

To: Finance Committee

From: Robert Griffin, Building Safety Director

Date: February 28, 2012

Subject: Dilapidated Structures Demolition

Background:

The Building Safety Department enforces Article VII of Chapter 4, of the Code of Ordinances, or our minimum Housing Code. Section 4-217 of the Housing Code outlines a process for remedying defects that may lead to the structure being found unsafe or unfit for human habitation. The Department is responsible for enforcing the State Building Code that references General Statutes, specifically GS 160A-425 through GS 160A-432, the unsafe building statutes.

Complaints on a structure's condition can come from many different sources, such as the tenant, the neighbors, APD, AFD, social services, visible from the road by the inspector, etc. An inspector investigates the complaint. If the structure is occupied the inspector will communicate with the tenant and landlord or owner to correct the items identified. The structures that are vacant, and meet the definition of dilapidated are extremely difficult to bring into compliance. We encourage the owners to demolish the structure and to board the structure to prevent entry as a safety precaution until demolition is completed. Following the Housing Code, or in some cases the General Statutes, for dilapidated structures requires the owner's to demolish or repair within a specified time after an administrative hearing. If the order is not met, City Council can order the structure demolished and place a lien on the property. Once the property is sold, the City is reimbursed for the cost of the demolition and other associated costs such as legal service time. The property taxes are paid prior to the City's lien then any other liens are after those priorities.

Demolition contractor's bids are requested, including the Public Works Department when the structure and work are within their scope. Over the past four years, the City has taken one commercial structure to Council for demolition and has received payment for that cost. Public Works has demolished one small single-family home where a lien was placed on the property for the costs of the landfill tipping fees and other costs. Demolition costs are fluid based upon many factors. The size, construction type, and if salvageable items are present to lower the cost for the contractor are specific to each structure. If asbestos is present the cost will go up for the removal or for disposal of the structure in a landfill for hazardous items. Most single-family home demolitions will range from approximately \$9,000 to \$20,000.

The Building Safety Department must seek Council authorization for demolitions to confirm the process, the structure meets the definition, and to authorize the funding. Funding for demolitions for at least the last ten years has come from Fund Balance. All proceeds from the lien upon the property selling are returned to Fund Balance. The Building Safety Department has several locations where the structure meets the definition of dilapidated. Our efforts have been concentrated on seeking the owner's to correct the situation, collaborating with other organizations and the owner to remove or repair the structures, and to not begin the process to require Council to order the structure demolished unless all other avenues have been exhausted. We now have several single-family homes and one commercial structure that we have had no success in remedying the dilapidated conditions.

**Recommendation:**

The Building Safety Department is seeking approval from the Finance Committee to proceed with the legal process resulting in Council action for demolition on two or possibly three single-family homes during the current Fiscal Year 2012. We anticipate the total cost will not exceed \$45,000 from Capital Reserves. In Fiscal Year 2013 we anticipate 3 to 4 single family homes and one larger commercial structure with an estimated \$260,000 cost using the highest average estimate for the single-family homes and the known cost for the commercial structure.