

# Substandard, Abandoned, & Foreclosure Properties



**OFFICE OF NEIGHBORHOOD  
SERVICES AND CODE  
ENFORCEMENT**

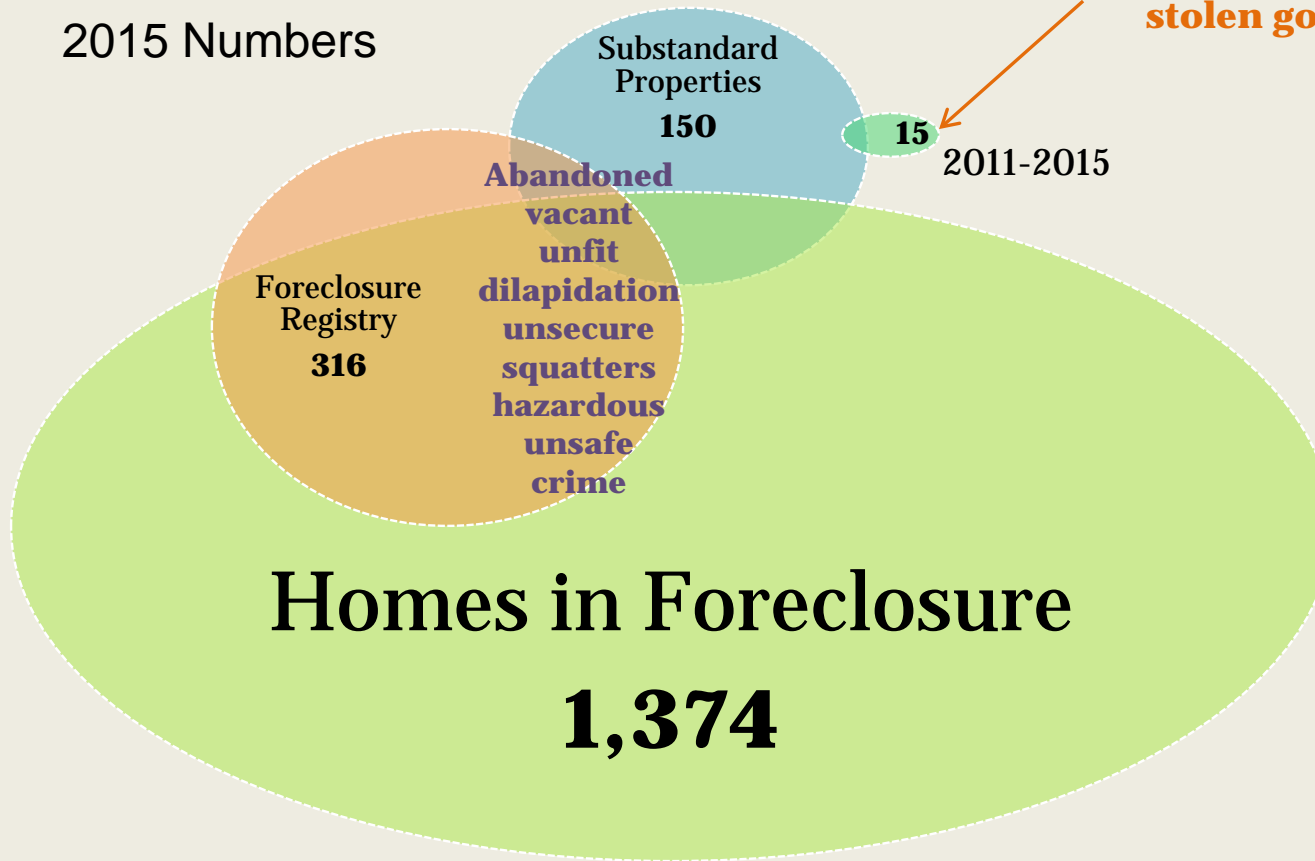


# Interactions

## Substandard, Abandoned, Foreclosure



2015 Numbers



**Chronic Nuisance – Violence**  
**stolen goods, prostitution**  
**knives**  
**drugs**  
**noise**  
**guns**

# Substandard Buildings SMC 17F.070.400

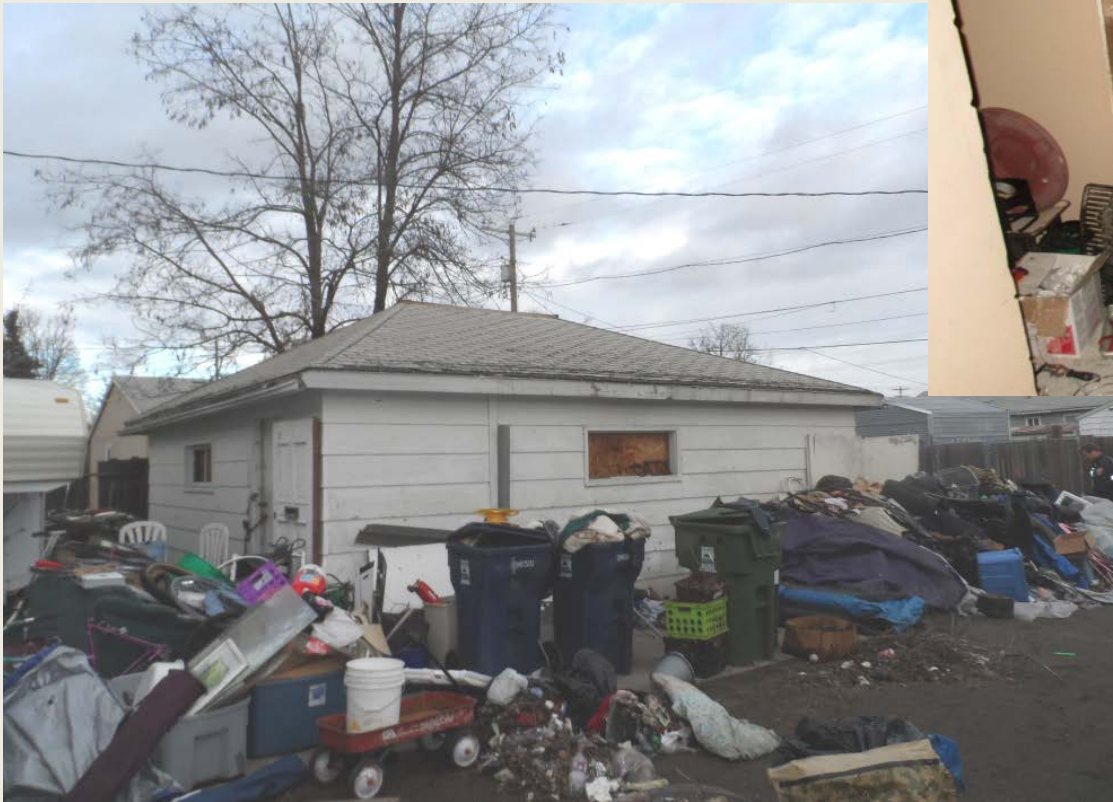


- To determine whether a building is substandard or unfit for human habitation so as to require its owner to repair and rehabilitate the building, the building official considers the number and extent of twelve factors.
  - Dilapidation: Exterior decay, water damage.
  - Structural defects: Foundation, wall and roof framing.
  - Unsanitary conditions: Waste accumulation, health hazards.
  - Defective/inoperable plumbing.
  - Inadequate weatherproofing: Siding, roofing and glazing.
  - No activated utility service for one year.
  - Inoperable or inadequate heating system.
  - Hazardous electrical conditions.
  - Structure has been boarded more than one year and no approved rehabilitation plan.
  - Structure used in the manufacture of methamphetamine or any other illegal drugs and has been condemned by the Spokane county health district and the owner has failed to abate the nuisance condition.
  - Fire-damaged structure.
  - Defects increasing the hazards of fire, accident or other calamity.

# Substandard Property



- 4808 N. Martin



# 4808 N. Martin - Owner



## Situation

- “People living in the house and behind the garage”
- “People coming and going”
- “People living in an RV”
- “Garbage all over”

## Conditions

- Dilapidation
- Clothing, debris throughout home and property
- Spliced wires, holes in the sheetrock, exposed wiring
- No water, power or functional bathrooms
- Propane for use in cooking, lighting. Fireplace for heat.



*Unsanitary conditions*

*Defects that increase  
the hazards of fire,  
accident, or other  
calamity,*

*Inadequate heating  
system*

*No water for sanitation*

*Fire damage*



**4808 N. Martin**



# Calculating Costs to the Community

Using an average of 2 Police Officers per call at a low estimate of \$110.00 per officer per hour plus Code Enforcement process costs of:

- \$ boarding and re-securing
- \$ abating solid waste
- \$ for site visits/hearing/notices
- \$ for monitoring

4808 N. Martin

## Costs to the Community

- *Police 2015 - 37 calls, 21 responses  
\$4620*
- *Code Enforcement 2015 – 2016*
  - *\$1288 in boarding and re-securing (5x)*
  - *\$1,500 for site visits/hearing/notices*
  - *\$300 for monitoring*
- ***TOTAL \$7708***
- *Current unpaid:*
  - *Utilities \$1806*
  - *County taxes & liens \$11,827*
    - *In danger of going to tax foreclosure*

# Abandoned SMC 17F.070.030



- Giving indications that no one is currently in possession, such as by the disconnection of utilities, accumulation of debris, uncleanliness, disrepair, and other circumstances.
  - Non-responsive
  - Absentee
  - Deceased
  - Incarcerated, etc

# Abandoned Property



- 2016 W. Gardner



# 2016 W. Gardner – Owner, multi-unit



## Situation

- “Transients sleeping on the property”
- “Transients in the building”
- “No power or water”
- “SFD reports attempt to start fire”
- Boarded in 2013

## Conditions

- Dilapidation and unsecured bldgs.
- Clothing, debris throughout home and property
- No water, power, or functional bathrooms
- Defects increasing the hazards of fire, accident or other calamity.



*Unsanitary conditions*

*No activated utility services for one year.*

*Fire-damage*

*Boarded more than 1 year – no rehabilitation plan*

*Defects increasing the hazards of fire, accident or other calamity.*



**2016 W. Gardner**



*Dilapidation: Exterior decay, water damage.*

*Defective/Inoperable plumbing.*



**2016 W.  
Gardner**





**2016 W.  
Gardner**

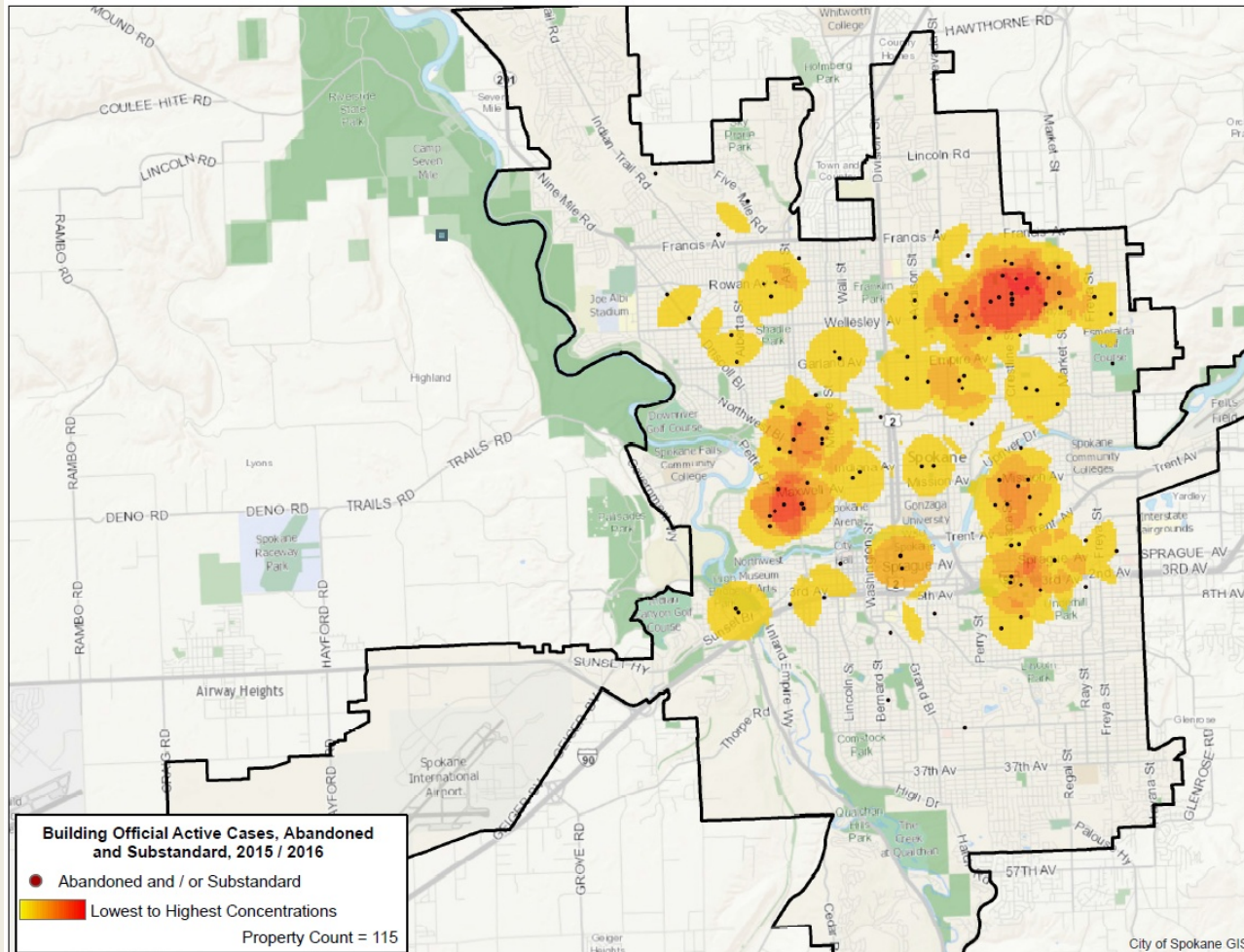
## **Costs to the Community**

- *Police 2015 - 9 calls, 7 responses:  
\$1540*
- *Code Enforcement 2013-2016:*
  - *\$1695 in boarding and re-securing (6x)*
  - *\$4,500 for site visits/hearing/notices*
  - *\$900 for monitoring*

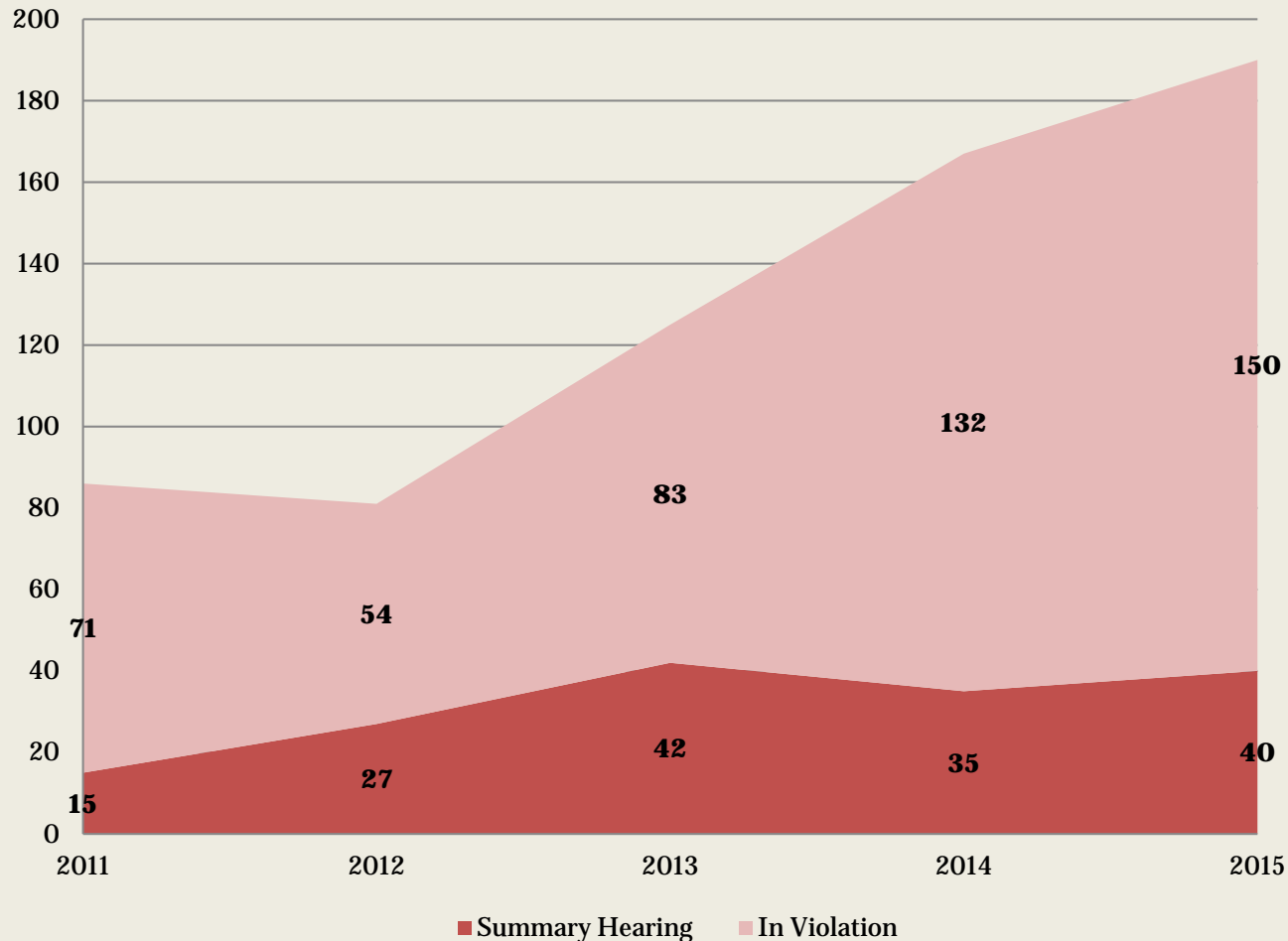
***TOTAL: \$8635***

- *Current unpaid:*
  - *Utilities \$2832*
  - *County taxes & liens \$14,522*
    - *In danger of going to tax foreclosure*

# 2015 Active Building Official Cases



# Building Official Cases



No Violation	
Year	# of Cases
2011	113
2012	148
2013	188
2014	251
2015	186

# Foreclosure Property Registry

## SMC 17F.070.520



- Establishes a Foreclosure Property registration program as one tool to **proactively** identify such properties, hold the lienholder responsible to prevent deterioration, and where possible, divert default properties from entering the Building Official hearing or Chronic Nuisance process.
  - Protect the community from the deterioration, crime, and decline in value in Spokane's neighborhoods caused by properties in various stages of the foreclosure process.
  - Requires that the lender or other responsible party(ies) of properties that are in the foreclosure process to register those properties with the City in order to protect the neighborhoods from the negative impacts of absentee ownership and lack of adequate maintenance and security for properties in the foreclosure process.

# Zombie Property Problems



Neighborhoods are responding to the growing problem of abandoned foreclosure or “Zombie” properties and the associated nuisance conditions which impact the comfort, solitude, health and safety of neighbors. These conditions reduce property values and attract other nuisances.

- A 2009 study of vacant and abandoned structures in Baltimore estimated that each abandoned home required \$1,500 of police services annually.
- A GAO study found an .9 to 8.7 percent decrease in property values around vacant and abandoned lots/structures.
- In Chicago, neighborhoods with the most abandoned lots saw a 48 percent increase in crime during the same period where the City as a whole experienced a 27 percent drop in crime.

# More about “Zombie” Properties



- All have a foreclosure notice filed by a lender
- May been involved in a bankruptcy, the death of the owner, or an owner that has walked away from the property.
- No indications that ‘care taking’ of the property is occurring including keeping secure, maintenance of the building, upkeep of the yard; attracts other nuisance activity AKA ‘broken window theory’.
- Some properties languish for 4 or more years in foreclosure processes.
- Downstream loan servicers may change frequently making identification of responsible party very difficult.

# Foreclosure or Zombie Property



- 518 E Augusta



# 518 E Augusta – Foreclosure



## Situation

- “Transients breaking in”
- “Transients in the building”
- “No power or water”
- “12/15/15 SFD responds to fire – 2 firefighters injured”
- Boarded in 2014

## Conditions

- Dilapidation and unsecured bldgs.
- Clothing, debris throughout home and property
- No water, power or function bathrooms
- No activated utility services for one year.
- Defects increasing the hazards of fire, accident or other calamity.



*Unsanitary conditions*

*Defective/inoperable plumbing*

*Hazardous electrical*

*Boarded more than 1 year – no rehabilitation plan*

*Fire damage*

*Defects increasing the hazards of fire, accident or other calamity*



**518 E Augusta**



*Dilapidation: Exterior  
decay, water damage.*

*Fire damage*

*Structural defects*



**518 E Augusta**



**518 E. Augusta**

## **Costs to the Community**

- *Fire 2015 Response 12/14/15*
- *Police 2015 – 5 calls, no responses.*
- *Code Enforcement 2014-2016:*
  - *\$637 in boarding and re-securing (3x)*
  - *\$3,000 for site visits/hearing/notices*
  - *\$600 for monitoring*

***TOTAL \$4237***

- *Current unpaid:*
  - *Utilities \$1631*
  - *County taxes & liens \$2538*
    - *Paid by loan servicer Home Select*
    - *No plans to rehabilitate, no trustee sale information*

# 1408 W Euclid - Foreclosure



25014.4518  
1408 W EUCLID AVE



BELIEVES HOME SHOULD BE VACANT SINCE LAST MONT  
H. HOME IS OCCUPIED NOW. LOTS OF PEOPLE HAVE B  
EEN COMING AND GOING. NO KNOWN ELECTRICITY AT  
HOME. POSSIBLE SQUATTERS PER COMP. UNK # OF PE  
OPLE AT LOC. UNK HOMEOWNER NAME. ###



# 1408 W Euclid



## Situation

- “Lots of people coming and going, believe it should be vacant”
- “Patrol currently working a stabbing”
- “Several motorcycles nightly, believes gang affiliation”
- “People have a BBQ Inside of the house”
- “No power or water”

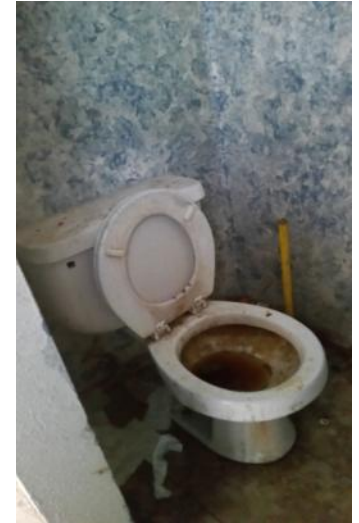
## Conditions

- Dilapidation and unsecured bldgs
- Clothing, debris throughout both units and property
- Spliced wires, holes in the sheetrock, exposed wiring
- No water, power or function bathrooms
- Syringes through units
- Propane and candles for use in cooking and drugs

*Dilapidation and  
Unsecured*

*No water, no  
power*

*Hazardous  
electrical*



THE HOME HAS NO POWER OR WATER FOR PAST SEVERAL YEARS. USED AS SQUATTERS PLACE. ADVISES EVERY NIGHT THERE IS ACTIVITY AT THE HOME. SEVERAL MOTO CYCLES COME AND GO BELIEVES GANG AFFILIATED. GARY TOLD BY OTHERS THE HOME IS

VACANT HOUSE HAS NO POWER OR WATER, COMP THINKS THERE MIGHT BE SOMEONE INSIDE, A BLUE NISSA VAN LIC:1352T0/WA, IS NOW PARKED IN FRONT OF LOCATION AS WELL. COMP REQUESTING THE HOUSE BE CHECKED ###



**1408 W. Euclid**

Defects increasing  
the hazards of fire  
accident or other  
calamity

*Living area created  
out of carport,  
signs of burning  
debris in the  
structure*

[FROM THE OFFICE]  
,PATROL CURRENTLY WORKING A TRIPLE STABBING  
,INFO SENT TO NCO FOR REVIEW. NO PATROL RESPO  
SE TONIGHT.



**1408 W Euclid**

**1408 W Euclid**

## **Costs to the Community**

- *Police 2015 – 22 responses (in 4 months)*  
*\$4840*
- *Code Enforcement 2015*
  - *\$1,890 in boarding and re-securing (5x)*
  - *\$1,254.00 abating solid waste*
  - *\$1,500 for site visits/hearing/notices*
  - *\$300.00 for monitoring*

***TOTAL \$9784***

- *Utilities \$13,426 – paid March 24, 2016*
- *County taxes & liens area current \$753*
  - *Paid by Nationstar*
  - *Looks like it sold late March, no rehabilitation plan*

# Understanding the Costs of 'Zombie' Property



- **Decreased**
  - Property values of adjacent properties
  - Property tax revenue from nonpayment of taxes
  - Property tax revenues from declining property values of adjacent properties
  - Utility billing collections\*
- **Increased**
  - Cost of Police for surveillance and response
  - Incident of arson and cost for Fire
  - Costs for Code Enforcement response and maintenance
  - Costs of judicial actions

Source: Center for Community Progress, 2015 Land Banks and Land Banking 2<sup>nd</sup> Edition

# Foreclosure Property Registry



In 2014 the City of Spokane adopted the Abandoned Property Registry; in 2015 it was renamed and updated as the Foreclosure Property Registry under SMC 17F.070.520 that required:

- Registration by Lenders – contact information
- Property must have notice of foreclosure filed at the County
- Lender and City will monitor site conditions (pending)
- Lenders are responsible for conditions: graffiti, solid waste, junk vehicles, and unsecure building(s)
- Trespass authorization and abatement authorization
- Respond in 10 days to resolve nuisance conditions
- Fee \$350.00

# Foreclosure Property Registry

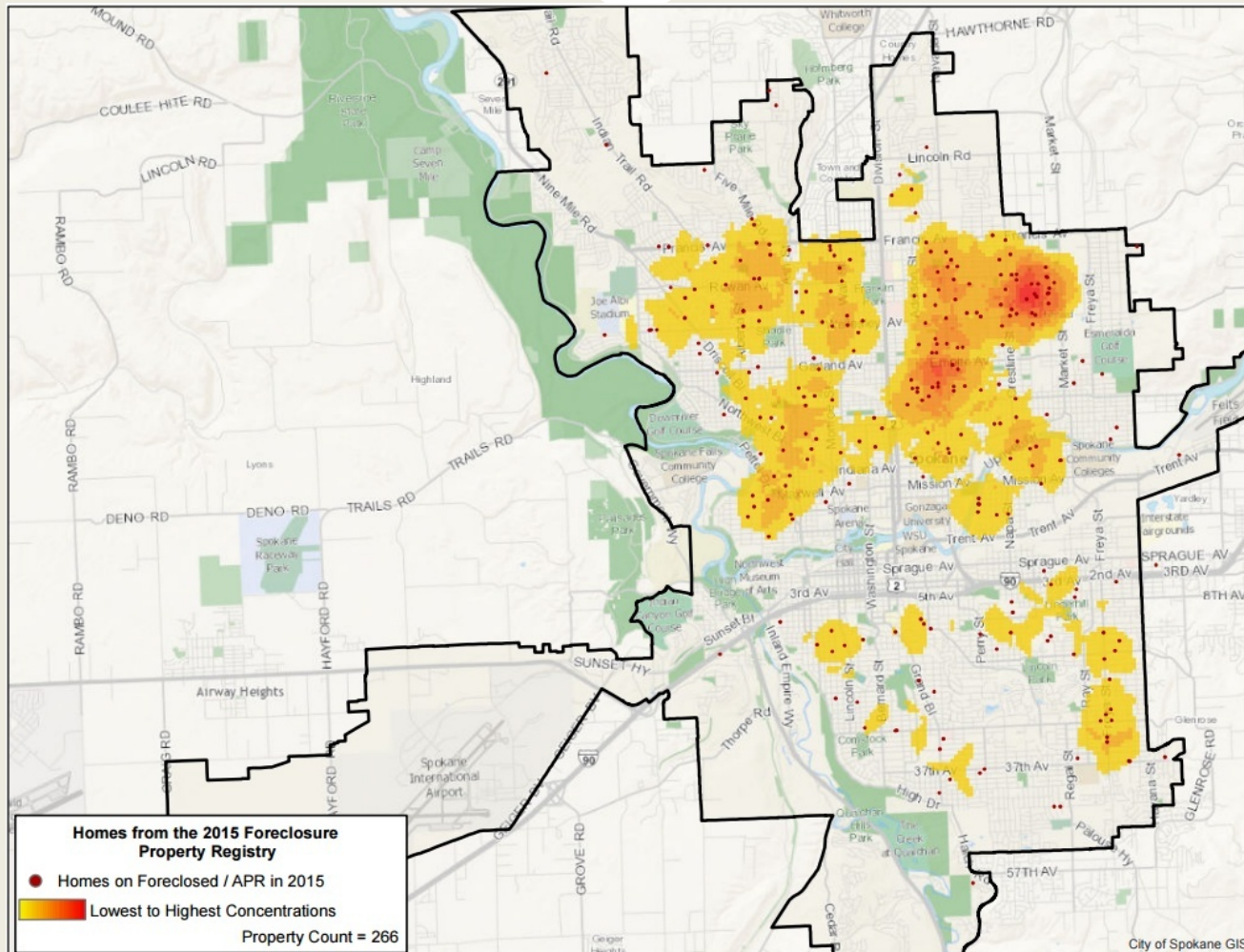


Manual Registry currently has over 300 entries. Information is used by Code Enforcement, Police, Fire, and Utilities.

- Is it a foreclosure? Do we have contact information for notification of substandard conditions, trespass, hazardous conditions, or delinquent accounts?
- Property preservation information – who will clear fire hazards, secure property, etc
- Tracking ability when property is transferred to a new lender or new owner.
- Speed response time to violations or hazardous situations.

Estimated 1374 active foreclosures in the City.

# Foreclosure Property Registry

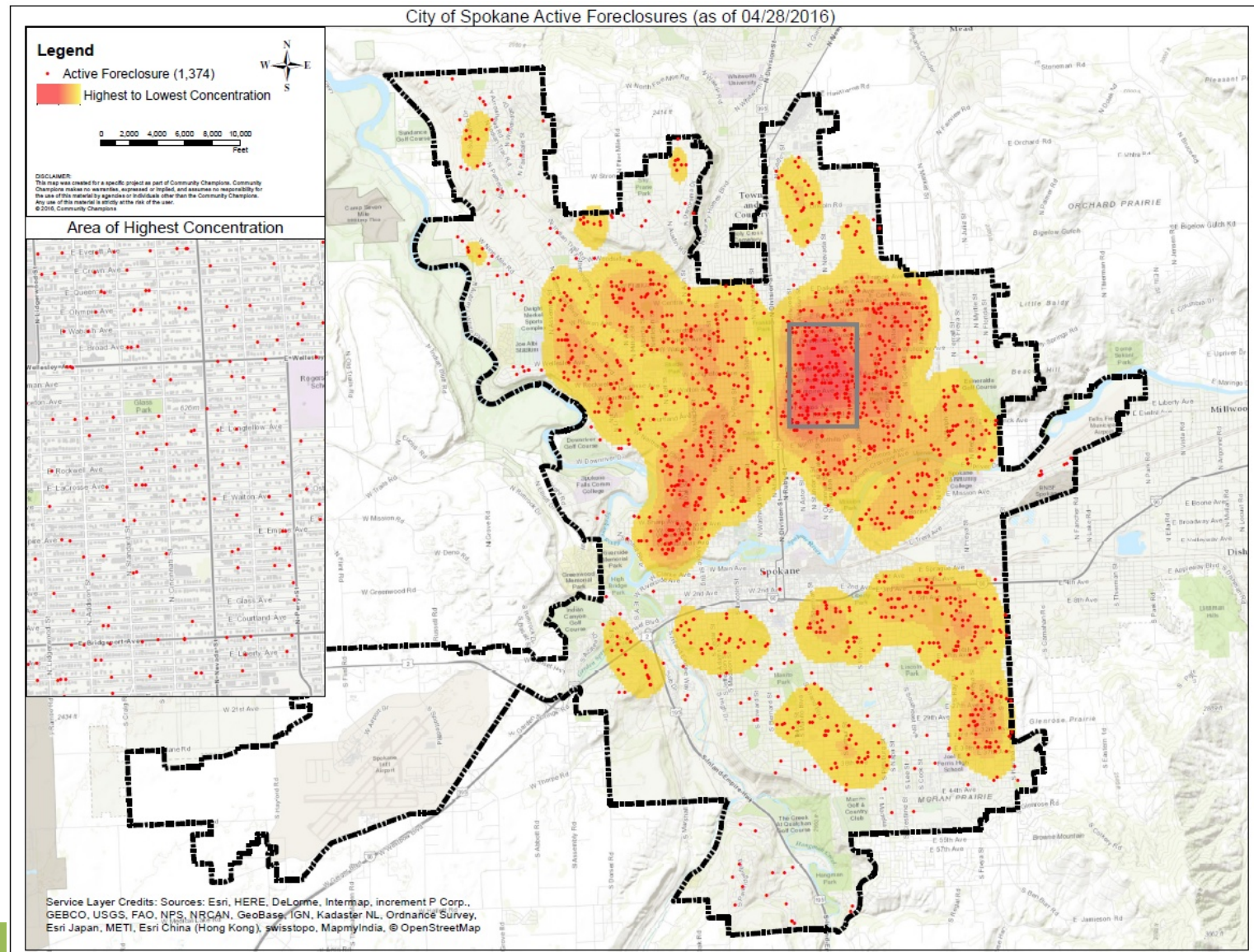


# Loss in property sales



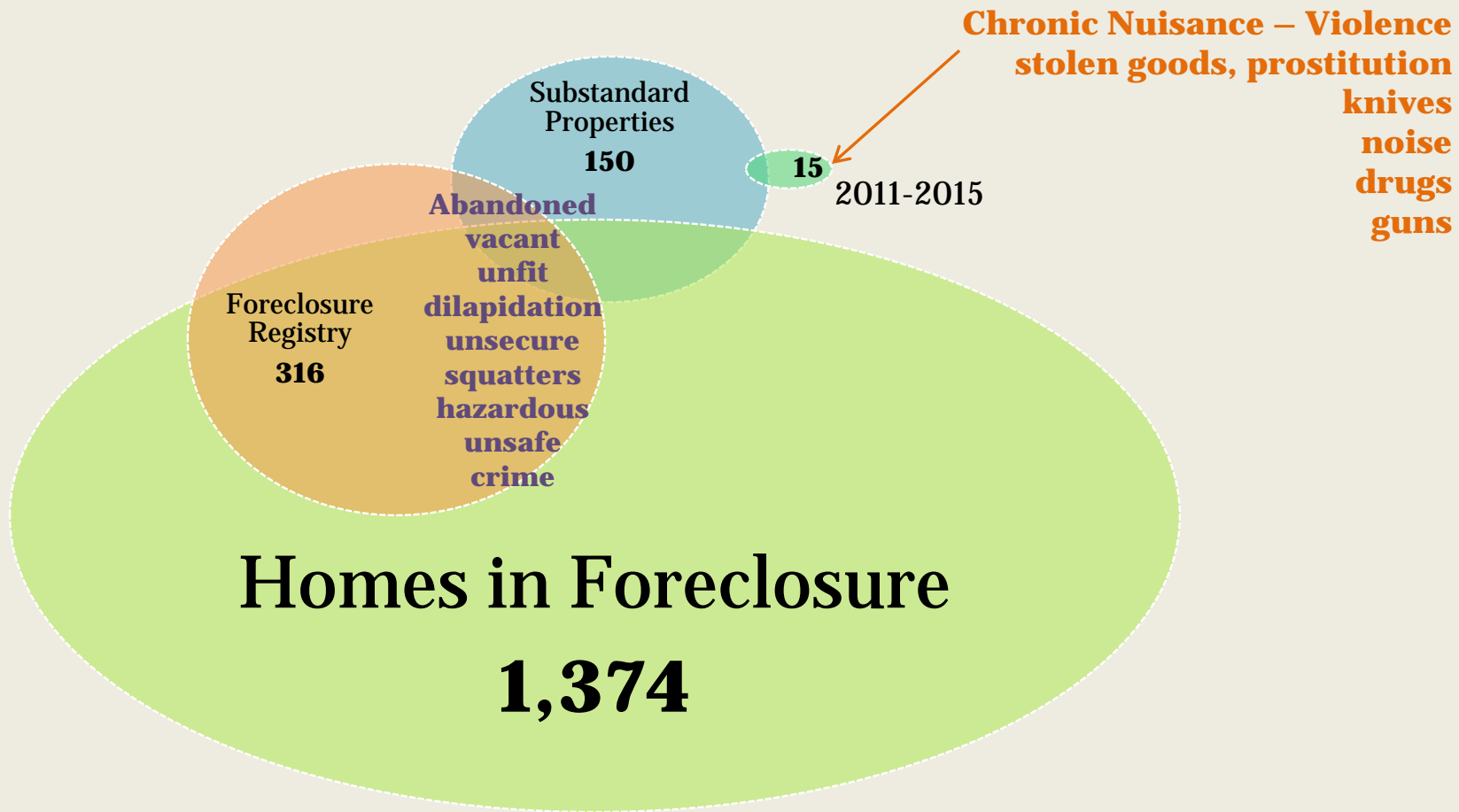
- Spill over effect of sale losses when they are located within 1,000 feet of a home in foreclosure.
- 31,000 homes in Spokane are located within 1,000 feet from the homes listed in the Foreclosure Property Registry.
- Median value of owner-occupied housing in Spokane: \$160,600
- Low value (.9%) in lost sales: **\$448,074,000**
- High value (8.7%) in lost sales: **\$4,331,382,000**

# Active Foreclosures in Spokane



# Interactions

## 2015 Substandard, Abandoned, Foreclosure



# HQT Next Meeting



**Date:** Wednesday, May 18<sup>th</sup>

- Chronic Nuisance Properties
- Vacant Residential Lots
- Housing Affordability
- Introduction to policy/program to improve housing

**Time:** 2-3:30PM

**Location:** City Conference Room 4B