

**SPECIAL MEETING/WORKSHOP OF CITY COUNCIL
MAY 28, 2020 – 4:00 PM
TELECONFERENCE**



LIVE STREAM:

<https://www.facebook.com/cityofgtown/>

**Notice of this meeting has been made in accordance with the
South Carolina Code of Laws as amended.**

- 1. CALL TO ORDER**
- 2. ANNOUNCEMENT CONCERNING ELECTRONIC DEVICES**
- 3. ROLL CALL**
- 4. PLANNING AND COMMUNITY DEVELOPMENT**
 - A. Proposal to make the demolition of dilapidated houses process more efficient.**

Attachments:

1	Briefing Document Dilapidated Final	(PDF)
2	Checklist Unfit Dwellings	(PDF)
- 5. ADJOURNMENT**
 - A. Motion to adjourn the Special Meeting of City Council.**



120 North Fraser Street • Georgetown, SC 29440 • (843) 545-4000

INFORMATION ITEM

DOC ID: 3043

Council Meeting Date: 28 May 2020
Department: Housing and Community Development
Issue Under Consideration: Proposal to make the demolition of dilapidated houses process more efficient.

MAYOR
BRENDON M. BARBER, SR.

CITY ADMINISTRATOR
SANDRA E. YUDICE, Ph.D.

CITY CLERK
STEPHANIE BUCCIONE



COUNCIL MEMBERS
HOBSON H. MILTON
RUDOLPH A. BRADLEY
TUPELO HUMES
AL JOSEPH
CAROL JAYROE
CLARENCE C. SMALLS

Executive Offices
(843) 545-4001

To: Sandra Yúdice, Ph.D.
Prepared by: Angela Rambeau, Director, Planning and Community Development Department
Date: May 1, 2020
Subject: Proposal to make the demolition of dilapidated houses process more efficient
CC: Debra Bivens, Director, Finance Department
 Elise Crosby, City Attorney

Issue Background

Several Council members have expressed concern that the process for taking down a dilapidated structure takes too long. The process is mandated by the State of South Carolina (Code Section 36-501) with little room for deviation. The purpose of this document is to offer suggestions on how to make the process more efficient.

This is the process as defined in our City Ordinance. Each step is mandated by the State except for step 3.

- | | | |
|---|--|----------------------------|
| 1 | Preliminary Investigation By Staff | N/A |
| 2 | Draft Complaint Petition--Letter sent to property owner to inform them of defect and ask their intentions for the property | 30 Days |
| 3 | Draft complaint to City Council | |
| | First Reading | 30 Days |
| | 2nd Reading | 30 Days |
| 4 | Title work by City Attorney | 2-4 Months |
| 5 | Serve complaint petition and rule to show cause--Letter to all property owners informing them of pending Construction Board of Appeals (CBA) meeting, ad in paper. | 2-4 Weeks |
| | Hearing held before construction Board of Appeals | |
| 6 | Order issued, served, posted, and filed with Clerk of Court--CBA members sign order. Letter is sent to all property owners | 60 Days |
| 7 | Building Official Enforces Order | 30-40 Days |
| | Demolition or repair with in house staff | |
| | Bid out work | |
| | Sell materials--Apply funds collected to cost of demo | |
| 8 | Determine City's cost for work and file lien with County | N/A |
| | | 8-10 MONTHS MINIMUM |

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Discussion

Due to shifts in demographics and other economic concerns, much of the City's housing stock has fallen into disrepair. Many single family houses where families once lived are now vacant and present a hazard to the community.

The City has put in place a process whose goal is to eliminate structures posing an imminent threat to the health and safety of the public. Owners of these buildings have a choice whether to have their buildings (1) repaired privately, (2) demolished privately or (3) demolished by the City. If the City demolishes the building, a 10 year lien will be assessed on the property.

Unfortunately, this is a long process, as previously noted. The process is in place to both protect the rights of the property owner as well as to protect the City. Since the process is mandated by the State, we cannot eliminate steps in order to make the process shorter, however, we can attempt to make the process more efficient in some areas.

Alternatives

Staff has determined that the following changes may make the demolition process more efficient:

1. Use a professional title company for the title work. Many of the dilapidated properties are heir's properties, which complicates the title search. Due to COVID-19, appointments are now required to access deed records. Access is limited to three people at a time. The time also depends on the backlog of cases that the company currently has. This option may or may not speed up the process.
2. The City could remove the requirement that a lien be placed on the property if the City demolishes the structures, either by contractor or in-house. We know that many homeowners are reluctant to give the City permission to do the demolition because of this requirement. This reluctance requires us to go through the State mandated process for removal. Permission from the homeowner removes this requirement. The option to remove the lien will probably increase the number of structures that are demolished, while drastically decreasing the amount of time that it takes to demolish a structure.
3. The City would remove the structures, either in house or via contractor, but would allow a lien waiver for low income property owners (those below the median area income). This option could be complicated if the structure is considered heirs property and would increase the burden on staff in order to certify income requirements. It would probably increase the number of structures that are demolished, while decreasing the amount of time that it takes to demolish a structure.

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4. The City could remove the structures, either in house or via contractor, but would allow the fee for the demolition to be paid in no-interest installments, either as a monthly charge on the utility bill or as an assessment added to the tax bill. This should help with the homeowner's reluctance to give the City permission to take the structures down because of the lien, but will still allow the City to recoup the cost of the work. This option would probably increase the number of structures that are demolished, while decreasing the amount of time that it takes to demolish a structure.
5. The City could perform the demolitions in-house using City equipment and staff. The City could decide whether or not to charge for this service. We have the equipment necessary to do the work. This would eliminate the need to bid out the work. Staff notes that, due to the procurement process, the cost of the demolitions are often inflated once the potential contractors realize that the work is for a municipality. Also, the process has to be opened to out of town businesses, which is a sensitive topic in the City. This option will eliminate the time necessary for the bid process and save a month or two at the end of the process.
6. The City could perform the demolitions in-house, but charge a nominal fee to the property owners, perhaps the cost of the landfill fees. The charges could be added to the tax or utility bill, or could be due at the time of demolition, as would be with a private contractor. This would eliminate the time necessary for the bid process.

The City could pre-qualify demolition services through a solicitation, do a master agreement with each company, and rotate the vendors when we are ready to demolish properties. We could add the requirement for a maximum or set fee, based on the square footage of the structure. This will eliminate the time required to bid out each demolition.

7. Shorten the time allowed when homeowners pull a building permit to repair the property. A building permit stops the demolition process. The homeowner is currently allowed 18 months to do the work, although the State only requires 6 months. Some property owners take advantage of this time allowance to stall the demolition process. This option will force the homeowners to either do the work or allow the demolition process to proceed.
8. Shorten the time allowed when homeowners pull a demolition permit to do the work themselves. We typically allow 18 months when the state requires 6 months. This option will force the homeowners to either demolish the structure or allow the demolition process to proceed.

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Fiscal Impact

- If the City chooses to use a professional title company for the title work, there should be no significant additional costs, as we are already being charged for this work.
- If the City chooses not to levy a lien on properties demolished either, in-house or by a contractor, we will lose the revenue available from any liens that would have been recouped at the sale of the property. Staff notes that several of the properties already have liens on them, so our chances of recouping the cost of some of the demos are already small. Removing the lien would likely increase the number of demolitions that the City would perform, thus increasing the costs to the City. However, a possible negotiated reduction in the dumping fees would reduce some of the cost burden to the City. In order to recoup these costs, the City can explore possible CDBG grants that are available for demolition, once our current grants are closed. Staff notes that a 10% match is required when accepting CDBG funds.
- If the City allows the fee for the demolition to be paid in no interest installments, either as a monthly charge on the utility bill or as an assessment added to the tax bill, revenue to the City is likely to increase. Not only would the time required for demolitions be shortened, the number of demos is likely to increase. The City would still be able to recoup the cost of the work without waiting for the property to be sold.
- If the City chooses to perform the demolitions, either in house or by a contractor, but charge a nominal fee, or a low income fee waiver, we may not cover all costs associated with the work, but we will receive some revenue. The fee could be assessed at the time the work is done, or added to the utility or tax bill. This would allow us to recoup the return sooner since we would not have to wait on the property to be sold.
- If the City chooses to do the demolitions in-house, and charge for labor and landfill fees, there should not be any additional upfront costs for equipment and personnel. If we chose not to charge, we will lose that revenue. We currently have the equipment necessary to perform demolitions in house. Additional insurance or bonds may be necessary to protect the City from any liability.
- Maintaining a list of prequalified contractors would not necessarily save the City money unless we agree to a standard contracted price per structure. Using a contractor would not necessarily excuse us from all liability for damages, unless the contract says that specifically.

Drawer 939
Georgetown, SC 29442

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- Shortening the allowed time for a building permit to repair dilapidated houses would probably increase the number of properties that are demolished by the City. Costs to the City would depend on the above options.
- Shortening the allowed time for a demolition permit pulled by a homeowner should not have a fiscal impact on the City itself. If there is no lien, it is likely that the homeowners will allow the City to take down the structure. These costs would depend on the above options.

Recommended Course of Action

Staff recommends that the City allow the following changes:

- Pay for the demolition to be done by private contractor, but allow the fee for the charge to be paid in no interest installments, either as a monthly charge on the utility bill or as an assessment added to the tax bill.
- Pre-qualify demolition services through a solicitation for a master agreement with eligible companies and rotate the vendors when we are ready to demolish properties. A set per square foot amount should be set.
- Shorten time allowed for building permits to fix dilapidated houses from 18 months to 6 months. The permit can always be extended if the applicant can show that work is being done.
- Shorten time for demo permits from 18 months to 6 months. The permit can always be extended if the applicant can show that work is being done.

Timeline for Recommendation

The above changes would be made via text amendments. Text amendments go before the Planning Commission, and then before Council for a first and second reading. This process would take approximately three months.

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ALTERNATIVE	INCREASED COST	TIME SAVINGS
NO CHANGES	NO *MAY OR MAY NOT RECOUP MONEY WITH LEIN	N/A
TITLE COMPANY	NO	MAYBE
PRIVATE CONTRACTOR--NO LEIN	YES	YES
LOW INCOME LEIN WAIVER	YES	LIKELY
PRIVATE CONTRACTOR OR IN HOUSE-- NOMINAL OR LANDFILL ONLY FEE	YES	LIKELY
PRIVATE CONTRACTOR OR IN HOUSE-- ADD TOTAL FEE TO UTILITY/TAX BILL	NO	LIKELY
DEMO IN HOUSE—NO LEIN	YES	YES
DEMO IN HOUSE--LEIN	NO*	YES—AT THE END OF THE PROCESS
PRIVATE CONTRACTOR--ROTATE CONTRACTORS ON MASTER LIST	NO	YES—AT END OF PROCESS
SHORTEN TIME FOR BUILDING PERMIT	NO	LIKELY
SHORTEN TIME FOR DEMO PERMIT	NO	LIKELY

Attachment: Briefing Document Dilapidated Final (3043 : Dilapidated Houses Process)

Sec. 5-109. - Checklist for unfit dwellings within the City of Georgetown.

- (a) Preliminary investigation by building official or designated agent and identification of property, defects, and parties.
- (b) Draft complaint petition.
- (c) Present draft complaint petition to city council for approval to proceed.
- (d) Serve complaint petition and rule to show cause.
- (e) Hearing held before the construction board of appeals.
- (f) Order issued, served, posted, and filed with clerk of court.
- (g) Wait sixty (60) days for owner response.
- (h) Building official or designated agent may act to enforce order:
 - (1) Do demolition or repairs with in house staff;
 - (2) Bid out work under procurement code; or
 - (3) Sell materials—apply all funds collected to cost of demolition
- (i) Determine city's cost of work and file municipal lien with register of deeds and/or Georgetown County Treasurer.

(Ord. of 8-16-12)