

# Using Eminent Domain to Remedy Blight

## From Blight to Bright – A Nine Step Summary

1. Identify properties of interest
2. Meet statutory definition of blight
3. Order title search and report
4. Notify ownership parties of City's interest in acquiring property
5. Special City Council meeting to request permission to proceed to Superior Court
6. Superior Court hearing #1 determines if the property is blighted
7. Superior Court hearing #2 determines property value and disbursement
8. Post eminent domain blight removal, sale and development options
9. Development and permanent funding scenario



## Step 1

### Identify properties of interest

Of interest to the City of Savannah are . . .

1. Abandoned lots—often overgrown and encouraging illegal dumping, trespassing, rodents, snakes and mosquitoes
2. Abandoned, dilapidated, houses and structures
3. Properties that . . .
  - ☐ Have a history of property maintenance ordinance violations
  - ☐ Have a history of the City paying to correct code violations
  - ☐ Contribute to crime and criminal behavior
  - ☐ Negatively impact nearby residents, the street, a block or the neighborhood
  - ☐ Negatively impact property values
  - ☐ Have cloudy title



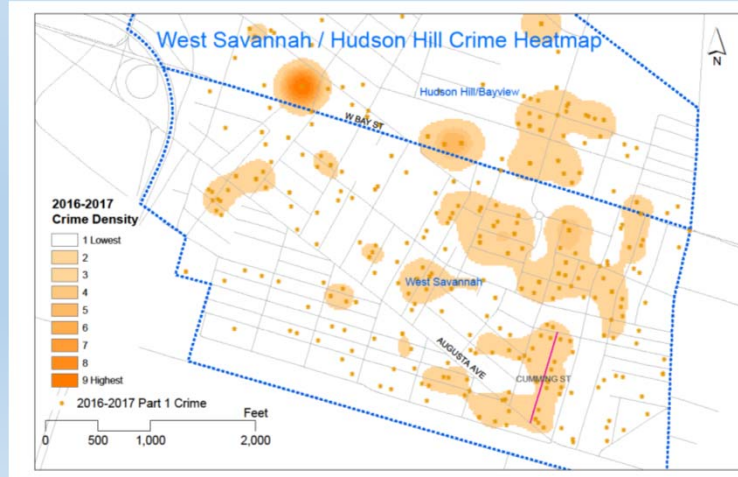


## Step 2

### Meet statutory definition of blight

Properties must have 3 or more of the following conditions . . .

1. Include an uninhabitable, unsafe or abandoned structure.
2. Include repeated illegal activity on a property which the owner knew about or should have known about.
3. Be maintained below state, county or municipal property maintenance codes for at least one year.
4. Be conducive to ill health, transmission of disease, infant mortality, or crime in the immediate the property.



## Step 3

### Order title search and report

Research and prepare a title report that reveals . . .

1. Parties with ownership or other interests in the property

2. Property title history and condition—clear or cloudy

☐ Clear

✓ No excuse for property being in violation of codes

☐ Property tax sale acquisition

✓ No excuse for property being in violation of codes 12 months after tax sale (2 months if In Rem tax sale)

☐ Cloudy

✓ Difficult for parties, including heirs, to maintain property because cloudy title prevents borrowing funds or selling property

East Coast Title and Research, Inc.  
Post Office Box 13  
Savannah, Georgia 31402  
(912) 455-2481

**TITLE SUMMARY**

OWNER OF RECORD: Tanice Mae & Juanita Holmes  
SHORT LEGAL: Lot 54 Mitchell Wood #1118  
226 Lanning St. P.M. 2-19-17-32  
PLATS: \_\_\_\_\_  
TYPE OF SEARCH: Full  
FILING DOCKET DATE: 3/8/2018 JUDGEMENT DATE: 3/8/2018  
DEFECTS:  
DEEDS: Century 21 Co. Inc. in DRB 96K15  
Alance Knott in DRB 130H 563  
RESTRICTIVE COVENANTS: None  
EASEMENTS: None  
OTHER DEFECTS: Easements: 657-887, 634-465, 701-419,  
728-336 & 611-551  
JUDGEMENTS/NAMES CHECKED: Tanice Mae & Juanita Holmes  
TAXES RETURNED IN THE NAME OF: Tanice Mae Holmes & Juanita Holmes  
ACCOUNT: \_\_\_\_\_ MAP/PARCEL: \_\_\_\_\_  
BILL: \_\_\_\_\_ COUNTY TAXES: See Tax Map  
TAXABLE VALUE: \_\_\_\_\_ CITY TAXES: See Tax Map  
HOMESTEAD EXEMPTION: \_\_\_\_\_ DELINQUENT TAXES: \_\_\_\_\_  
TITLE CHECKED BY: Paul Allen  
FEE: \$99.99 #COPIES: 0 X25-0- TOTAL DUE: \$99.99

## Notify ownership parties of City's interest in purchasing property

1. Notify parties of the City's . . .

- ☐ Interest and intent to acquire the property to remedy blight using, if necessary, eminent domain
- ☐ Willingness to meet with the property owners and a private, licensed, appraiser on site
- ☐ Purchase price offer based upon fair market appraised value and clear title
- ☐ Willingness to meet with property owners to discuss the City's intent and purchase price offer

## 2. Notifications take place by mail and certified mail

3. Additional forms of notification include in-person meeting, telephone and e-mail


[illegible]



## Step 5

### Special City Council meeting to request permission to proceed to Superior Court

1. If the use of eminent domain becomes necessary, the City must hold a special City Council meeting at 6:00pm or later
2. All known parties with ownership interests in the property are notified about the special meeting in accordance with state law including . . .
  - ☐ For at least four (4) consecutive weeks in advance of the special meeting, the City advertises the meeting in a local newspaper
  - ☐ At least 15 days before the special meeting through personal service or, if not possible, by certified mail or by overnight delivery.
  - ☐ At least 15 days before the special meeting, the City posts notice signs in front of the property in the public right-of-way
3. City Council will be asked to adopt a Resolution authorizing the City Attorney to schedule a Superior Court hearing
  - ☐ The City **CANNOT** begin using eminent domain to acquire a property following passage of the Resolution
  - ☐ The Superior Court must determine whether or not the City is authorized to use eminent domain to acquire a property



**PUBLIC HEARING NOTICE**  
City of Savannah

Proposed Action: Eminent Domain  
Property Address: 220 Cumming Street  
Property Identification Number: 2-0019-17-033  
Date & Time of Hearing: December 20, 2018 at 6:00 p.m.  
Hearing Location: Savannah City Hall, 2 East Bay Street, Savannah, Georgia 31401  
For Further Information, Call: 912-651-6524

**PUBLIC HEARING NOTICE**  
City of Savannah

These properties located on Cumming Street in Savannah, Georgia 31415, are subject of a proposed eminent domain proceeding resulting from blight & property maintenance code violations:

218 Cumming Street (PIN 2-0019-17-034)  
220 Cumming Street (PIN 2-0019-17-033)  
231 Cumming Street (PIN 2-0019-18-012)  
236 Cumming Street (PIN 2-0019-17-028)  
238 Cumming Street (PIN 2-0019-17-027)  
242 Cumming Street (PIN 2-0019-17-026)

Date: December 20, 2018  
Time: 6:00 p.m.  
Location: Savannah City Hall  
2 East Bay Street  
Savannah, Georgia 31401

For Further Information, Call (912) 651-6524.

INSERT DATE: November 26, 2018,  
December 3, 2018  
December 10, 2018  
AND December 17, 2018

## Step 6

### Superior Court hearing #1 determines if the property is blighted

1. Following adoption of the City Council Resolution, the City Attorney request an eminent domain hearing in Superior Court
2. The purpose of this hearing is for the Judge to hear evidence and determine if the property meets the statutory definition of blight
3. All known parties with an ownership or other interest in the property are notified of the hearing by subpoena and given the opportunity to be present and testify
  - ☐ The Probate Court is also provided a subpoena so it can represent those with an ownership interest who have not been located and served with a subpoena
  - ☐ The Probate Court has appointed a Guardian Ad Litem to perform this function
4. If the Superior Court determines that the property is blighted and can be acquired using eminent domain, a second Superior Court hearing is scheduled to determine the value of the property and to whom funds will be distributed

## Step 7

### Superior Court hearing #2 determines property value and disbursements

1. The City Attorney requests a second Superior Court hearing so the Judge can determine property value and distribution of funds
2. All known parties with ownership or other interests in the property are notified of the hearing by subpoena and given the opportunity to be present and testify
  - ☐ The Probate Court is also provided a subpoena so it can represent those with an ownership interest who have not been located and served with a subpoena
  - ☐ The Probate Court has appointed a Guardian Ad Litem to perform this function
3. The Judge will consider appraisals submitted by the City and others to determine property value
4. The Judge will also consider claims for unpaid property taxes, special assessments and other liens
5. After hearing evidence, the Judge will issue a final order that specifies
  - ☐ The value of the property
  - ☐ How much the City will pay into the Court to acquire the property
  - ☐ To whom and in what amounts acquisition funds will be distributed to parties with ownership and other interests
  - ☐ Restrictions that prevent the property from being used for a different land use for five years



## Step 8

### Post eminent domain blight removal, sale and development options

1. Once the City has title, it will begin to implement blight removal and redevelopment strategies including
  - ☐ Demolishing blighted houses not planned for renovation
  - ☐ Combination and re-subdivision of narrow adjoining lots into wider lots, more buildable lots, for new homes
    - ✓ Converting three 30' wide lots into two 45' wide lots
    - ✓ Converting four 30' wide lots into three 40' wide lots
    - ✓ Converting five 30' wide lots into three 50' wide lots
  - ☐ Sale and conversion of unbuildable lots into side yard space for adjoining properties
2. Sale of property may occur by the City or by the Chatham County / City of Savannah Land Bank Authority
3. Transferring title to and utilizing the Land Bank Authority (LBA) has benefits as the Authority can
  - ☐ Hold and maintain property until critical mass makes re-development possible
  - ☐ Combine or package City acquired property with LBA acquired property to enhance development opportunities
  - ☐ Participate in acquisition and development financing
  - ☐ Offer more flexibility in selling the property—including making it possible for “heirs” to be given priority providing they have resources to purchase and develop the property in accordance with City plans for the property
4. The sale price of a property will include, when feasible, investments made to purchase, demolish, maintain, subdivide, and clear blighted property title

## Step 9

### Development and permanent funding scenario

Housing & Neighborhood Services Department (HNSD), Savannah Affordable Housing Solutions Fund, Land Bank Authority, Bank and Developers can contribute to financing the redevelopment of formerly blighted property

Development Financing		
Amount	Source	Purpose
\$ 28,000	HNSD-LBA	Purchase/Demo Property
\$ 31,000	HUD HOME	Construction
\$ 31,000	SAHSF	Construction
\$ 50,000	Bank Loan	Construction
<u>\$ 15,000</u>	Developer	Soft Costs / Profit
\$155,000	Total	Development Costs

Amount	Source	Purpose
\$ 155,000	Total	Development Costs
<u>\$ 140,000</u>	Sale Price	Appraised Value
\$ 15,000	HNSD-HOME	Development Subsidy

Permanent Financing		
Amount	Source	Purpose
\$110,000	Bank Loan	30 Year Mortgage
\$ 30,000	HOME	30 Year Def Mortgage
\$ 3,000	SAHSF	Closing Cost Assistance
<u>\$ 2,000</u>	Buyer Cash	Closing Cost
\$145,000	Total	Purchase & Closing Costs

Amount	Source	Purpose
\$ 590	PI @ 5%	30 Year Mortgage
<u>\$ 285</u>	TI	Taxes & Insurance
\$ 875	PITI	Monthly Payment
\$ 32,000	Gross Income	Annual Income Required

# City Department & Partners Involved in the Eminent Domain Process

- ☐ Housing & Neighborhood Services
- ☐ Code Compliance
- ☐ Police Department
- ☐ Legal Department
- ☐ Real Estate Services
- ☐ Land Bank Authority
- ☐ City Clerk
- ☐ Public Communications