



Staff Report

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Date: 4/8/2019
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TO: Mayor and City Council
THROUGH: Steve Powers, City Manager
FROM: Norman Wright, Community Development Director

SUBJECT:

Blight to Bright Program

Ward(s): All Wards
Councilor(s): All Councilors
Neighborhood(s): All Neighborhoods
Result Area(s): Welcoming and Livable Community

ISSUE:

A review of the of the Blight-to-Bright Program.

RECOMMENDATION:

Information only.

SUMMARY:

In July 2018, the City, through Compliance Services, began work with the Blight-To- Bright program. There have been two problem properties demolished because of the Blight-to-Bright Program. Having dedicated financial resources available has encouraged demolition of dangerous buildings. Fully pursuing these cases has resulted in tens of thousands of dollars in City liens for code violations being paid. The on-going availability of Blight-to-Bright funds will allow the City to continue efforts to remove dangerous buildings.

City Council approved in the FY 2018-19 budget \$100,000 for the Blight-to-Bright program. The funds were from the City's self-insurance reserve. The Blight-to-Bright fund acts as a revolving fund. The City demolishes a structure, places a lien against the property for the City's costs, recoups the funds when the property is sold or civil penalties are paid, and places the proceeds in the Blight-to-

Bright fund.

FACTS AND FINDINGS:

1525 Lee St SE

Code Compliance received its first complaint for code violations at 1525 Lee St SE in August of 2015. Additional complaints about the property were received over time, and by May of 2016 the property was declared a public nuisance. In July of 2017, the residential structure was declared unfit for human habitation because of an accumulation of solid waste, unsanitary conditions, and a lack of water, electricity, and waste disposal service. In September of 2017, a fire completely consumed the detached garage and extensively damaged the residential structure. The structure could not be secured or protected from weather and further deterioration.

After the fire, the Salem Police Department responded to over eleven calls for service for suspicious activity and unlawful entry into the structure. There was also a dangerous debris field on the property full of sharp metals, solid waste, and broken glass. The property became an area dumping ground for junk and solid waste.

An enforcement order was issued declaring the remaining damaged building on the property to be dangerous and ordering the owner to abate the violations on the property. The owner could not abate the violations.

On August 8, 2018, Compliance Services successfully sought a demolition order at a public hearing before the City's Hearing's Officer. Shortly thereafter, the property was sold and the new owners took it upon themselves to quickly demolish the dangerous structure and cleaned up the entire premises. As a result, the City did not have to incur the costs of demolition. The City's ability through the Blight-to-Bright program to demolish the structures, if necessary, was incentive for the new owner to take action.

990 17th Street NE

This property was abandoned by the owner in May of 2014, who had obtained a \$167,000 mortgage. The value of the lot is currently listed as \$70,000 and the structure at the time of abandonment had no value.

Over the years Compliance Services placed more than \$80,000 in liens for unpaid derelict building fees on this property. The City's on-going enforcement efforts failed to bring the property into compliance. Over a period of several years, the property moved from being a derelict building that was largely secured, to an attractive nuisance property that could not be secured from vandalism, trespasses, and other criminal behavior. Eventually the property was declared a dangerous building.

On September 14, 2018, after the successful demolition of the Lee St property, a letter was sent to all

interest holders of 990 17th St NE stating the City's intent to seek a demolition order. This action precipitated a sale of the property on October 3, 2018. The new owner voluntarily demolished the house on November 20, 2018.

Funding

On December 28, 2018, the City received \$86,106.55 for the outstanding liens paid by the new owners of the 990 17th St NE property. This amount will be returned to the self-insurance reserve. There are a number of properties in Salem that have been lienied by Compliance Services in the last several years. In addition, higher fees for derelict buildings were approved by City Council. As City liens are satisfied and civil penalties are paid, the full \$100,000 can be returned to the self-insurance reserve. The City will maintain approximately \$100,000.00 in the Blight-to-Bright fund for the purposes of combating and abating dangerous, derelict, and drug-lab-contaminated buildings in Salem.

BACKGROUND:

Prior to the Blight-to-Bright Program, demolitions of dangerous buildings, derelict buildings, and drug-lab-contaminated buildings had been completed by the City at a minimal level. Lack of dedicated funding, lengthy process, and the time required compared to other priority code compliance cases were all deterrents to removing blighted or dangerous structures. Demolitions were funded from budgetary savings or contingency funding. Over the last 25 years City-initiated demolition actions averaged approximately one every 18 months.

Brady Rogers
Neighborhood Enhancement Division Administrator

Attachments:

1. None.