

Neighborhood Revitalization Committee
March 12, 2008

Present: Nancy Moore, chair; John Ball, James Brady, Chris Hunter, Karen Nordstrom, Stacey Reed; Mayor Earl Leiken; William Hanson, director of Housing Inspection; Jeri Chaikin, CAO; Lisa Gold-Scott, asst. Law Director; Jayme Lucas, staff

The meeting was devoted to the subject of properties deemed to need nuisance abatement. It was stressed that the term “nuisance” is a legal term and is not meant to reflect on neighbors’ attitudes toward the properties in question. The committee was to vote on the recommendation that the houses be declared nuisance properties so that the city could take action.

Mr. Hanson explained that nuisance abatement was a tool of last resort after all other attempted remedies had been exhausted. This device has been used in Shaker Heights since the mid-1990s, and Shaker Heights takes property preservation very seriously. When owners don’t get their houses up to code, the city has two options: taking them to housing court, which is very effective but not always the best course of action, or using nuisance abatement.

Currently, 27 residential properties have been declared public nuisances, and the city will take action if the owners fail to do so. Of the 27 properties, 20 are in foreclosure, 18 are vacant, seven are owner-occupied and two are occupied rental properties. Based on the exterior appearance of the houses, Mr. Hanson said it is critical to take action; without doing so will have a negative impact on property values of surrounding homes.

How the system works: If a property is approved for nuisance abatement, the city will issue a notice to the owner or lien holder, who will be given 30 days to make the necessary repairs or to respond with their intention to make the repairs. If there is no response after 30 days, the city will contract out the work and will bill the owner. If the owner doesn’t pay, a lien will be placed on the property. The owner has the option of going to the Board of Appeals after receiving the notice from the city.

It is estimated that the cost for the city to repair all 27 properties is over \$500,000; however, in the past many owners ended up doing the work or institutional owners were pushed to sell the property.

Funding for the project: In the past, the city used general fund money to pay for repairs, but it would take quite a while to recoup the funds. Two years ago, the city began to have the county treasurer issue bonds for the cost of the work.

After the declaration, a rehab specialist solicits bids from contractors; before the work gets started, the city notifies the owner that the work will begin. After completion of the work (and sometimes there are found to be additional costs once other problems are discovered), it is signed off by the Housing Inspection and the Neighborhood Revitalization departments. Once a lien is recorded, a special assessment is added to the

owner's property tax bill. The nuisance abatement process doesn't keep owners from selling their properties or getting assistance from the city for repairs.

In most foreclosure cases, the owner of the mortgage buys the house back; in the current real estate climate, some lenders are selling houses for pennies on the dollar. This may be a good time for the city to buy up some of the properties, but that may not be the best solution. Sometimes repairing the house is not worth the cost, and the city has to be careful in deciding how to proceed. In some situations, the city may buy the property from the lender and use it for land banking (to be discussed at the April meeting).

At this point, Ms. Moore explained that the committee members would not be voting on each individual property but on the properties as a whole.

Mr. Hanson then showed a PowerPoint presentation of all the houses, showing their various states of disrepair, after which the committee voted to recommend all the properties for nuisance abatement.

The next meeting on April 9 will be devoted to discussing land banking. Ms. Moore stressed that before initiating any action, there needs to be a firm policy in place and that the city needs to clearly articulate its intentions and assure residents that neighborhoods will remain intact.

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