

# Dealing with Abandoned & Dilapidated Buildings: Strategies for Saving, Maintaining and Enhancing Our Downtown Architectural Assets

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## Dealing with Dilapidated Structures

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In cities and towns of all sizes in South Carolina, municipal officials point to dilapidated structures as a challenge in their efforts to promote the highest possible quality of life and bring economic growth to their hometowns. The failure of offending property owners to repair or demolish dilapidated structures creates blight and a financial drain on community resources. It shifts the cost of abating violations from the responsible party to all taxpayers.

Notes

Dealing with these unsafe commercial and residential structures is a challenging task that requires officials to consider and carefully balance the rights of the offending property owners with rights of the owners of adjacent properties and the community at large. Because of the wide array of situations encountered and sensitivity of the property rights issue, municipalities must have a variety of tools that can be selected and effectively applied to the specific circumstances of each code enforcement case.

During the 2013 legislative session the Association will pursue legislation to give cities a new tool to deal with nonresponsive property owners. In the meantime, the existing tools described below are available to assist with enforcement of property and building code violations.

### What's Available

Cities and towns can adopt ordinances relating to upkeep of property (Section 5-7-80). These ordinances may provide for notification to the owner outlining the conditions needing to be corrected and may require the owner to take the necessary steps to correct the conditions. The ordinances may also outline how the municipality may correct the conditions if the owner fails to take appropriate action.

As with any ordinance, cities and towns must have procedures in place that provide for due process and proper notification to the property owner when the city moves to abate a problem. Likewise, any local ordinance needs to spell out explicitly the notice procedures, method of notice as well as a procedure for appeals of decisions made by the code enforcement officials.

State law gives cities and towns the authority to enforce the International Building Codes (Section 6-9-10) and to adopt by reference certain appendices to this code. (Section 6-9-60). One of the most widely adopted appendices in South Carolina is the International Property Maintenance Code, which establishes standards to help ensure public health, safety and welfare of the community by requiring the maintenance of existing structures and premises. The International Property Maintenance Code provides a framework for dealing with dilapidated structures in any city no matter the size.

The International Property Maintenance Code contains a prescribed and tested process of providing proper notice as well as a specific method of serving the notice to property owners. Because this code can be adopted by reference with only minor modifications, it is a good option for municipalities starting a new code enforcement program or looking to modify their existing program.

What happens when property owners fail to correct serious code violations? One option available to the municipality is to correct the violation. If the municipality corrects the unsafe conditions associated with the property, state law allows the municipality to place a lien equal to the cost of the abatement on the property and collect the lien in the same manner as municipal taxes.

Municipalities can also adopt, by ordinance, the use of an ordinance summons to enforce municipal ordinances. (Section 56-7-80). If authorized to do so, any municipal law enforcement officer or code enforcement officer can issue an ordinance summons. An ordinance summons is a municipal ticket which requires the property owner's appearance in municipal court. This is an effective and efficient way to encourage compliance with local ordinances related to code enforcement.

For example, the city can write a citation to the owner of an unsafe structure that is in violation of a local ordinance. The citation is written with the appropriate fine assessed and references the section of the local ordinance that has been violated. A court date would be set and the person must appear before court as required by the ordinance summons. Failure to appear may result in the issuance of an arrest warrant.

## Challenges

These code enforcement methods have limited effectiveness in certain situations. Liens on property generally can only be collected when a property is sold, and most county governments do not recognize code enforcement liens at tax sales. This means that liens may not be collected at tax sales.

Another problem with liens is that there is often a significant lag between filing the lien and collecting payment because sales of dilapidated properties occur infrequently. Likewise, ordinance summons are not effective when a property owner cannot be located or lives outside of the community or state. Ordinance summons must be personally served upon the offender.

These tools also have limited effectiveness when the property owner lacks the financial resources to abate the violations. Jailing offenders only increases the cost to the municipality and often fails to correct the violation.

Once all of these options have been exhausted, there is no additional recourse available to deal with unsafe structures. A bill will be introduced in the upcoming legislative session to address dilapidated buildings by working with private sector developers and nonprofit organizations.

# MASC-Sponsored Abandoned Buildings Bill

Reprinted from the Legislative section of the Municipal Association of South Carolina's web site

## Bill gives cities and towns new tool to fight blight and unsafe buildings

Notes

Cities and towns of all sizes have seen an increase in public safety and quality of life concerns raised by abandoned and dilapidated buildings in their downtown areas and neighborhoods. In Camden, for example, two abandoned buildings sit in the town's business district. These buildings are not only an eyesore, but also a public safety hazard. Unfortunately, out-of-town owners bought the buildings speculatively and have let the once salvageable roof deteriorate beyond repair, making renovations too costly for resale. The city has few options to bring the building back up to code. The demolition process is expensive and locating absentee owners to take responsibility for their property is often an endless task.

## The Challenge – unsafe abandoned and dilapidated buildings

As the Municipal Association of South Carolina held its Regional Advocacy Meetings across the state last fall, this problem of dilapidated and abandoned buildings kept surfacing as an issue for small and large cities and towns. Local officials repeatedly reported that dilapidated and abandoned buildings are unsafe and create a dangerous environment often thwarting economic development opportunities for the surrounding community.

“These structures diminish the quality of life and create an economic and financial drain on community resources,” said Camden Mayor Jeffrey Graham. Municipal leaders in cities and towns of all sizes detailed problems with commercial and residential property that created unhealthy and dangerous conditions. They gave examples of abandoned homes becoming drug houses – meth labs and crack houses – and abandoned industrial properties becoming illegal dumping sites.

Additionally, there is the cost to demolish these structures, many report. In Anderson, Assistant City Manager Linda McConnell notes the city has spent more than \$60,000 in the past two years to demolish dilapidated buildings and around \$26,000 to maintain unsightly lots.

Nolan Wiggins, city manager in Abbeville, reports a cost of around \$5,000 for each demolition the city must do. Rarely can the city recoup the cost for these demolitions.

The consistent message was that cities and towns need more flexibility in how they deal with the challenge of dilapidated, abandoned and unsafe properties. Although, cities and towns have the authority to abate problems through condemnation and other code enforcement methods, these methods are costly to all parties involved.

In the current process, the highest cost is to local taxpayers. Therefore, city officials must weigh these options in conjunction with the other demands on a municipal budget. Officials noted that when they have budgeted general fund money to remove hazardous properties, the city rarely recoups the money spent on dealing with the problem.

## The Solution – The Rehabilitation of Abandoned Buildings bill

The Municipal Association investigated options available in other states to solve similar concerns. This research identified a receivership tool used in several states, including Texas, Ohio and Wisconsin. This program fosters partnerships through a receivership program between local governments and private sector and non-profit organizations to remedy problems associated with hazardous structures and help save the cost associated with demolition.

In January, Senator Brad Hutto (D-Orangeburg) introduced the Rehabilitation of Abandoned and Dilapidated Buildings bill in the Senate to give local governments in South Carolina a similar receivership program as an option to help salvage and rehabilitate abandoned and unsafe property and get it back into productive use. Rep. Garry Smith (R-Simpsonville) and Rep. Jim Harrison (R-Columbia) introduced the bill in the House.

“This program would be beneficial to the cities and towns because it would help avoid the more costly process of condemnation and increase the opportunities of salvaging property instead of using demolition to abate the problem,” said Senator Hutto. It could also generate economic benefits by improving commercial properties and neighborhoods.

As introduced, the Rehabilitation of Abandoned and Dilapidated Buildings Act addresses properties with serious code violations that constitute a major or imminent public hazard. Receivership is an alternative to condemnation of the property by a public entity because the city avoids public taking. Owner-occupied homes are excluded from receivership action. Finally, the owner of record and lien holders have ample opportunities to take responsibility during the process.

“As we heard throughout our regional meetings this fall, cities and towns need an additional tool in their toolbox to help deal with this challenge of abandoned and unsafe properties,” said Warren Harley, the Municipal Association’s government affairs liaison who has worked closely with Senator Hutto on drafting the bill. “While this solution is not intended to work in every situation, we believe this bill is a solution to protect taxpayers from abandoned and unsafe properties, upgrade neighborhoods and protect rights of the property owners.”

The Rehabilitation of Abandoned and Dilapidated Buildings bill is a priority issue on the Municipal Association’s legislative agenda for this session. Local officials’ contact with their hometown legislation delegation members will be key to helping them understand the important local impact of this bill on local economic development and quality of life.