Lac qui Parle County Dilapidated Structures Program

The County works together with cities in the County in two different policy areas to address dilapidated structures.

1. Adjoining Properties

Lac qui Parle County works with cities in the county to provide a cash reimbursement to adjacent property owners who wish to purchase neighboring dilapidated property and demolish it.

The county will match a city's contribution up to $2,500 but no more than 75% of the remaining cost after the city's contribution has been deducted. Some of the cities have made their $2500 as a grant (Madison) some have created a no interest loan (Bellingham). County has matched a loan to the owner for the city's portion so long as it does not get assessed to the property.

For example, if the demolition costs $5,000, the city contributes $2,500; the county would pay 75% of the remaining $2,500 ($1,875). The owner must be responsible for a portion of the demolition costs. *It is a reimbursement policy so that city/county is not part of the demolition process.*

<u>The Process</u>

A property owner requests participation from the city, the property owner obtains 2 quotes for the demo, completes demo, and then submits a claim for reimbursement from the city (who typically makes the additional request from the county).

<u>Examples of Use</u>

Madison budgets for 4 properties a year, on a first-come first-serve basis. Other cities seemed to address the funding as needs arise.

Housed have been addressed in Madison, Dawson, Bellingham, Marietta.

They have had the program for about 4 years.

The top priority is to spend the dollars on vacant/dilapidated properties and the property must be combined with the neighboring lot as one tax parcel. The City of Madison noted they are looking at if the policy could include a property across the street or within close proximity.

2. Hazardous Buildings

The County and cities have used the hazardous building statutes to address dilapidated houses - especially those that are in their second year of delinquency on property taxes for two reasons

1) To address the condition of the property; and

2) Under the statutes, cities can assess the property and obtain a judgment **against the property owner** *(this more official action stays with the owner- not the property, which might influence*

the owner to take some corrective action or might allow for the collection of some costs from the owner)

If the city/county do have to complete the demolition or clean up themselves and the property owner later determines they do not want the judgement showing up on their future other loan credit history they can fulfill their responsibility and reimburse the city/county for the expense.

The Process

From a procedural standpoint, the county auditor sends out a list of houses that are in the second year of delinquent taxes to each city as a "heads up." Cities then review these properties to determine if they are dilapidated. This assessment has included reviewing the property and taking pictures of the outside of the structure without accessing the private property. The assessment has often been done with the county attorney and the city manager and has not included an official building inspection. The houses that are identified clearly meet the statutory definition for a hazardous house. The process is set forth in LMC's memo cited below.

The Costs

Average costs for the properties they have demolished to date range between $5-7,500 total. We typically do not have inspections completed as the property clearly meets the definition and the property owners typically do not respond or appear in the process. With the exception of one property, we have proceeded by default.

Under this policy, the county shares equally with the city on the demolition costs. However, if money is collected from the owner, the county is paid back first. This is a good deal for both parties. The cities can certainly ignore the property, let it forfeit and let the county deal with it. However, this sometime leads to the property being sold and then starting over on the delinquency time period and the city/neighbors get to continually look at it.

This works well for the county as they save some costs, but it more of partnership with the cities to address these properties- which benefits all county residents.

The County does not typically assess the properties as they really want to get them sold and back on the tax rolls.

The hazardous building process needs to be filed and served prior to forfeiture so that the owner stays on the hook. Also, at the sale, it is nice to notify potential bidders that the house has been declared hazardous and costs might be assessed against the lot. This has helped eliminated some of the internet or shell company bids.

If a property has been declared a "hazard" and is occupied, the court system can agree with the hazard declaration and can order the occupant to leave, so the property can be demolished.

The LMC has a document that is a good reference on key issues to declare a property hazardous.
http://www.lmc.org/media/document/1/dangerous_properties.pdf?inline=true