

International Economic Development Council

Webinar:

Dilapidated and Abandoned Properties

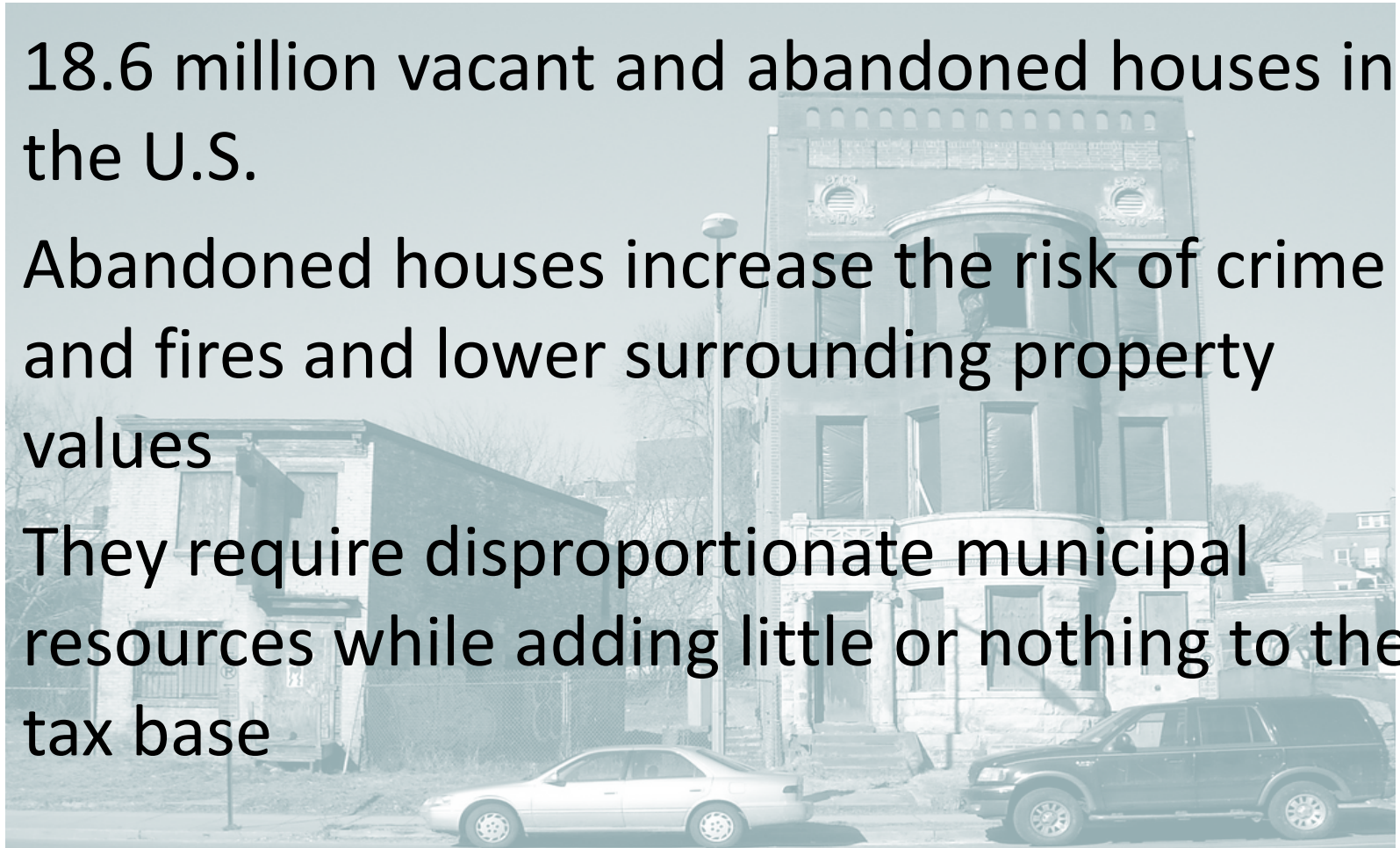
February 23, 2017

Management
Partners



Impact of Dilapidated and Abandoned Properties

- 18.6 million vacant and abandoned houses in the U.S.
- Abandoned houses increase the risk of crime and fires and lower surrounding property values
- They require disproportionate municipal resources while adding little or nothing to the tax base



Role of Government

Governance and Police Powers

*Responsibility to protect the health,
safety and welfare of residents*

Typical Solutions

Communities Pursue:

- Consistent Code Enforcement
- Demolition
- Public Education
- Rehabilitation or Redevelopment

Vision

Create and Implement a Community Vision

- **Clear Picture of the Future**

- Where are you headed?
- In 5, 10, 15 years our community will be....
 - Focused development or redevelopment
 - Preservation and conservation

Vision

Create and Implement a Community Vision

■ **Public Engagement**

- Have all stakeholders had an opportunity to offer input in the vision?
- Has their input been meaningfully incorporated into plans?

Vision

Create and Implement a Community Vision

- **Implementation Plan**

- Make sure good ideas don't sit on a shelf
- Roles, responsibilities, timelines and reporting results

Improve Systems

Evaluate Your Approach

1. Identify and Isolate the Problem

- Property address and ownership inventory
- Conduct a property condition assessment

Improve Systems

Evaluate Your Approach

2. Assess Tools and Resources

- State or local law changes
- Resources: revenue, staffing and expertise

Improve Systems

Evaluate Your Approach

3. Review Code Enforcement Processes

- What's working?
- What needs improvement?
- Create an action plan with timeline to improve and monitor improvements

Improve Systems

Evaluate Your Approach

4. Review Local Regulations that Trigger Inspections

- Do these work? Why or why not?
- Review best practices

Vacant Property Registry

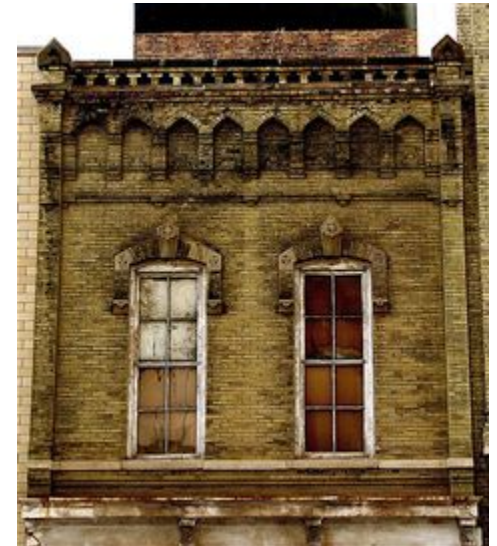
Proactive Property Maintenance Approach

- **Vacant Property Registry**
 - Owners register annually
 - Pay a fee
 - Contact name and phone so repairs or maintenance issues are addressed promptly
 - Establish maintenance standards: lawns mowed, exteriors well maintained

Vacant Property Registry

Milwaukee's Vacant Building Registration

- Register 30 days after vacancy occurs
- No fee for first six months; afterward it's \$253.50
- Higher fees apply for code violations
- Access for inspection required
- Building must be closed and secured
- Lots and interiors must be maintained
- Insurance is required



Code Enforcement

Proactive Property Maintenance Approach

- **Streamline Code Enforcement Processes**
 - Conduct process mapping and identify improvements
 - Self-certification for low priority, non-life safety complaints
 - Ensure enforcement processes work and timelines are met

Code Enforcement

Fresno's Code Enforcement Strike Team

- Long-standing problem with blight and substandard housing
- Data compiled from police calls, code violations, etc.
- Officers conduct random inspections to look for conditions that aren't up to code
- Officers work with city attorney's office to prosecute violations
- 10 new positions cost \$651,700/year

Demolition

Proactive Property Maintenance Approach

- **Demolition**
 - Review state and local processes
 - Identify the public purpose
 - Options for funding demolition

Demolition

Detroit's Blight Removal Task Force

- City surveyed 380,000 parcels, found 85,000 blighted
- Recommended demolition of 40,000 structures
- \$250 million in state and federal funding
- Demolitions began in 2014
- Reached 10,000 in summer 2016
- Fires are down
- Property values up 4.2% to 13.8%
- Roughly \$12,000 per demolition



Detroit Blight Removal Task Force



Public Education

Proactive Property Maintenance Approach

- **Public Education and Outreach**
 - Review property maintenance standards
 - Look to grass roots for reporting and pressure

Public Education

Vallejo, California's Neighborhood Law Program

- Puts attorneys on the street to tackle blight and nuisance conditions
- Meets with residents and community organizations
- Collaboration among with City departments, outside governmental agencies, and the citizens of Vallejo
- Outcomes include civil nuisance actions, receivership, demolition and voluntary compliance

Public Education

The Impact of Receivership
3321 Hazelwood St.

In 2015 the receivership program created \$1.1M of property value (\$2M in property value since 2013)

Property Value Case Study		
	As-Is Value	Est. Sale Price
2815 Webb St.	\$90,000	\$248,500
3321 Hazelwood St.	\$112,000	\$263,500
1247 Magazine St.	\$103,000	\$221,000
Totals	\$305,000	\$733,000
Gain in value		+ \$428,000

Rehabilitate or Redevelop

- **Development Community Expects Certainty**
 - Shared Community Vision
 - “Time is money”
- **Five Components of Successful Development**
 - Market feasibility
 - Financial feasibility
 - Consistency with community goals
 - Broad public support
 - Experienced developer

Redevelopment: Define the Public Purpose

- **Engage Partner to Achieve Local Goals**
 - State and federal officials
- **Issue Call for Proposals for Developers**
 - Identify structure or area of focused rehabilitation
 - Invite developers to provide qualifications
 - Evaluate developers' qualifications for similar projects

Redevelopment: Define the Public Purpose

- **Create Development Agreement**
 - Specific project milestones with claw back provisions
 - Include maintenance standards, affordability, sustainability and risk reduction requirements
 - Define the public purpose and organize public assistance
 - Rehabilitation funds (CDBG, TIF or private/public)
 - Public funds typically “last dollars contributed to the project”

Avoid the Pitfalls

- **Lack of Shared Vision**
- **Turning a “Blind Eye” to Hazardous Conditions**
- **Outdated or Ineffective Processes**
- **Reactive Regulations**
- **Inexperienced Developers**
- **Solutions in Search of a Problem**

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