



An Assessment of Vacant and Abandoned Properties in Wilmington, DE

*Center for Community
Progress*

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INTRODUCTION

The Center for Community Progress (“*Community Progress*”) was retained by the Delaware Department of Justice (“*Delaware DOJ*”) to: (1) conduct an assessment of the underlying issues and systems related to vacancy and abandonment in the City of Wilmington (the “*City*”), with a focus on code enforcement, vacant property registration, delinquent tax enforcement, and land banking, and (2) provide observations and recommendations for the City and other local stakeholders to consider to better prevent, acquire, maintain and transfer vacant and abandoned properties to responsible ownership.

The observations and recommendations in this assessment are informed by:

1. A preliminary review of relevant state and local codes, as well as research of local initiatives, organizational structure, and other documents that provided relevant local context.
2. Pre-site visit phone interviews and email exchanges with relevant stakeholders and leaders from Delaware DOJ, Wilmington City Hall, and the private and civic sectors.
3. A two-day site visit, during which *Community Progress* team members met with a diverse set of local stakeholders (a list of participants is included in Appendix A).
4. Post-visit phone interviews and email exchanges with City department heads, and additional research of local context and conditions.

The focus of this assessment is intentionally on those properties which are vacant and abandoned, either unoccupied or incapable of being lawfully occupied. This specific focus is not intended to detract from the critical importance of issues pertaining to owner occupied, or tenant occupied, housing that may be or may become substandard in nature. But such occupied properties encounter quite different systemic problems and require a much different range of systemic solutions that are beyond the scope of this assessment.

The recommendations outlined in this assessment are presented as a menu of options for the City to consider to reverse the growing inventory of vacant and abandoned properties and the negative impacts these properties are having on Wilmington residents. These recommendations fall under three categories:

1. **Reforms to operations and policies** that aim to prioritize and improve collaboration, data-sharing, efficiency, accountability, and effectiveness within City Hall.
2. **Improvements to the code enforcement system, vacant property registration program, and tax enforcement system** to result in a more effective, efficient and equitable system to enforce building and housing codes,

recover costs associated with enforcement and abatement, and where necessary, force a change in ownership to a more responsible party.

3. **Creation of a new public entity**, a land bank, whose focus will be the acquisition, management and disposition of vacant and abandoned properties as well as to work in partnership with the other systems integral to addressing these properties.

Several local stakeholders expressed interest in developing a land bank to provide dedicated focus, capacity, transparency, legal powers and funding to address the scale of vacancy and abandonment in Wilmington and stabilize market conditions. It is important to emphasize that a land bank is just *one of many* tools that are needed to comprehensively address the full cycle of vacancy and abandonment and address market failure. In order to achieve and sustain vibrant, healthy and secure neighborhoods, a land bank's policies, priorities, and activities *must* complement other community strategies and activities—such as strategic code enforcement, effective tax collection and enforcement, data collection and analysis, and smart planning and community development. With a sizable inventory of more than 1,500 vacant properties and faced with challenges that seem to outpace limited resources, the City's approach to vacancy and abandonment must be multi-faceted, coordinated, and supported by a wide coalition of partners.

Community Progress is a national nonprofit organization that works with communities across the country to develop solutions to blight, vacancy and abandonment. As the national experts on land banking and other tools that address the full cycle of property stabilization and revitalization—from blight prevention, through the acquisition and maintenance of problem properties, to their productive reuse—we have provided support to more than 100 communities in 22 states since our launch in 2010. This project was led by Kim Graziani, Vice President and Director of National Technical Assistance, with support from Frank S. Alexander, Co-founder and Senior Legal and Policy Advisor, Tarik Abdelazim, Associate Director of National Technical Assistance, and Leslie Powell, former Assistant General Counsel and currently an Associate at Kutak Rock LLP.

I. THE IMPACT OF VACANT AND ABANDONED PROPERTIES

During the site visit and through our research, consensus was observed across a diverse set of local stakeholders that vacancy and abandonment are among the most pressing challenges to the City's ability to protect the health and safety of its residents. Those interviewed articulated the many ways in which vacant and abandoned properties are undermining the economic, social and environmental health of the City and its neighborhoods. Perhaps the most commonly expressed concern was the link between vacancy and crime, and how these vacant and abandoned properties become havens for criminal activity and undermine a neighborhood's sense of security, the real

estate market, and its ability to attract private investment. For example, City fire officials stated that fires in vacant and abandoned properties are common, and that the emergency response unit is often dispatched to these properties to assist drug overdose victims.

The issue of vacancy and abandonment is also featured prominently in the City's recently released Strategic Economic Development Plan (November 2014), which states, "The City's high number of vacant homes is a contributory factor to the City's high crime rate, and adversely affects the appearance of the City when they are not maintained."¹

It is important to note the vast (and growing) library of research on vacancy and abandonment. Various studies from across a range of markets and diverse geographies have shown that vacant and abandoned properties destabilize neighborhoods, attract crime, create fire and safety hazards, drive down property values, and drain local tax dollars—not to mention the human costs that raise concerns about social justice and equity. Below is a sample of a few recent studies, assessments and articles that affirm these negative externalities:

- Charles C. Branas, et al, *International Scholarly Research Network: Public Health, Vacant Properties and Violence in Neighborhoods (2012)*. This study found that a significant association exists between vacant properties and gun assaults in the City of Philadelphia, even after adjusting for other socio-economic factors.
- Ingrid Gould Ellen, Johanna Lacoë, Claudia Ayanna Sharygin, *Journal of Urban Economics, Do Foreclosures Cause Crime? (2013)*. This study determined that, in New York City, blocks with foreclosures elevate the chances for criminal activity, especially when the foreclosures are concentrated.
- Econsult Corporation, Penn Institute for Urban Research, and May 8 Consulting, *Vacant Land Management in Philadelphia: The Costs of the Current System and the Benefits of Reform, Redevelopment Authority of the City of Philadelphia (2010)*. This study estimated that the City of Philadelphia spends more than \$20 million annually on municipal maintenance costs responding to vacant properties. This includes time and direct costs incurred by police, fire, code enforcement, legal and a number of other municipal departments.
- GSBS Richman Consulting, *Addressing Vacant & Abandoned Buildings in Oklahoma City: Prevalence, Costs and Program Proposal (2013)*. This assessment finds that vacant and abandoned property costs Oklahoma City \$6.5 million a year in services. On a block face with at least one vacant property,

¹ SWOT Analysis, of Economic Development Strategic Action Plan, Wadley-Donovan GrowthTech, LLC and Garnet Consulting Service, Inc., November 2014.

police calls are 190 percent higher, fire calls 84 percent higher and animal welfare calls 115 percent higher.

- Lin Cui. *Foreclosure, Vacancy and Crime, Department of Economics, University of Pittsburgh, (2010) 23, via Vacant and Abandoned Properties: Turning Liabilities into Assets, U.S. Department of Housing and Urban Development (2014)*. This study of Pittsburgh shows that foreclosure alone has no effect on crime. However, after a property becomes vacant, the rate of violent crime within 250 feet of the property is 15 percent higher than the rate in the area between 250 and 353 feet from the property.
- Center for Community Progress, *Analysis of Bulk Tax Lien Sale: City of Rochester (2013)*. This study found that tax delinquent properties in the City of Rochester, New York, were twice as likely to be vacant, twice as likely to have code violations, and 5 to 6 percent more likely to generate police calls.
- Stephen Whitaker and Thomas J. Fitzpatrick IV, *The Impact of Vacant, Tax-Delinquent and Foreclosed Property on Sales Prices of Neighboring Homes, Federal Reserve Bank of Cleveland (2011)*. This study, conducted in Cuyahoga County, Ohio, found that the presence of vacant, tax-delinquent and foreclosed properties within 500 feet of a home will lower the value of that home by up to 9.4%.

Recognizing the link between crime, vacancy and abandonment, several attorneys general from across the country have directed a portion of their National Mortgage Settlement funds to support local efforts to demolish or rehabilitate vacant and abandoned structures. By 2013, attorneys general from at least eight states² had made such investments. For example:

1. In New York, Attorney General Eric Schneiderman issued two rounds of funding (the first for \$13 million and the second for \$20 million) and awarded grants through a competitive application process to land banks across the state to be used for the demolition or rehabilitation of blighted structures.³
2. In Michigan, Attorney General Bill Schuette designated \$25 million for a statewide Blight Elimination Program in which the City of Detroit received \$10 million and the remaining \$15 million was awarded throughout the state to support demolition efforts by local governments and county land banks.⁴

² Illinois, Kentucky, Maryland, Michigan, New York, Ohio, Washington and Wisconsin.

³ For more information, see <http://www.ag.ny.gov/feature/land-bank-community-revitalization>.

⁴ For more information, see <http://www.michigan.gov/dhs/0,4562,7-124--295439--,00.html>.

3. In Ohio, Attorney General Mike DeWine adopted a similar approach through the Moving Ohio Forward Program, which allocated \$75 million towards the demolition of blighted structures in all 88 counties. The program leveraged another \$25 million in local matching funds, and by July of 2014, more than 12,000 units had been demolished across the state.⁵
4. In Illinois, Attorney General Lisa Madigan opted to move beyond a focus on demolition and awarded \$70 million to community revitalization and housing counseling, which included support for land banking and reuse efforts, as well as local code enforcement initiatives and housing for special needs populations.⁶

This assessment offers a menu of recommendations to be pursued that, if implemented effectively and concurrently, would represent a significant—and perhaps unprecedented—level of local and state coordination around a set of diverse strategies to address vacancy and abandonment. By partnering with and working alongside the City, engaging the wide range of local private and civic partners who already have a shared commitment to tackle this challenge the Delaware DOJ is in a unique position to support systemic change that can impact generations of Wilmington and Delaware residents.

The following sections summarize current practices, identify primary hurdles and recommend potential solutions to achieve a more comprehensive and coordinated approach to vacancy and abandonment in the City.

II. STRATEGIC CAMPAIGN TO ADDRESS VACANT AND ABANDONED PROPERTIES

The City already has in place many of the technical legal tools that are necessary for an efficient and effective system of code enforcement and delinquent tax enforcement. Two enterprise software systems (financial and asset management) are currently being used by some departments, providing a solid foundation to build a more robust information management (“IM”) infrastructure and collaborative work culture that prioritizes accessibility, efficiency, and accountability. The relative strength of these underlying systems in the City will prove a major asset in building a more comprehensive, coordinated approach to effectively tackle vacant and abandoned properties.

Over the years, the City has shown an interest in seeking better tools and solutions to combat vacancy and abandonment. In fact, the City should be commended for incubating innovative programs that have served as models for communities

⁵ For more information, see <http://www.ohioattorneygeneral.gov/Foreclosure>.

⁶ For more information, see <http://illinoisattorneygeneral.gov/consumers/bankforeclosuresettlement.html>.

elsewhere. The City's Vacant Property Registration Program, launched in 2005, is still widely touted as one of the model registration programs a municipality can use to try to gain a better understanding of its vacant inventory and generate some revenue to help offset the costs that vacant properties generally compel a municipality to incur. Additionally, the City's Instant Ticket Program has helped streamline some sanitation-related code enforcement practices, garnering national recognition as the recipient of the 2008 City Livability Award from the U.S. Conference of Mayors.

Despite the relative strength of the underlying systems and a record of innovation, the City could benefit from establishing a strong and consistent message about why the elimination of vacant and abandoned properties is an essential component of the vision for a safe, healthy and vibrant City. A strategic campaign that articulates the negative impacts of vacant and abandoned properties and aligns stakeholders around a common vision and approach to addressing this issue could provide additional and necessary support from those that can effect change – including elected officials, municipal financial overseers, private investors, legal problem-solvers, public safety first responders, and residents.

Observations

- 2.1 As with many communities, the City doesn't appear to have a true calculation of the external costs of vacant and abandoned properties, which makes it difficult to justify the costs of new interventions versus the (much higher) costs of maintaining the status quo.
- 2.2 There is widespread consensus that vacancy and abandonment are major challenges, but there is a common perception that not enough is being done to fix the problem.
- 2.3 The emphasis on the correlation of criminal activity and vacant and abandoned properties is not only grounded factually, but appears to have received strong public acceptance and affirmation.
- 2.4 When criminal activity is the primary variable for identifying vacant and abandoned properties, there is an undercounting of the scale of the problem and an underestimation of the true and full costs of the problem (i.e. lost tax revenue, increase in municipal services and calls, lack of investor confidence).
- 2.5 There is a reluctance by the City to engage in enforcement proceedings, and potentially acquire vacant and abandoned properties, in the absence of a clear long term vision for re-use of such properties. This lack of an "end game" vision, unfortunately, leads to a position of inaction which allows the volume of vacant and abandoned properties to increase and the external costs of such properties to increase as well.

Recommendations

- 2.6 Consider quantifying the true and full financial costs of vacant and abandoned properties.⁷ This would include the core costs of (a) criminal activity and law enforcement costs, (b) lost property tax revenues from each vacant and abandoned property, (c) fire department costs, (d) loss in values of adjacent properties (and corresponding lost property tax revenues), and (e) public expenditures for nuisance abatement, boarding, and demolition.
- 2.7 Consider launching a strategic campaign that would help raise awareness about the true and full financial costs of blight, and would articulate a clear and direct message that the City will no longer tolerate vacant and abandoned properties.
- 2.8 One possibility might include announcing that all owners of such properties must immediately move to “Fix it Up” (bring the property into compliance with housing and building codes), “Pay it Up” (pay all delinquent taxes, public charges, and VRP fines), or “Give it Up” (by Sheriff’s sales transferring ownership to a new entity). To help fulfill this new pledge of zero tolerance, consider the observations and recommendations made in Sections III – VII.
- 2.9 Create a dedicated page for the strategic campaign on the City’s website to explain and promote component programs; list all partner agencies and participating organizations; post GIS maps of ongoing investments and activities; and provide reliable updates on campaign goals, accomplishments and challenges. Every action carried out under this strategic campaign should be featured on this centralized page to reinforce the comprehensive and coordinated nature of the City’s efforts. A quarterly newsletter could be produced in tandem with the website to ensure all residents have access to this information.

An effective strategic campaign can result in increased awareness of the impacts of vacancy and abandonment, as well as in the alignment of diverse partners to support the vision and be part of the solution.

Current high levels of interest in finding solutions to vacancy and abandonment provide an ideal opportunity to develop a strategic campaign that will support effective reforms. The City’s Mayor recently directed his management team to develop Strategic Plans for the upcoming budget process, requiring each department as part of the Plan to identify its role in helping to address the challenges posed by vacant and abandoned properties. At the same time, City Council representatives confirmed that blight remains

⁷ To learn more about how another region calculated the costs of blight, we encourage readers to review the Tri-COG Collaborative’s (Allegheny County, PA) *Financial Impact of Blight on the Tri-COG Communities*, completed in September 2013 and available for download at <http://svcog.org/the-cost-of-blight/>.

one of their most pressing concerns. A wide coalition of community partners are eager to participate in and contribute to a more comprehensive approach to building stronger, safer, and healthier neighborhoods. A strategic campaign offers promise and vision, provides direction and goals, and invites all partners to contribute in a meaningful way toward a common goal.

III. Administrative Priorities and Organizational Structure

The City has a record of innovation in addressing vacancy and abandonment, and the strength of its underlying systems are an asset. The challenge is that, for the large part, the City's resources and tools have been directed at vacant and abandoned properties with insufficient coordination and absent a coherent, strategic vision that includes both short-term and long-term goals. A key factor in success will be the City's commitment to bring together the existing resources, tools, and data currently 'siloe'd' within departments to achieve a more collaborative approach guided by a coherent, unified and focused strategy on vacancy and abandonment.

Currently, a number of separate working groups are taking on aspects of this work. A Nuisance Property Cluster Group meets monthly, focuses on properties based on the extent of criminal activity, and discusses strategies on a property by property basis. There is also an ad-hoc License and Inspections Workgroup currently compiling the "50 Worst Property List," and the criteria appears to be the level of disrepair and number and frequency of code violations. Finally, there is the Crime Strategies Team, which in collaboration with the Delaware Department of Justice, is focusing on the intersection of vacant and abandoned properties and crime through some creative door-to-door outreach in targeted neighborhoods to improve communication between residents and officials about needs, resources, and services.

Each department and each workgroup mentioned above may have its own reasons for focusing on vacant properties, but given the environment of constrained resources and an inventory of more than 1,500 vacant properties in the City, funding and policy decisions will need to be strategic, coordinated, data-informed, and market-driven. In order to accomplish that, the administration will need to reform internal operations, demand collaboration, and hold teams accountable.

Observations

- 3.1 Each department tends to address vacancy and abandonment as it relates to its specific work, suggesting there is no single, coherent framework that properly defines the administration's approach to vacancy and abandonment. The preferred solution to vacancy and abandonment also tends to be driven by the priority interests of the respective department and is largely guided by what tools are at the department's disposal.

- 3.2 Each workgroup has a different list of attendees, and no individual workgroup includes representation from all departments that have a direct relationship to vacant, abandoned and tax-foreclosed properties.
- 3.3 There is no comprehensive, coordinated strategy—pursuant to overarching goals—for dealing with vacant and abandoned properties.
- 3.4 There is no clear person or department with lead responsibility for developing and implementing a strategy for dealing with vacant and abandoned properties.
- 3.5 There is little clarity and no reliable and consistent process by which departments or individuals can suggest, discuss and reach agreement on the relevant variables to be used in identifying the most important vacant and abandoned properties to target for aggressive enforcement and demolition.
- 3.6 Since the Department of Finance is the lead entity with responsibility to authorize the initiation of monition enforcement actions, this tends to lead to a narrowly defined financial calculation of monition enforcement which undercounts the broader external costs imposed by vacant and abandoned properties.
- 3.7 While the City has a city-wide license for GIS software and two enterprise software solutions, these tools are not fully deployed, not fully integrated, and not consistently used across departments.
- 3.8 The prior administration and City Council committed approximately \$8 million in local appropriations to the Strategic Housing Fund (launched in 2008), all of which has since been expended and was used primarily as gap financing for market rate rental housing. During the same time frame, there has been significantly less allocated to demolitions. There is a shared interest by the current City Council and administration to recapitalize the Strategic Housing Fund. Additionally, the Department of Licenses and Inspections intends to request more money for demolitions in the upcoming budget process (the City's fiscal year is 7/1 – 6/30).

Recommendations

- 3.9 Create a single unified strategy to address vacant and abandoned properties. The focus should be on those properties that are unoccupied or not lawfully permitted to be occupied. Avoid including in the strategy any properties that are lawfully occupied, whether owner occupied or tenant occupied, since this requires a different set of systemic solutions.
- 3.10 The single unified strategy should have a clearly articulated goal and consist of a tiered approach for achieving the goal. What is the long-term goal? What does the City need to do to achieve this goal? Set benchmarks for monitoring

progress, and make them realistic.⁸ Identify what can be done right away so that progress can be demonstrated and achievements, even small ones, can be touted.

- 3.11 Consider consolidating all existing blight work groups into a single “Blight and Crime Action Team.” The Blight and Crime Action Team would have a standing weekly meeting led by a representative from the Mayor’s Office. It should include representation from the following departments and stakeholders: (a) License and Inspections and the Vacant Property Registration Program, (b) Real Estate and Housing, (c) Finance, (d) Law, (e) Planning, (f) Economic Development, (g) Fire, (h) Police, (i) IT and GIS, (j) Assessor, (k) Delaware DOJ Crime Strategies, and (l) Water.
- 3.12 Consider tasking the Blight and Crime Action Team with identifying the key objective variables to be applied in creating the priority action list of vacant and abandoned properties. Such variables could include: (a) condition of structure and risk to public safety, (b) magnitude of adverse impact on adjoining properties, (c) extent of criminal activity, (d) extent of tax delinquency and other delinquent City assessments and fines, (e) existence of multiple code violations, (f) common ownership with other properties with similar violations, (g) ready demand for reuse and redevelopment, (h) estimated costs to the City associated with reuse and redevelopment, (i) proximity to ongoing or pending public and private investments, and (j) consistency with locally-adopted plan, neighborhood strategy, and/or market value analysis.
- 3.13 Identify short-term and long-term goals for the Blight and Crime Action Team. Early actions might be to discuss this assessment, inventory resources, share and map relevant datasets, and develop the criteria for and the list of priority properties. It should also be charged with monitoring performance of any new investments, initiatives, and policies that are implemented as part of the City’s comprehensive and coordinated approach to vacancy and abandonment.
- 3.14 Consider the importance of a GIS mapping exercise as one of the first tasks of the new Blight and Crime Action Team. This exercise will yield powerful visual representations of the fragmented data-sets, allowing for more strategic assessment of threats and opportunities. Moreover, the exercise will also open up an important dialogue about data management practices in City Hall, and perhaps guide a two or three year action plan with the ultimate goal of dramatically improving inter-departmental access, integration and analysis of the large volume of data currently collected in ‘silos.’

⁸ To learn more about how another city established and reported on goals of a citywide strategic campaign to reduce vacancy and abandonment, we encourage readers to review New Orleans’ 2013 Blight Reduction Report, http://www.nola.gov/getattachment/Performance-and-Accountability/Initiatives-and-Reports/BlightSTAT/Blight-Report_web.pdf/.

- 3.15 Consider delegating to the Blight and Crime Action Team the responsibility to ensure the minimum bid to be tendered by the City at Sheriff's sales represents the true costs of vacancy, which include the fully loaded amount of delinquent taxes, penalties, interest, code enforcement liens and expenditures, VPR liens, and the direct and indirect costs associated with preparing and conducting the enforcement proceedings.
- 3.16 Provide regular updates, including all GIS maps, from the Blight and Crime Action Team on the dedicated webpage (#2.9) for the City's unified strategy for vacant and abandoned properties.
- 3.17 Ensure that each department involved in implementing the unified strategy has access to the same data and is properly trained to effectively use the City's enterprise software systems and information management tools.
- 3.18 Consider creating an "Information Management Action Team" that meets monthly to consider how to accelerate full deployment of and efficient integration between the City's asset management and financial enterprise software systems, CityWorks and MUNIS respectively.
- 3.19 Consider a range of new investments in the upcoming budget process as part of the City's unified strategy, which might include: (a) significant investment in a multi-year demolition campaign, (b) accelerated investment in data and information management, (c) aggressive and accelerated enforcement of code violations and delinquent liens (which may require additional resources in the law office, particularly as it relates to proper title searches and constitutional notice), and (d) start-up funds for a proposed land bank.

Launching new initiatives and tools is the easy part of a more comprehensive and coordinated approach to vacancy and abandonment. The challenge is in effective and efficient implementation, which will require reforms to City Hall's current operations. The Blight and Crime Action Team presents a collaborative, creative and efficient way to address a challenge that touches nearly all departments, and provides the Mayor a single team to which he can delegate responsibility for decision-making and action. Convening the Blight and Crime Action Team and implementing smart internal reforms will not only ensure that the priority action list of vacant and abandoned properties is developed based on strategic, overarching goals, but also help identify (1) complementary reforms in data collection and management practices, (2) opportunities to schedule and align multiple public investments to achieve maximum impact, and (3) ways to deliver City services more efficiently and cost-effectively.

IV. Housing and Building Code Enforcement

As is true in many local governments throughout the United States, the existing "system" of statutes, ordinances and procedures for housing and building code

enforcement in the City is an amalgamation of approaches created over the past two hundred years. The approaches available to the City include personal liability of owners (both civil and criminal), and civil (*in rem*) liens against the property. Some of these enforcement mechanisms, such as criminal misdemeanor prosecutions, are very time intensive, yield relatively low levels of compliance with codes, and are entirely ineffective when title to the property is held by out of state corporations or is highly fractured (for example, an “heir” property).

Within this maze of different approaches to code enforcement, the City already has in place most of the key elements critical to addressing the problem of vacant and abandoned properties. The proposed overarching theme of “Fix it Up, Pay it Up, or Give it Up,” requires efficient and strategic code enforcement and the ultimate goal is for owners of vacant and abandoned properties to bring their properties into compliance with housing and building codes (“Fix it Up”). However, for those owners who refuse to remedy violations or abate nuisances, the City should consider reforming enforcement strategies with the primary goal of either recovering full payment of all outstanding taxes and code liens (“Pay it Up”), or using the super priority status of code liens to open up the monitions proceeding as a pathway to transfer ownership to a responsible party, including but not limited to the proposed land bank (“Give it Up”).

Observations

- 4.1 The current system is primarily reactive in nature, responding to complaints that are received, rather than being proactively driven by a strategic plan.
- 4.2 The current code enforcement system relies heavily on criminal prosecution as the primary enforcement mechanism, resulting in significant expenditures of time and effort, with modest compliance.
- 4.3 Current laws provide maximum opportunity to aggregate all public liens as super-priority liens for enforcement.
- 4.4 The current code enforcement liens (such as boarding and cutting grass) appear to contemplate only funds expended by the City to third-party contractors.
- 4.5 There is a tendency in the City to look to the Vacant Property Registration Ordinance, and its enforcement, as a substitute for direct enforcement of the Housing and Building Codes.
- 4.6 Demolition activities are significantly underfunded. Part of this is inevitably due to the fiscal pressures which the City is experiencing. Part of this, however, is due to the lack of aggressive enforcement of housing and building code violations. Every year of delay increases the direct and indirect per property costs of remediation and demolition, as property deterioration accelerates over time.

- 4.7 The perception among some stakeholders is that demolition results only in open dumping grounds and dangerous alleys, exchanging one form of blight for another.
- 4.8 There is no clear policy basis, aside from the source of funds, for some demolition decisions being made in the Department of Licensing and Inspections and others in the Department of Real Estate and Housing.

Recommendations

- 4.9 Consider revising the City Charter/Code to eliminate all enforcement through criminal process, which is costly, inefficient, labor-intensive, and largely ineffective as it pertains to vacancy and abandonment. Instead, the City should consider shifting entirely to *in rem* lien attachment, parallel to the “instant ticket” process under the Sanitation Code.
- 4.10 Correlate the code enforcement inspection process with the overall strategy on vacant and abandoned properties such that at least a portion of the inspection resources are dedicated and deployed strategically to priority action areas.
- 4.11 Revise the Charter/Code to provide that all code enforcement violations (whether related to boarding, grass cutting, or demolitions) carry fully loaded costs inclusive of City’s administrative and inspection costs, such that compliance costs incurred by the City are not limited to payments to third-party contractors.
- 4.12 Review Charter/Code to provide that code enforcement violations automatically become a lien against the property as of the date of issuance of the ticket.
- 4.13 All demolitions funds, regardless of source (CDBG or local tax dollars), should be invested in a strategic manner, with direction from the Blight and Crime Action Team and informed by the priority action list of vacant and abandoned properties.

A “Fix it Up, Pay it Up or Give it Up” approach requires real reforms to code enforcement practices for it to be meaningful—and creating and using a more strategic code enforcement system must be part of the City’s comprehensive and coordinated approach to vacancy and abandonment. With a shift in focus to *in rem* lien attachment, and with inspections and enforcement guided, in part, by a thoughtfully-developed priority property list, the City will likely realize higher rates of compliance, higher recovery rates of incurred costs, and increased likelihood of forcing a transfer of ownership to a more responsible party, including but not limited to the proposed land bank.

V. Vacant Property Registration Ordinance and Enforcement

The City has achieved national recognition for the adoption of its Vacant Property Registration (“VPR”) Ordinance over a decade ago, and this VPR has become a model for replication throughout the United States. The difficulty, however, is that the motivating rationales for the VPR result in a structure that does little to address widespread abandonment. One rationale for the City’s VPR was to achieve identification of the name and address of the individual or entity with authority to manage and control the property. A second rationale was to impose fines for vacancy which increase over time, forcing the owner to internalize some of the holding costs of vacant property which would otherwise be borne by the City and by neighbors of the parcel in question.

When an owner, or multiple owners of highly fractured title interests, have made an affirmative decision to disinvest and abandon the property, a VPR of this nature is largely ineffective. Such owners are indifferent to growing fines and penalties and each year the property deteriorates further, increasing the costs to the neighborhood and ultimately to the City.

A VPR cannot be an adequate substitute for housing and building code enforcement. However, the City’s VPR *can* be effective as one tool in dealing with vacant and abandoned properties within the concept of “Fix it Up, Pay it Up, or Give it Up.” VPR liens, which have super priority lien status, offer another mechanism for the City to more efficiently move to Sheriff’s sale the inventory of vacant and abandoned properties owned by unresponsive parties.

With at least 1,500 vacant and abandoned properties in the City, this enforcement process must not be random or driven by the interests of any one department. The City should also keep in mind that vacant properties that sit idle for years quickly lose value, narrowing the prospects for cost-effective rehabilitation and increasing the likelihood of costly demolition. For these reasons, it is critical that the City prioritize enforcement actions, giving first priority to those properties most recently classified as vacant, and second priority to those properties creating the greatest neighborhood harms as determined by the Blight and Crime Action Team.

Observations

- 5.1 The enforcement of VPR liens appears to be directed either to those who have multi-year violations, or those properties on the “50 Worst List”.
- 5.2 The VPR ordinance tends to be viewed as, and used as, a substitute for direct and immediate enforcement of housing and building code violations.
- 5.3 At present, VPR fines are allowed to aggregate over a long period of time, in some cases for ten years or longer.

- 5.4 A third-party contractor may be sent by the City to the same property multiple times to board and secure open windows or doorways before using more durable (and costlier) board and secure treatments.
- 5.5 VPR inspectors are unable to inspect the interior of vacant properties without the expressed and voluntary permission from owners. As vacancy persists, code violations (like a deficient roof) exponentially increase damage to the property, draining valuable equity from the structure and making ultimate code compliance and enforcement more costly (and less likely).
- 5.6 It appears the City's decision to expire all grandfathered rights (of nonconforming uses) once a property has been vacant for one year may inhibit redevelopment and investment in weak or underperforming neighborhood markets.

Recommendations

- 5.7 Reverse the current priority for commencement of monition proceedings, giving first and immediate priority to violations the first year that the property is determined to be vacant.
- 5.8 Avoid use of criminal process to seek enforcement of VPR fines. Focus entirely on enforcement of VPR liens as part of *in rem* foreclosure proceedings.
- 5.9 Create a fine for failure to register vacant properties. To be a true incentive, such a fine should exceed the cost of registration.
- 5.10 As new vacant properties are identified, the City should immediately order third-party contractors to install the most durable board and secure treatments possible to protect the structure from vandalism, the weather, and rapid depreciation.
- 5.11 Consider requiring, either through state statute or amendment of Charter/Code, an engineering assessment for properties that are vacant in excess of five years, the cost of which can be assessed back to the property as a code enforcement lien. Conversely, consider re-instating the inspection requirement as part of the Vacant Property Registration Program.
- 5.12 Evaluate the costs and benefits of the expiration of grandfathered rights to properties that sit vacant for more than a year, and consider alternative guidelines that balance land-use goals with blight prevention goals.

The City's practice of attaching unpaid VPR fees as liens should continue, and even expand, as it offers the chance to more effectively implement a "Fix it Up, Pay it Up, or Give it Up" approach as part of a unified strategy for vacant and abandoned properties. According to data provided by the City, there are nearly 200 vacant properties that owe \$5,000 or more in VPR liens. Approximately 500 properties currently have \$2,000 or more in delinquent VPR liens. It would be counterproductive and likely harmful for the City to randomly commence monition proceedings on VPR liens, or to

vest the decision of which properties to target in one department. The universe of delinquent vacant properties is certainly larger than what the market or a land bank could ever absorb (and fix), so it is critical for the City to connect the VPR program and the above approach to a new collaborative decision-making process that will be strategic, data-informed, and market-driven.

VI. Delinquent Property Tax and Code Lien Enforcement

The presence of delinquent property taxes is a common, though not conclusive, characteristic of vacant and abandoned properties. When delinquent property taxes do exist, enforcement of the tax lien can provide one of the most efficient and effective methods of compelling the payment of the delinquency or forcing the transfer of the property to a new owner. Even though property taxes within the City are relatively low compared to most metropolitan areas, the City is fortunate to have in place the key legal components to permit it to proceed with aggressive enforcement of delinquent taxes and/or code liens in the context of all vacant and abandoned properties.

The primary challenge at the present time appears to be a reluctance by the City to initiate monition proceedings. Such reluctance may be due to a perception that the transaction costs of a proceeding outweigh the amount of taxes to be recovered, a desire not to acquire properties at Sheriff's sales, or a desire not to initiate monition proceedings against owner-occupied or tenant-occupied properties.

Even when monition proceedings have been initiated against tax-delinquent properties, the outcomes of the Sheriff's sale have been mixed at best and harmful at worst for two primary reasons. First, in distressed and underperforming markets, speculative auctions rarely, if ever, generate positive outcomes. Second, when auctioning off tax-delinquent properties, the City has typically waived VPR liens and other code enforcement liens in order to set a minimum bid that will attract private bidders. However, such devaluing of the costs of abandonment tends to favor speculators or absentee owners. In neighborhoods challenged by an underlying market failure, the speculative auction offers little hope to rebuild market strength, and worse, can often accelerate the cycle of decline and disinvestment.

This pattern is supported by findings of an informal curbside survey conducted by the Department of Justice in November of 2014 of all properties sold at the Sheriff's sale in the City in the third quarter of 2012 and in the third quarter of 2013. Of the 35 properties sold at auction during those two quarters, 43% of the properties surveyed were identified as remaining vacant, boarded, and with no signs of investment activity (a chart of the survey findings is included in Appendix B). Accordingly, a significant percentage of participants in the Sheriff's sale process appear to be acquiring properties for speculative purposes, not with any near-term intention to invest and improve the neighborhoods throughout the City. A second important finding of this informal survey is the disturbing pattern of many successful purchasers failing to record the deed, which

can greatly complicate the City's enforcement efforts and perpetuate a pattern of absenteeism and abandonment.

If undertaken as part of a comprehensive and coordinated strategy, aggressive enforcement of tax-delinquency targeted towards vacant and abandoned properties can help revitalize the City. It can help generate revenue by (i) reducing property tax delinquencies, (ii) recovering the delinquent lien amounts from sale proceeds, and (iii) increasing the tax base as a result of forced sale to new owners who are invested in the property and the neighborhoods. An aggressive enforcement system can not only generate revenue, but also minimize the external costs that these vacant and abandoned properties impose on the City and its residents by reducing the number of properties requiring code enforcement and delinquent tax proceedings and by preventing corresponding reductions in property values.

Observations

- 6.1 The "trigger" decision for initiating property tax enforcement appears to be in the Finance Department. Once the decision is made, the Law Department is responsible for identifying parties, initiating the motion proceeding, and obtaining the judgment and subsequent order for sale.
- 6.2 The City does not appear to have standard operating procedures which cause enforcement proceedings to be commenced immediately upon delinquency, or even within a fixed period of time following delinquency. Alternatively, the decision to initiate proceedings does not appear to correlate with a collective strategic approach to vacant and abandoned properties.
- 6.3 There is some uncertainty as to whether liens for delinquent property taxes attach to the property only upon a filing by the City or automatically by virtue of state and local law. A lien under 25 *Del. C.* § 2901 is a charge levied against a property by the State or political subdivision thereof and can include numerous kinds of charges, such as demolition costs, taxes, garbage collection, sewer and water, fines imposed by the City for code violations, etc. Section 2901(b)(1) requires an affirmative filing of a Notice of Lien. On the other hand, City Code § 4-151 provides that "all taxes for city and school ... shall constitute a prior lien ... from the first day of July succeeding the assessment of said taxes."
- 6.4 The reliance on Superior Court Rule 69(g) appears to require constitutionally adequate notice for purposes of marketable and insurable title being available at Sheriff's sales.
- 6.5 Minimum bids are frequently set well below the total costs of the liens against the property, creating conditions that maximize, or at least favor, third party speculative purchasers at Sheriff's sales.
- 6.6 Purchasers at Sheriff's sales are not necessarily recording the Sheriff's Deed following its issuance nor are they legally required to do so.

- 6.7 In 10% to 20% of City initiated monition Sheriff's sales in which the City is the successful bidder, the City elects 30 or 60 days later to cancel or waive its successful bid because it does not want to add to its inventory. The effect of this is that the property is never sold and all the time and effort in taking the property to a Sheriff's sale has been lost.

Recommendations

- 6.8 Create a clear internal mandate specific to vacant and abandoned properties regarding the commencement of delinquent property tax enforcement proceedings. The mandate should require either automatic commencement or commencement at a fixed point in time or in coordination with the Blight and Crime Action Team's strategy for vacant and abandoned properties.
- 6.9 Create a strategy in which all monition proceedings incorporate, as the minimum bid, the fully loaded amount of delinquent taxes, penalties, interest, code enforcement liens and expenditures, VPR liens, and the direct and indirect costs associated with preparing and conducting the enforcement proceedings. This strategy is intended to either maximize complete financial recovery by the City, or ensure acquisition of the underlying property by or on behalf of the City.
- 6.10 Create a requirement, by state statute or amendment of Charter/Code, for the recordation of deeds from Sheriff's sales. Such a requirement is most easily accomplished by placing upon the Sheriff, or Clerk of Court, the responsibility for immediate recordation of the deed (amending City Code 4-183, or 25 Del. C. §154, to specify that the Sheriff files the deed for recordation if the property is not redeemed in sixty days).
- 6.11 The City should not initiate a monition proceeding leading to a Sheriff's sale in which it is not able and willing to be a successful bidder at the sale. This does not mean necessarily that the City must be the high bidder; it means that the City should never be in the position of cancelling or rescinding a Sheriff's sale in which it is the successful bidder.

Linking together effective, efficient and equitable code enforcement and tax enforcement systems allows the City to confidently announce a new approach to vacant and abandoned properties, "Fix it Up, Pay it Up, or Give it Up!" as part of a comprehensive strategy coordinated with a wide coalition of partners. Some parties might argue that effective and consistent code enforcement discourages private investment. Our experience suggests just the opposite, in that the *absence* of effective and consistent code enforcement is what discourages responsible investment. Consistent code enforcement helps build investor confidence, and is a powerful way for a local government to signal that investments will be protected from irresponsible or absentee property owners whose neglect can harm and injure an entire neighborhood real estate market.

Yet as mentioned in previous sections, these reforms must be part of a comprehensive and coordinated strategy. This new enforcement approach will only work best when linked to reformed internal operations and a newly created public entity. At the front end of the delinquent enforcement proceedings, the Blight and Crime Action Team has a pivotal role to play in guiding and overseeing the enforcement process, linking the commencement of monition proceedings to a strategic framework and ensuring minimum bids are fully loaded, representing all payments owed to the City and the true costs of vacancy. At the back end of the monitions proceedings, the Center for Community Progress believes that a land bank would provide a more predictable, community-driven alternative to private speculators as well as a guarantee against expanding the City's inventory.

VII. Land Banks and Land Banking Possibilities

Land banks are governmental entities that specialize in the conversion of vacant, abandoned and foreclosed properties into productive use. The creation of a land bank is not *the solution* to vacant and abandoned properties, but it can be *one component part of a solution*.

As is the case in many other communities with large inventories of vacant parcels and limited resources, the City is reluctant to engage in aggressive actions against the growing inventory of vacant and abandoned properties for a variety of reasons. Primarily, the City already owns and maintains approximately 140 properties, and the City has little interest in growing this inventory. There is wariness over the costs of demolition or long-term maintenance, uncertainty over future uses, and frustration with the procedural hurdles in disposition of City owned properties. Such reluctance however, masks the fact that the City is already either (i) bearing the costs of remediation or demolition but leaving ownership in private hands, or (ii) not undertaking remediation or demolition and then allowing the significant external costs to be imposed on the neighborhood and on the City.

When the reluctance to engage in aggressive enforcement is tempered by modest enforcement in hopes of Sheriff's sales to private third parties, the problems actually increase rather than decrease. In weak market neighborhoods, the primary purchasers at Sheriff's sales are passive investors, or speculators, who have little incentive to invest in new development or redevelopment. The curbside study undertaken by the Delaware Department of Justice discussed above in Section VI supports this conclusion. When passive property owners are not personally invested in the health or vitality of a neighborhood, the status quo remains unaltered; the challenges will certainly persist and may even worsen.

When granted the necessary authorities and legal powers, a land bank can be a key strategy for unlocking the cycle of vacancy and abandonment by directly acquiring

title to properties at Sheriff's sales and focusing on management and ultimate disposition of the properties consistent with local priorities and neighborhood revitalization plans.

A land bank empowers the City to present parcels to the tax foreclosure auction market at their fully-loaded costs, knowing that if the sale fails, the property won't become an additional cost burden to the City but will instead move directly into the land bank's inventory. This has many advantages for the City beyond just the possibility of higher lien recoveries and greater revenues. By no longer offering properties at "discounted" prices, the City can severely limit the influence of speculators at Sheriff's sale, many of whom have no intention of investing in the particular parcel in question beyond the minimal price of acquisition. Minimum bids set to reflect the fully-loaded costs of vacancy will yield a more effective and accurate test of the local market. Where a fully-loaded parcel does not fail at a Sheriff's sale, but is instead purchased at or above that fully-loaded price, there can be higher confidence that the new owner is committed to investing in the future success of that neighborhood, and accordingly there will be more accurate signals to all market participants about the future prospects of the neighborhood. Where a fully loaded parcel fails to solicit any minimum bids, a strong indication of the underlying market failure, then the land bank will need an adequate level of funding to either demolish the property or remove the particular liabilities with the goal of returning the property to productive use, in partnership with the private and civic sectors and consistent with local priorities.

Observations

- 7.1 The City's reluctance to take ownership of properties in monition proceedings is the primary "bottleneck" which undercuts the effectiveness and efficiency of all tax enforcement and code enforcement proceedings as key tactics to address vacant and abandoned properties.
- 7.2 The City's reluctance to take ownership appears to be attributable, at least in part, to concerns about the lack of any clear immediate end-user or transferee of the property, the costs of remediation (or demolition) of the properties, and the costs of on-going maintenance.
- 7.3 Conveyances, or dispositions, of properties owned by the City require one or more approval actions by the City Council.
- 7.4 At the present time the City does not have a legal entity whose sole focus is the acquisition, management and disposition of vacant and abandoned properties.

- 7.5 The low tax rates in Wilmington could undermine the viability of some prominent funding mechanisms for land banks used elsewhere, such as the 5/50 tax recapture provision⁹ or the delinquent tax assessment collection.¹⁰
- 7.6 The Wilmington Housing Partnership, a private not for profit [501(c)(3)] corporation, is a successful and well-regarded housing developer that can collaborate with select private, nonprofit, and governmental entities. It has the advantages of being able to initiate and complete transactional decisions typical of the purely private market, with flexibility in deal structuring and access to a broad range of private sector funding. However, it cannot by itself provide the market-restoring function of a land bank.

Recommendations

- 7.7 Consider the creation of a new public entity – a land bank – that would have maximum acquisition, management, and disposition powers for properties being acquired through the monition process.
- a. Provide for the Land Bank to have “credit bid” acquisition powers. A credit bid would permit the Land Bank to be a successful bidder at a Sheriff’s sale without the need to advance additional cash funds. Such a credit bid provision is simply a recognition of the funds already advanced by, or owed to, the City, and an acknowledgement that the Land Bank is providing a valuable service by taking control of and responsibility for these vacant and abandoned properties.
 - b. Provide for the Land Bank to have “trump bid” acquisition powers. A trump bid would permit the Land Bank to automatically acquire the property for the minimum bid and avoid the sale to third party investors or speculators. Such a trump bid does not deny private market access to the property as investors or speculators are completely free to negotiate a purchase directly from the owner prior to the sale and exercise the owner’s pre-sale rights to redeem, or pay-off, all public liens prior to the sale.

⁹ A common provision found in many state enabling land bank bills passed in the last six years, the standard 5/50 tax recapture provision allows a land bank to collect up to 50% of the property taxes on any property sold by the land bank for five years after the sale. Our experience shows that this funding mechanism generally generates a nominal amount of revenue each year. Given the exceptionally low local tax rates in Wilmington, this funding approach should be evaluated further to determine utility.

¹⁰ Based on our experience and research, there is one powerful funding mechanism that currently offers land banks a substantial degree of financial security, and that is Ohio’s Delinquent Tax Assessment Collection (DTAC), a recurring and reliable funding stream established under the state’s 2009 land bank legislation. DTAC is an additional penalty added on all delinquent tax bills, the proceeds of which are re-allocated exclusively to county land banks. Again, given the low tax rate in the City, this may not result in a significant recurring revenue stream but should be evaluated further.

- c. Provide for the Land Bank to have authority for acquisition, management and disposition of its inventory, without need for supplemental City Council action, consistent with best practices in the field. To the extent that the City Council desires to create priorities for proposed uses, or priorities among proposed transferees, such priorities can be set in the City Code amendments creating the Land Bank.
 - d. Provide that the Land Bank will have broad discretion in establishing a disposition pricing policy.
 - e. Provide that the Land Bank will be governed by a Board of Directors between 5 and 11 in number.
 - f. Provide that the Land Bank will be a public corporation of the City, with full transparency and subject to all Open Meetings Act and Open Records Act requirements.
 - g. Provide that the Land Bank will hold title to its real property inventory in its own name.
 - h. Provide that the Land Bank will have authority to contract with the City, the Wilmington Housing Partnership or similar public or nonprofit corporation, for staff support.
- 7.8 Provide direct funding to the Land Bank from either the City's annual budget or entitlement grants to undertake the remediation and demolition activities not otherwise undertaken by the City in its code enforcement proceedings.
- 7.9 Fund the Land Bank operations and activities not just through direct grant funding from the City, but also through state and federal sources, and private third party charitable contributions. Explore new and recurring funding mechanisms at the state level that will yield a reliable annual revenue stream for the Land Bank to carry out stabilization and revitalization activities. Create a series of restricted and dedicated revolving accounts in the Land Bank to ensure maximum transparency and accountability for the expenditure of all such funds.
- 7.10 Consider the possibility of transferring the real estate inventory of the Department of Real Estate and Housing to the Land Bank.
- 7.11 Entirely separate from the possible creation of a Land Bank, consider the possibility of an in-depth analysis of state statutory authority for judicially appointed receivers for control, management and disposition of real property. The key questions in such an analysis would involve (a) standing to file a petition for a receiver, (b) roster of eligible entities with capacity to serve as receivers, (c) relative priority of receiver's liens as against other liens and encumbrances, (d) procedures for receiver's sale and pool of eligible purchasers, and (e) source of funding of receiver's expenditures.

The City's reluctance to aggressively commence motion proceedings against tax delinquent properties presents a significant barrier to implementing an effective approach to vacancy and abandonment. When it does move tax-delinquent properties to the Sheriff's sale, the City frequently sets a minimum bid that does not reflect the true costs of vacancy, and thus invites speculation or passive investors. The creation of a land bank provides the City a reliable transferee of tax-foreclosed properties and a new tool to manage and repurpose vacant and abandoned properties consistent with community goals and market stabilization.

Simply creating a land bank, however, is not a substitute for the City's commitment to ensure adequate funding for acquisition, management, and disposition of the vacant and abandoned properties. The fact is, land banks will *always* need *some* level of support—whether cash support from the public, private, philanthropic sectors or in-kind support from local governments—that is proportional to the scale and scope of vacancy and abandonment the land bank is expected to help resolve.

Similarly, creating a land bank without pursuing the many reforms “upstream” (included in earlier sections of this report) will do little to help stabilize certain neighborhoods and stimulate the markets in others. A land bank simply helps solve the current bottleneck, but it is incumbent upon the City to devise an overarching strategy and focused effort that reflects improved coordination across departments, a collaborative decision-making process, data-informed and market-driven interventions, more effective code and tax enforcement, and engagement with a wide coalition of partners who share a common goal to create safer, healthier and more vital neighborhoods for all residents of Wilmington.

CONCLUSION

The negative impacts of vacant and abandoned properties are well-documented. As was stated by many stakeholders interviewed for this assessment, vacant and abandoned properties can become havens for criminal activities, depress market values and harm the equity and financial security of neighboring property owners, deprive local governments of critical tax revenue, and drain community pride and optimism. These impacts, common across all communities, are compelling many local and state officials to identify new tools, policies and approaches to wage a more effective fight against blight. Many of these officials recognize that as costly vacant and abandoned properties are, the greatest costs come from simply doing nothing.

This assessment includes observations of the current practices and systems used by the City in response to vacant and abandoned properties, and presents an extensive list of recommendations that could constitute a more comprehensive and coordinated strategy to vacancy and abandonment. The recommendations are intended to improve recognition of the problems and opportunities related to vacancy and abandonment, align internal and external partners and their resources, increase the effectiveness and efficiency of the code and delinquent tax enforcement systems and

VPR program, and create a publicly accountable entity that will have the necessary legal powers and ability to focus solely on the acquisition and reuse of vacant and abandoned properties.

Though not every recommendation is essential, it is important for the City and its partners to recognize that they are complementary, and the effectiveness of one may hinge upon the implementation of another. There is no easy solution or simple fix to endemic and systemic blight, but progress is possible with the right leadership, vision, and commitment from all parties.

Vacancy and abandonment, at the levels seen today, stem from a combination of systemic barriers and an underlying failure of the market. Both require a far more active role from all levels of government, armed with more creative solutions, engaged with more partners, and inspired by a common goal of creating safer, healthier neighborhoods for all. With this in mind, the City has every reason to be hopeful. The City has a record of innovation in the fight against blight and strong foundations to build upon. Both the administration and City Council have identified vacancy, blight and crime as pressing concerns that present significant barriers to achieving a safer, healthier and more vital City. There is a broad coalition of community leaders and state officials with a shared commitment to support the City's efforts to more effectively tackle vacant and abandoned properties. And there is an opportunity to align local, state, private and foundation funding to implement a range of new interventions.

This is an opportune time for the City to pursue a comprehensive and coordinated strategy to tackle vacant and abandoned properties, and chart a new path forward to achieve a better, safer, more prosperous future for all City residents.

APPENDIX A

The list of individuals interviewed during our site visit from November 18 – 20.

NAME	ORGANIZATION	TITLE
Matt Lintner	Delaware Department of Justice, Fraud and Consumer Protection Division	Director
Kathleen Jennings	Delaware Department of Justice, Criminal Division	State Prosecutor
Cleon Cauley	City, Mayor's Office	Chief of Staff
Samantha Lukoff	City, Mayor's Office	Assistant to Chief of Staff
Sheila Winfrey-Brown	City, Department of Finance	Director
Rosamaria Tassone	City, Law Office	Deputy City Solicitor
Leonard Sophrin	City, Department of Planning and Development	Director
Matt Harris	City, Department of Planning and Development	Senior Planner
Nailah Gilliam	City, Real Estate and Housing	Director
Tom Ford	City, Real Estate and Housing	Property Manager
James Ray Rhodes	City, License and Inspections	Commissioner
Cynthia Ferguson	City, License and Inspections	Manager, Vacant Property Program
Chief Anthony Goode	City, Fire Department	Fire Chief
Jeffrey Flynn	City, Economic Development	Director
Tanya Washington	City, City Council	Legislative Director
John Rago	City, City Council	Dir. of Communications and Policy Dev.
Sheriff Navarro	New Castle County, Sheriff's Office	Sheriff
Ron Fioravanti	New Castle County, Sheriff's Office	Deputy Sheriff
Chris McBride	New Castle County, Sheriff's Office	Deputy Sheriff
Stu Synder	New Castle County, Sheriff's Office	Deputy Sheriff
Sophia Hanson	New Castle County, Department of Community Services	General Manager
Norman Spector	New Castle County, Department of Community Services	Administrator
T. NiQue Traylor	New Castle County, Legislature	Legislative Aide, Councilman Penrose Hollins
Denzil Hardman	New Castle County, Office of Finance - Treasury	Accounts and Fiscal Manager
Christian Willauer	Cornerstone West CDC	Dir, Community and Economic Development
Paul Calistro	West End Neighborhood House	Executive Director
Fred Purnell	Wilmington Housing Authority	Executive Director
Rob Buccini	Wilmington Housing Partnership	Board Chair
Steve Martin	Wilmington Housing Partnership	Executive Director
Alethea Smith-Tucker	West Side Neighborhood	City resident
Greg Luna	Cool Spring Tilton Neighborhood Association	City resident
Loffie Lee	West Side / Hill Top Working Group	City resident

APPENDIX B

*A summary of the curbside survey and data collection and analysis completed in November 2014 by the Department of Justice of all properties in the City sold at the Sheriff's sale between August and October in 2012 and 2013. **

Property Address	Visual (boarded, vacant, etc.)	Status (Occupied / Unocc)	Evidence of Crim. Act.	Vacant Property List Date	Sheriff's Sale Date	Purchase Price	Post-Purchase Transactions
1409 W. 3rd St	Boarded - under constr	Un	Loitering, trash	7/2/2012	8/13/2013	\$6,000	Sold 3/21/14
322 8th Av	Vacant - under constr	Un	N	5/8/2013	8/13/2013	\$14,000	No deed
513 N. Harrison St	Unable to locate			8/9/2011	8/13/2013	\$19,000	None
912 W. 30th St.	Boarded	Un	N	6/8/2012	8/13/2013	\$55,000	No deed
414 E. 10th St	Boarded	Un	Alcohol, trash	5/14/1991	8/13/2013	\$60,000	None
606 N. Franklin St	Vacant - for rent	Un	N	8/27/2013	8/13/2013	\$12,000	Sold 8/21/14
434 Queen St	Boarded - under constr	Un	N	11/22/2013	8/13/2013	\$8,000	Sold 3/21/14
2319 N. Pine St	Occupied	Occ	N	N/A	8/13/2013	\$12,000	No deed
2604 N. Heald St	Occupied	Occ	N	5/12/2014	9/10/2013	\$13,000	None
519 S. Heald St	Vacant - winterized	Un	N	3/30/2011	9/10/2013	\$8,500	No deed
316 New Castle Av	Boarded	Un	N	3/21/2010	9/10/2013	\$4,500	No deed
22A E. 23rd St	Occupied	Occ	Loitering, trash	N/A	9/10/2013	\$3,500	Sold 4/7/14°
934 Bennett St	Boarded	Un	N	9/13/2010	10/8/2013	\$4,201	None
101 W. 8th St	Chinese restaurant	Occ	N	N/A	10/8/2013	\$10,000	None
2414 W. 2nd St	Boarded	Un	N	3/21/2011	10/8/2013	\$3,700	Sold 1/14/14°
108 Bird St	Boarded	Un	N	7/2/2008	8/14/2012	\$3,500	No deed
711 S. Van Buren St	Vacant	Un	N	10/31/2011	8/14/2012	\$16,000	None
302 E. 23rd St	Occupied	Occ	N		8/14/2012	\$3,501	Bid transferred
1322 N. Walnut St *	No evidence of being vacant	Unknown	N		8/14/2012	\$12,500	No deed
105 Ruth St	Occupied	Occ	N	11/10/2008	8/14/2012	\$7,500	Sold 8/29/14
907 N. Spruce St	Boarded	Un	N	4/1/2014	8/14/2012	\$3,501	No deed
217 Bayard Av *	No evidence of being vacant	Unknown	N	7/2/2012	8/14/2012	\$55,000	None
110 Towne Estates Dr, J-1	Occupied	Occ	N		8/14/2012	\$25,000	Bid transferred
223 E. Front St **	Unable to locate - Parkland?		N		9/11/2012	\$2,500	CDC property
2603 N. Madison St	Occupied	Occ	N		9/11/2012	\$8,000	Sold 3/15/13
1630 W. 4th St	Vacant	Un	N	3/30/2009	9/11/2012	\$2,500	No deed
231 N. Harrison St	Vacant	Un	N	7/7/2010	9/11/2012	\$7,000	Sold 8/23/13
1716 W. 2nd St	Occupied	Occ	Graffiti		9/11/2012	\$25,000	No deed
119 Fulton St	Boarded	Un	N	11/6/2006	9/11/2012	\$3,500	No deed
921 E. 17th St	Boarded	Un	N	9/18/2006	9/11/2012	\$2,000	No deed
508 S. Harrison St	Occupied	Occ	N	4/6/2010	10/9/2012	\$12,500	None
809 N. Church St	Boarded	Un	N	1/31/2014	10/9/2012	\$3,500	None
111 N. Franklin St	Occupied	Occ	N	7/15/2014	10/9/2012	\$9,500	None
1101 W. 4th St ***	Vacant	Un	N	5/16/2013	10/9/2012	\$17,000	No deed
2708 Moore St	No evidence of being vacant	Unknown	Loitering, trash		10/9/2012	\$3,000	Sold 10/29/13

**Of the 35 properties sold at auction during those two quarters, those highlighted represent 43% of the properties surveyed that were identified as remaining vacant, boarded, and with no signs of investment activity.*