New Castle County Vacant Housing Strategy And Vacant Premises Initiative
Overview

• The Department of Land Use has identified more than 1,300 vacant premises in unincorporated New Castle County that are now being monitored and/or maintained by County Code Enforcement.

• County needed a strategy to address vacant properties because Land Use was becoming a *de facto* property manager for many of these properties.

• This is part of a broader effort the County is working on.
Vacant Housing Working Group

- In 2016, the Departments of Community Services and Land Use began collaborating to help leverage their resources and address this growing problem.

- A Vacant Housing Working Group was created to bring key stakeholders together to develop strategies for reducing vacant, abandoned and blighted properties.
Working Group Members

- Attorney General’s Office
- Community Services
- County Council
- Executive Office
- Finance
- Geographic Information System (GIS) - mapping
- Land Use
- Law
- Public Safety
- Sheriff’s Department
Initial Progress

- County Council adopted legislation requiring owners of vacant properties to register those properties with the Department of Land Use.

- The Department of Community Services created the ReVaMP program to provide forgivable down payment and settlement assistance loans to qualified homebuyers who purchased a vacant home in identified or targeted areas in NCC.

- The Department of Land Use developed a working list of problem properties and initiated many demolitions and emergency repairs.
Initial Progress (Cont.)

- The State of Delaware awarded three grants totaling $1.45 million that will be used by the county to remediate vacant, abandoned and blighted properties.

- The Department of Land Use, with assistance from IS, developed a code/demo viewer with pictures and property profiles.

- Legislation has been drafted to address some of the unforeseen problems with the 2015 Vacant Property Registration Legislation.
Vacant/Code Viewer

The Code viewer was developed to graphically depict the inventoried properties and includes photos

http://nccde.maps.arcgis.com/apps/webappviewer/index.html?id=36b45a92ac5c425393e5d54c552e967c
Vacant Premises Registration

• In the first two years since the passage of the original legislation, only a few hundred properties have been registered – mostly by banks.

• The County identified 1,300 vacant properties and recognized the need for the County to have the authority to register vacant premises if the owner (or bank) fails to do so and impose an additional $1,000 registration fee.
Proposed Vacant Premises Legislation

- Establishes a process that allows the **Department to register** vacant premises if the responsible party fails to register with NCC

- Failure to register a vacant property will result in an additional **$1,000 fee**

- **Requires annual registration** every year the property remains vacant.

- **Increases the annual registration fees** in several categories:
  - < 1 yr.  From $0 to $100
  - 1 yr. to < 2 yrs.  From $100 to $500
  - 2 yrs. to <3 yrs.  From $500.00 to $1,000
  - 3 yrs. to <5 yrs.  From $1,000 to $2,000
  - 5 yrs. to <10 yrs.  $3,500 (No change)
  - 10 yrs.+  $5,000 plus $500 for each year over 10 (no change)

- Adds a provision for unpaid charges, fees and penalties to be a **tax lien**
What is a Vacant Premises?

• Generally, the County is targeting buildings that are intended for residential or commercial use and not occupied or in use as a legal residence or lawful business.

• Vacant premises do NOT include:
  ▫ Property owned or controlled by a governmental entity
  ▫ Property within the Village of Arden
  ▫ Model home actively used to market homes with that land development site
  ▫ Newly constructed home actively marketed for sale and available for purchase by a bona-fide purchaser
Examples Of Evidence That Premises May Be Vacant

- Accumulation of mail, advertisements or other materials delivered to or posted at premises
- Disconnected utilities
- Delinquent taxes
- Property violations within 120 days preceding a notice of vacancy
- Absence of vehicles on premises with current registrations
- Other evidence based on visual examination of officer or information provided by proximate property owners or tenants
Examples Of Evidence That Premises May Be Occupied

- Regular mail delivery by U.S. Postal Service
- Proof of continuous utility services
- Absence of property maintenance violations
- Valid business license
- Recent tax statements identifying property as official address of business or residence
Process

Property vacant for 90 consecutive days

Responsible Party or mortgagee (in case of mortgage default) registers w/n 10 days of property becoming vacant?

NO

Violation notice issued stating that property has been vacant for 90+ days. Given an additional 10 days to register. (Did responsible party or mortgagee register property pursuant to violation notice?)

NO

YES

Property entered into vacant property registry

Annual registration renewal and fees per Ordinance

Department will register the property, charge the applicable registration fee plus an additional $1,000 fee

Administrative hearing – administrative hearing officer weighs evidence. If determined that property is vacant and not registered, finding of vacancy issued and given an additional 10 days to register. (Did responsible party or mortgagee register vacant property?)

NO

YES

Finding of vacancy appealed to LIRB w/n 10 days of written decision?

NO

Stayed pending decision of LIRB appeal.

YES
Example of Successful Cycle

Property vacant since 2009 and added to Top 25 Problem Property List

NCC Spent $10,000 to repeatedly secure and maintain property

Property purchased at Sheriff’s Sale, on 8/9/2016, by Habitat For Humanity

Property being rehabbed for a new family with County HOME Program funding.
Proposed State Legislation

- **Prequalify Bidders** - More effectively avoid a cycle of vacancy by improving the functioning of sheriff’s sales by allowing local governments to prequalify bidders prior to bids on vacant units.

- **Application of Liens** - Empower local governments to more effectively use administrative enforcement of local ordinances related to the maintenance and condition of real property by classifying abatement expenses and other administrative enforcement costs and penalties as liens that can be collected through the process established for the collection of property taxes.

- **Administrative Warrants for Inspection Property** - Empower local governments to more effectively head off blight at earlier stages by allowing local governments to adopt administrative inspection schemes that would allow the inspection of property pursuant to an administrative inspection warrant rather than a search warrant.
GOALS AND NEXT STEPS:

• Amend the County’s vacant premises regulations
• Develop an acquisition strategy for acquiring properties encumbered with County liens
• Develop a disposition strategy for rehabilitating and transferring homes
• Identify 75 properties to move to Sheriff’s sale
• Streamline the sheriff sale process and accelerate sales for vacant properties
• Identify new strategic partnerships
• Collaborate with other agencies to efficiently use resources and grants
• Work with the AG’s office and other jurisdictions to develop a “wish list” of state code revisions for consideration by the General Assembly