

UBC 2023 Annual Report

Razing Obstacles: Progress and Strategies for Community Stability



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Executive Summary:

2023 has been an impactful year with significant progress in stabilizing the community. Despite a temporary slowdown at the beginning of the year, reflected in the second quarter (calendar year) due to budgeting constraints, the Unsafe Building Commission demolished over 150,000 square feet (nearly 12 acres) at year's end, with a total of 93 structures, coming within ten percent of its 100-structure goal. Demolitions performed by the City increased by 58.9 percent compared to 2022, with 124 properties resolved through demolition or renovation. Standout projects include the demolition of the A&A Transmissions building on 301 4th Avenue, addressing a critical safety concern, and 2730 Highlawn Avenue, this year's Honorable Mention, for its outstanding transformation. Additionally, introducing the emergency board-up initiative in late 2023 marks a proactive step towards safeguarding the community against potential hazards within identified unsafe structures. While too early to quantify the immediate impact, these measures aim to prevent incidents of vandalism, squatting, arson, and other potential risks associated with vacant and unsafe structures.

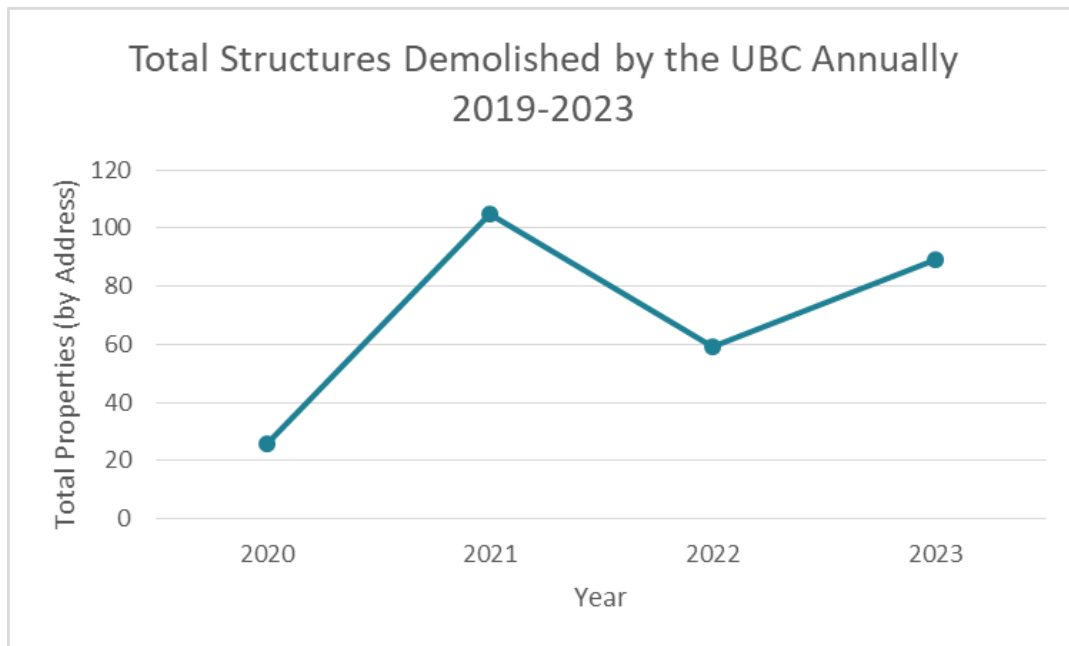
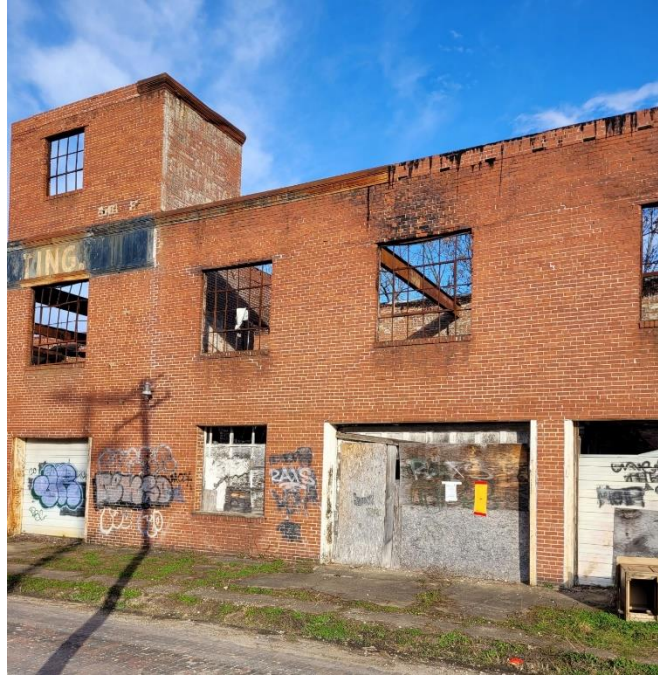


Figure 1 Although significantly impacted by the COVID-19 pandemic, UBC efforts regained momentum and are working toward a steady equilibrium.

Notable Projects

301 4th Avenue (former A&A Transmissions building), constructed in 1925 per the Cabell County Assessor's Office, first suffered a fire in December 2017. Although previous owners attempted to secure the building, their efforts were unable to prevent the property from becoming a nuisance, with multiple calls received by the Huntington Fire Department to respond to vagrants and illicit activities. The owners have since abandoned the property, and a second fire occurred in August 2023, causing further damage to the side of the building. The property was then heard and ordered demolished by the UBC on November 9, 2023; however, before efforts could be made to demolish, two trash fires occurred in the building, prompting a response from HFD on November 15, 2023. In collaboration with the UBC, an emergency demolition was performed to ensure the community's safety.



2730 Highlawn Avenue was first heard by the Unsafe Building Commission in June 2022 (before picture to the right). The property owners made significant strides to revitalize the home through determined renovation efforts. These photos show that the owners achieved their goals and transformed a once abandoned and derelict structure into a secure and inviting home (pictured below). It is always the preference of the UBC to see structures put back into productive use, and the efforts made by owners who take on these challenges do not go unnoticed, as the City and community appreciate them.



Introduction

The mission of the Unsafe Building Commission is to act as a vehicle for stabilizing the community by enacting catalysts for change toward properties deemed unsecured, unsanitary, or hazardous via overseeing repairs, vacancies, demolitions, or any combination of the three. Its primary goal is to encourage owners to care for their properties properly and provide guidance for returning properties to a state of safety and productivity while exercising its authority to demolish structures beyond a state of repair or pose a significant safety hazard to the community. While precise, quantifiable data on the total number of dilapidated and abandoned buildings still needs to be made available, the commission's primary goal centers around demolishing as many unsalvageable and hazardous structures as possible throughout the year. Furthermore, although the commission does not directly undertake renovation projects, it serves as a resource hub, providing guidance and knowledge to property owners in addressing structural, plumbing, or electrical issues within their properties. This objective aligns with the commission's vision of empowering property owners to explore renovation possibilities and prioritizing safety through informed decision-making.

The data presented in this report covers the 2023 calendar year (January 1 to December 31) and includes photos and information regarding the demolition of each structure and the results of a data analysis. Henceforth, the entity known as the Unsafe Building Commission is abbreviated as "UBC." The statistical analysis performed for this report was based on the 89 completed demolitions (a total of 93 structures). All data was gathered from the Cabell County Assessor, WV Property Viewer, and the Program Manager Analyst files. Costs related to recordings and services incurred by the legal department paid for by the Community Development Block Grant fund were not included in the analysis of completed demolitions or costs related to board-ups, as data was inconclusive. Properties that had completed the testing or abatement phase alone were not included in the analysis, and the dates used to demonstrate the completed phases (testing, abatement, and demolition) were taken from the invoices provided by the contractors. Using the dates when requests were submitted for asbestos testing, asbestos abatement, and demolition could yield different results.

Progress and Accomplishments

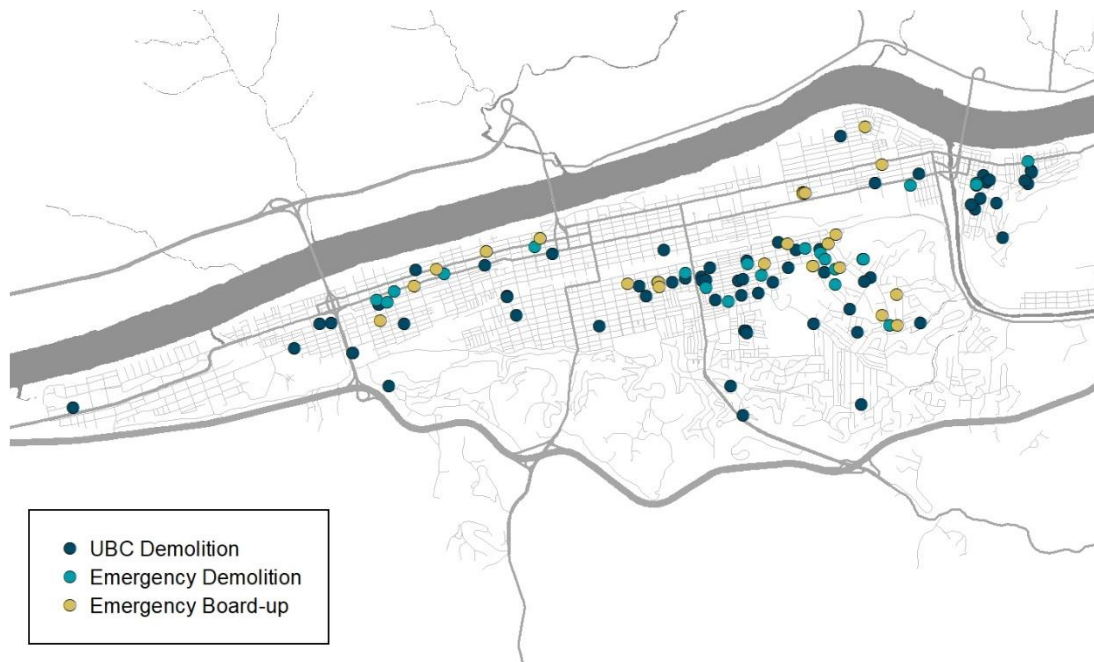


Figure 2 Map illustrating the efforts of the UBC.

Throughout 2023, the UBC encountered multifaceted challenges while making significant strides in addressing hazardous structures within the community. Notably, the commission effectively tackled outstanding demolitions, clearing several structures that had awaited resolution since 2021. The team navigated a rise in emergency demolitions, often prompted by arson incidents or imminent structural risks, signifying the critical need to mitigate potential dangers to neighboring properties. Concurrently, the UBC's intensified focus on increased emergency board-ups emerged as a proactive strategy to deter fires and protect the community from potential hazards. The commission's dedication to addressing hazardous structures remained steadfast amid these challenges. The average demolition cost per structure, amounting to approximately \$13,000.00 over an average duration of 273 days, underscored the complexities involved in ensuring safe and efficient demolitions, accounting for structural conditions and stringent safety protocols adhered to during each demolition.

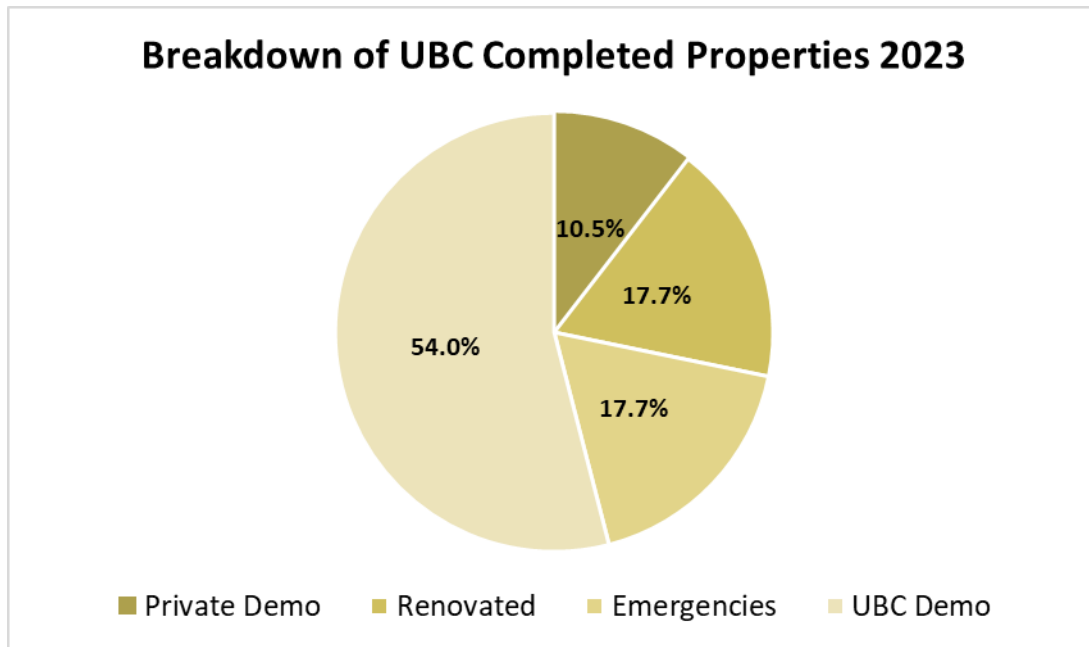


Figure 3 While demolitions were dominant, nearly 20% of properties heard in 2023 successfully underwent renovations.

The UBC heard a total of 140 unique properties this year, averaging 22 properties heard monthly. Of those 140 unique addresses, 18% were heard due to fire damage, while 17% were heard as nuisance structures (e.g., squatting, drug activity). 25% of the ninety-five properties ordered demolished this year were ordered as a result of nuisance activity. Demolitions (ordered and emergency) accounted for over 70% of UBC efforts for the 2023 year. Private demolitions increased from the previous year, 2022, during which time private demolitions accounted for 5% overall, whereas in 2023, private demolitions accounted for 10.5%. Property renovations decreased slightly compared to last year's 20% but have remained steady between years. Although it is preferable to increase the percentage of renovations completed, it is essential to consider that the average age of structures processed this year was approximately 105 years old (five years past the suggested lifespan of residential structures), suggesting that renovation may not often be feasible due to amount of deterioration and given the age of Huntington's current housing stock.

Challenges and Strategies

The year 2023 brought forth unique challenges that required innovative strategies and collaborative efforts to navigate effectively.

Emergency Situations and Community Dynamics:

- The area experienced a surge in emergency demolitions and board-ups, primarily driven by a series of arson incidents linked to a retaliation war among a select few individuals experiencing homelessness. These events posed unprecedented challenges, prompting an aggressive, proactive

approach by the Fire Marshal's office and the UBC to increase emergency board-ups on abandoned structures.

- Challenges also arose concerning individuals squatting in abandoned buildings, claiming rights to reside, and denying entry to contractors. Policy revisions were initiated as a response, including expanded collaboration between the UBC, Huntington Police Department, and its Crisis Intervention Team to ensure safety for occupants and surrounding neighbors.

Procedural Hurdles and Prolonged Timelines:

- Budgetary constraints and reliance on CDBG funds prolonged the demolition approval process, as well as the completion of prior demolition orders initiated in 2019, 2020, and 2021, extending the average time to completion.
- An increase in injunctions (160% compared to 2022) and property owner disagreements with UBC determinations led to extended time frames for resolution. However, the UBC remained resolute in its commitment to improving properties despite these legal challenges.

Footnote

During the past year, there were instances where property owners who were subject to UBC and faced demolition orders pursued injunctions to auction their properties, thereby evading their responsibilities and circumventing demolition expenses.

As a consequential matter, tax sales have emerged as a growing concern, significantly impacting the repayment of demolition liens. Observations throughout the year revealed that properties actively undergoing UBC processing or those recently marked for demolition became available for purchase at tax sales, potentially eliminating associated liens if acquired. It is recommended that this issue be vigilantly monitored, and efforts to address it may need to extend to the state level due to its broader implications.

Cost Analysis

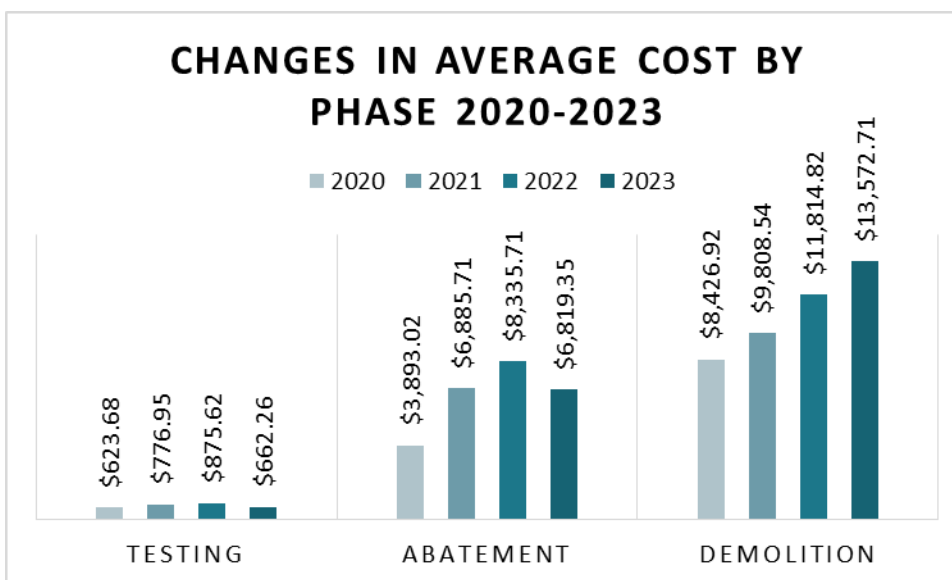


Figure 4 Table covering past four years of average cost by phase taken from all recorded expenses incurred.

The chart shows that costs were at their lowest average in 2020, notably when the COVID-19 pandemic was in full force. Following a decrease in COVID cases in 2021, costs rose began rising. The changes in average testing costs best reflect market changes given the consistency of testing costs per structure; more fluctuation can be seen with average abatement costs. Although demolition costs have increased steadily since 2020, according to the chart, an essential factor is that although 2021 saw the most structures demolished, these were primarily smaller structures (such as garages). In contrast, the last two years have focused on more extensive structures and increased numbers.

Phase	Q1	Q2	Q3	Q4	Annual Totals
Testing	\$ 6,392.00	\$ 21,530.00	\$ 13,812.50	\$ 11,246.55	\$ 52,981.05
Abatement	\$ 21,680.55	\$ 21,532.46	\$ 35,795.60	\$ 132,391.10	\$ 211,399.71
Demolition	\$ 279,423.00	\$ 173,600.00	\$ 318,748.20	\$ 446,200.00	\$ 1,217,971.20
Total	\$ 307,495.55	\$ 216,662.46	\$ 368,356.30	\$ 589,837.65	\$ 1,482,351.96

Table 1 Cost breakdown by phase inclusive of all three budget lines demonstrating efforts and fluctuations quarterly.

During the 2023 calendar year, the UBC expended \$1,482,351.96 on demolition-related expenses (excluding costs related to service, recordings, board-ups, and personnel). The allocation of an additional \$1,000,000.00, transferred from funds initially granted by the American Rescue Plan Act (ARPA) to support demolition efforts, bolstered the commission's initiatives to curb blight within the community. Notably, while this year's efforts exceeded the allocated budget of approximately \$1,150,000.00 (inclusive of both General Fund and Community Development Block Grant [CDBG] budget lines), the supplemental funding absorbed the excess, averting any adverse impact.

Notably, the first and second quarters witnessed varying expenditure levels for testing and demolition. At the same time, the latter half of the year saw an intensified focus on demolition efforts, particularly notable in the third and fourth quarters. The fourth quarter also saw an increase in expenditures due to the demolition of 301 4th Avenue; the size of the building and asbestos present yielded a total demolition cost of \$290,327.50. Additionally, although not currently shown due to data discrepancies, expenses incurred for emergency board-ups increased in the final quarter due to the amplified proactive approach to safeguarding against potential hazards.

Footnotes

Proposal for Budget Optimizations: A proposed annual budget of \$1.5 million (or \$375,000.00 quarterly) aligns with the goal of demolishing 100 structures, accounting for an average total demolition cost of \$13,000.00 per structure based on 2023 completed demolitions (while allowing for unanticipated large-scale projects such as 301 4th avenue). Given observed expenses and potential constraints encountered during the year, strategies for budget optimizations are under consideration. A more detailed analysis of expenses across demolition phases (boarding, testing, abatement, and demolition) aims to identify specific areas for potential optimization or resource reallocation in future budget allocations. This approach intends to streamline processes and address budgetary constraints affecting project timelines or resource distribution.

Budget Allocations and Utilization: The measurement of demolition progress aligns with the calendar year; however, budget allocations operate on a fiscal year basis, commencing on July 1. A projection to approximate alignment between budget allocations and expenses was computed by averaging the allocations for the fiscal years

2022-2023 and 2023-2024. This estimated approach allows for a closer evaluation of budgetary adherence despite the time misalignment between fiscal and calendar years.

Quarterly Expense Overview (calendar year): Table 1 presents a quarterly breakdown of expenses incurred across different phases of the demolition process, outlining the allocation of resources for testing, abatement, and demolition activities. This breakdown provides a comprehensive overview of the financial distribution throughout the year and highlights notable fluctuations or significant investments made during specific quarters.

Future Outlook and Recommendations

Addressing key issues and supplementing UBC initiatives will increase efficiency and aid community development. These fundamental issues include discrepancies in lien-to-value ratios, a focus on development after demolition, establishing a process for adjusting to the City's CRM Huntington 311, and further collaboration between departments.

Firstly, the discrepancy between liens and property value significantly detracts from Huntington's growth and development activity. Unfortunately, the demolition costs associated with most demolished properties result in stagnant development as community members are unwilling or unable to incur expenses. Approximately 8 out of 10 properties have a demolition lien filed that is approximately three times the appraised value. A possible simplified solution to this financial barrier is to cap liens at 75% of the property's appraised land value. As it stands, the City of Huntington incurs a substantial loss regarding financial and community investments, as liens are rarely repaid in full. A more in-depth financial analysis would provide more knowledge and insight.

By taking a proactive approach and absorbing expenses upfront, it is far more likely that properties will be put back into productive use, leading to potential revenue recuperation and encouraging redevelopment. Capping would apply to residential areas instead of commercially zoned areas, given the difference in return on investment and size. A unique issue Huntington needs to accommodate is the updated zoning laws changing the proximity between residences. If interested buyers are unable or unwilling to rebuild on small lots, advertising initiatives could promote the lots as green space and additional yard space. A pilot program could be implemented for one or two years to put land associated with previously demolished structures back into productive use and encourage property owners to sell abandoned land. During that time, the Program Manager Analyst would heavily monitor redevelopment to gauge the potential impact and success of the program. Reducing the budget allocated strictly for demolition and establishing a goal of 100 structures to focus both on demolition and remediation, meaning reducing the budget to approximately \$650,000.00, approximately fifty structures, and using additional funding towards cost absorption and marketing strategies to assist the community in putting vacant land back into productive use would be a means to accomplish this initiative. [Page 12 includes a summary of a more in-depth recommendation focused on addressing these critical challenges by creating a Housing Division and strategically implementing lien adjustment programs while offering incentives and financial assistance for residential redevelopment.]

District	UBC Demolitions	Percent of Total UBC Demolitions	Emergency Demolitions	Percent of Total Emergency Demolitions	Emergency Board-Ups	Percent of Total Emergency Board-Ups	Overall Total	Percent of Total Efforts
1	1	1.4%	0	0.0%	0	0.0%	1	0.8%
2	10	14.1%	5	20.8%	4	16.7%	19	16.0%
3	5	7.0%	1	4.2%	1	4.2%	7	5.9%
4	5	7.0%	0	0.0%	0	0.0%	5	4.2%
5	23	32.4%	7	29.2%	7	29.2%	37	31.1%
6	3	4.2%	0	0.0%	0	0.0%	3	2.5%
7	8	11.3%	7	29.2%	6	25.0%	21	17.6%
8	2	2.8%	0	0.0%	5	20.8%	7	5.9%
9	14	19.7%	4	16.7%	1	4.2%	19	16.0%

Table 2. There were 119 structures subjected to demolition by regular UBC procedure, emergency demolition, or emergency board-up. Of those 119 occurrences, this table breaks each category down by district and demonstrates overall efforts.

Furthermore, analysis shows four districts are majorly affected by blight: districts 5, 7, 9, and 2 (Fairfield, Beverly/Walnut Hills, Guyandotte, and West Huntington, respectively). Although a strict targeting approach neglects needed areas, introducing a 60-30-10 targeting approach could be beneficial. The analysis shows that District 5 is where efforts of the Unsafe Building Commission are, inadvertently, predominantly prevalent. District 5 accounts for approximately 30% of the UBC program's resources in all three categories: regular UBC demolitions, emergency demolitions, and emergency board-ups. Districts 9, 7, and 2 account for less than 20% of overall efforts, with District 7 on par with District 5 for emergency demolitions. The remaining districts (1, 3, 4, 6, and 8) generally account for less than 20% of overall efforts. [Please note that although District 8 accounted for nearly 21% of emergency board-ups, this was a precaution, as four consecutive houses in sound condition were being inhabited and vandalized by vagrants.]

By establishing a 60-30-10 approach, this would mean focusing 60% of UBC's efforts on the most blighted district (5), followed by 30% towards the second most blighted districts (9, 7, and 2), and lastly accounting for 10% of efforts in the remaining districts (1, 3, 4, 6, and 8). A gently targeted approach should yield significant improvements and decrease the amount of blight per neighborhood. If found beneficial by the end of a one or two-year initiative, the UBC could continuously implement a revolving target approach for demolitions based on the most affected area until blight has reached equilibrium across all districts. The impact and validity of these proposed enhancements will be analyzed in further detail in the upcoming five-year historical analysis of UBC efforts by the Program Manager Analyst.

Conclusions

2023 marked substantial progress and successes for the Unsafe Building Commission. Key areas of improvement for the next year include intensified collaboration between the City of Huntington's Department of Finance and the Unsafe Building Commission to address lien-to-value ratios. Furthermore, critical focus points are suggested to sustain a robust

board-up initiative, streamline processes to address the overflow of 311 submissions efficiently and prioritize redevelopment efforts for demolished structures.

The City of Huntington is working to address housing concerns through a comprehensive initiative. Bowen National Research has been contracted to conduct a thorough housing needs assessment, focusing on housing conditions and market gaps. The analysis will include evaluating residential blight and development opportunities, assessing dilapidated structures, and inventorying land and buildings suitable for redevelopment. Simultaneously, the City is preparing to apply for the BUILD WV Housing Development Tax Credit, designed to attract housing development in growing communities by offering sales tax exemptions, Property Value Adjustment Credit (PVAC), and potential B&O (Business and Occupation) tax exemptions. Participation in these programs is anticipated to yield valuable insights and significant opportunities for development.

Looking ahead, conducting a comprehensive data analysis of the five-year UBC program promises further insights for informed decision-making. A pivotal next step involves conducting a market analysis to ascertain the program's impact on property and community value while addressing historical lien repayment patterns. To fortify UBC's success, incorporating innovative methodologies becomes imperative. Some prospective approaches include:

- Launching educational campaigns and community outreach to elucidate the UBC's long-term objectives, safety measures, and the significance of reporting unsafe structures. This initiative also aims to engage the community, gather their concerns, and foster inclusivity.
- Implementing the 60-30-10 pilot program to target districts most impacted by blight effectively and engaging in potential marketing strategies to encourage land reuse.
- Establishing Public-Private Partnerships to bolster funding availability and brainstorm redevelopment ideas post-demolition.
- Working with the Land Bank to acquire properties still inactive after demolition.
- Instituting a feedback loop for continuous improvement to identify and address bottlenecks, ensuring optimized workflows.
- Digitizing inspection and emergency submissions to minimize the carbon footprint and streamline workflow.
- Utilizing drones and satellite imagery for initial assessments expedites fieldwork and enhances efficiency.

Embracing these innovative strategies will fortify the UBC's effectiveness and pave the way for a more resilient and prosperous community.

Expansion of UBC to Promote Growth and Prosperity at the Micro-scale: A Focus on Residential Development

The 2023 UBC Annual Review demonstrates that the average age of structures demolished is 105 years old, five years beyond the suggested lifespan of residential structures. With the implementation of the Huntington 311 CRM system, as of January 2024, an average of twelve new submissions of abandoned and dilapidated structures monthly (nearly 150 submissions annually) are reported. Furthermore, Huntington faces unique challenges regarding increased emergencies involving vacant structures. From 2022 to 2023, Huntington saw a 71% increase in emergency demolitions. These statistics support the need for a robust entity such as the UBC to address the challenges specific to the city of Huntington, its aging housing stock, and its unique demographics.

However, it is imperative to consider the aftermath with many aging structures, necessary emergency demolitions, and the essential response of a robust demolition program. As of 2023 data, 8 out of 10 properties demolished have a lien placed upon them, totaling the full demolition costs, three times more than the appraised land value after demolition of the residing structure. This financial burden, accompanied by a history of negligent ownership, either purposeful or by consequence, contributes to a growing issue detrimental to the prosperity of Huntington's population: stagnation.

Liens three times more than the appraised land values are preventing and will continue to prevent redevelopment of residential structures by developers and homeowners. The expressed concerns of community members further support this concern. Unfortunately, the number of structures in need of repair or demolition is estimated to be in the thousands throughout the districts of Huntington. Without consideration of what comes next for these properties, Huntington will see an accumulation of uninhabited vacant lots scattered and continuously owned by those who are negligent or cannot find a buyer willing to purchase land for at least three times its cost. It is recommended that the administration begin looking toward the future by implementing a three-part initiative.

Part 1: Proposal for the Establishment of a Housing Division Recommendation

Introduce a dedicated Housing Division to oversee comprehensive residential management, encompassing the inspection team for derelict structures, a dedicated demolition program under the UBC, and a development team responsible for post-demolition care, monitoring redevelopment, ensuring compliance, engaging with property owners, and spearheading marketing initiatives and incentives.

Part 2: Strategic Measures for Growth Alignment with Community Goals

- **Lien Adjustment Program:** Implement a Lien Adjustment Program where liens gradually decrease over time, contingent on property redevelopment and improvements. This initiative, subject to payment by the current owner at the time of the UBC order, could include incentives for expedited lien reduction, aligning with community development objectives, with stringent criteria to deter misuse.

- **Grant Program for Low-Income Property Owners:** Launch a grant program tailored for low-income property owners, covering a portion of redevelopment costs through financial assistance. This initiative aims to foster community growth and support those facing financial constraints in improving their properties.
- **Tax Incentives for Rebuilding or Improvement:** Introduce tax incentives or rebates for property owners investing in rebuilding or improving their lots. Tailor incentives based on the community impact of the undertaken projects, encouraging strategic development and revitalization.
- **Land Bank Revitalization:** Revitalize the Land Bank to address larger residential development projects and strategic land acquisitions, achievable by offering forgiveness of demolition fees and tax sales, providing an additional incentive for property owners to participate in community revitalization efforts.

Proactively addressing these key challenges will safeguard Huntington from potential economic hardships due to undevelopable land, an aging housing stock, and a community grappling with poverty and blight.



**This concludes the 2023 UBC Annual Review: Jan-01 to Dec-31.
Thank you to all UBC members, external partners, and the
Huntington community for making this year a success.**

For further information regarding the UBC and the items discussed throughout the report, please contact Program Manager Analyst, Kiersten Rose, rosek@huntingtonwv.gov (304-696-5540 ext. 2102).