



Addressing Housing, Public Safety and Property Code Violations in Savannah:

Staff recommendations
for “Savannah Shines”
program & improving
citywide conditions
through changes to
local ordinances,
policies & practices

May, 2017

Addressing Housing, Crime and Property Code Violations in Savannah

Report Overview

This report has been prepared by an interdisciplinary team of City staff in response to the request of Mayor Eddie DeLoach and City Manager Roberto Hernandez for a more comprehensive and targeted approach to addressing blighted conditions in Savannah neighborhoods. Project Team members and contributors include:

C&ED Bureau: Taffanye Young/Team Chair, Elizabeth Shulman
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Legal Office: Denise Cooper, William Shearouse, Stuart Halpern
Public Works: John Sawyer
Revenue Department: Cindy Landolt, DeLamar Turner
Sanitation Bureau: Gene Prevatt, Kimberly Corbin/Property Maintenance (PMD)
Savannah Chatham Metropolitan Police Department (SCMPD): Asst. Chief Juliette Tolbert, Star Cpl. Tracy Walden
Savannah Fire & Emergency Services: Kelly McDaniel

The report summarizes past initiatives and lessons learned and presents recommended strategies for short-range implementation of the "Savannah Shines" neighborhood improvement program as coined by Mayor DeLoach. The report also includes long-range recommendations that address barriers to neighborhood improvement throughout the city, such as:

- Revisions to local ordinances
- Changes to City policies and practices
- Strategies to increase financial and other resources for housing and property acquisition
- Additional resources for public improvements

Past City Initiatives

Improving the condition of Savannah's neighborhoods has been a top priority for the City of Savannah for many years. Over the last several decades, a number of projects and initiatives have been implemented to address substandard housing, crime and neighborhood blight. These include but are not limited to: Showcase Savannah Neighborhoods, Weed and Seed, Operation Clean Sweep, Not In My Neighborhood, the Targeted Blight Eradication Program, Neighborhood Renaissance, and 100 Worst Properties. The City has also adopted a number of neighborhood revitalization plans and mini-urban redevelopment plans, such as Cuyler/Brownville, West Savannah, Feiler Park and Savannah Gardens.

Two recurring aspects of all these initiatives have been: 1) a strong focus on resident involvement and 2) combining staff and resources across City bureaus to more significantly impact neighborhoods. The inclusion of City staff in past efforts from Police, Fire, Public Works, Property Maintenance, Sanitation, Housing, Economic Development, Recreation, Community Services, Public Information and the City

Manager's Office signaled the City's commitment and readiness to tackle neighborhood issues. Likewise, the involvement of resident associations and other stakeholders remained a central component to gaining neighborhood buy-in and sustaining neighborhood improvements long term.

The greatest challenges to the longevity of many of these past initiatives have been: 1) over-expansion of the program to too many geographic areas; 2) not enough staff and/or financial resources to sustain the program; and 3) elimination of the program due to changing leadership and/or changing priorities. A major take away from these initiatives is the importance of ensuring any program moving forward has the support of City Council and the City management team as well as adequate financial, human resources and policies in place to sustain the program.

Existing Housing and Property Maintenance Conditions

According to 2010-2015 American Community Survey (ACS) data, a projected 23,586 (45%) Savannah households are housing cost burdened, paying over 30% of income on housing. ACS data also estimates 15,000 dwellings in Savannah have between 1 and 4 severe housing problems. At approximately \$5,000 per severe housing problem, the City's Housing Department estimates a range of \$75 million to \$300 million needed to address 1 to 4 severe housing problems in 15,000 dwellings. The City's Housing Department currently has 354 applications for home improvement assistance under review.

The City's Property Maintenance Department reports there were 7,318 complaints of blighted properties in 2016. PMD data also reflects there were 2,119 residential vacant properties, including 1,001 vacant lots and 1,118 vacant houses.

Team Recommendations for Addressing Blight

Staff has developed both short-range and long-range recommendations for City Council consideration.

Short Range Recommendations: Savannah Shines

- Focuses on the Savannah Shines program, targeting improvements in an individual "Savannah Shines" neighborhood
- Requires strong buy-in and partnership with the neighborhood association
- Combines resources across City departments to increase impact
- Requires the formation of an interdisciplinary project team
- Streamlines communication by designating Community Outreach Coordinators (Neighborhood Services Coordinators) as a single point of contact for the neighborhood

Long Range Recommendations: Addressing Citywide Barriers to Neighborhood Improvement

- Presents changes needed in local ordinances, policies and practices to more aggressively address chronic housing and property code violations citywide
- Presents strategies to increase long-term financing support for housing, property acquisition and public improvements

Short Range Recommendations: Savannah Shines Program

Staff proposes the City implement a coordinated, interdepartmental initiative targeted in neighborhoods experiencing signs of neglect as reflected by neighborhood indicators, such as crime, housing conditions and property code violations. The formation of an interdisciplinary “Neighborhood Improvement Team” will be needed to ensure ongoing involvement and communication across City departments, to facilitate planning and implementation of various strategies, and to ensure timely and unified collaboration with neighborhood leaders and other community stakeholders. At a minimum, we propose the team include but not be limited to the following City departments:

Community Planning/Dev	Park and Tree	SCMPD
Economic Development	Parks and Recreation	Sanitation
Housing	Property Maintenance	Savannah Fire (SFES)
Land Bank Authority	Real Property Services	Public Works & Water
Legal Office	Revenue	Resources (PWWR)

Based on the availability of resources and the desire to achieve a higher level of impact, staff recommends one neighborhood be identified as the first pilot for the program. Additionally, depending on the size of the neighborhood, the type and scale of neighborhood conditions and the availability of resources, the City may need to work with neighborhood leaders to identify one or more “sub-areas” within the neighborhood to target our efforts.

The Neighborhood Improvement Team will work with neighborhoods to implement strategies focused in five core areas: Housing, Public Property, Property Maintenance, Public Safety and Community Engagement. Finally, in order to measure program effectiveness, staff will carry out the following activities:

1. Assess neighborhood conditions
2. Prioritize issues and opportunities
3. Review available resources and determine which tactics to pursue
4. Establish goals and measurable objectives in the five core areas listed
5. Perform quarterly updates to track progress

Savannah Shines Neighborhood Indicators

Staff recognizes the City of Savannah has a finite amount of human and financial capital available to commit to this initiative while also maintaining services citywide. We also recognize each neighborhood is unique, with varying levels of public safety and blight concerns. In order to evaluate neighborhoods in a consistent manner, the Project Team considered a wide range of data points before narrowing the list to six areas:

1. Neighborhood association registered with the City of Savannah
2. Part One Crime rate
3. Part Two Crime rate
4. Housing code violation rate
5. Property code violation rate
6. Delinquent taxes rate

In order to gain broad support for enhanced code enforcement, public safety, and neighborhood improvement efforts, staff felt strongly that the City would need the buy-in and involvement of the neighborhood association. As mentioned previously, the importance of this criterion is also evident in past City initiatives. Therefore, it was used as an initial criterion for identifying neighborhoods and is based on the existence of a neighborhood association that is registered with the City of Savannah.

The remaining indicators represent the primary neighborhood conditions the Savannah Shines program will address. These indicators were chosen because they are clear indicators of blight, they are not subjective, and they can be averaged together to come up with an overall neighborhood index score from which to measure improvement. To equalize data across neighborhoods of different sizes, the data was calculated as a percentage of the total parcels in the neighborhood or population size.

- Part One Crimes includes criminal activity such as assault, homicide and burglary. The data has been calculated as the percentage of crime per population within each neighborhood.
- Part Two Crime includes offenses of a lesser nature than Part I crimes, they include such activity as drug dealing, drug possession, disorderly conduct, driving under the influence (DUIs), firing of weapons, and property damage.
- Housing Code Violations per parcel include categories such as condemnation, occupied property complaints, and unsafe/unsecure properties.
- Property Code Violations per parcel include categories such as abandoned/inoperable vehicles, trash, debris and overgrowth.
- Delinquent Property Taxes per parcel include parcels where taxes are currently delinquent and have been delinquent for more than one year since 2010. By only including parcels that are delinquent for multiple years, property owners that are not seriously delinquent or are simply late on their taxes are excluded.

Sunshine Index: To establish the neighborhood “Sunshine Index”, the above criteria were averaged together to create a single neighborhood score, with the goal of achieving a lower score over time as improvement strategies are implemented.

Neighborhood Selection: In order to focus our limited resources and achieve a greater impact, staff recommends a pilot program be undertaken in one neighborhood. However, as the selected neighborhood improves and/or additional resources are identified, the City can transition to or include other neighborhoods in the program. **It also is important to note that while Savannah Shines may focus in one neighborhood, City services will continue to be provided throughout the city.**

Savannah Shines Neighborhood Strategies

The following tables set forth proposed strategies for implementation in the selected Savannah Shines neighborhood. Strategies are focused in five core areas: Housing, Property Maintenance, Public Safety, Public Property, and Community Engagement.

1. HOUSING	
1	Promote home ownership opportunities throughout the neighborhood and in conjunction with partner home buyer education classes.
2	Develop marketing materials and work with neighborhood leaders and volunteers to raise awareness about current housing programs/opportunities for homeowners, home buyers and landlords.
3	Where possible prioritize applications for housing assistance from: a. Homeowners seeking to address documented property maintenance/housing code violations b. Homeowners seeking to improve the building's exterior and protect it from the elements c. First time homebuyers in need of down payment, closing cost and gap financing
4	Promote and explore local interest in volunteering to work with the City and eligible homeowners to improve property in the neighborhood.
5	Promote the Federal Home Loan Bank home improvement program for veterans and surviving spouses of veterans in the neighborhood.
6	Promote financing opportunities for non-profit and for-profit developers interested in acquiring and renovating vacant houses and/or developing infill houses for sale to first time home buyers.
7	Work with the City's Property Maintenance, Revenue and Legal Office to identify and aggressively address, where possible, properties with cloudy titles, delinquent real property taxes and unpaid property maintenance special assessments.
8	As a preventative measure, seek a partnership with local bar associations, Georgia Legal Services and the neighborhood association to provide property owners with assistance in preparing legal document(s) regarding property inheritance.

2. PROPERTY MAINTENANCE	
1	Conduct neighborhood-wide survey to identify property, housing and sanitation code violations, vacant lots and vacant structures. Input data into a database to record initial/baseline conditions in neighborhood. Update survey quarterly to track changes and evaluate effectiveness of strategies to improve neighborhood conditions.
2	Develop a Citizens Resource Guide with information about cleanliness, property and sanitation code requirements, sanitation services, trash and bulk item collection schedules and fees. Work with residents/volunteers to help distribute materials throughout the neighborhood.
3	Teach interested neighborhood volunteers about sanitation, property and zoning standards, recycling, etc. and work with the team on an ongoing basis to identify and address trouble spots.

4	Host a Community Academy series to develop renter and homeowner skills in beautifying and maintaining their homes and yards. Seek partners and sponsors, such as the Georgia Master Gardeners Assoc., Lowe's, Home Depot, to help offer incentives (i.e. prizes, gift certificates, mini-grants) to participants who complete the series.
5	Coordinate regular neighborhood ride-throughs with neighborhood leaders and key City departments/enforcement staff to identify, prioritize and address problem areas.
6	Cultivate positive "Neighbor-to-Neighbor" efforts to encourage property maintenance and improvement by working with the neighborhood to recognize good stewards through Yard of the Month, Block of the Month and Good Business Neighbor.
7	Partner with SCMPD to develop and offer training classes for renters and landlords, especially targeting small, "mom & pop" rental property owners, providing information about developing leases, landlord and tenant responsibilities, managing rental properties, addressing issues, etc.
8	Partner with SCMPD to develop a rating system for a "Responsible Landlords Seal of Approval" with associated criteria to receive a seal. Invite local landlord association to partner.
9	Identify vacant buildings that are appropriate for potential demolition and pursue through appropriate procedure.
10	Work with the City's Housing, Revenue and Legal Office to identify and where possible aggressively address properties with cloudy titles, delinquent real property taxes and unpaid property maintenance special assessments.

3. PUBLIC SAFETY

1	Raise awareness about public safety issues and the risk of danger; and educate the public about "target hardening" and other strategies to protect themselves, their family, and their property.
2	Employ public outreach bike and foot patrols to build relationships in the neighborhood, open communication lines, and get information.
3	Improve resident awareness and interaction with the Crime Notification System.
4	Increase police attendance at neighborhood events, using Command Vehicle when available.
5	Problem Solving Through Collaborative Effort - Organize a citizens committee to identify and prioritize issues to be addressed and work in conjunction with this group, City departments and other partners to collectively address priorities.
6	Work with neighborhood residents and property owners to install or display property house numbers in a highly visible, front area of the property.
7	Target outreach programs involving the SCMPD Juvenile Officers in the designated neighborhood, and collaborate with residents and area community centers in order to engage youth.
8	Partner with PMD to offer renter and landlord training classes, especially targeting "mom & pop" rental owners to learn about developing leases, landlord and renter responsibilities, dealing with difficult tenants, etc.
9	Establish hotspots for baseline patrol presence; provide random/intermittent stops in these areas.
10	Identify prolific offenders in the target neighborhood.

11	Provide focused probation/parole client monitoring.
12	Employ overt enforcement at target locations.
13	Engage the Fire Marshal's office to conduct fire and life safety code enforcement activities.
14	Conduct home safety checks & promote the smoke alarm installation program in neighborhood.
15	Conduct Arson Awareness & Prevention Program to focus on actions residents can do to help prevent a variety of types of arson in the neighborhood.

4. PUBLIC PROPERTY

1	Develop a cost estimate to repair, replace, and/or upgrade the public infrastructure and quality of amenities.
2	Coordinate with appropriate City departments for implementation of funded improvements.

5. COMMUNITY ENGAGEMENT

1	Host community stakeholder sessions with area businesses, schools, churches/faith organizations and community groups to solicit their commitment to volunteer to undertake activities that improve neighborhood conditions and build stronger community relations.
2	Offer neighborhood level training workshops to meet the needs of neighborhood leaders and residents.
3	Work with neighborhood stakeholders to build a framework for sustaining ongoing collaboration after the City transitions to a new target area.
4	Work with health, social service, job training, and employment agencies to participate in neighborhood-based resource fairs for residents.
5	Implement a marketing and recognition campaign to promote volunteerism, recognize "neighborhood investments" both large and small, and encourage individuals and groups to capture and post their improvement efforts via social media. (#savannahshines)

Long Range Recommendations: Addressing Citywide Barriers to Neighborhood Improvement

In order to more comprehensively address chronic housing and property maintenance conditions and increase investment in neighborhoods throughout Savannah, key changes are needed to local ordinances, policies and practices that historically have limited the City's ability to significantly impact neighborhoods and achieve long lasting results. The following tables set forth specific long-range recommendations focused in six key areas:

1. Remediating blighted property through eminent domain
2. Addressing delinquent property taxes and special assessment liens
3. Addressing Unsafe building violations
4. Reducing code enforcement case closure timeline
5. Expanding our Legal ToolBox
6. Building resources to support housing, property acquisition and public improvements

1. REMEDYING BLIGHTED PROPERTY THROUGH EMINENT DOMAIN	
PROBLEM STATEMENT	
	Crime, devaluation, and disinvestment in neighborhoods are frequent by-products of blighted property, many of which have cloudy title. This makes it difficult for property owners and others to secure bank financing necessary to improve their property, maintain code compliance, or sell their property. Blighted property also makes it difficult for nearby property owners to market their properties for rent or sale due to undesirable surroundings and low property values.
RECOMMENDATIONS	
	<ol style="list-style-type: none"> 1. Use the recently amended eminent domain state legislation as a tool to help the City acquire and sell vacant property for the purposes of remediating blight and supporting neighborhood benefitting development. <ol style="list-style-type: none"> a) Focus eminent domain in cases where a history of citations, non-compliance, special assessment liens and ongoing blight can be substantiated. b) Provide ongoing staff support from five key City offices: Legal, Property Maintenance, SCMPD, Housing and Revenue. c) Fund a 311 system upgrade to allow better tracking of property data and improve synthesis of data across bureaus, to help identify specific properties with a history of violations, criminal activity, etc. (Must be proven in court.) 2. In cases where eminent domain involves heirs property, staff recommends including extra points in City Request for Proposals for redevelopment of the property, to give heirs an opportunity to purchase and redevelop the asset with clear title. 3. Seek a proactive partnership with local bar associations and Georgia Legal Services to create a pro-bono or low-cost estate planning program to help property owners establish wills that identify who will inherit the property following their death.

CONSIDERATIONS

- Assisting homeowners in developing low-cost estate plans/wills can help protect a family's real estate "wealth" from being lost or eroded when a property owner dies. It also would help offset concerns about eminent domain and demonstrate the City's interest in working to protect heirs' property interests. Finally, it would be an important step in helping to prevent severely blighted property due to cloudy title.
- Efforts of the City, state legislators and GMA proved to be successful in getting the state's eminent domain legislation amended and the largest barrier (twenty year retention of land) changed. For property owners concerned about government over-reach or abuse, the legislation also included safeguards requiring municipalities to prove to the superior court that the property is actually blighted before it would be able to initiate a condemnation proceeding. The property must be purchased at fair market value as determined by an independent third party appraisal and also retain the same land use for a period of five years. For example, neither the City nor the property developer could convert a residential property to a commercial use.
- It is important for both elected officials and the community to understand it will take several years, in each distressed neighborhood selected, to acquire the critical mass of vacant, blighted, properties needed to attract private investment. It will also take dedicated financial and human resources, both City and Legal staff, to: 1) develop legally sound policies and procedures to systematically use eminent domain to acquire blighted properties; and 2) demolish or secure and maintain the grounds of acquired properties while title is cleared and properties are prepared to be sold for neighborhood benefitting development; and 3) make substantial improvements to public spaces and infrastructure.

Preliminary estimates indicate that a \$2,000,000 budget should enable the acquisition of about 120 blighted properties per year (60 houses and 60 vacant lots) using a combination of eminent domain, judicial in rem tax foreclosure, and sheriff/marshal tax foreclosure actions initiated by the City of Savannah and the Chatham County-Savannah Land Bank Authority. This estimate includes the employment of a staff attorney in the City Attorney's office devoted to these and associated activities, including clearing title, and includes funds for demolition, board-up, and grounds maintenance. This does not include costs associated with public improvements to enhance the neighborhood.

Much of this investment can be recovered and revolved as property titles are cleared and property is sold for development. This will likely be linked to acquiring a critical mass of neighborhood property to improve market confidence—which might be 24 to 36 months after initial acquisitions. Favorable changes in the eminent domain law, the adoption of urban redevelopment plans, and the dedication of key staff and supporting resources in these neighborhoods are also necessary to positively impact marketability.

2. ADDRESSING DELINQUENT PROPERTY TAXES/ SPECIAL ASSESSMENT LIENS

PROBLEM STATEMENT

Preliminary analysis of delinquent real property taxes between 2010 and 2015 and delinquent property maintenance special assessments between 2010 and 2016 total about \$4 million, including:

- 2,722 properties with \$2,076,206 in unpaid real property taxes. (NOTE: These properties may have been taken to tax sale and not bid upon; be under a bankruptcy and not eligible for sale; have been through the tax sale process but pulled for a number of reasons; or the dollar amount/years of delinquency are not yet significant enough to be taken to tax sale.)
- 1,386 properties with \$1,875,840 in unpaid property maintenance special assessments.
- 343 of these properties have both delinquent real property taxes and special assessments.

Properties with years of unpaid real property taxes and/or special assessments are likely to be blighted. The cost of maintaining these properties adds to the costs incurred by the City (approximately \$160,123 in 2016) and creates a burden on the tax payer.

2016:

Demolition	\$106,879 for 16 demolitions
Mowing	\$47,364 for 240 lots mowed
Boarding & Securing	\$5,880 for 30 boarded properties

Finally, properties that are not sold at real property delinquent tax foreclosure sales remain on the delinquent property tax rolls of the City and County, with little expectation the taxes will ever be paid or the property will ever become an asset to the neighborhood.

RECOMMENDATIONS

1. Aggressively pursue payment, collection and if necessary tax foreclosure sale of properties with a history of delinquent property taxes and/or property maintenance special assessment liens.
2. Where property owners are known, place special assessment liens against the owner—not the property. This will impact the property owner’s ability to secure credit, thus providing a stronger incentive to repay the City and improve the property.
3. Judicial In Rem delinquent tax foreclosure sales can be undertaken by the City and the County/Tax Commissioner. Explore possibility of entering into an interagency agreement that allows for collection of City and County delinquent taxes through the Judicial In Rem process.
4. Utilize the Chatham County-Savannah Land Bank Authority to acquire, bank and sell properties for neighborhood benefitting development when such properties are not purchased at tax sales and when they are of particular importance to a neighborhood revitalization initiative. The LBA can enter “non-cash” bids for Judicial In Rem sales—which means if nobody purchases the property at the sale it is transferred to the LBA. Alternatively, the LBA can bid for the properties if it doesn’t submit a “non-cash” bid.

CONSIDERATIONS

The City will need to dedicate financial and human resources for COS staff, legal support, and the Land Bank Authority that are necessary to: 1) develop legally sound policies and procedures; 2) expeditiously foreclose on tax delinquent and property maintenance special assessment liens; 3) acquire an interest in properties at tax foreclosure sales; and 4) maintain properties while title is cleared and properties are prepared to be sold for neighborhood benefitting development.

As stated earlier in this report, preliminary estimates indicate that a \$2,000,000 budget should enable the acquisition of about 120 blighted properties per year (60 houses and 60 vacant lots) using a combination of eminent domain, judicial in rem tax foreclosure, and sheriff/marshal tax foreclosure actions initiated by the City of Savannah and the Chatham County-Savannah Land Bank

Authority. This estimate includes the employment of a staff attorney in the City Attorney’s office devoted to these and associated activities, including clearing title, and includes funds for demolition, board-up, and grounds maintenance.

Much of this investment can be recovered and revolved as property titles are cleared and property is sold for development. This will likely be linked to acquiring a critical mass of neighborhood property to improve market confidence—which might be 24 to 36 months after initial acquisitions. Favorable changes in the eminent domain law, the adoption of urban redevelopment plans, and the dedication of key staff and supporting resources in these neighborhoods are also necessary to positively impact marketability.

3. ADDRESSING UNSAFE BUILDING VIOLATIONS

PROBLEM STATEMENT

Based on a preliminary review of 2015 and 2016 PMD data, there was an annual average of approximately 158 building citations for unsafe building code violations—resulting in 16 demolitions and 142 boarded vacant buildings. These properties are generally vacant, abandoned properties that are severely dilapidated and/or unsafe to inhabit. They also contribute to blight, crime, devaluation, and disinvestment in neighborhoods.

Properties are considered compliant if the structure is properly boarded and secured. However, there are no requirements for the building’s exterior to be in good condition and secure from deterioration caused by the weather. Finally, there is no time limit for how long boarded buildings can remain unoccupied and in otherwise deteriorated condition.

RECOMMENDATIONS

1. Upgrade the Property Maintenance Code enforcement standard for “securing” unsafe buildings to require:
 - a. Doors and windows to be secured with durable and translucent polycarbonate or plexiglass panels no less than one-fourth inch thick.
 - b. Restrict use of plywood panels to temporarily board structures for no more than thirty (30) days, thereby providing property owners with additional time to install the correct materials.
 - c. Compliance with the International Property Maintenance Code, Sections 304.2, Protective Treatment. All exterior surfaces, including but not limited to doors, door and window frames, cornices, porches, trim, balconies, decks and fences, shall be maintained in good condition. Exterior wood surfaces, other than decay-resistant woods, shall be protected from the elements and decay by painting or other protective covering or treatment. Peeling, flaking and chipped paint shall be eliminated and surfaces repainted. All siding and masonry joints, as well as those between the building envelope and the perimeter of windows, doors and skylights, shall be maintained weather resistant and water tight. All metal surfaces subject to rust or corrosion shall be coated to inhibit such rust and corrosion, and all surfaces with rust and corrosion shall be stabilized and coated to inhibit future rust and corrosion. Oxidation stains shall be removed from exterior surfaces. Surfaces designed for stabilization by oxidation are exempt from this requirement.

2. Remove plywood as an option in City contracts for boarding and securing properties, ensuring City contractors comply with the new requirement for polycarbonate materials.

CONSIDERATIONS

- Plywood panels:
 - Promote an unattractive streetscape
 - Suffer damage from weather
 - Can easily be removed and entered by trespassers, increasing crime/fire potential
 - Contribute to disinvestment
- Polycarbonate/plexiglass panels:
 - Simulate appearance of regular windows - Promote a more attractive streetscape
 - Do not suffer weather damage - Cannot be removed from the outside
 - Do not contribute to disinvestment
 - Cost more than plywood which may increase burden on low-income property owners
- The Property Maintenance Department is mandating use of polycarbonate material for securing structures by the City Contractor. (Contract renewal in April 2017)

4. REDUCING THE CODE ENFORCEMENT CASE CLOSURE TIMELINE

PROBLEM STATEMENT

Property owners have up to 45 days to comply with the International Property Maintenance Code, if cited. However, achieving compliance among non-responsive property owners is difficult. The process can get caught in a series of delays and/or court continuances based on the property owner's reported financial and other hardships, causing the process to extend for approximately one year or more.

RECOMMENDATIONS

1. Reduce City practice of providing a 45 day grace period to achieve housing code compliance to 30 days, with a 30 day extension if actual work/improvements are being completed.
2. Outreach to Recorder's Court judges to request more aggressive enforcement of the code where possible, such as reducing the number of continuances where hardships are not substantiated.
3. Consider adjudication of cases through a Special Magistrate.

5. EXPANDING OUR LEGAL TOOLBOX

PROBLEM STATEMENT

The City currently lacks current, well-defined procedures for resolving various issues related to dilapidated housing; executing property liens; clearing property title; addressing heirs property; and other code enforcement issues. Additionally, delays in prosecuting code enforcement cases has resulted in an increase in derelict properties and other code enforcement violation issues remaining unresolved for extended periods of time.

RECOMMENDATIONS

1. Work with the Records Court Administrator and judges to improve scheduling and speed of disposition of cases. Allow Property Maintenance staff to schedule hearing dates, eliminating delay for court to schedule hearings, and schedule more hearings than the current three per month.
2. Dedicate an attorney to handle property-related cases (code violations, delinquent taxes, special assessment liens, eminent domain) and present court cases, keeping inspectors from acting in the role of attorneys.
3. Develop a step-by-step procedural “playbook” for handling different property maintenance cases, including voluntary conveyances by owners, clearing heirs property titles, and condemnations.
4. Update local ordinances to be more specific and more consistent with State law. For example, update the Nuisance Abatement Code to establish a process that makes it possible for the City to foreclose on property maintenance special assessment liens if liens are not paid in a timely manner.

6. BUILDING RESOURCES FOR HOUSING, ACQUISITIONS & PUBLIC IMPROVEMENTS

PROBLEM STATEMENT

Savannah’s 2008 Affordable Housing & Regulatory Reform Task Force Report identified “money”, including low wages/incomes, as the primary barrier to modest, quality, affordable and workforce housing. The 2010-2015 American Community Survey data from the Census Bureau estimates that there are about 15,000 dwellings in Savannah that have between 1 and 4 severe housing problems. The same report estimates that 23,586 (45%) of Savannah households are cost burdened, paying more than 30% of their income for housing.

The 2008 Task Force identified the need to establish, capitalize, and sustain funding for local affordable and workforce housing as Savannah’s top priority. As an important first step, the City of Savannah established the Savannah Affordable Housing Fund (SAHF) in 2011. Since inception, the SAHF has received \$950,000 from the City and \$138,060 in private and other investment, allowing the fund to leverage another \$5 million in private housing investment to benefit 140 modest income households. However, with 45% of households housing cost burdened, Savannah will need substantially more public and private investment to improve housing conditions.

As stated earlier in this report, preliminary estimates indicate that a \$2,000,000 budget should enable the acquisition of about 120 blighted properties per year (60 houses and 60 vacant lots) using a combination of eminent domain, judicial in rem tax foreclosure, and sheriff/marshal tax foreclosure actions initiated by the City of Savannah and the Chatham County-Savannah Land Bank Authority.

Funding will also be needed for public spaces and infrastructure improvements in support of affordable housing and other neighborhood improvements. While estimates for public improvements will be driven by the size of the target area and conditions in the neighborhood, on average, past mini-urban redevelopment projects have been approximately \$2 to \$3 million annually.

RECOMMENDATIONS

1. Increase SAHF Investments. The SAHF Advisory Committee was tasked with identifying a variety of possible future funding sources as well as proposed funding amounts. The following list includes possible annual local revenue investments and sources for the SAHF beginning in FY2018 that result in at least a \$500,000 SAHF budget that grows each year.
 - a. **\$150,000 COS General Fund.** Continue annual COS investment.
 - b. **\$230,000 COS Hotel/Motel Tax.** 50% of growth in GF portion of H/MT based upon 10 year analysis. Helps support housing for modest wage tourist industry workforce. Multiplies by \$230,000 each year.
 - c. **\$20,000 COS Real Property Tax.** Increased revenue generated by affordable housing development. Multiplies by \$20,000 each year.
 - d. **\$20,000 County Real Property Tax.** Increase revenue generated by affordable housing development. Multiplies by \$20,000 each year.
 - e. **\$100,000 MPC Bonus Story Fee.** One option being considered by MPC for developers seeking an additional story in historic district. Annual investment goal.
 - f. **\$100,000 Private Investment.** Fund raising from local banks, businesses, and non-profits. Annual investment goal.
2. Leverage SAHF Investments: Use \$500,000 of FY2018 SAHF investments described above to leverage between \$2,500,000 and \$5,000,000 in private investment for affordable and workforce housing. History reveals a leveraging ratio ranging between 1:5 and 1:10 is possible.
3. Establish Local Housing CDFI: Establish a U.S. Department of Treasury certificated Community Development Financial Institution (CDFI) with a housing focus. A local CDFI could attract millions of new dollars for affordable and workforce housing. Treasury Department technical assistance to help an established non-profit housing organization like CHSA investigate and take this next step may be available.
4. Create a Revolving Property Acquisition Fund: Consider creating a revolving property acquisition fund initially capitalized with at least \$2,000,000 to acquire 120 blighted properties. The majority of this money will be recaptured and revolve as the properties are sold.
5. Fund 311 System Upgrade: Staff have reviewed several possible vendor solutions for system replacement/upgrade, which will provide both internal data management improvement as well as improve external citizen engagement. The system upgrade would require interfaces with two existing internal systems: CityWorks which tracks 311 tickets for sewer, stormwater and soon water operations and EnerGov, which tracks Property Maintenance tickets. The projected cost of this upgrade based on quotes is an initial cost of approximately \$39,000-\$47,000 and ongoing costs of approximately \$32,000 annually.
6. SPLOST funding: Plan to include at least \$12,000,000 in the 2022 SPLOST for “public infrastructure, park improvements and neighborhood revitalization initiatives in support of affordable and workforce housing”. Fund the overall activity as a project, rather than specifying a single, site-specific project—providing maximum flexibility to address opportunities as they arise.
7. Revenue Bonds: Can be used for a variety of housing activities should the need and opportunity arise.

8. GO Bonds: Can be used for public infrastructure in support of affordable and workforce housing should the need and opportunity arise. GO Bonds can be used directly for housing activities in some states, like North Carolina, —but not in Georgia.
9. Enterprise Zones: Seek agreement from the Chatham County government to participate in COS Enterprise Zones that provide tax abatement incentives to help attract housing and economic development in targeted neighborhood revitalization areas. Currently, only the COS participates in the Enterprise Zones it adopts. These Zones may become more attractive if both City and County real property tax incentives apply.
10. Focus Existing Resources: Look for opportunities to focus existing City resources into targeted areas, such as CDBG and other program/grant funds.

CONSIDERATIONS

- **Local Housing CDFI**: Accessing the Treasury Department’s CDFI Fund requires a 1:1 non-federal match. The non-federal match can come from local government, bank, business, foundation, etc. investments in a local CDFI. For example, a \$1 million non-federal investment in the local CDFI could position it to compete for \$1 million from the Treasury Department CDFI Fund. COS investment in the SAHF and commitment to affordable housing, and CHSA track record would, likely, strengthen efforts to secure Treasury Department certification of a local CDFI for housing.

In 2005 the Columbus Housing Initiative received \$42,000 in technical assistance from the Treasury Department to help organize it as a CDFI. It received just over \$3 million from the Treasury Department CDFI Fund between 2010 and 2015. CDFI funds will, likely, help leverage other private investment at ratios ranging between 1:5 and 1:10.

- **SPLOST Funding**: The COS has funded public infrastructure and park improvements in support of affordable housing and neighborhood revitalization initiatives at a rate of about \$2,000,000 to \$3,000,000 per year during the past 15 years.
- **Revenue Bonds**: Augusta uses its downtown development authority to issue revenue bonds that can be used for a wide variety of housing related activities—property acquisition, infrastructure development, housing development, housing improvement, down payment and closing cost assistance, etc. The bonds are repaid, in large part, from the revenue generated from the local government’s hotel/motel tax. They have authority to issue \$50 million in bonds but are averaging about \$800,000 a year. This may be a bit risky unless there is a need for project investments that exceed annual SAHF and other leveraging opportunities.