

Housing and
Community Development
Network of New Jersey



2ND ANNUAL NJ COMMUNITY LEADERSHIP INSTITUTE

SEPTEMBER 27, 2012

VACANT PROPERTIES 101:
GETTING STARTED

Speakers

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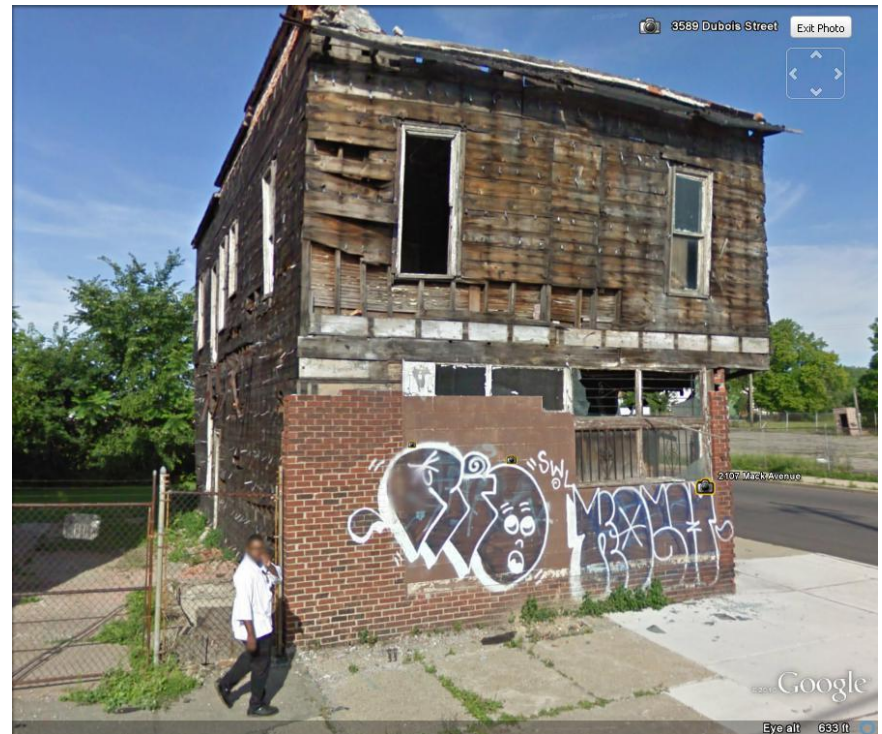
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Why have a Vacant Property Strategy

Problems caused by vacant properties

- Loss of property values
- Crime
- Health hazards
- Fire risk
- Loss of neighborhood confidence



What a vacant property strategy can do

- Reduce blight
- Improve quality of life
- Help revitalize neighborhoods
- Increase property values – get properties back on tax rolls
- Create redevelopment and reuse opportunities

Understanding the tools

The police power

- What do we mean by the police power?

The power to enact and enforce ordinances for the common good, and take action to protect the public health, safety and welfare.



Exercising the police power

- The standard for exercising the police power is known as the 'rational basis' test.
- What is the rational basis test?

The ordinance is not unreasonable, arbitrary, or capricious, and that the means selected have a rational relationship to a legitimate state objective.

- How does this give **municipalities the authority to address problem properties?**
- What about private property rights?



Code enforcement and nuisance abatement

- Four dimensions of local authority:
 - The power to establish standards to protect the public health, safety and welfare (codes)
 - The power to compel owners to comply with these standards/codes
 - The authority to take action when owners fail to do so
 - The ability to (try to) recover the costs of taking action from the owner

Introducing APRA

- What is the Abandoned Property Rehabilitation Act?
- When did it happen?
- What is its purpose?
 - ‘toolkit’ legislation
 - Different tools are needed for different properties with different conditions, legal status, and market environments

Understanding the tools

- Create an abandoned property list
- Spot blight eminent domain
- Accelerated tax foreclosure/special tax sales
- Vacant property registration
- Creditor responsibility law

Building the Strategy:

Part I

What to know before you start

- What are the key problem property issues?
 - Vacant single family homes
 - Vacant multifamily properties
 - Absentee landlords of occupied buildings
 - Commercial/industrial buildings
 - Vacant land



Key questions

- How many are there?
- Where are they located? Where are they concentrated?
- Why are they there? Understanding the particular reasons for vacancy and abandonment in your community
 - Foreclosure
 - Aging/generational change
 - Landlord problems
 - Loss of industry or commerce

Building the Strategy:

Part II

Building a Strategy - City of Newark

- **Considerations:**

- Nature of the problem (i.e. how severe?)
- The condition of the market (i.e. what is possible?)
- Who is the owner?
- What would you do with the property?
- Partnerships (who is involved and why?)

Building a Strategy - City of Newark

- **Tools**

- Intervene in the market
- Change existing incentive structure for property owner's to rehab
- Force properties to change hands
- Acquire for rehabilitation

Questions and Answers