USING NEW JERSEY’S TOOLS TO BUILD AN ABANDONED PROPERTY STRATEGY

South Jersey Reclaiming Abandoned Properties Workshop
Westampton, NJ

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KNOW THE TOOLS

TOOLKIT OF INTERVENTIONS

- Tax Foreclosure
- Spot Blight
- Eminent Domain
- Defining Abandoned Properties
- The Abandoned Property List
- Creditor Responsibility Law
- Vacant Property Registration
Tax foreclosure tools for abandoned properties:

- Accelerated tax foreclosure
- Municipal option: no redemption without rehabilitation for properties on list
- Special tax sale
Spot blight eminent domain:

- Properties must be on abandoned property list
- Properties do not have to be in redevelopment areas
- Special rule applies for setting fair market value
Setting fair market value:

- Appraiser determines cost to rehab property – or demolish and rebuild if rehab not feasible (A)
- Appraiser determines post-rehab (or rebuilding) value (B)
- If (A) is greater than (B), “there shall be a rebuttable presumption...that the fair market value for taking purposes is zero
Defining abandoned property:

- Definition is standardized
- Can apply to any type of building
- Does not apply to vacant lots

Creating an abandoned property list:

- Properties must be on the list to be eligible for special tax sales or spot blight
Creditor responsibility law:

- Entity filing foreclosure must notify municipal clerk

- If property is vacated by owner after foreclosure filing, the foreclosing entity is deemed responsible for property

- Municipality may enforce codes and pursue collection actions against foreclosing entity as if it were title owner
Vacant property registration:

- Based on police power, not explicit state enabling
- Owners must register property with municipality and pay registration fee
- Municipality can set standards for insuring and maintaining vacant properties
- May cover properties not covered under APRA
BUILDING A STRATEGY

- Define the problem
- Frame the strategies – define goals
- Match the tools to the strategies
1. What types of abandoned properties are there in the municipality?
   - Why are they abandoned?
   - How many abandoned properties are there?

2. How are the abandoned properties distributed around the municipality?
   - Are there particular areas where abandoned properties are concentrated?
   - Which areas are they?
DEFINING THE PROBLEM

SHOULD YOU CONDUCT A VACANT PROPERTY SURVEY?
3. Are some properties a particular challenge, or particular opportunities?

- Which properties are challenges – why?
- Which properties are opportunities – why?
WHAT ARE YOUR GOALS?

• Motivating owners to restore abandoned properties.

• Helping people buy and restore abandoned properties for owner-occupancy

• Partnering with a non-profit organization to combine abandoned property strategies with other improvements for comprehensive revitalization

• Preserving valuable buildings at risk of ‘demolition by neglect’

• Assembling properties for scattered site redevelopment – rehab or infill
| Motivating owners to restore properties | • Targeted code enforcement and nuisance abatement  
• In personam actions for cost recovery  
• Abandoned property list |
|----------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Helping people buy and restore homes for owner-occupancy | • Abandoned property list  
• Accelerated tax lien foreclosure  
• Spot blight eminent domain  
• Incentives for buyers |
| Partnering with a non-profit for revitalization | • Abandoned property list  
• Special tax sale  
• Spot blight eminent domain  
• Targeted code enforcement and nuisance abatement |
| Preserving buildings at risk of demolition by neglect | • Spot blight eminent domain  
• Vacant property receivership  
• Nuisance abatement and cost recovery |
|-----------------------------------------------------|---------------------------------------------------------------------------------|
| Assembling properties for scattered-site redevelopment | • Spot blight eminent domain  
• Special tax sale  
• Zoning amendments |
THANK YOU