

City of Shaker Heights Residential Vacant Lot Program Policy & Procedures

Issued: October 23, 2020

1. **Background.** The Shaker Heights Residential Vacant Lot Program (“Vacant Lot Program”) is operated through a “land bank” which refers to the processes by which the City acquires, holds and disposes of residential properties. It became active in 2002 as part of the implementation of the City’s 2001 Housing Plan. The program was deliberately designed to be flexible because it was anticipated from the outset that it would need to be responsive to changes in market conditions and the City’s priorities. Depending on market conditions and availability of properties, the program has at times focused on the disposition of lots, and at other times on acquisition - but always with the goal of strengthening our housing market and creating a diverse housing stock.
2. **Property Acquisitions.** Acquisitions need to be strategic and support City goals. Considerations in acquisitions include:
 - a. Is it of strategic value? For example, is the property adjacent to an existing vacant lot for a larger redevelopment project; adjacent to a park that can be expanded; adjacent to a commercial district that might spur expansion; or in a redevelopment area?
 - b. Does it further City goals? For example, would the acquisition increase owner occupancy in target neighborhoods, would it eliminate a blighted property, or other goal of the City (which can change over time)?
 - c. Would acquiring the property accelerate the removal of a neighborhood nuisance?
 - d. Is a property likely to end up being forfeited to the State as there is no market demand because the liabilities associated with the property are greater than the value of the property?
 - e. Absent City acquisition, is the property likely to remain a problem property, i.e. vacant or tax delinquent or poorly maintained, or the subject of resident complaints, etc.?
 - f. Is the property a bank owned property that is likely to remain subject to legal or other delays for a long time or sold as part of a bulk sale?
 - g. What is the likely cost of acquisition and ongoing maintenance in light of available City financial resources?
 - h. Is any structure on the property occupied?
 - i. Is it in a historic district? If so, is a renovation of the property likely to be feasible?
3. **Property Use.** Once acquired, properties in the Vacant Lot Program generally can be used for the following purposes:
 - a. **Infill.** Infill is construction of a new residence on the property by a developer or other property owner. Infill development is often the highest and best use for City owned residential lots, because
 - (i) it increases the variety of housing in the City and in certain neighborhoods, (ii) increases the

availability of new and modern housing, (iii) provides increased property taxes and/or income taxes, to the schools, City and other governmental institutions, and (iv) fills in empty spaces in a neighborhood, adding to neighborhood vitality, safety, and security. Thus, infill is actively encouraged, including through the implementation of programs to attract private investment, and it is, therefore, a **priority** for a vacant lot. Specific requirements for the acquisition of a lot for infill have been established, and include, but are not limited to: (i) lots are available to persons or entities that are in compliance with City codes, and (ii) applicants who own other Shaker Heights properties are not delinquent in taxes, nor are such properties in foreclosure.

- b. Side Lot. Expanded side lots are a way to retain existing owners and attract buyers who want larger lots (“Side Lots”). Side Lots are to be encouraged when infill development is not likely. Specific requirements for the acquisition of Side Lots have been established, and include, but are not limited to: (i) Side Lots are only available to owner occupant neighbors; (ii) applicant’s properties must be code-compliant, ; and (iii) applicant’s property must not be delinquent in taxes, or in foreclosure. Buyers are required to permanently consolidate their property with the vacant lot. The Side Lot Program is a **secondary priority**.
- c. Community Use. Vacant lots can be used for community use (e.g. community gardens), but require demonstrated community support.

4. **Property Restrictions**. Properties acquired and held in the Vacant Lot Program are designated as either “Restricted” or “Unrestricted.”

- a. Restricted Properties are **NOT** available for the Side Lot Program, and include (but are not limited to):
 - i. Properties subject to a Development & Use Agreement with a developer or proposed owner occupant buyer.
 - ii. Properties held for strategic reasons in connection with potential development/redevelopment opportunities.
 - iii. Properties adjacent to other City-owned vacant lots or ones that are likely to become City-owned which could become a development /redevelopment site.
 - iv. Properties in a market area where infill is determined to be reasonably likely, expected, or highly desirable (“Infill Property”).
- b. Unrestricted Properties are all other properties that are **not Restricted** and can potentially be used for any of the purposes described above or otherwise in accordance with the City’s Zoning Code, including side lots.
- c. Designation. The City shall designate a property as Restricted or Unrestricted only after acquisition by the City and this designation shall be reviewed at least once annually. The annual evaluation shall be conducted by the Neighborhood Development Specialist in the Building and Housing Department, after consultation with other applicable departments, and reported to the Chief

Administrative Officer (CAO). The CAO shall then approve the determination as to whether to modify the designation of the property, subject to the Mayor's exercise of discretion to change such designation. Upon initial acquisition, a property shall be considered Restricted, unless and until it is re-designated as Unrestricted. A property upon initial acquisition shall be considered Restricted in order to provide an opportunity for the City to evaluate the appropriateness of the property for Restricted uses. If and when a property is designated as Unrestricted, then the neighboring property owners to each side of the property who are owner-occupants will be notified of that status.

- d. Change in Designation. The City retains the right to change a property designation at any time (except while any application is pending approval) due to changes in facts and circumstances, market conditions or other reasons. For example, because market conditions and City priorities are always changing, the availability of any given lot as Unrestricted may change. A lot which may have been Unrestricted for many years can become strategically important because of a new City project or demonstrated demand and therefore become Restricted.
- e. Requested Re-Designation. Interested parties may request that the City change a property status and permitted uses and the City may make such a change in status in its sole discretion.

5. **Dispositions.** Land is an asset, especially in a generally fully-developed city like Shaker Heights, and so quick disposition of vacant lots is not necessarily the highest priority and therefore may be held for their highest and best use as determined by the City in its discretion.

- a. Support of Goals. Properties held in the Vacant Lot Program should be utilized to further community goals as identified by the Mayor and City Council.
- b. General: Parties interested in acquiring a property from the Vacant Lot Program may submit an application once the City has acquired the property in accordance with procedures established from time to time by the City. No application for acquisition of a property as a Side Lot or Community Use will be accepted for a Restricted property. Applications must demonstrate that the applicant meets the basic requirements for acquisition (see Section 3), and such applications are "qualified applications."
- c. Infill Property:
 - i. A party interested in acquiring a property as an Infill Property may submit an Application on the City's form for Vacant Lots.
 - ii. The Applicant must comply with all requirements for Infill Property applications in order to complete the application process.
 - iii. Due to the significant amount of information required in connection with an Infill Property application, if the Application is otherwise in compliance with the Vacant Lot Program, the Applicant shall have up to 6 months to complete the application process.
 - iv. The Applicant may request one 3-month extension, which may be granted or denied in the City's sole discretion.

- v. In addition to the other requirements set forth in the Application Requirements for Infill Lots, Applicants must demonstrate the capacity to implement the proposed use of the property, and confirm that they are in compliance with Shaker Heights ordinances and not tax delinquent or in foreclosure on any Shaker Heights-owned properties.
- d. Side Lots:
- i. An application may be submitted for the acquisition of a City-owned vacant lot as a Side Lot by an owner-occupant of an adjoining property.
 - ii. Side Lot applications will be accepted for Unrestricted Properties only.
- e. Procedure: Applications for acquisition of properties in the Vacant Lot Program shall be considered in accordance with the following:
- i. Applications to acquire a property may be submitted only after title to such property has been transferred to the City, any structures on the property have been demolished, and the property is shown as available on the City's website.
 - ii. Applications for a property will be considered as follows:
 - A. Applications for Infill:
 1. Upon receipt of a qualified Infill application, the parcel involved shall become Restricted (if not already designated as Restricted), and only additional Infill applications will be accepted for the Lot during the 30 day application period described in A. 2. below. If an Infill application is received after a Side Lot or Community Use application had already been received for the Lot, then the process under sub-section C. below shall be followed.
 2. If one or more qualified Infill application is received for the property within 30 days of receipt of the first Infill application, then a Committee of at least three City employees (including the Neighborhood Development Specialist, the Director of Planning, and the CAO, and others as may be required to evaluate the particular property), shall evaluate and determine which proposal would best serve the City's interests and recommend such proposal to City Council for approval. The Committee shall consider, among other factors, the date the application was received, the proposed use of the lot and any improvements proposed for the lot.
 3. The Committee may recommend to the Mayor that the property should be not be sold to any applicant at that time and should remain on the Restricted list or be re-designated as Unrestricted, and indicating the basis of the recommendation.
 - B. Applications for Side Lot:
 1. Upon receipt of an application for a Side Lot submitted for a property on the City's Unrestricted property list, the City will allow 30 days for any other Side Lot applications to be received before consideration by Council.

2. If one or more Side Lot application is received for the property within such 30 days of receipt of the first Side Lot application, then a Committee of at least three City employees (including the Neighborhood Development Specialist, the Director of Planning, and the CAO, and others as may be required to evaluate the particular property) shall determine which proposal meets the City's requirements and would best serve the City's interests and will recommend such proposal to City Council for approval.. The Committee shall consider, among other factors, the date the application was received, the proposed use of the lot and any improvements proposed for the lot.
3. The Committee may recommend to the Mayor that the property should not be sold to the applicant and remain on the Unrestricted list, or re-designated to the Restricted list, and indicating the basis of the recommendation.

C. Mixture of Applications – for Infill, Side Lot and/or Community Use:

1. Upon receipt of a qualified application for a Side Lot as noted in B. above or a qualified application for a Community Use of an Unrestricted Property, the City will allow 30 days for any other Side Lot, Community Use or Infill applications to be received before consideration by Council.
 2. If a qualified Infill and/or Community Use application is received within 30 days after receipt of the first qualified Side Lot or Community Use application, a Committee of at least three City employees (including the Neighborhood Development Specialist, the Director of Planning, and the CAO, and others as may be required to evaluate the particular property), shall evaluate and determine which proposal would best serve the City's interests and recommend such proposal to City Council for approval. The Committee shall consider, among other factors, the date the application was received, the proposed use of the lot and any improvements proposed for the lot.
 3. The Committee may recommend to the Mayor that the property should be not be sold to any applicant at that time and should remain on the Unrestricted list or be re-designated as Restricted, and indicating the basis of the recommendation.
 - iii. The City may determine at any time to advertise and seek proposals for a property in the Vacant Lot Program.
- f. An application must indicate the planned use of the property (e.g. Infill, Side Lot, etc.) If a use is proposed that is inconsistent with its current designation as Restricted or Unrestricted (e.g. a proposed use is to acquire the property as a Side Lot but the property is on the Restricted list), then the application will be rejected.
- g. An applicant must submit a complete, qualified application before the application will be approved

administratively and submitted to Council for consideration. The applicant must be able to confirm that all guidelines established by the City for the applicant's proposed use have or will be satisfied prior to property transfer.

- h. Once approved administratively, an application will be submitted to City Council for approval. An application may be approved or rejected by City Council based on the facts and circumstances relating to the application, the Vacant Lot Program guidelines, and the Council's determination as to whether the particular application is in the overall best interest of the community.

6. Miscellaneous:

- a. Whenever in this Policy there is a reference to the "City" making any decision or performing any specific function in the processing of applications for the acquisition of a vacant lot, the Policy is referring to the City in general, and those persons in the Administration who are designated to handle different aspects of the process. Such persons may be changed from time to time at the discretion of the Mayor.
 - i. The determination as to whether a property is ultimately designated as Restricted or Unrestricted, or whether its designation is changed, shall be made first as a recommendation by the Neighborhood Development Specialist, after consultation with other applicable departments, to the Chief Administrative Officer (CAO). The CAO shall then approve or modify the designation of the property, subject to the Mayor's exercise of discretion to change such designation. The designation of properties shall be posted on the City's website after acquisition or after a change of designation.
 - ii. Applications and questions about this Policy and the procedure for the acquisition of a property shall be submitted to the Neighborhood Development Specialist.
- b. This Policy and the terms and conditions of the Vacant Lot Program may be modified, revised or supplemented with additional terms and conditions from time to time.

Approved: October 23, 2020

Revised: July 6, 2022 (employee title change)