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Camden stymies rehab of houses

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On a recent morning, a demolition crew perched on scaffolding above a gaping hole on the corner of Kenwood Avenue, applying stucco to the side of a row home that became exposed when they tore down the vacant unit next to it in mid-August.

Four years ago, the nonprofit Parkside Business and Community in Partnership tried to buy the home that once stood at 1450 Kenwood in hopes of rehabbing it for a new family. But director Bridget Phifer said the owner wasn't able to sell because of a child support judgment.

In 2007, Phifer tried again. She and other nonprofit community development corporations presented the city with a proposal to help them acquire 1450 Kenwood and about two dozen other abandoned homes by using the state Abandoned Properties Rehabilitation Act of 2004. The law gives municipalities the power to wipe out or transfer tax liens or use targeted eminent domain in order to take over blighted vacant buildings.

Camden City Council members authorized using the act less than a year after it became state law. But administrators never followed through.

So 1450 Kenwood sat empty until the side of the building collapsed in May, spilling debris into the street. The city tore down the rest of the house three months later.

With anywhere from 4,000 to 9,800 abandoned buildings in Camden in danger of facing the same fate, community development leaders say city officials must take a more active role in fixing them up before it's too late. Otherwise, they said, these eyesores will continue dragging down property values and attracting illegal activity until they decay so much that they become a danger to passersby.

"You try and have conversations with these folks -- they don't want to sell, but this is what they leave us," Phifer said, gesturing toward a boarded-up duplex at 1477 Kenwood Ave. "It's a never-ending saga of the same story."

Frustrated by the overwhelming problem, development groups and community stakeholders such as Camden Churches Organized for People, the Greater Camden Partnership, Cooper University Hospital, CAMConnect, Rutgers University and the District Council Collaborative Board began holding monthly meetings in April. They named their coalition SNAAP -- "Stabilizing Neighborhoods by Addressing Abandoned Properties."

In July, they presented the city with an updated proposal to test the abandoned properties act, this time targeting only nine properties.

Two of them have been torn down since then.

"We need all the tools we can get and Camden city needs to move on this," said Helene Pierson, executive director of Heart of Camden.

Sandy Johnson, who heads the city's planning department and nonprofit Camden Redevelopment Agency, promised that Camden would eventually use the act, but cautioned that it could take awhile.

"It's not for lack of desire," she said. "It's just a matter of getting to it, but within a framework."

Alan Mallach, a housing scholar who helped write the act, said he hoped officials didn't delay much longer because this tool is "utterly basic" to revitalizing a city plagued by so much abandonment.

"These vacant properties are destroying whatever vitality is left in Camden's neighborhoods," he said. "They are making crime problems worse, health problems worse, you name it. If a city like Camden is going to have any kind of hope of coming back to health, they have got to have a handle on this problem."

Targeted takeover

In addition to New Jersey, at least six other states -- Michigan, Ohio, Indiana, Pennsylvania, Massachusetts and Illinois -- and the city of Baltimore have legislation providing a way for local governments to take over abandoned properties, Mallach said.

In New Jersey, municipalities must first show that a property hasn't been legally occupied for at least six months. Electricity bills or sworn statements from neighbors could serve as proof.

The property must also either be delinquent on property taxes, in need of rehabilitation or considered a "nuisance." City officials can designate the property a nuisance if it is found unfit for habitation or its condition negatively affects the safety and welfare of nearby residents. Insects, overgrown grounds, construction debris and boarded up windows all count as fire or health hazards.

Once the city decides to go after properties that meet these criteria, it must attempt to notify the owners by certified mail and publish a notice in the newspaper. The owner must prove that the property is occupied or he is doing something to fix it in order to be removed from the "abandoned properties list."

Otherwise, the city can go to court to take the property through eminent domain. If the property has tax liens, the city could opt to foreclose instead, wiping out the debt in the process. Or, the city could sell the liens at a special tax sale. Unlike a regular annual tax sale, the city can specify parameters for the use or development of the property. Also, the lien purchaser would only have to give the owner six months, instead of two years, to pay back the debt before beginning foreclosure.

So far, at least 11 cities have authorized the act but only a handful have used it, including Orange, Millville and Newark. None of them has anywhere near as many abandoned homes as Camden.

Newark, which is more than three times bigger than Camden with about 285,000 residents, has about 500 abandoned buildings, according to Adam Zipkin, chief of staff for the city's department of economic and housing development.

Newark piloted the act in July 2007 with a list of 46 abandoned properties in a targeted area and is about to take 10 of them to court, Zipkin said. Three other owners agreed to sell to the city, he said. The rest of the properties either turned out to be occupied or else the owners started to fix them up, he said.

Officials published a second, citywide list in February 2008 with 340 properties and another 110 are slated to be added to that. Of those, Zipkin said, 50 have voluntarily begun rehabbing their homes to keep the city from taking their property.

"Our goal is just to get it fixed up and the truth is that's better for the city anyway because of resources," Zipkin said. "It is a very strong tool for municipalities but it takes work."

A powerful tool

Camden Community Development Association Director Liza Nolan said the act would allow local nonprofits to do more rehab in their neighborhoods because they would have another means of acquiring properties.

It doesn't seem like it would be hard to buy a property that clearly isn't being used. But the owner may have moved or died years ago, making it impossible to negotiate a sale. Or, the property may have tens of thousands of dollars of tax liens. Oftentimes, the liens cost far more than the land is worth.

To complicate matters, about 5,350 tax liens were transferred in 2006 to the Tax Lien Financing Corporation, or TLFC, a quasi state agency created to help the city collect unpaid debt. Most of those properties are vacant or abandoned, but nonprofit leaders say they can't get them unless the TLFC auctions the liens at discounted prices they can afford.

With these perennial challenges, nonprofit leaders say they have to rely on government agencies to help them acquire privately-owned properties. That hasn't been working as well as it could, either, they said.

The city hasn't foreclosed on any tax-delinquent properties since 2004. Michelle Banks-Spearman, a city attorney, said there used to be an office that handled this all the time, but there isn't funding anymore. Each foreclosure can cost a couple of thousand dollars depending on how long it takes to try to track down the owners, she said.

Attempts to take properties through redevelopment plans in Bergen Square, Waterfront South and Cramer Hill have all been stopped by lawsuits. Litigation is pending in the Lanning Square redevelopment plan that passed last year.

Though residents have opposed redevelopment zones because that legal designation gives the city the option to go after properties, vacant or not, South Jersey Legal Services Inc. attorney Olga Pomar said they would probably welcome using the abandoned properties act to "get rid of specific nuisances."

Because the act does not allow sweeping eminent domain in a given neighborhood, it forces the city to pinpoint which abandoned structures make the most sense to redevelop, said Pierson, the Heart of Camden director. For example, she said, the city could focus on row homes in the middle of a block that would become nothing more than side yards or alleyways for drug dealers if they had to be torn down.

In addition, Pierson said, the act could prevent private owners or investors from holding onto decrepit property in hopes that agencies like hers will buy it as part of their mission to revive the neighborhood.

"They're looking for some big pay day," she said.

She suspects that's the case with 434 Jasper, which she's trying to get through the pilot. Owner Di-Anna Broadwater, of Lawnside, did not respond to a request for comment.

"A suburban owner is sitting there, contributing to Camden blight," Pierson said. "It's a perfectly inhabitable property."

For Phifer, the act would be a chance to "complete" blocks that her agency has already done a lot of work on. She's on a mission to acquire every abandoned property in Parkside, which she estimates to be about 100 homes.

"We have list after list after list," she said. "It's frustrating, very frustrating."

Phifer pointed out that many of the homes in Parkside have historic brick structures that people couldn't afford to build in the current economy. Even though it costs about \$150,000 to rehab them, she said, that's still cheaper than tearing an old structure down and starting over.

The act would also be a way to tackle lone eyesores on otherwise intact blocks, Phifer said. On the 1400 block of Ormond, for example, all but two single-family homes appear to be occupied. Both 1446 and 1470 Ormond were on the pilot list, but the city demolished 1446 earlier this week.

Evelyn West, 76, has lived on that block since 1960. The home to her left came down in the 80s. She and her husband look after the vacant lot left in its wake. To her right, plywood covers the windows of 1470 Ormond. One of the porch columns is missing. West said the house, which has \$17,276 in liens on it, has been vacant since the owner died six years ago. Worse than the look of it, she said, unkempt trees in the yard clog her gutters with leaves and branches.

"To save my property and my house I have to pay somebody to go on my roof and clean my drains," she said. "We've invested a lot just to live here. I hate to say it, but I tell (my children) you don't need to come back. The city has failed us."

Missed Opportunities

Public Works Director Pat Keating said he's been advocating for the city to address abandoned homes long before the act was even passed. In 1995, his department requested annual funding to keep abandoned buildings from decaying by making basic repairs and putting on new roofs. The proposal also included city funding to subsidize and market the homes to potential buyers who would fix them up. The department pitched the idea again in 2005, this time pointing out that spending \$2,500 on a new roof would save the city \$15,000 to \$30,000 in demolition costs years later. Keating said the state agreed to fund a pilot, but the money never materialized.

"If we had done this you would be turning properties into viable, tax generating properties," he said. "Somebody would have bought them and put \$50,000 into them and had a nice home. It might be an eyesore but it doesn't mean it has to come down. Anything can be salvaged, it's a matter of how much money you want to spend."

Instead, the city has poured millions of dollars in grants and loans into tearing down more than 2,065 abandoned buildings over the past two decades. Hundreds more have been deemed in need of demolition unless something is done to fix them up.

Residents are glad to see rotting structures come down, Keating said, but that just leaves them with a different problem -- a vacant lot that's still not being cared for.

"It's absurd," Keating said. "It just kills me."

The Camden Redevelopment Agency started to broach the abandoned properties act in 2007, three years after council authorized it. At the city's request, the community development corporations submitted a pilot list of properties.

Over the course of the year, they weeded out those with liens held by the TLFC. It's not clear if the act could still apply to those properties, but the city didn't want to risk additional legal complications, Pierson said.

Then, they waited, again.

"Every time we get so far, the COO or the Camden Redevelopment Agency director has changed," Pierson said. "We have to start all over again. We haven't found anyone that's not interested in it we just haven't found anyone that makes it a priority."

Councilman Frank Moran, who sponsored the ordinance authorizing the act, echoed her frustration.

"It all goes down to where the priority is for the administration," he said. "It's just sad to think that the potential is there. The next administration has to have housing in the forefront."

Nolan said she wished the city would at least push forward on their small pilot so that development agencies could figure out the timing and the costs. Even if the city doesn't have the resources to go

through the court process now, she said, it would have that option later if it created a list.

Johnson, the city planning director, said she hoped to meet with the coalition this month to sketch out a plan for using the act. But, she warned, it might be another six to 12 months before that plan gets enacted. First, she said, the city needs a better idea of the costs involved and a detailed plan for every property it tries to acquire.

It might not cost much to create the list, Johnson said, but then there are court fees, appraisals and possibly demolitions if the structure can't be salvaged. If the home is torn down, she said, the city needs to know how much it would have to spend to maintain the vacant property until something is built there. If it's going to be sold for rehab, the city might need to pay to market or subsidize it.

"Whatever we take, there has to be a plan for it," she said. "Otherwise, it gets to be another parcel in our portfolio that we're without a workout plan for."

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