration Capacity	Moderate Action Needed
Funding Sources	Moderate Action Needed

municipal liens, its bid takes priority over all other bids, and it acquires the property. CCLBC has an agreement with the county legislature to acquire strategically selected and agreed upon tax-delinquent properties for \$1, plus one year's taxes, for rehabilitation and demolition. The CCLBC would also be able to use this process to acquire tax-delinquent, occupied rental properties for participation in a program like Make it Home.

**Program Administration Capacity.** To be successful, a local government or land bank must have the capacity to provide or contract with one or more trusted nonprofit partners to administer the program, including community education and outreach, property and participant identification, property acquisition, and ongoing homeownership and repair support. CCLBC is an experienced, well-respected land bank, which has the capacity to acquire tax-delinquent, occupied rental properties and transfer them to new ownership. It would need to identify partner organizations to help with tenant outreach and homeownership and repair support and has identified the Western New York Law Center, Chautauqua Opportunity, Inc., and Chautauqua Home Rehabilitation Improvement Corporation as potential partners.

**Potential Funding Sources.** Local governments and land banks need funding for property acquisition, program administration, and, in many cases, for property repairs and rehabilitation. The City of Jamestown received \$28 million from the American Rescue Plan Act and has dedicated \$3 million of these funds for programs targeting neighborhood stabilization. The City and CCLBC should explore whether a portion of these funds could be used to pilot a program like Make it Home. The City and County also identified several local foundations, including the Ralph Wilson Foundation, as potential funding sources for such a program. Finally, there could be the opportunity to prioritize Make it Home participants, especially those with children, in Chautauqua's Healthy Homes Program, which provides free lead testing and repairs that eliminate lead hazards for income-eligible households.

## Replication Next Steps

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A program like Make it Home would give Jamestown a critical tool to directly address its housing priorities, including improving housing conditions and providing housing opportunities, especially to low-income residents and residents of color. Together the City of Jamestown and CCLBC have nearly all the key components needed to replicate a program like Make it Home. As next steps, the City of Jamestown and CCLBC should:

- **Identify the inventory of tax-delinquent, occupied rental properties.** The City and CCLBC should use its existing data sources and software to identify the tax-delinquent rental properties that will be offered for sale next year. The City and CCLBC should also consider canvassing properties they identify as likely occupied rentals to confirm they are occupied and gauge tenant interest in a program like Make it Home.
- **Create a Make it Home: Jamestown pilot program.** This year, the City and CCLBC should launch a pilot program to acquire and sell three to five tax-delinquent rental properties to the current tenants. The City of Jamestown allocate some of its ARPA funds designated for neighborhood stabilization to cover the administrative and home repair costs of the pilot program. The City and CCLBC would need to identify a local organization to help provide homeownership counseling and ongoing support to program participants.
- **Secure funding to expand and sustain the program.** If its pilot program is successful, the City and CCLBC should seek funding to continue and expand the program to ten properties a year. Funding for a sustained program could come from a combination of City general funding and local philanthropies.

# Make it Home Learning Cohort: Replication Playbook

Cleveland, Ohio

When landlords fail to pay their property taxes and face foreclosure, the effects on tenants and neighborhoods can be devastating. Tenants worried about their housing stability may move out when learning of a potential foreclosure, rather than face the risk of eviction. Other times, tenants are evicted by the local government conducting the foreclosure, or by new owners after a sale. In both cases, the result is a dramatic household upheaval. These moves impose significant financial, emotional, and physical costs on tenants and, in the case of a foreclosure, leave properties vacant to decline and depress surrounding property values. In many communities these properties are purchased at the tax sale by investors who “milk” the properties by collecting rent while failing to make repairs or pay property taxes—reducing homeownership opportunities and continuing the harmful cycle of property decline and tenant displacement.<sup>1</sup>

In Detroit, Michigan, the City of Detroit, United Community Housing Coalition (UCHC), and Rocket Community Fund (RCF) created a program that disrupts this cycle and instead harnesses the power of the property tax foreclosure process to **prevent displacement, stabilize neighborhoods, and improve housing conditions**. The Make it Home Program uses the City’s legal power to acquire tenant-occupied, tax-delinquent, primarily single-family properties and then transfers the properties to the tenants while providing funding and assistance for repairs and education and resources to help sustain their homeownership.<sup>2</sup> Since its launch in 2017, the program has helped 1,396 tenants purchase their homes for an average cost of less than \$10,000.<sup>3</sup> A University of Michigan study of the first cohort of Make it Home participants found that after four years, 85 percent of the 80 participants still owned their homes.<sup>4</sup>

In May 2022, with support from and in partnership with RCF, the Center for Community Progress launched the Make it Home National Replication Initiative, which aimed to explore whether Make it Home could work in other communities. Community Progress interviewed stakeholders and reviewed the program’s materials and research to identify the key components needed for replication and important lessons learned from Make it Home to inform successful replication in other communities. Cleveland, represented by the City of Cleveland and Cuyahoga County Land Bank, was one of thirteen communities selected to participate in the Learning Cohort and, over the course of four virtual training sessions, learned about the key elements of the program and important lessons learned from City of Detroit and UCHC staff, and others.

With this experience, the City of Cleveland and Cuyahoga County Land Bank (CCLB) are well positioned to explore creating a program like Make it Home. This Playbook describes how a program like Make it Home could address Cleveland’s key local needs and priorities, assesses the City of Cleveland and CCLB’s current ability to replicate such a program, and then outlines potential next steps for successful implementation.

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<sup>1</sup> For more background on delinquent property tax enforcement systems and how they can be reformed to better address vacant and abandoned properties, see Kim Graziani, *Reimagine Delinquent Property Tax Enforcement: How to Reduce Vacancy, Advance Racial Equity, and Improve Public Services*, Center for Community Progress, October 2022, <https://communityprogress.org/publications/reimagine-delinquent-property-tax-enforcement/>.

<sup>2</sup> For simplicity purposes, this report refers to the acquisition of tenant-occupied properties and refers to property occupants as “tenants” because most Make it Home participants are tenants. However, a small percentage of Make it Home participants are former owners, occupants who may not have had a legally recognized tenancy, or victims of predatory land contract schemes.

<sup>3</sup> City of Detroit, “Mayor Duggan, Rocket Community Fund, United Community Housing Coalition celebrate Make it Home program helping nearly 250 more Detroit residents become homeowners,” October 13, 2022, <https://detroitmi.gov/news/mayor-duggan-rocket-community-fund-united-community-housing-coalition-celebrate-make-it-home-program>.

<sup>4</sup> Margaret Dewar and Roshanak Mehdipanah, “Lessons From Detroit’s Make It Home Program For Sustaining Very Low-Income Homeownership,” University of Michigan Poverty Solutions Policy Brief, August 2022, <https://poverty.umich.edu/publications/lessons-from-detroits-make-it-home-program-for-sustaining-very-low-income-homeownership/>.

## Overview of Detroit's Make it Home Process

Wayne County, the City of Detroit, and local nonprofit United Community Housing Coalition (UHC) each play key roles in executing the Make It Home program.

Step 1	Step 2	Step 3	Step 4	Step 5	Step 6
UHC identifies eligible tax-delinquent properties and tenants	Wayne County forecloses delinquent tax lien	City of Detroit uses its right of first refusal to purchase properties from Wayne County before public auction	City of Detroit sells properties to UHC for back taxes owed, less city taxes	UHC sells properties to tenants, for cash or using 0% land contract	UHC provides homeownership support, repair assistance and funding to new owners

## Suitability Assessment

Based on its property inventory and commitment to preventing displacement and prioritizing investments in residents and neighborhoods who have historically been excluded from housing opportunities, Cleveland is a strong candidate for a program like Make it Home.

Suitability Summary	
Inventory of Tax-Delinquent, Rental Properties?	✓
Meets Local Priorities?	✓

**Tax-Delinquent, Rental Inventory.** Based on the experiences of Detroit and other cities, programs like Make it Home are most successful when used to address tax-delinquent, occupied, single-family rental properties. Cleveland has a significant inventory of such properties. CCLB estimates that there are around 330 occupied, tax-delinquent properties on the State forfeiture list. These are properties received no bids at two post-foreclosure sheriff sales. The CCLB can acquire these properties at no cost, and it estimates that significant percentage of these properties are rental properties.

**Meets Local Priorities.** Make it Home has experienced continued success and support in Detroit because it addresses several of the key needs and priorities of the community, including reducing displacement caused by the City's tax foreclosure system, improving housing conditions, and increasing homeownership. The City of Cleveland recently completed a ten year housing equity plan that identified the need to protect residents who have historically been excluded from housing opportunities, which includes promoting equitable development without displacement and expanding access to home purchase and improvement opportunities.<sup>5</sup> A program like Make it Home could advance these goals by reducing tenant displacement from tax foreclosures, providing homeownership opportunities to renters, and allowing the City, County, and others to invest in neighborhoods in a way that improves the housing conditions and wellbeing of existing residents, including renters. Similarly, "pay to stay" legislation that passed this summer in Cleveland was touted by City leaders as evidence of the Bibb administration and Council's strong commitment to tenants and their rights. Piloting a Make it Home program would further affirm the City's commitment to ensuring vulnerable tenants are seen, protected, and supported.

<sup>5</sup> City of Cleveland, "Cleveland 2030: A Housing Equity Plan," September 2021, [https://www.clevelandhousingplan.com/uploads/1/3/2/9/132946414/actionplan\\_full\\_draft\\_9-14.pdf](https://www.clevelandhousingplan.com/uploads/1/3/2/9/132946414/actionplan_full_draft_9-14.pdf).



## Replication Readiness Assessment

Cleveland has the key components needed to create a pilot program like Make it Home, and the City of Cleveland and CCLB's primary challenge will be working with local partners to create a program that works best for its community.

Replication Readiness Summary	
Component	Readiness Level
Property Acquisition Mechanism	Ready
Program Administration Capacity	Minor Action Needed
Funding Sources	Moderate Action Needed

**Property Acquisition Mechanism.** To create the most effective program, cities or land banks should have a reliable, cost-effective mechanism to gain control of tax-delinquent, occupied rental properties. The City and CCLB lack a mechanism like Detroit's right of first refusal, which would allow it to reliably acquire tax-delinquent rental properties through the foreclosure process, and CCLB has generally avoided acquiring occupied properties, focusing instead on acquiring vacant properties for demolition and rehabilitation. As part of a carefully crafted program like Make it Home, the CCLB could use its current acquisition mechanisms, which include purchasing the properties at the tax sale or acquiring properties from the state forfeiture list, which contains properties that have not sold at two consecutive tax sales, to acquire tax-delinquent, occupied rental properties. It could also explore directly purchasing properties from tax-delinquent landlords and partnering with the City and the Legal Aid Society to leverage all existing claims against the property when negotiating the sale, an approach Ohio's Trumbull County Land Bank plans to pilot. Finally, it should work with other land banks and statewide stakeholders to support state law changes under consideration by Ohio's General Assembly that would improve its ability to reliably acquire tax-delinquent rental properties.

**Program Administration Capacity.** To be successful, a local government or land bank must have the capacity to provide or contract with one or more trusted nonprofit partners to administer the program, including community education and outreach, property and participant identification, property acquisition, and ongoing homeownership and repair support. CCLB is a well-resourced and well-respected land bank that would have the capacity to acquire and transfer tax-delinquent, occupied rental properties. CCLB and City of Cleveland have strong relationships with several organizations that could serve as potential partners, including CHN Housing Partners, Cleveland Neighborhood Progress, the Legal Aid Society, and neighborhood community development corporations.

**Potential Funding Sources.** Local governments and land banks need funding for property acquisition, program administration, and, in many cases, for property repairs and rehabilitation. The City of Cleveland received \$512 million from the American Rescue Plan Act, and Mayor Bibb identified investments in housing and removing lead hazards as top priorities. The City appears to be on track to designate \$10 million for home repairs, and \$5 million for property rehabilitation. The City and CCLB should explore whether a small portion of these funds could be used to support a pilot program modeled after Make it Home.

## Replication Next Steps

A program like Make it Home would help Cleveland meet its goal of reducing tenant displacement, improving housing conditions, and increasing homeownership, especially among residents and neighborhoods that have historically been excluded from housing opportunities. Such a program would provide a critical complement to CCLB's current focus on new construction, special population housing, and renovating and rehabilitating vacant properties by helping to improve the living conditions of current renters and disrupting the cycle of disinvestment.

As next steps, the City of Cleveland and CCLB should:

- **Convene a working group of local stakeholders to explore the creation of a program like Make it Home.** The City and CCLB should convene a working group to further explore the creation of a program like Make it Home in Cleveland. The working group could focus on identifying potential partner organizations to administer the tenant outreach, homeownership support, and home repair aspects of the program. The working group could also seek to identify and apply for funding for the program and explore launching a pilot program that seeks to transfer between ten and twenty properties to tenants in its first year.
- **Support state law changes to create a predictable mechanism for land banks to acquire tax-delinquent, occupied rental properties.** Ohio land banks currently lack a mechanism, like the City of Detroit's right of first refusal, that allows them to predictably acquire tax-delinquent, occupied rental properties. CCLB staff has written legislation to create such a mechanism, which has been submitted to the Ohio General Assembly. The City of Cleveland and CCLB should work with the Ohio Land Bank Association to advance this legislation.

# Make it Home Learning Cohort: Replication Playbook

Lima, Ohio

When landlords fail to pay their property taxes and face foreclosure, the effects on tenants and neighborhoods can be devastating. Tenants worried about their housing stability may move out when learning of a potential foreclosure, rather than face the risk of eviction. Other times, tenants are evicted by the local government conducting the foreclosure, or by new owners after a sale. In both cases, the result is a dramatic household upheaval. These moves impose significant financial, emotional, and physical costs on tenants and, in the case of a foreclosure, leave properties vacant to decline and depress surrounding property values. In many communities these properties are purchased at the tax sale by investors who “milk” the properties by collecting rent while failing to make repairs or pay property taxes—reducing homeownership opportunities and continuing the harmful cycle of property decline and tenant displacement.<sup>1</sup>

In Detroit, Michigan, the City of Detroit, United Community Housing Coalition (UCHC), and Rocket Community Fund (RCF) created a program that disrupts this cycle and instead harnesses the power of the property tax foreclosure process to **prevent displacement, stabilize neighborhoods, and improve housing conditions**. The Make it Home Program uses the City’s legal power to acquire tenant-occupied, tax-delinquent, primarily single-family properties and then transfers the properties to the tenants while providing funding and assistance for repairs and education and resources to help sustain their homeownership.<sup>2</sup> Since its launch in 2017, the program has helped 1,396 tenants purchase their homes for an average cost of less than \$10,000.<sup>3</sup> A University of Michigan study of the first cohort of Make it Home participants found that after four years, 85 percent of the 80 participants still owned their homes.<sup>4</sup>

In May 2022, with support from and in partnership with RCF, the Center for Community Progress launched the Make it Home National Replication Initiative, which aimed to explore whether Make it Home could work in other communities. Community Progress interviewed stakeholders and reviewed the program’s materials and research to identify the key components needed for replication and important lessons learned from Make it Home to inform successful replication in other communities. The City of Lima was one of thirteen local governments and land banks selected to participate in the Learning Cohort and, over the course of four virtual training sessions, learned about the key elements of the program and important lessons learned from City of Detroit and UCHC staff, and others.

With this experience, the City of Lima can begin convening local stakeholders to explore creating a similar program in Lima. This Playbook describes how a program like Make it Home could address Lima’s key local needs and priorities, assesses Lima’s current ability to replicate such a program, and then outlines potential next steps for successful implementation.

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<sup>1</sup> For more background on delinquent property tax enforcement systems and how they can be reformed to better address vacant and abandoned properties, see Kim Graziani, *Reimagine Delinquent Property Tax Enforcement: How to Reduce Vacancy, Advance Racial Equity, and Improve Public Services*, Center for Community Progress, October 2022, <https://communityprogress.org/publications/reimagine-delinquent-property-tax-enforcement/>.

<sup>2</sup> For simplicity purposes, this report refers to the acquisition of tenant-occupied properties and refers to property occupants as “tenants” because most Make it Home participants are tenants. However, a small percentage of Make it Home participants are former owners, occupants who may not have had a legally recognized tenancy, or victims of predatory land contract schemes.

<sup>3</sup> City of Detroit, “Mayor Duggan, Rocket Community Fund, United Community Housing Coalition celebrate Make it Home program helping nearly 250 more Detroit residents become homeowners,” October 13, 2022, <https://detroitmi.gov/news/mayor-duggan-rocket-community-fund-united-community-housing-coalition-celebrate-make-it-home-program>.

<sup>4</sup> Margaret Dewar and Roshanak Mehdipanah, “Lessons From Detroit’s Make It Home Program For Sustaining Very Low-Income Homeownership,” University of Michigan Poverty Solutions Policy Brief, August 2022, <https://poverty.umich.edu/publications/lessons-from-detroits-make-it-home-program-for-sustaining-very-low-income-homeownership/>.

## Overview of Detroit's Make it Home Process

Wayne County, the City of Detroit, and local nonprofit United Community Housing Coalition (UHC) each play key roles in executing the Make It Home program.

Step 1	Step 2	Step 3	Step 4	Step 5	Step 6
UHC identifies eligible tax-delinquent properties and tenants	Wayne County forecloses delinquent tax lien	City of Detroit uses its right of first refusal to purchase properties from Wayne County before public auction	City of Detroit sells properties to UHC for back taxes owed, less city taxes	UHC sells properties to tenants, for cash or using 0% land contract	UHC provides homeownership support, repair assistance and funding to new owners

## Suitability Assessment

Based on its property inventory and local priorities, the City of Lima is a good candidate to create a program like Make it Home.

**Tax-Delinquent, Rental Inventory.** Based on the experiences of Detroit and other cities, programs like Make it Home are most successful when used to address tax-delinquent, occupied, single-family rental properties. Of the more than 2,000 properties certified as tax delinquent in March 2022, the City of Lima estimates that 200 to 250 of these properties are occupied rental properties.

**Meets Local Priorities.** Make it Home has experienced continued success and support in Detroit because it addresses several of the key needs and priorities of the community, including reducing displacement caused by the City's tax foreclosure system, improving housing conditions, and increasing homeownership. Like Detroit, the City of Lima is interested in finding ways to improve housing conditions, increase homeownership, and disrupt the cycle of investors acquiring properties at the tax auction and then "milking the properties" by continuing to collect rents while failing to maintain and pay taxes on the properties. A program like Make it Home could help the City interrupt this cycle and make investments in properties in neighborhoods in a way that benefits existing residents.

Suitability Summary	
Inventory of Tax-Delinquent, Rental Properties?	✓
Meets Local Priorities?	✓

## Replication Readiness Assessment

While a program like Make it Home would help address several of the City of Lima's key priorities, it will need to identify a property acquisition mechanism to create a program like Make it Home.

**Property Acquisition Mechanism.** To create the most effective program, cities or land banks should have a reliable, cost-effective mechanism to gain control of tax-delinquent, occupied rental properties. Lima lacks a mechanism like Detroit's right of first refusal, which would allow it to reliably acquire tax-delinquent rental properties through the foreclosure process. Lima should explore directly purchasing properties from tax-delinquent landlords and partnering with local legal aid organizations to leverage all

Replication Readiness Summary	
Component	Readiness Level
Property Acquisition Mechanism	Major Action Needed
Program Administration Capacity	Minor Action Needed
Funding Sources	Moderate Action Needed

existing claims against the property when negotiating the sale. Lima could monitor, learn from, and emulate the Trumbull County Land Bank, which plans to pilot this approach.

**Program Administration Capacity.** To be successful, a local government or land bank must have the capacity to provide or contract with one or more trusted nonprofit partners to administer the program, including community education and outreach, property and participant identification, property acquisition, and ongoing homeownership and repair support. The City has experience administering home repair funds and acquiring and transferring properties to new ownership. In February, the City created a Community Improvement Corporation and is dedicating \$1.7 million to support its development, which would further expand its capacity. The City also recently brought homeownership counseling services in-house, which is provided by the Department of Neighborhoods and Housing, and partners with New Lima—Housing for the Future for intake services.

**Potential Funding Sources.** Local governments and land banks need funding for property acquisition, program administration, and, in many cases, for property repairs and rehabilitation. The City of Lima uses existing HOME and Community Development Block Grant funds for homebuyer assistance and home repairs, and it could explore using a portion of these funds to support a program like Make it Home. The City also received \$26.3 million from the American Rescue Plan Act (ARPA) and plans to use \$350,000 of these funds to expand its home repair program and \$1.7 million to support the creation of its Community Improvement Corporation. The City should explore whether a portion of these funds could be used to pilot a program like Make it Home, evaluate outcomes, and assess whether to sustain and scale-up or wind-down.

## Replication Next Steps

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Improving housing conditions and preserving homeownership are key priorities for the City of Lima, and the City is already using existing ARPA funds to address these issues. A program like Make it Home would help ensure that these resources are also available to help improve the housing conditions of current renters, while disrupting the cycle of private speculation and disinvestment and creating homeownership opportunities.

As next steps, the City of Lima should:

- **Convene a working group of local stakeholders to explore creating a program like Make it Home.** The City of Lima should continue to explore how a program like Make it Home could complement its current housing and neighborhood stabilization efforts. This work could include gaining a better understanding of the inventory of tax delinquent properties (type, occupancy status, ownership status, and location), further exploring potential property acquisition mechanisms, and identifying funding from existing funding sources that could be used to acquire and repair tax-delinquent, occupied rental properties.
- **Support state law changes to create a predictable mechanism for cities or land banks to acquire tax-delinquent, occupied rental properties.** Ohio cities and land banks currently lack a mechanism, like the City of Detroit's right of first refusal, that allows them to predictably acquire tax-delinquent, occupied rental properties. As it continues to explore ways to replicate a program like Make it Home, the City should work with the Allen County Land Bank and Ohio Association of Land Banks to advance state legislation to create such a process.



# Make it Home Learning Cohort: Replication Playbook

Louisville, Kentucky

When landlords fail to pay their property taxes and face foreclosure, the effects on tenants and neighborhoods can be devastating. Tenants worried about their housing stability may move out when learning of a potential foreclosure, rather than face the risk of eviction. Other times, tenants are evicted by the local government conducting the foreclosure, or by new owners after a sale. In both cases, the result is a dramatic household upheaval. These moves impose significant financial, emotional, and physical costs on tenants and, in the case of a foreclosure, leave properties vacant to decline and depress surrounding property values. In many communities these properties are purchased at the tax sale by investors who “milk” the properties by collecting rent while failing to make repairs or pay property taxes—reducing homeownership opportunities and continuing the harmful cycle of property decline and tenant displacement.<sup>1</sup>

In Detroit, Michigan, the City of Detroit, United Community Housing Coalition (UCHC), and Rocket Community Fund (RCF) created a program that disrupts this cycle and instead harnesses the power of the property tax foreclosure process to **prevent displacement, stabilize neighborhoods, and improve housing conditions**. The Make it Home Program uses the City’s legal power to acquire tenant-occupied, tax-delinquent, primarily single-family properties and then transfers the properties to the tenants while providing funding and assistance for repairs and education and resources to help sustain their homeownership.<sup>2</sup> Since its launch in 2017, the program has helped 1,396 tenants purchase their homes for an average cost of less than \$10,000.<sup>3</sup> A University of Michigan study of the first cohort of Make it Home participants found that after four years, 85 percent of the 80 participants still owned their homes.<sup>4</sup>

In May 2022, with support from and in partnership with RCF, the Center for Community Progress launched the Make it Home National Replication Initiative, which aimed to explore whether Make it Home could work in other communities. Community Progress interviewed stakeholders and reviewed the program’s materials and research to identify the key components needed for replication and important lessons learned from Make it Home to inform successful replication in other communities. Louisville Metro Government (LMG) was one of thirteen local governments and land banks selected to participate in the Learning Cohort and, over the course of four virtual training sessions, learned about the key elements of the program and important lessons learned from City of Detroit and UCHC staff, and others.

With this experience, LMG is well positioned to create a similar program. This Playbook describes how a program like Make it Home could address LMG’s key local needs and priorities, assesses LMG’s current ability to replicate such a program, and then outlines potential next steps for successful implementation.

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<sup>1</sup> For more background on delinquent property tax enforcement systems and how they can be reformed to better address vacant and abandoned properties, see Kim Graziani, *Reimagine Delinquent Property Tax Enforcement: How to Reduce Vacancy, Advance Racial Equity, and Improve Public Services*, Center for Community Progress, October 2022, <https://communityprogress.org/publications/reimagine-delinquent-property-tax-enforcement/>.

<sup>2</sup> For simplicity purposes, this report refers to the acquisition of tenant-occupied properties and refers to property occupants as “tenants” because most Make it Home participants are tenants. However, a small percentage of Make it Home participants are former owners, occupants who may not have had a legally recognized tenancy, or victims of predatory land contract schemes.

<sup>3</sup> City of Detroit, “Mayor Duggan, Rocket Community Fund, United Community Housing Coalition celebrate Make it Home program helping nearly 250 more Detroit residents become homeowners,” October 13, 2022, <https://detroitmi.gov/news/mayor-duggan-rocket-community-fund-united-community-housing-coalition-celebrate-make-it-home-program>.

<sup>4</sup> Margaret Dewar and Roshanak Mehdipanah, “Lessons From Detroit’s Make It Home Program For Sustaining Very Low-Income Homeownership,” University of Michigan Poverty Solutions Policy Brief, August 2022, <https://poverty.umich.edu/publications/lessons-from-detroits-make-it-home-program-for-sustaining-very-low-income-homeownership/>.

## Overview of Detroit's Make it Home Process

Wayne County, the City of Detroit, and local nonprofit United Community Housing Coalition (UHC) each play key roles in executing the Make It Home program.

Step 1	Step 2	Step 3	Step 4	Step 5	Step 6
UHC identifies eligible tax-delinquent properties and tenants	Wayne County forecloses delinquent tax lien	City of Detroit uses its right of first refusal to purchase properties from Wayne County before public auction	City of Detroit sells properties to UHC for back taxes owed, less city taxes	UHC sells properties to tenants, for cash or using 0% land contract	UHC provides homeownership support, repair assistance and funding to new owners

## Suitability Assessment

Based on its property inventory and local priorities, LMG is a good candidate to create a program like Make it Home.

**Tax-Delinquent, Rental Inventory.** Based on the experiences of Detroit and other cities, programs like Make it Home are most successful when used to address tax-delinquent, occupied, single-family rental properties. LMG has a large inventory of such properties: LMG's Department of Housing and Community Development estimates that it has an inventory of approximately 1,300 tax-delinquent properties that are likely rentals and eligible for foreclosure (see Figure 1).

**Meets Local Priorities.** Make it Home has experienced continued success and support in Detroit because it addresses several of the key needs and priorities of the community, including reducing displacement caused by the City's tax foreclosure system, improving housing conditions, and increasing homeownership. LMG has committed itself to advancing racial equity, including through the West End Opportunity Partnership (WEOP), a joint \$30 million investment with the state and private funders into projects in nine, predominantly Black, western Louisville neighborhoods where nearly 80 percent of the residents are renters. Many community members and organizations have raised concerns that this unprecedented investment prioritizes existing homeowners, could increase housing costs, and inadvertently result in the displacement of low-income renters of color. Creating a program like Make it Home, especially in the West End, could help support the WEOP's goals of increasing homeownership, while ensuring existing residents, including low-income renters of color, can remain in their neighborhoods and enjoy the benefits of the City's investments.

Suitability Summary	
Inventory of Tax-Delinquent, Rental Properties?	✓
Meets Local Priorities?	✓

## Replication Readiness Assessment

While LMG is a good candidate for creating a program like Make it Home, it will need to take action to put in place the three key components needed to create such a program.

Replication Readiness Summary	
Component	Readiness Level
Property Acquisition Mechanism	Major Action Needed
Program Administration Capacity	Minor Action Needed
Funding Sources	Moderate Action Needed

**Property Acquisition Mechanism.** To create the most effective program, cities or land banks should have a reliable, cost-effective mechanism to gain control of tax-delinquent, occupied rental properties. LMG has a mechanism it could use to cost effectively acquire such properties. Through its Tax Delinquency Diversion Program (TDDP), LMG's Land Bank can identify individual properties or all properties within designated census tracts with significant number of vacant, abandoned, and deteriorated properties and favorable conditions for redevelopment to be withheld from the County tax lien sale for five years. LMG can then use a judicial *in rem* foreclosure process to foreclose on these liens and such a foreclosure produces insurable and marketable title. As part of the foreclosure process, LMG is required to offer these properties for sale at a public auction. The land bank can acquire these properties for no cost, if there are no bidders on a property, or can compete with private bidders to purchase the property for the highest bid. Unlike Detroit's right of first refusal, LMG's foreclosure process does not prevent the property from being offered at public sale. As a result, a third party could purchase the property at the foreclosure sale, preventing the land bank from taking ownership and transferring the property to the tenant.

**Program Administration Capacity.** To be successful, a local government or land bank must have the capacity to provide or contract with one or more trusted nonprofit partners to administer the program, including community education and outreach, property and participant identification, property acquisition, and ongoing homeownership and repair support. LMG has an engaged and knowledgeable staff with extensive experience using its *in rem* process to foreclose on vacant and abandoned properties and using its land bank to help transition these properties to new uses that meet community needs. LMG would be able to draw on this expertise when creating a program like Make it Home and could use its data systems to help identify properties for potential participation in the program. LMG would need to develop strong partnerships with local nonprofits with experience working directly with low-income homeowners and tenants to administer the other aspects of the program. These organizations might include Rebound, Inc., River City Housing, Housing Partnership, Inc., Urban League of Louisville, and Legal Aid Society.

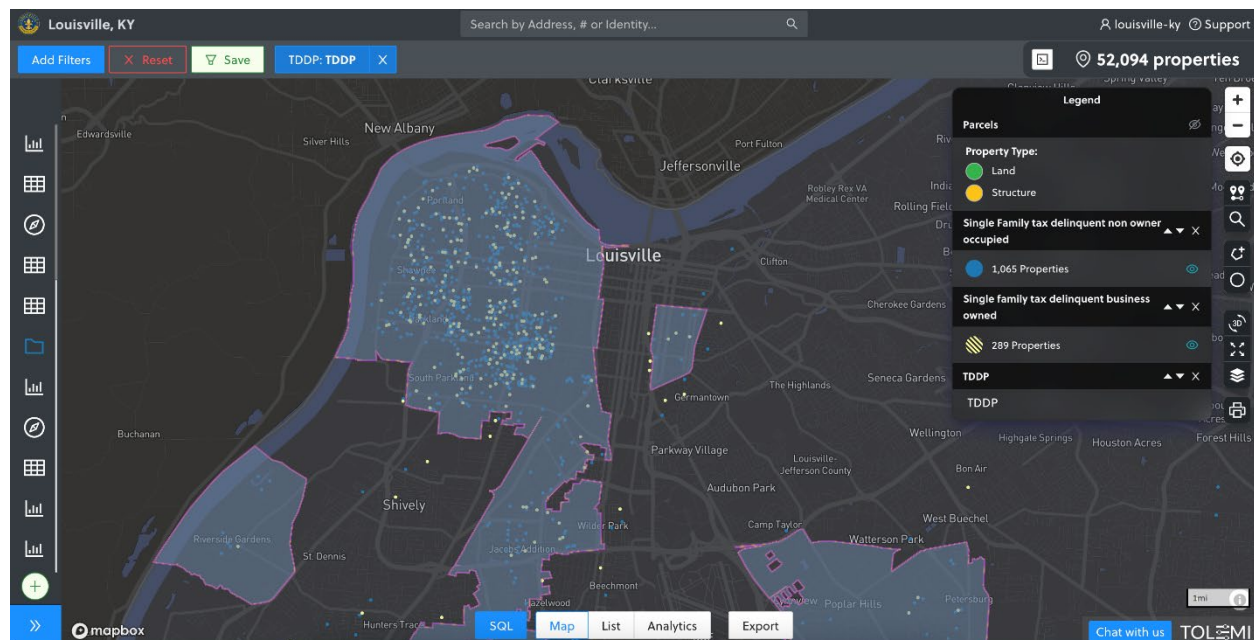
**Potential Funding Sources.** Local governments and land banks need funding for property acquisition, program administration, and, in many cases, for property repairs and rehabilitation. While LMG's American Rescue Plan Act (ARPA) funds have been allocated, LMG may be able to dedicate general funds or direct HOME and Community Development Block Grant funding to support a program like Make it Home. As WEOP takes shape, LMG could explore whether funds from this program could be used to support a program like Make it Home in the West End.

## Replication Next Steps

A program like Make it Home would allow LMG to use its inventory of tax-delinquent, occupied rental properties to help low-income renters of color, especially in neighborhoods at risk for gentrification, avoid displacement, improve their housing conditions, and become homeowners. To create such a program, however, LMG needs to take several key steps, including:

- **Develop program administrative capacity.** LMG should work to build relationships with local nonprofits or other government departments that already work closely with low-income homeowners and tenants, which could serve as potential partners in administering a program like Make it Home.
- **Secure funding to create a small pilot project.** LMG should pursue funding to create a small, pilot program for tenant-occupied properties that may inadvertently enter the land bank's inventory or to target qualified, troubled rental properties—for example, tax-delinquent, single-family, occupied rental properties with significant code violations and tenants interested in taking ownership. For this second group, LMG could explore acquiring these properties through direct purchases from the property owner or using its judicial *in rem* process to foreclose. If LMG attempted to acquire these properties through the foreclosure process, both LMG and the tenant would have to recognize and plan for the possibility that the property could be purchased by a third party at the foreclosure sale before it could enter the program. Depending on the condition of the property, LMG and the tenant could determine that this risk is worthwhile.

**Figure 1.** The map visualizes the scale and location of 1,354 tax-delinquent, single-family properties that are likely rentals, almost all of which are in the West End and the designated area for the Tax Delinquency Diversion Program. Of this inventory, 1,065 properties have mailing addresses that are different from the parcel address and another 289 are owned by a business/corporate entity. A program like Make it Home could be added to the portfolio of programs implemented under the West End Opportunity Partnerships. (Credit: Tolemi)



# Make it Home Learning Cohort: Replication Playbook

## Memphis, Tennessee

When landlords fail to pay their property taxes and face foreclosure, the effects on tenants and neighborhoods can be devastating. Tenants worried about their housing stability may move out when learning of a potential foreclosure, rather than face the risk of eviction. Other times, tenants are evicted by the local government conducting the foreclosure, or by new owners after a sale. In both cases, the result is a dramatic household upheaval. These moves impose significant financial, emotional, and physical costs on tenants and, in the case of a foreclosure, leave properties vacant to decline and depress surrounding property values. In many communities these properties are purchased at the tax sale by investors who “milk” the properties by collecting rent while failing to make repairs or pay property taxes—reducing homeownership opportunities and continuing the harmful cycle of property decline and tenant displacement.<sup>1</sup>

In Detroit, Michigan, the City of Detroit, United Community Housing Coalition (UHC), and Rocket Community Fund (RCF) created a program that disrupts this cycle and instead harnesses the power of the property tax foreclosure process to **prevent displacement, stabilize neighborhoods, and improve housing conditions**. The Make it Home Program uses the City’s legal power to acquire tenant-occupied, tax-delinquent, primarily single-family properties and then transfers the properties to the tenants while providing funding and assistance for repairs and education and resources to help sustain their homeownership.<sup>2</sup> Since its launch in 2017, the program has helped 1,396 tenants purchase their homes for an average cost of less than \$10,000.<sup>3</sup> A University of Michigan study of the first cohort of Make it Home participants found that after four years, 85 percent of the 80 participants still owned their homes.<sup>4</sup>

In May 2022, with support from and in partnership with RCF, the Center for Community Progress launched the Make it Home National Replication Initiative, which aimed to explore whether Make it Home could work in other communities. Community Progress interviewed stakeholders and reviewed the program’s materials and research to identify the key components needed for replication and important lessons learned from Make it Home to inform successful replication in other communities. The Blight Authority of Memphis (BAM) and the Shelby County Land Bank (SCLB) collectively represented the City of Memphis in the learning cohort, which comprised a total of thirteen local governments across the country. The City learned about the key elements of the program and important lessons learned from the City of Detroit, UHC staff, and others.

With this experience, Memphis is well positioned to create a similar program. This Playbook describes how a program like Make it Home could address key local needs and priorities, assesses the current ability of Memphis to replicate such a program, and then outlines potential next steps for successful implementation.

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<sup>1</sup> For more background on delinquent property tax enforcement systems and how they can be reformed to better address vacant and abandoned properties, see Kim Graziani, *Reimagine Delinquent Property Tax Enforcement: How to Reduce Vacancy, Advance Racial Equity, and Improve Public Services*, Center for Community Progress, October 2022, <https://communityprogress.org/publications/reimagine-delinquent-property-tax-enforcement/>.

<sup>2</sup> For simplicity purposes, this report refers to the acquisition of tenant-occupied properties and refers to property occupants as “tenants” because most Make it Home participants are tenants. However, a small percentage of Make it Home participants are former owners, occupants who may not have had a legally recognized tenancy, or victims of predatory land contract schemes.

<sup>3</sup> City of Detroit, “Mayor Duggan, Rocket Community Fund, United Community Housing Coalition celebrate Make it Home program helping nearly 250 more Detroit residents become homeowners,” October 13, 2022, <https://detroitmi.gov/news/mayor-duggan-rocket-community-fund-united-community-housing-coalition-celebrate-make-it-home-program>.

<sup>4</sup> Margaret Dewar and Roshanak Mehdipani, “Lessons From Detroit’s Make It Home Program For Sustaining Very Low-Income Homeownership,” University of Michigan Poverty Solutions Policy Brief, August 2022, <https://poverty.umich.edu/publications/lessons-from-detroits-make-it-home-program-for-sustaining-very-low-income-homeownership/>.



## Overview of Detroit's Make it Home Process

Wayne County, the City of Detroit, and local nonprofit United Community Housing Coalition (UCHC) each play key roles in executing the Make It Home program.

Step 1	Step 2	Step 3	Step 4	Step 5	Step 6
UCHC identifies eligible tax-delinquent properties and tenants	Wayne County forecloses delinquent tax lien	City of Detroit uses its right of first refusal to purchase properties from Wayne County before public auction	City of Detroit sells properties to UCHC for back taxes owed, less city taxes	UCHC sells properties to tenants, for cash or using 0% land contract	UCHC provides homeownership support, repair assistance and funding to new owners

## Suitability Assessment

Based on its property inventory and local priorities, Memphis is a great candidate to create a program like Make it Home.

**Tax-Delinquent, Rental Inventory.** Based on the experiences of Detroit and other cities, programs like Make it Home are most successful when used to address tax-delinquent, occupied, single-family rental properties. Memphis has a significant inventory of tax-delinquent properties. According to a May 2021 policy brief by Austin Harrison, Research Fellow at Innovate Memphis, there were approximately 36,000 properties in the City of Memphis that were eligible for tax foreclosure, of which 9,800 parcels with structures had been delinquent for five years or more. While it is unclear how many of these delinquent properties are tenant-occupied single-family rentals, there is clearly an inventory—and many vulnerable tenants. Additionally, SCLB has an existing portfolio of about 100 occupied rental properties, which were acquired by default in the absence of any private bids at the tax auction and estimates that it brings approximately 200 such properties into its portfolio each year. Local stakeholders identified this inventory as a potential target for a pilot program.

**Meets Local Priorities.** Make it Home has experienced continued success and support in Detroit because it addresses several of the key needs and priorities of the community, including reducing displacement caused by the City's tax foreclosure system, improving housing conditions, and increasing homeownership. According to a report by Urban Institute, homeownership rates in Memphis plummeted following the Great Recession, falling from 80% in 2009 to 47% by 2019.<sup>5</sup> Local leaders have expressed a strong commitment to increasing homeownership, with a focus on boosting Black homeownership to narrow the racial homeownership gap. And the City's award-winning Comprehensive Plan, Memphis 3.0, chronicles the housing insecurity faced by renters (which is more than half of the population), with a majority being housing cost-burdened (defined by paying more than 30% of their monthly income on housing costs) and too many enduring unhealthy unsafe housing conditions. According to the Plan, more than 4,200 rental units in the city are considered substandard.<sup>6</sup> Finally, the 2020 State of Memphis Housing Report, a first-of-its-kind for the community, found that before COVID-19, an average of one out of every five renting Memphians experienced an eviction each

Suitability Summary	
Inventory of Tax-Delinquent, Rental Properties?	✓
Meets Local Priorities?	✓

<sup>5</sup> Peter J. Mattingly, Jung Hyun Choi, Daniel Pang, Janneke Ratcliffe, Memphis Market: Keys Unlock Dreams Initiative, March 2022, <https://www.urban.org/sites/default/files/2022-03/memphis-market-keys-unlock-dreams-initiative.pdf>.

<sup>6</sup> City of Memphis, Memphis 3.0 Comprehensive Plan, [https://100a0d59-51a0-4e58-a4fe-68ac607f7fbc.usrfiles.com/ugd/100a0d\\_7b357dc2d7764d988d9c5a3c58b3b0f4.pdf](https://100a0d59-51a0-4e58-a4fe-68ac607f7fbc.usrfiles.com/ugd/100a0d_7b357dc2d7764d988d9c5a3c58b3b0f4.pdf)

year, totaling more than 30,000 evictions annually.<sup>7</sup> Creating a program like Make it Home could help support local goals of increasing homeownership, preventing displacement, and improving housing conditions. Moreover, investing in a pilot program would perfectly embody the values articulated in Memphis 3.0 around equity, inclusion, and aligns with BAM's existing Action Plan, which envisions BAM playing a larger role in transitioning tax-delinquent properties that advance equity goals and meet neighborhood needs.<sup>8</sup>

## Replication Readiness Assessment

While Memphis is a good candidate for creating a program like Make it Home, it will need to take action to put in place the three key components needed to create such a program.

**Property Acquisition Mechanism.** To create the most effective program, cities or land

banks should have a reliable, cost-effective mechanism to gain control of tax-delinquent, occupied rental properties. BAM can acquire such properties held by SCLB at little or no cost. These are properties that the County obtains via state statute requirements when the properties did not receive a bid at the tax sale. Unlike Detroit's right of first refusal, this acquisition mechanism does not prevent the properties from being offered at public sale, where they could be purchased by investors. Acquiring these properties for a program like Make it Home, however, would reduce displacement and expand homeownership by offering tenants of these properties, who would most likely otherwise be evicted by SCLB or a new owner, with an opportunity to purchase their properties.

**Program Administration Capacity.** To be successful, a local government or land bank must have the capacity to provide or contract with one or more trusted nonprofit partners to administer the program, including community education and outreach, property and participant identification, property acquisition, and ongoing homeownership and repair support. Memphis and Shelby County have engaged and knowledgeable staff with extensive experience acquiring and stewarding tax-delinquent properties productive use. SCLB is under thoughtful leadership that has a strong commitment to collaboration in support of BAM's mission and the City's overall neighborhood stabilization and revitalization goals. Memphis also has an exceptional partner in Innovate Memphis, which is a nonprofit that serves as the city's hub of neighborhood data and catalyst of innovative civic solutions. Innovate Memphis could play a key role in helping to both analyze and triage the existing tax-delinquent inventory and think through data collection and management relevant to program replication, such as tenant engagement. Memphis also has some high-performing, neighborhood-based community development corporations and citywide community development nonprofits, but the City and BAM would need to deepen relationships with the network of local nonprofits that have experience working directly with low-income homeowners and tenants to administer the other aspects of the program.

**Potential Funding Sources.** Local governments and land banks need funding for property acquisition, program administration, and, in many cases, for property repairs and rehabilitation. While the City's \$161 million dollar American Rescue Plan Act award has already been budgeted, some of the housing investments do align with the goals of a Make it Home Program and could perhaps be redirected to support a pilot. Also, the City used almost \$39.5 million for revenue recovery, which can be reprogrammed for any City expenditure if not needed wholly to fill budget gaps. Finally, the City could explore carving out small allocations from its

Replication Readiness Summary	
Component	Readiness Level
Property Acquisition Mechanism	Ready
Program Administration Capacity	Moderate Action Needed
Funding Sources	Moderate Action Needed

<sup>7</sup> City of Memphis and Innovate Memphis, The State of Memphis Housing 2020: Risking to Respond to Crisis, September 2020, <https://www.memphistn.gov/wp-content/uploads/2020/09/Housing-Report-V8.1.pdf>

<sup>8</sup> Blight Authority of Memphis, BAM: In Partnership, In Action, August 2021, <https://communityprogress.org/wp-content/uploads/2021/08/2021-06-BAM-TA-Report.pdf>.

annual HUD entitlement grants, propose a small general fund appropriation in the City’s next annual budget, or seek philanthropic support to co-fund a pilot program.

## Replication Next Steps

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A program like Make it Home would allow Memphis to use its inventory of tax-delinquent, occupied rental properties to help low-income renters of color avoid involuntary displacement, improve their housing conditions, and become homeowners that can help stabilize and strengthen neighborhoods. To create such a program, however, Memphis needs to take several key steps, including:

- **Expand learning cohort team to include more allies, then engage decision-makers and political leadership to build understanding and support for piloting a program like Make it Home.**  
Memphis has pioneered some leading practices and policies as it relates to neighborhood stabilization and revitalization. The Neighborhood Preservation Act, dedicated Environmental Court that addresses housing/code issues, and City’s partnership with the University of Memphis Cecil C. Humphrey’s School of Law Blight Clinic are national models. Memphis also developed one of the first Blight Elimination Charters in the country. However, local stakeholders admit too many good initiatives have stalled or not met their full potential because sufficient time is not always spent building a solid foundation of allies and champions for new initiatives. One stakeholder remarked, “We incubate great ideas, but then other cities borrow our ideas and implement them better.” Make it Home is now a chance for Memphis to borrow an idea and implement better, but it will require a thoughtful planning process that reflects communication and collaboration across departments, governmental units, and sectors.
- **Launch a pilot aimed at Shelby County Land Bank’s portfolio of occupied, rental properties.**  
Creating a program like Make it Home aimed at tenants of occupied, rental properties held by SCLB provides an opportunity to immediately reduce tenant displacement and expand homeownership opportunity. BAM can acquire these properties from SCLB at little or no cost. Because many of the properties have already been in SCLB’s portfolio for over a year, the redemption period has expired, and BAM would be able to immediately transfer these properties to the tenants or a nonprofit partner. If BAM wants to pass insurable and marketable title to participants, it may need to explore entering short-term leases with tenants of these properties while it completes a bulk quiet title action.<sup>9</sup> BAM could use this pilot program to build sustainable partnerships with local nonprofits to help identify and educate tenant occupants about the program and to provide homeownership and repair support to participants. Potential partners could include The Works, Inc. or neighborhood-based community development corporations such as Binghampton Development Corporation, Frayser CDC, or Klondike Smoky City CDC.
- **Secure funding to support SCLB pilot project.** The costs of a pilot program focused on SCLB portfolio will come largely from the quiet title action (BAM), the staffing needed to oversee and manage the program (BAM), and the repair grants and homeownership stewardship support for up to two years (neighborhood CDCs or other nonprofits). Memphis should explore whether any of the ARPA funds could be reprogrammed or seek City Council support for a general fund appropriation in the next annual budget to create this pilot. Should SCLB pilot prove successful, future efforts to attract philanthropic funds may be easier and could be matched by local government sources.

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<sup>9</sup> As part of its Tenant Transition to Ownership Program (T3OP), the City of Milwaukee often enters short-term leases with tenants while it completes repairs on the properties. This aspect of T3OP could provide a model for BAM.

- **Explore state legislative reforms to improve Tennessee’s delinquent property tax enforcement process.** BAM and other local stakeholders should explore potential reforms to Tennessee’s delinquent property tax enforcement process to make it more equitable, effective, and efficient. Potential reforms, which are described in more detail in Community Progress’ 2017 technical assistance report to BAM,<sup>10</sup> could include improving the notice provided before the tax sale to ensure the sale produces insurable and marketable title and further reducing or eliminating the post-sale redemption period. Such reforms would not only make it easier for BAM to administer a program like Make it Home but would also help all tax-delinquent parcels transition to new, more productive uses more quickly.

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<sup>10</sup> Frank S. Alexander, Aligning the Tools: Addressing Vacant, Abandoned and Deteriorated Properties in Tennessee, September 2017, <https://communityprogress.org/wp-content/uploads/2021/08/2017-09-Aligning-the-Tools-TASP-Report.pdf>.

# Make it Home Learning Cohort: Replication Playbook

Milwaukee, Wisconsin

When landlords fail to pay their property taxes and face foreclosure, the effects on tenants and neighborhoods can be devastating. Tenants worried about their housing stability may move out when learning of a potential foreclosure, rather than face the risk of eviction. Other times, tenants are evicted by the local government conducting the foreclosure, or by new owners after a sale. In both cases, the result is a dramatic household upheaval. These moves impose significant financial, emotional, and physical costs on tenants and, in the case of a foreclosure, leave properties vacant to decline and depress surrounding property values. In many communities these properties are purchased at the tax sale by investors who “milk” the properties by collecting rent while failing to make repairs or pay property taxes—reducing homeownership opportunities and continuing the harmful cycle of property decline and tenant displacement.<sup>1</sup>

In Detroit, Michigan, the City of Detroit, United Community Housing Coalition (UCHC), and Rocket Community Fund (RCF) created a program that disrupts this cycle and instead harnesses the power of the property tax foreclosure process to **prevent displacement, stabilize neighborhoods, and improve housing conditions**. The Make it Home Program uses the City’s legal power to acquire tenant-occupied, tax-delinquent, primarily single-family properties and then transfers the properties to the tenants while providing funding and assistance for repairs and education and resources to help sustain their homeownership.<sup>2</sup> Since its launch in 2017, the program has helped 1,396 tenants purchase their homes for an average cost of less than \$10,000.<sup>3</sup> A University of Michigan study of the first cohort of Make it Home participants found that after four years, 85 percent of the 80 participants still owned their homes.<sup>4</sup>

In May 2022, with support from and in partnership with RCF, the Center for Community Progress launched the Make it Home National Replication Initiative, which aimed to explore whether Make it Home could work in other communities. Community Progress interviewed stakeholders and reviewed the program’s materials and research to identify the key components needed for replication and important lessons learned from Make it Home to inform successful replication in other communities. The City of Milwaukee was one of thirteen cities and land banks selected to participate in the Learning Cohort and, over the course of four virtual training sessions, learned about the key elements of the program and important lessons learned from City of Detroit and UCHC staff, and others.

Milwaukee already has a small program like Make it Home—its Tenant Transition to Ownership Program (T3OP)—as well as two other programs that help tenants purchase their homes using nonprofit or private financing before they are offered for public sale, which have helped 81 tenants purchase their homes since 2014. This Playbook describes how expanding and refining these programs could address Milwaukee’s key local needs and priorities, assesses the City’s capacity to expand these programs, and outlines potential next steps for successful implementation.

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<sup>1</sup> For more background on delinquent property tax enforcement systems and how they can be reformed to better address vacant and abandoned properties, see Kim Graziani, *Reimagine Delinquent Property Tax Enforcement: How to Reduce Vacancy, Advance Racial Equity, and Improve Public Services*, Center for Community Progress, October 2022, <https://communityprogress.org/publications/reimagine-delinquent-property-tax-enforcement/>.

<sup>2</sup> For simplicity purposes, this report refers to the acquisition of tenant-occupied properties and refers to property occupants as “tenants” because most Make it Home participants are tenants. However, a small percentage of Make it Home participants are former owners, occupants who may not have had a legally recognized tenancy, or victims of predatory land contract schemes.

<sup>3</sup> City of Detroit, “Mayor Duggan, Rocket Community Fund, United Community Housing Coalition celebrate Make it Home program helping nearly 250 more Detroit residents become homeowners,” October 13, 2022, <https://detroitmi.gov/news/mayor-duggan-rocket-community-fund-united-community-housing-coalition-celebrate-make-it-home-program>.

<sup>4</sup> Margaret Dewar and Roshanak Mehdipanah, “Lessons From Detroit’s Make It Home Program For Sustaining Very Low-Income Homeownership,” University of Michigan Poverty Solutions Policy Brief, August 2022, <https://poverty.umich.edu/publications/lessons-from-detroits-make-it-home-program-for-sustaining-very-low-income-homeownership/>.



## Overview of Detroit's Make it Home Process

Wayne County, the City of Detroit, and local nonprofit United Community Housing Coalition (UCHC) each play key roles in executing the Make It Home program.

Step 1	Step 2	Step 3	Step 4	Step 5	Step 6
UCHC identifies eligible tax-delinquent properties and tenants	Wayne County forecloses delinquent tax lien	City of Detroit uses its right of first refusal to purchase properties from Wayne County before public auction	City of Detroit sells properties to UCHC for back taxes owed, less city taxes	UCHC sells properties to tenants, for cash or using 0% land contract	UCHC provides homeownership support, repair assistance and funding to new owners

## Suitability Assessment

Expanding and refining the City of Milwaukee's existing Tenant Transition to Ownership Program would help the City meet its goals of increasing Black and Latinx homeownership and improving housing conditions.

**Tax-Delinquent, Rental Inventory.** Based on the experiences of Detroit and other cities, programs like Make it Home are most successful when used to address tax-delinquent, occupied, single-family rental properties. Milwaukee has a significant inventory of such properties. It estimates that there are approximately 100 to 150 occupied rental properties eligible for foreclosure annually.

**Meets Local Priorities.** Make it Home has experienced continued success and support in Detroit because it addresses several of the key needs and priorities of the community, including reducing displacement caused by the City's tax foreclosure system, improving housing conditions, and increasing homeownership. In Milwaukee, residents, nonprofits, local government, and the business and philanthropic community recently created a Collective Affordable Action Plan that identifies increasing Black and Latinx Homeownership as a key priority.<sup>5</sup> The Plan specifically cites concerns about out of state investors buying properties ahead of potential homeowners and the need to provide funding to vulnerable homeowners for home repairs. In line with this Plan, the City already prioritizes owner occupants in the sale of City-owned properties. Expanding Milwaukee's existing Tenant Transition to Ownership Program would provide another critical tool to help achieve its homeownership goals by providing more homeownership opportunities to tenants, who are disproportionately Black and Latinx, and improving housing conditions.

### Suitability Summary

Inventory of Tax-Delinquent, Rental Properties?	✓
Meets Local Priorities?	✓

<sup>5</sup> Community Development Alliance, "Milwaukee's Collective Affordable Housing Strategic Plan," August 30, 2021, <https://urbanmilwaukee.com/wp-content/uploads/2021/09/housingplan.pdf>.

## Replication Readiness Assessment

The City of Milwaukee already administers a small program like Make it Home and, with additional funding and applying lessons learned from the Learning Cohort, would be well-positioned to expand and refine this program.

Replication Readiness Summary	
Component	Readiness Level
Property Acquisition Mechanism	Ready
Program Administration Capacity	Minor Action Needed
Funding Sources	Moderate Action Needed

**Property Acquisition Mechanism.** To create the most effective program, cities or land banks should have a reliable, cost-effective mechanism to gain control of tax-delinquent, occupied rental properties. Milwaukee has such a mechanism: Wisconsin law allows it to use a judicial *in rem* process to foreclose and then take ownership of tax-delinquent properties. Under this process, the City only pays any delinquent taxes owed to other taxing jurisdictions to obtain the properties. This process produces insurable and marketable title, and the City has used it to acquire tax-delinquent, occupied rental properties in the past.

**Program Administration Capacity.** To be successful, a local government or land bank must have the capacity to provide or contract with one or more trusted nonprofit partners to administer the program, including community education and outreach, property and participant identification, property acquisition, and ongoing homeownership and repair support. The City and its nonprofit partners have the capacity to administer its current programs but would likely need to add staff and additional local partners to expand. The City has experience acquiring, inspecting, and transferring properties to new owners. It has partnered with Acts Housing, a local nonprofit, to provide homeownership counseling and support and financing to tenants for property purchases and rehabilitation. The City could also explore using its new Housing Navigators and Community Outreach Liaisons, positions created with American Rescue Act Plan (ARPA) funds, to expand outreach and education to tenants about the programs and ongoing homeownership support.

**Potential Funding Sources.** Local governments and land banks need funding for property acquisition, program administration, and, in many cases, for property repairs and rehabilitation. The City has historically invested significant resources in T3OP, including paying the property acquisition costs, providing a total of \$1.1 million in repair funding for participating properties, and providing funding for staff within the City or at local nonprofit partners to administer the program. However, the City has recently scaled back this support because of competing priorities and concerns about the relatively low number of property purchases given the scale of its investment. The City received \$394 million from the American Rescue Plan Act (ARPA) and has dedicated some of this funding to programs that could align with an expansion of T3OP, including \$15 million to rehabilitate tax-foreclosed properties for homeownership, \$26 million for lead abatement, and \$5 million to support existing home repair and down payment assistance programs.

## Replication Next Steps

The City of Milwaukee's Tenant Transition to Ownership Program and related programs have helped some tenants of tax-delinquent properties purchase their homes, but the scale of these programs has been limited. Given the community's focus on increasing Black and Latinx homeownership opportunities, the City should explore ways it could apply features of Make it Home's model and lessons learned from the Learning Cohort to refine and expand these existing programs to assist more tenants.

As a next step, the City of Milwaukee should:

- **Explore ways to expand Milwaukee’s existing programs or create a new Make it Home: Milwaukee pilot program.** Under Milwaukee’s existing Tenant Transition to Ownership Program (T3OP), which covers properties with repairs of less than \$20,000 and property values of less than \$50,000, the City pays for and manages all repairs and sells the properties to tenants for a dollar. T3OP has generally been viewed as a success but its impact has been limited—T3OP and two related programs have helped eighty-one tenants purchase their homes since 2014—primarily by the funding available to address critical home repairs.

Under Detroit’s Make it Home program, the City transfers the property to a local nonprofit, which manages the repairs and sells the property to the tenant for around the cost of the back taxes. Detroit’s program has access to additional funding for repairs on these properties through its Make it Home Repair Program, which receives funding from RCF to provide grants for repairs and seeks to leverage existing home repair dollars and programs.

The City of Milwaukee could explore whether a similar model and additional funding to assist with home repairs could help better leverage local investments and improve the program’s sustainability, while creating additional capacity to expand the program to more tenants.

# Make it Home Learning Cohort: Replication Playbook

## Salem, New Jersey

When landlords fail to pay their property taxes and face foreclosure, the effects on tenants and neighborhoods can be devastating. Tenants worried about their housing stability may move out when learning of a potential foreclosure, rather than face the risk of eviction. Other times, tenants are evicted by the local government conducting the foreclosure, or by new owners after a sale. In both cases, the result is a dramatic household upheaval. These moves impose significant financial, emotional, and physical costs on tenants and, in the case of a foreclosure, leave properties vacant to decline and depress surrounding property values. In many communities these properties are purchased at the tax sale by investors who “milk” the properties by collecting rent while failing to make repairs or pay property taxes—reducing homeownership opportunities and continuing the harmful cycle of property decline and tenant displacement.<sup>1</sup>

In Detroit, Michigan, the City of Detroit, United Community Housing Coalition (UCHC), and Rocket Community Fund (RCF) created a program that disrupts this cycle and instead harnesses the power of the property tax foreclosure process to **prevent displacement, stabilize neighborhoods, and improve housing conditions**. The Make it Home Program uses the City’s legal power to acquire tenant-occupied, tax-delinquent, primarily single-family properties and then transfers the properties to the tenants while providing funding and assistance for repairs and education and resources to help sustain their homeownership.<sup>2</sup> Since its launch in 2017, the program has helped 1,396 tenants purchase their homes for an average cost of less than \$10,000.<sup>3</sup> A University of Michigan study of the first cohort of Make it Home participants found that after four years, 85 percent of the 80 participants still owned their homes.<sup>4</sup>

In May 2022, with support from and in partnership with RCF, the Center for Community Progress launched the Make it Home National Replication Initiative, which aimed to explore whether Make it Home could work in other communities. Community Progress interviewed stakeholders and reviewed the program’s materials and research to identify the key components needed for replication and important lessons learned from Make it Home to inform successful replication in other communities. The City of Salem was one of thirteen local governments and land banks selected to participate in the Learning Cohort and, over the course of four virtual training sessions, learned about the key elements of the program and important lessons learned from City of Detroit and UCHC staff, and others.

With this experience, Salem is well positioned to begin exploring the creation of a similar program. This Playbook describes how a program like Make it Home could address Salem’s key local needs and priorities, assesses Salem’s current ability to create such a program, and then outlines potential next steps for successful implementation.

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<sup>1</sup> For more background on delinquent property tax enforcement systems and how they can be reformed to better address vacant and abandoned properties, see Kim Graziani, *Reimagine Delinquent Property Tax Enforcement: How to Reduce Vacancy, Advance Racial Equity, and Improve Public Services*, Center for Community Progress, October 2022, <https://communityprogress.org/publications/reimagine-delinquent-property-tax-enforcement/>.

<sup>2</sup> For simplicity purposes, this report refers to the acquisition of tenant-occupied properties and refers to property occupants as “tenants” because most Make it Home participants are tenants. However, a small percentage of Make it Home participants are former owners, occupants who may not have had a legally recognized tenancy, or victims of predatory land contract schemes.

<sup>3</sup> City of Detroit, “Mayor Duggan, Rocket Community Fund, United Community Housing Coalition celebrate Make it Home program helping nearly 250 more Detroit residents become homeowners,” October 13, 2022, <https://detroitmi.gov/news/mayor-duggan-rocket-community-fund-united-community-housing-coalition-celebrate-make-it-home-program>.

<sup>4</sup> Margaret Dewar and Roshanak Mehdipanah, “Lessons From Detroit’s Make It Home Program For Sustaining Very Low-Income Homeownership,” University of Michigan Poverty Solutions Policy Brief, August 2022, <https://poverty.umich.edu/publications/lessons-from-detroits-make-it-home-program-for-sustaining-very-low-income-homeownership/>.

## Overview of Detroit's Make it Home Process

Wayne County, the City of Detroit, and local nonprofit United Community Housing Coalition (UCHC) each play key roles in executing the Make It Home program.

Step 1	Step 2	Step 3	Step 4	Step 5	Step 6
UCHC identifies eligible tax-delinquent properties and tenants	Wayne County forecloses delinquent tax lien	City of Detroit uses its right of first refusal to purchase properties from Wayne County before public auction	City of Detroit sells properties to UCHC for back taxes owed, less city taxes	UCHC sells properties to tenants, for cash or using 0% land contract	UCHC provides homeownership support, repair assistance and funding to new owners

## Suitability Assessment

Like Detroit, Salem has an inventory of occupied, tax-delinquent rental properties and a program like Make it Home could help the City meet its goals of increasing homeownership and improving housing conditions.

Suitability Summary	
Inventory of Tax-Delinquent, Rental Properties?	✓
Meets Local Priorities?	✓

**Tax-Delinquent, Rental Inventory.** Based on the experiences of Detroit and other cities, programs like Make it Home are most successful when used to address tax-delinquent, occupied, single-family rental properties. Salem has an inventory of such properties. Preliminary data from a housing study conducted by New Jersey Community Capital (NJCC) for the City shows that at the end of summer 2022 there were 469 properties with outstanding tax sale certificates or tax liens, which represents nearly one out of four properties in the City. Of these 469 properties, roughly three-quarters were identified as non-owner-occupied.

**Meets Local Priorities.** Make it Home has experienced continued success and support in Detroit because it addresses several of the key needs and priorities of the community, including reducing displacement caused by the City's tax foreclosure system, improving housing conditions, and increasing homeownership. Salem has a homeownership rate of only 33% and preliminary data from NJCC's housing study shows that over the last five years, three out of four sales of 1-4 family houses in Salem have been to investors, rather than owner-occupants. As a result, Salem is focused on increasing homeownership, especially among residents of color, improving rental conditions, and interrupting the cycle of investors "milking" rental properties. A program like Make it Home would help Salem turn substandard, investor-owned properties into homeownership opportunities and provide a mechanism for Salem to invest in its neighborhoods in a way that prevents displacement and benefits existing residents, many of whom are low-income renters of color.

Such a program could also help improve rental conditions. The City has been reluctant to use some of its most effective code enforcement tools, such as lien foreclosure, on tenant-occupied properties because of legitimate concerns about displacing tenants. A program like Make it Home could allow the City to use its code enforcement tools more aggressively against its substandard rental properties by providing a way to prevent this displacement while providing funding for needed repairs.



## Replication Readiness Assessment

While a program like Make it Home could provide a critical tool to meet several of Salem’s housing priorities, it will need to take significant action to improve its capacity and ability to acquire tax-delinquent properties before it can create such a program.

Replication Readiness Summary	
Component	Readiness Level
Property Acquisition Mechanism	Major Action Needed
Program Administration Capacity	Major Action Needed
Funding Sources	Moderate Action Needed

**Property Acquisition Mechanism.** To create the most effective program, cities or land banks should have a reliable, cost-effective mechanism to gain control of tax-delinquent, occupied rental properties. The City of Salem’s ability to gain control of such properties is hampered by New Jersey law requiring the sale of nearly all tax liens. However, if no one purchases a tax lien at the annual auction, the lien is transferred by default to the City, which can foreclose and take title to the property when the six-month redemption period expires. Although a bit unpredictable, this may provide a direct and cost-effective way for the City to gain control of occupied, tax-delinquent properties. Preliminary data from NJCC’s housing study shows that in Salem many tax liens are in fact not purchased at the auction and are instead transferred to the City. According to City records, out of the 469 properties with tax liens, the City holds the liens on 250, or well over half. New Jersey municipalities have a much broader set of tools to acquire properties that are “abandoned” under New Jersey law, but that definition does not appear to extend to the types of occupied properties needed for a program like Make it Home.

**Program Administration Capacity.** To be successful, a local government or land bank must have the capacity to provide or contract with one or more trusted nonprofit partners to administer the program, from property and participant identification to property acquisition to ongoing homeownership and repair support. Because of its resource constraints, Salem currently lacks the capacity to create or administer a program like Make it Home, which is not uncommon for municipalities with a population below 10,000. It should continue to explore funding opportunities and partnerships that would allow it to increase its capacity to address vacant, abandoned, and deteriorating properties in general. This includes applying for funding for an AmeriCorps position and exploring potential partnerships with its local Habitat for Humanity chapter, Stand Up for Salem, and Gateway Community Action Partnership.

**Potential Funding Sources.** Local governments and land banks need funding for property acquisition, program administration, and, in many cases, for property repairs and rehabilitation. Salem received \$460,000 from the American Rescue Plan Act’s State and Local Fiscal Recovery Fund and is planning to dedicate about half of this funding to the creation of a land bank, which would likely play a key role in property acquisition for a program like Make it Home.

## Replication Next Steps

Though it is a much smaller city with its own unique history and assets, Salem’s housing challenges look very similar to those in Detroit, including a low homeownership rate and large inventory of substandard rental properties. For this reason, a program like Make it Home, with its strong record of success in Detroit, would be especially well suited for replication in Salem.

To create such a program, however, Salem will have to overcome several key hurdles, including a state law requiring the sale of tax liens that makes it difficult for the City to reliably acquire tax-delinquent, occupied rental properties and limited capacity within the City to create and administer such a program. To address these hurdles, Salem should seek to:

- **Convene a working group of key City and local nonprofit staff working on issues related to housing conditions, home repairs, and displacement prevention.** Such a working group could help the City coordinate existing resources and build or rebuild relationships with organizations that regularly work with low-income tenants and homeowners and that could eventually serve as key partners in the creation of a program like Make it Home. Organizations like Habitat for Humanity, Stand Up for Salem, Gateway Community Action Partnership, and local legal service providers could be invited to join the working group.
- **Implement a proactive strategy to address substandard rental properties.** Given the City's capacity challenges, it may make sense for it to focus its resources on implementing a strategy to register and inspect its rental properties, which it is working to develop with support from New Jersey Community Capital. These systemic reforms would likely help the City more immediately and systematically address substandard rental housing conditions, though a program like Make it Home could eventually be added to this strategy.
- **Continue plans to create a land bank.** Salem should continue to evaluate the need for creating a land bank based on the authority granted to municipalities to do so in 2019 by the New Jersey State legislature. The way in which the New Jersey Land Bank Law is written puts strong emphasis on the effectiveness of the ordinance Salem needs to develop and pass to create a land bank. This ordinance should carefully consider the specific powers and authority the municipality will grant the land bank to acquire, manage, and dispose of tax-delinquent property. If local leaders envision a role for the land bank in a potential Make it Home program, it should at the very least clarify the role a land bank can play in acquiring tax liens that default to the municipality and pursuing title to those properties.
- **Reform state law to create a predictable property acquisition mechanism.** New Jersey has strong tools to acquire vacant and abandoned properties, and it may be worth exploring whether there are ways to reform some of those tools (e.g., spot blight eminent domain) to include a narrow subset of properties that landlords have, in effect, "abandoned," but in which some of the tenants remain. It may also be worth exploring reforms to the delinquent property tax enforcement system itself, such as eliminating the sale of tax liens entirely or expanding the use of "special tax sales" under New Jersey's Abandoned Property Rehabilitation Act for abandoned property to a specific subset of tax-delinquent, occupied properties.

# Make it Home Learning Cohort: Replication Playbook

## Summit County, Ohio

When landlords fail to pay their property taxes and face foreclosure, the effects on tenants and neighborhoods can be devastating. Tenants worried about their housing stability may move out when learning of a potential foreclosure, rather than face the risk of eviction. Other times, tenants are evicted by the local government conducting the foreclosure, or by new owners after a sale. In both cases, the result is a dramatic household upheaval. These moves impose significant financial, emotional, and physical costs on tenants and, in the case of a foreclosure, leave properties vacant to decline and depress surrounding property values. In many communities these properties are purchased at the tax sale by investors who “milk” the properties by collecting rent while failing to make repairs or pay property taxes—reducing homeownership opportunities and continuing the harmful cycle of property decline and tenant displacement.<sup>1</sup>

In Detroit, Michigan, the City of Detroit, United Community Housing Coalition (UCHC), and Rocket Community Fund (RCF) created a program that disrupts this cycle and instead harnesses the power of the property tax foreclosure process to **prevent displacement, stabilize neighborhoods, and improve housing conditions**. The Make it Home Program uses the City’s legal power to acquire tenant-occupied, tax-delinquent, primarily single-family properties and then transfers the properties to the tenants while providing funding and assistance for repairs and education and resources to help sustain their homeownership.<sup>2</sup> Since its launch in 2017, the program has helped 1,396 tenants purchase their homes for an average cost of less than \$10,000.<sup>3</sup> A University of Michigan study of the first cohort of Make it Home participants found that after four years, 85 percent of the 80 participants still owned their homes.<sup>4</sup>

In May 2022, with support from and in partnership with RCF, the Center for Community Progress launched the Make it Home National Replication Initiative, which aimed to explore whether Make it Home could work in other communities. Community Progress interviewed stakeholders and reviewed the program’s materials and research to identify the key components needed for replication and important lessons learned from Make it Home to inform successful replication in other communities. The Summit County Land Bank (SCLB) was one of thirteen local governments and land banks selected to participate in the Learning Cohort and, over the course of four virtual training sessions, learned about the key elements of the program and important lessons learned from City of Detroit and UCHC staff, and others.

With this experience, SCLB is well positioned to explore creating a program like Make it Home in Summit County. This Playbook describes how a program like Make it Home could address Summit County’s key local needs and priorities, assesses SCLB’s ability to create such a program, and then outlines potential next steps for successful replication.

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<sup>1</sup> For more background on delinquent property tax enforcement systems and how they can be reformed to better address vacant and abandoned properties, see Kim Graziani, *Reimagine Delinquent Property Tax Enforcement: How to Reduce Vacancy, Advance Racial Equity, and Improve Public Services*, Center for Community Progress, October 2022, <https://communityprogress.org/publications/reimagine-delinquent-property-tax-enforcement/>.

<sup>2</sup> For simplicity purposes, this report refers to the acquisition of tenant-occupied properties and refers to property occupants as “tenants” because most Make it Home participants are tenants. However, a small percentage of Make it Home participants are former owners, occupants who may not have had a legally recognized tenancy, or victims of predatory land contract schemes.

<sup>3</sup> City of Detroit, “Mayor Duggan, Rocket Community Fund, United Community Housing Coalition celebrate Make it Home program helping nearly 250 more Detroit residents become homeowners,” October 13, 2022, <https://detroitmi.gov/news/mayor-duggan-rocket-community-fund-united-community-housing-coalition-celebrate-make-it-home-program>.

<sup>4</sup> Margaret Dewar and Roshanak Mehdipanah, “Lessons From Detroit’s Make It Home Program For Sustaining Very Low-Income Homeownership,” University of Michigan Poverty Solutions Policy Brief, August 2022, <https://poverty.umich.edu/publications/lessons-from-detroits-make-it-home-program-for-sustaining-very-low-income-homeownership/>.

## Overview of Detroit's Make it Home Process

Wayne County, the City of Detroit, and local nonprofit United Community Housing Coalition (UCHC) each play key roles in executing the Make It Home program.

Step 1	Step 2	Step 3	Step 4	Step 5	Step 6
UCHC identifies eligible tax-delinquent properties and tenants	Wayne County forecloses delinquent tax lien	City of Detroit uses its right of first refusal to purchase properties from Wayne County before public auction	City of Detroit sells properties to UCHC for back taxes owed, less city taxes	UCHC sells properties to tenants, for cash or using 0% land contract	UCHC provides homeownership support, repair assistance and funding to new owners

## Suitability Assessment

A program like Make it Home would allow Summit County to use its significant inventory of tax-delinquent, rental properties to help reduce tenant displacement and increase homeownership, especially in historically redlined (and high-eviction-rate) neighborhoods.

Suitability Summary	
Inventory of Tax-Delinquent, Rental Properties?	✓
Meets Local Priorities?	✓

**Tax-Delinquent, Rental Inventory.** Based on the experiences of Detroit and other cities, programs like Make it Home are most successful when used to address tax delinquent, occupied, single-family rental properties. Summit County has a significant inventory of tax delinquent, occupied rental properties. SCLB's data shows that there are approximately 815 tax delinquent, occupied properties that are registered rentals.

**Meets Local Priorities.** Make it Home has experienced continued success and support in Detroit because it addresses several of the key needs and priorities of the community, including reducing displacement caused by the City's tax foreclosure system, improving housing conditions, and increasing homeownership. In Summit County, a diverse coalition of approximately forty community organizations, including representatives from the City of Akron Mayor's Office, County and City officials, residents, housing providers, and neighborhood development corporations, recently participated in an Eviction Prevention Summit to identify strategies to address the City of Akron's eviction rate, which per capita is the highest in the state and twenty-seventh highest in the country.<sup>5</sup> A report following the Summit was prepared by the presenting organizations, Community Legal Aid and Fair Housing Contact Service, and one of the key recommendations was for the Akron community to seek ways to expand homeownership opportunities for residents in "historically redlined (and high-eviction-rate) neighborhoods," including through "community redevelopment efforts, public education, community support, and non-traditional lending products."<sup>6</sup> By preventing tenant displacement from tax delinquent properties and transitioning tenants in tax delinquent properties to homeownership, a program like Make it Home would provide a critical tool for the community to meet these goals.

<sup>5</sup> Eviction Prevention Summit, <https://www.communitylegalaid.org/evictionsummit/akron>

<sup>6</sup> Eviction Prevention Summit Steering Committee, 2022 Eviction Summit Follow-Up Report, [https://drive.google.com/file/d/1aPb7pia8tiQ\\_aTR3TbllA52x9XjBHGxt/view](https://drive.google.com/file/d/1aPb7pia8tiQ_aTR3TbllA52x9XjBHGxt/view).

## Replication Readiness Assessment

While there is tremendous potential for a program like Make it Home in Summit County, SCLB needs to identify key partners to help administer the program before it could create such a program.

**Property Acquisition Mechanism.** To create the most effective program, cities or land

banks should have a reliable, cost-effective mechanism to gain control of tax-delinquent, occupied rental properties. SCLB lacks a mechanism like Detroit's right of first refusal, which would allow it to reliably acquire tax-delinquent rental properties through the foreclosure process. SCLB should explore directly purchasing properties from tax-delinquent landlords and partnering with the City and Community Legal Aid to leverage all existing claims against the property when negotiating the sale. SCLB could monitor, learn from, and emulate the Trumbull County Land Bank, which plans to pilot this approach. Additionally, SCLB should work with other land banks and statewide stakeholders to support state law changes under consideration by Ohio's General Assembly that would improve its ability to reliably acquire tax-delinquent rental properties.

**Program Administration Capacity.** To be successful, a local government or land bank must have the capacity to provide or contract with one or more trusted nonprofit partners to administer the program, from property and participant identification to property acquisition to ongoing homeownership and repair support. SCLB is a well-resourced, well-respected land bank and would have the capacity to acquire and transfer properties, but because it has traditionally avoided acquiring occupied properties, it lacks experience working with tenants and administering home repair programs. Community Legal Aid is interested in partnering with SCLB to help identify potential participants and to provide legal assistance. Additionally, Fair Housing Contact Service, the tenant-landlord counseling agency for the county and the co-conveners of the Eviction Taskforce (as well as a HUD certified Housing Counseling agency), could be a partner in identifying properties and working with tenants to become homeowners. SCLB needs to identify additional community partners that could assist with repairs.

**Potential Funding Sources.** Local governments and land banks need funding for property acquisition, program administration, and, in many cases, for property repairs and rehabilitation. The City of Akron received \$145 million from the American Rescue Plan Act, identified revitalizing Akron's aging housing stock as one of its six key priorities for the funds, and allocated \$10 million for home repairs. SCLB should explore whether a portion of these funds could be used to pilot a program like Make it Home. The Summit County Affordable Housing Trust, which prioritizes project proposals from organizations that will "increase affordable housing, preserve viable housing stock, and promote homeownership opportunities," could be another potential funding source for a pilot program.<sup>7</sup> Finally, SCLB also identified the area's Community Reinvestment Coalition as a potential source of local funding.

Replication Readiness Summary	
Component	Readiness Level
Property Acquisition Mechanism	Major Action Needed
Program Administration Capacity	Minor Action Needed
Funding Sources	Moderate Action Needed

## Replication Next Steps

A program like Make it Home would provide a critical tool to help reduce displacement and increase homeownership, especially within Akron's neighborhoods with a history of racist disinvestment and ongoing displacement. To create such a program, however, SCLB, Community Legal Aid, and other local partners need to work together to identify the key organizations that could help administer and fund the program.

<sup>7</sup> Development Finance Authority of Summit County, Summit County Affordable Housing Trust Fund, <https://www.developmentfinanceauthority.org/affordable-housing>.



As next steps, SCLB should:

- **Convene a working group of local stakeholders, including members of the Eviction Taskforce, to explore creating a program like Make it Home.** SCLB and Fair Housing Contact Service should work with other members of the Eviction Taskforce to explore the potential to create a program like Make it Home in Akron. The working group could focus on identifying potential partner organizations to administer the tenant outreach, homeownership support, and home repair aspects of the program. The working group could also seek to identify and apply for funding for the program and explore launching a pilot program that seeks to transfer between five and ten properties to tenants in its first year.
- **Support state law changes to create a predictable mechanism for land banks to acquire tax-delinquent, occupied rental properties.** Ohio land banks currently lack a mechanism, like the City of Detroit's right of first refusal, that allows them to predictably acquire tax-delinquent, occupied rental properties. SCLB should work with the Ohio Association of Land Banks to advance legislation that would create such a process.

# Make it Home Learning Cohort: Replication Playbook

Syracuse, New York

When landlords fail to pay their property taxes and face foreclosure, the effects on tenants and neighborhoods can be devastating. Tenants worried about their housing stability may move out when learning of a potential foreclosure, rather than face the risk of eviction. Other times, tenants are evicted by the local government conducting the foreclosure, or by new owners after a sale. In both cases, the result is a dramatic household upheaval. These moves impose significant financial, emotional, and physical costs on tenants and, in the case of a foreclosure, leave properties vacant to decline and depress surrounding property values. In many communities these properties are purchased at the tax sale by investors who “milk” the properties by collecting rent while failing to make repairs or pay property taxes—reducing homeownership opportunities and continuing the harmful cycle of property decline and tenant displacement.<sup>1</sup>

In Detroit, Michigan, the City of Detroit, United Community Housing Coalition (UCHC), and Rocket Community Fund (RCF) created a program that disrupts this cycle and instead harnesses the power of the property tax foreclosure process to **prevent displacement, stabilize neighborhoods, and improve housing conditions**. The Make it Home Program uses the City’s legal power to acquire tenant-occupied, tax-delinquent, primarily single-family properties and then transfers the properties to the tenants while providing funding and assistance for repairs and education and resources to help sustain their homeownership.<sup>2</sup> Since its launch in 2017, the program has helped 1,396 tenants purchase their homes for an average cost of less than \$10,000.<sup>3</sup> A University of Michigan study of the first cohort of Make it Home participants found that after four years, 85 percent of the 80 participants still owned their homes.<sup>4</sup>

In May 2022, with support from and in partnership with RCF, the Center for Community Progress launched the Make it Home National Replication Initiative, which aimed to explore whether Make it Home could work in other communities. Community Progress interviewed stakeholders and reviewed the program’s materials and research to identify the key components needed for replication and important lessons learned from Make it Home to inform successful replication in other communities. Syracuse, represented by the City of Syracuse and Greater Syracuse Land Bank (GSLB), was one of thirteen communities selected to participate in the Learning Cohort and, over the course of four virtual training sessions, learned about the key elements of the program and important lessons learned from City of Detroit and UCHC staff, and others.

GSLB already has a program that is somewhat like Make it Home—its Tenant to Homeowner Program, which gives current tenants an opportunity to purchase their homes from the land bank before they are offered for public sale. This Playbook describes how expanding this program could address Syracuse’s key local needs and priorities, assesses the City and GSLB’s capacity to expand the program, and outlines potential next steps for successful implementation.

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<sup>1</sup> For more background on delinquent property tax enforcement systems and how they can be reformed to better address vacant and abandoned properties, see Kim Graziani, *Reimagine Delinquent Property Tax Enforcement: How to Reduce Vacancy, Advance Racial Equity, and Improve Public Services*, Center for Community Progress, October 2022, <https://communityprogress.org/publications/reimagine-delinquent-property-tax-enforcement/>.

<sup>2</sup> For simplicity purposes, this report refers to the acquisition of tenant-occupied properties and refers to property occupants as “tenants” because most Make it Home participants are tenants. However, a small percentage of Make it Home participants are former owners, occupants who may not have had a legally recognized tenancy, or victims of predatory land contract schemes.

<sup>3</sup> City of Detroit, “Mayor Duggan, Rocket Community Fund, United Community Housing Coalition celebrate Make it Home program helping nearly 250 more Detroit residents become homeowners,” October 13, 2022, <https://detroitmi.gov/news/mayor-duggan-rocket-community-fund-united-community-housing-coalition-celebrate-make-it-home-program>.

<sup>4</sup> Margaret Dewar and Roshanak Mehdipanih, “Lessons From Detroit’s Make It Home Program For Sustaining Very Low-Income Homeownership,” University of Michigan Poverty Solutions Policy Brief, August 2022, <https://poverty.umich.edu/publications/lessons-from-detroits-make-it-home-program-for-sustaining-very-low-income-homeownership/>.

## Overview of Detroit's Make it Home Process

Wayne County, the City of Detroit, and local nonprofit United Community Housing Coalition (UCHC) each play key roles in executing the Make It Home program.

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UCHC identifies eligible tax-delinquent properties and tenants	Wayne County forecloses delinquent tax lien	City of Detroit uses its right of first refusal to purchase properties from Wayne County before public auction	City of Detroit sells properties to UCHC for back taxes owed, less city taxes	UCHC sells properties to tenants, for cash or using 0% land contract	UCHC provides homeownership support, repair assistance and funding to new owners

## Suitability Assessment

Expanding GSLB's existing Tenant to Homeowner program would help Syracuse equitably address its backlog of tax-delinquent, occupied rental properties, and meet its other housing goals.

**Tax-Delinquent, Rental Inventory.** Based on the experiences of Detroit and other cities, programs like Make it Home are most successful when used to address tax-delinquent, occupied, single-family rental properties. Syracuse has a significant inventory of such properties. It currently has 468 tenant-occupied properties that are eligible for foreclosure, which make up 21 percent of properties for foreclosure.

**Meets Local Priorities.** Make it Home has experienced continued success and support in Detroit because it addresses several of the key needs and priorities of the community, including reducing displacement caused by the City's tax foreclosure system, improving housing conditions, and increasing homeownership. Most immediately, expanding GSLB's Tenant to Homeowner program would provide a way for Syracuse to address its backlog of tax-delinquent, occupied rental properties in a way that prevents tenant displacement and property vacancy and promotes neighborhood stabilization and equity. Such an expansion would have the added benefits of advancing two of Syracuse's housing priorities: increasing homeownership and improving housing conditions.

Suitability Summary	
Inventory of Tax-Delinquent, Rental Properties?	✓
Meets Local Priorities?	✓

## Replication Readiness Assessment

GSLB already administers a program like Make it Home—its Tenant to Homeowner program—and with additional funding is well positioned to expand this program.

**Property Acquisition Mechanism.** To create the most effective program, cities or land banks should have a reliable, cost-effective mechanism to gain control of tax-delinquent, occupied rental properties. Syracuse has such a mechanism; GSLB acquires all properties foreclosed by the City at nominal costs. Through this mechanism GSLB has

Replication Readiness Summary	
Component	Readiness Level
Property Acquisition Mechanism	Ready
Program Administration Capacity	Minor Action Needed
Funding Sources	Moderate Action Needed

acquired occupied rental properties, which it has sold to tenant occupants through its Tenant to Homeowner program, and it could continue to use this mechanism to acquire properties under an expanded program.

**Program Administration Capacity.** To be successful, a local government or land bank must have the capacity to provide or contract with one or more trusted nonprofit partners to administer the program, including community education and outreach, property and participant identification, property acquisition, and ongoing homeownership and repair support. GSLB and its nonprofit partners have this capacity. GSLB has the capacity to acquire, inspect, and transfer properties. It has partnered with Home HeadQuarters, Inc. to provide homeownership counseling and support. It has also developed partnerships with several financial institutions and nonprofits that can offer grants and loans to the tenant occupant to purchase and rehabilitate their properties, including Home HeadQuarters, the Syracuse Cooperative Federal Credit Union, and Empire Housing. If it expands its program, GSLB could also consider partnering with the City of Syracuse's Community Ambassador Program, which already does outreach and provides information to Syracuse tenants.

**Potential Funding Sources.** Local governments and land banks need funding for property acquisition, program administration, and, in many cases, for property repairs and rehabilitation. Participants in GSLB's Tenant to Homeowner program often use local and state funding for repairs, including City and County community development block grant funds for lead remediation, weatherization funding, and state grants for property rehabilitation and energy efficiency improvements. The City of Syracuse received \$123 million from the American Rescue Plan Act and has allocated \$4.5 million to addressing lead hazards, \$800,000 to its Community Ambassador Program, \$7 million to homeowner support, including low-interest home improvement loans, and \$5 million to land bank property stabilization and demolition. The City and GSLB should explore whether a portion of these funds could be used to expand GSLB's existing program, especially to tenants that may not qualify for traditional financing.

## Replication Next Steps

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GSLB's Tenant to Homeowner program is already helping tenants of tax-delinquent rental properties purchase their homes. Given the growing number of such properties eligible for foreclosure, the City and GSLB should explore ways they could apply features of the Make it Home model and lessons learned from the Learning Cohort to expand its program to assist more tenants. As a next step, the City of Syracuse and GSLB should:

- **Explore ways to expand GSLB's existing program or create a Make it Home: Syracuse pilot program.** Under GSLB's existing Tenant to Homeownership program, GSLB acquires tax-delinquent, occupied rental properties at a nominal cost and then resells the properties to the tenants at a discount that varies based on the property and participant. Tenants are typically required to secure third-party financing to purchase the properties. GSLB obtains a mortgage equal to the difference between the discounted sales price and the property's estimated fair market value against the property, which is forgiven if the tenant lives in the property for five years.

In contrast, under Detroit's Make it Home program, United Community Housing Coalition sells the properties to tenants for an amount closer to the properties' back taxes, with less reference to the property's fair market value, and sells the property to tenants using a land contract, if needed. The City and GSLB should discuss whether the equitable outcomes have value in and of themselves and consider lowering the resale price to eliminate low-income tenants from having to incur any personal debt, especially with escalating interest rates. Both parties should also explore dedicating additional funding for the program to enable for health and safety repairs and to build up a neighborhood's market. The City and GSLB should also explore what additional outreach and ongoing support they may need to provide to these households to sustain homeownership.

# Make it Home Learning Cohort: Replication Playbook

## Trumbull County, Ohio

When landlords fail to pay their property taxes and face foreclosure, the effects on tenants and neighborhoods can be devastating. Tenants worried about their housing stability may move out when learning of a potential foreclosure, rather than face the risk of eviction. Other times, tenants are evicted by the local government conducting the foreclosure, or by new owners after a sale. In both cases, the result is a dramatic household upheaval. These moves impose significant financial, emotional, and physical costs on tenants and, in the case of a foreclosure, leave properties vacant to decline and depress surrounding property values. In many communities these properties are purchased at the tax sale by investors who “milk” the properties by collecting rent while failing to make repairs or pay property taxes—reducing homeownership opportunities and continuing the harmful cycle of property decline and tenant displacement.<sup>1</sup>

In Detroit, Michigan, the City of Detroit, United Community Housing Coalition (UCHC), and Rocket Community Fund (RCF) created a program that disrupts this cycle and instead harnesses the power of the property tax foreclosure process to **prevent displacement, stabilize neighborhoods, and improve housing conditions**. The Make it Home Program uses the City’s legal power to acquire tenant-occupied, tax-delinquent, primarily single-family properties and then transfers the properties to the tenants while providing funding and assistance for repairs and education and resources to help sustain their homeownership.<sup>2</sup> Since its launch in 2017, the program has helped 1,396 tenants purchase their homes for an average cost of less than \$10,000.<sup>3</sup> A University of Michigan study of the first cohort of Make it Home participants found that after four years, 85 percent of the 80 participants still owned their homes.<sup>4</sup>

In May 2022, with support from and in partnership with RCF, the Center for Community Progress launched the Make it Home National Replication Initiative, which aimed to explore whether Make it Home could work in other communities. Community Progress interviewed stakeholders and reviewed the program’s materials and research to identify the key components needed for replication and important lessons learned from Make it Home to inform successful replication in other communities. The Trumbull County Land Bank (TCLB) was one of thirteen local governments and land banks selected to participate in the Learning Cohort and, over the course of four virtual training sessions, learned about the key elements of the program and important lessons learned from City of Detroit and UCHC staff, and others.

Building on this experience, TCLB is in an excellent position to create a program like Make it Home. This Playbook describes how a program like Make it Home could address Trumbull County’s key local needs and priorities, assesses the TCLB’s ability to create such a program, and then outlines potential next steps for successful implementation.

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<sup>1</sup> For more background on delinquent property tax enforcement systems and how they can be reformed to better address vacant and abandoned properties, see Kim Graziani, *Reimagine Delinquent Property Tax Enforcement: How to Reduce Vacancy, Advance Racial Equity, and Improve Public Services*, Center for Community Progress, October 2022, <https://communityprogress.org/publications/reimagine-delinquent-property-tax-enforcement/>.

<sup>2</sup> For simplicity purposes, this report refers to the acquisition of tenant-occupied properties and refers to property occupants as “tenants” because most Make it Home participants are tenants. However, a small percentage of Make it Home participants are former owners, occupants who may not have had a legally recognized tenancy, or victims of predatory land contract schemes.

<sup>3</sup> City of Detroit, “Mayor Duggan, Rocket Community Fund, United Community Housing Coalition celebrate Make it Home program helping nearly 250 more Detroit residents become homeowners,” October 13, 2022, <https://detroitmi.gov/news/mayor-duggan-rocket-community-fund-united-community-housing-coalition-celebrate-make-it-home-program>.

<sup>4</sup> Margaret Dewar and Roshanak Mehdipanah, “Lessons From Detroit’s Make It Home Program For Sustaining Very Low-Income Homeownership,” University of Michigan Poverty Solutions Policy Brief, August 2022, <https://poverty.umich.edu/publications/lessons-from-detroits-make-it-home-program-for-sustaining-very-low-income-homeownership/>.



## Overview of Detroit's Make it Home Process

Wayne County, the City of Detroit and local nonprofit United Community Housing Coalition (UHC) each play key roles in executing the program.

Step 1	Step 2	Step 3	Step 4	Step 5	Step 6
UHC identifies eligible tax-delinquent properties and tenants	Wayne County forecloses delinquent tax lien	City of Detroit uses its right of first refusal to purchase properties from Wayne County before public auction	City of Detroit sells properties to UHC for back taxes owed, less city taxes	UHC sells properties to tenants, for cash or using 0% land contract	UHC provides homeownership support, repair assistance and funding to new owners

## Suitability Assessment

TCLB is a strong candidate for a program like Make it Home because of its inventory of tax-delinquent, occupied rental properties and the community's focus on increasing homeownership opportunities and improving housing conditions, especially within the City of Warren.

Suitability Summary	
Inventory of Tax-Delinquent, Rental Properties?	✓
Meets Local Priorities?	✓

**Tax-Delinquent, Rental Inventory.** Based on the experiences of Detroit and other cities, programs like Make it Home are most successful when used to address tax-delinquent, occupied, single-family rental properties. Trumbull County has a significant inventory of such properties, and these properties are concentrated in the city of Warren, its largest city. TCLB estimates there are currently 3,000 tax-delinquent, occupied rental properties in the county and 1,500 of these properties are in the City of Warren.

**Meets Local Priorities.** Make it Home has experienced continued success and support in Detroit because it addresses several of the key needs and priorities of the community, including reducing displacement caused by the City's tax foreclosure system, improving housing conditions, and increasing homeownership. In Trumbull County, a program like Make it Home is similarly well suited to meet the community's needs as it shifts its focus from post-housing crisis demolition to property rehabilitation and neighborhood stabilization. It would help create homeownership opportunities, improve housing conditions, and advance racial equity goals, especially in the City of Warren, which has a much lower homeownership rate and a larger population of color than the County as a whole.<sup>5</sup>

As in Detroit, a program like Make it Home has the potential to interrupt the cycle of investors acquiring properties at the tax auction, threatening tenant evictions, neglecting maintenance needs, and milking the properties of equity. TCLB worries this trend could worsen as the County moves to host foreclosure sales online. A program like MIH would instead benefit existing residents and create more affordable housing option, given that the City's median rent (\$658) exceeds the median monthly costs of a house without a mortgage in the City (\$339).

<sup>5</sup> The owner-occupied housing rate in the City of Warren is 52%, compared to 70% in Trumbull County. The non-white population in the City of Warren is 36%, compared to 14% in Trumbull County.

## Replication Readiness Assessment

Because of its experience with similar programs and unique in-house expertise, TCLB is ready to create a small pilot program and would be in a strong position to expand the program with additional funding and state law changes to improve its property acquisition mechanisms.

Replication Readiness Summary	
Component	Readiness Level
Property Acquisition Mechanism	Ready
Program Administration Capacity	Ready
Funding Sources	Moderate Action Needed

**Property Acquisition Mechanism.** To create the most effective program, cities or land banks should have a reliable, cost-effective mechanism to gain control of tax-delinquent, occupied rental properties. While TCLB lacks a mechanism like Detroit’s right of first refusal, which would allow it to reliably acquire tax-delinquent rental properties through the foreclosure process, TCLB plans to acquire such properties through direct purchases from tax-delinquent landlords. TCLB has successfully used a similar direct purchase model to acquire properties for demolition and plans to partner with the City of Warren and Community Legal Aid to leverage all potential claims against the property when negotiating the sale. TCLB would conduct a title search on the properties and resolve all outstanding liens with the sale, ensuring it can pass good title to the tenant.

**Program Administration Capacity.** To be successful, a local government or land bank must have the capacity to provide or contract with one or more trusted nonprofit partners to administer the program, from property and participant identification to property acquisition to ongoing homeownership and repair support. TCLB is well positioned to administer a program like Make it Home. It already employs three organizers, who can canvass tax-delinquent rental properties and build relationships with and provide information about the program to tenants. TCLB has renovated over 450 properties and already administers home and emergency repair programs. And it has successfully sold properties to existing tenants in the past using zero percent land contracts. Finally, it already has key local partners in place: TCLB has previously partnered with local community development corporations to provide housing counseling and home maintenance trainings, banks to provide financial literacy trainings, and Trumbull County Community Legal Aid to provide legal assistance to homeowners.

**Potential Funding Sources.** Local governments and land banks need funding for property acquisition, program administration, and, in many cases, for property repairs and rehabilitation. TCLB estimates that it would cost approximately \$15,000 – \$30,000 to purchase each rental property directly from the landlord. TCLB has funding to assist with home repairs, but demand from existing homeowners already exceeds the available funding. As a result, to create a program like Make it Home, TCLB would need additional funding for repairs and funding to cover a portion of its acquisition costs for each property, which would ensure it can resell the properties to the tenants at a price the tenants can afford.

## Replication Next Steps

TCLB is in a very strong position to replicate a program like Make it Home. In Trumbull County, such a program would help improve housing conditions, create homeownership opportunities, and potentially create more affordable housing opportunities, especially in the City of Warren. It would also provide a way to ensure TCLB is investing in the County’s residents of color, who are disproportionately renters.

TCLB is well suited to administer the program and has the staff, expertise, and community partnerships in place to launch a pilot program. With sufficient resources and a change to state law that would improve its property acquisition mechanism, it should be able to quickly expand the program. As next steps, TCLB should:

- **Create a Make it Home: Trumbull County pilot program.** TCLB should join with key community partners, including the City of Warren, Trumbull County Community Legal Aid, and local CDCs and financial institutions, to launch a pilot program to acquire tax-delinquent, occupied, rental properties through direct purchases from landlords and then sell the properties to existing tenants. TCLB should aim to acquire and sell ten properties in the first year of its pilot program.
- **Secure funding to expand and sustain the program.** Until it secures the state law changes needed to predictably acquire properties through the tax foreclosure process, funding will be particularly important to expanding and sustaining the TCLB's program. TCLB's program will need ongoing, outside funding to help it purchase properties and to subsize the price these properties are resold to tenants.
- **Support state law changes to create a predictable mechanism for land banks to acquire tax-delinquent, occupied rental properties.** Ohio land banks currently lack a mechanism, like the City of Detroit's right of first refusal, that allows them to predictably acquire tax-delinquent, occupied rental properties. TCLB should work with the Ohio Association of Land Banks to advance legislation that would create such a process.

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