

STEPHANIE T. BOLDEN
STATE REPRESENTATIVE
Second District



HOUSE OF REPRESENTATIVES
STATE OF DELAWARE
LEGISLATIVE HALL
DOVER, DELAWARE 19901

COMMITTEES
Housing & Community Affairs
(chair)
House Sunset (Chair)
Legislative Oversight and Sunset
(Co-Chair)
Education
Labor
Revenue & Finance
Veterans Affairs
Gaming & Pari-mutuels

Housing & Community Affairs Committee Meeting Minutes
6.14.17

Vice Chair Bennett called the meeting to order at 3:43. Members present included Reps. Ramone, Gray, Spiegelman, Baumbach, B. Short, Bennett, Hensley, and Keeley,

Rep Baumbach introduced **HB 177, AN ACT TO AMEND TITLE 22 OF THE DELAWARE CODE RELATED TO MUNICIPAL BOARDS OF ADJUSTMENT**. This bill changes the requirement that a board member must have a background in urban and rural development to require a background in urban, suburban, or rural development. In addition, there is an amendment to enable the City Manager to serve on the Board of Adjustment.

Vice Chair Bennett asked for questions from the committee and, seeing none, opened the floor to public comment.

Jaime Nutter, representing Sussex County Association of Towns, expressed support for the legislation because some towns have by ordinance designated the city manager to the Board.

A motion was made by Rep. Ramone and seconded by Rep. Spiegelman to release HB 177 from committee; Motion carried. Yes = 7 (Bennett, Ramone, Gray, Spiegelman, Short, Hensley, Keeley); No = 0; Absent = 3 (Bolden, Matthews, Williams).

HB 177 was released from committee with an F=0, M=9, U=0 vote.

Rep. J. Johnson introduced **HB 187, AN ACT TO AMEND TITLES 9 AND 22 OF THE DELAWARE CODE RELATING TO SHERIFF'S SALES**. This bill comes from New Castle County (NCC). This bill allows any county or municipality to additionally require that bidders at such tax lien sales certify, prior to bidding, that they do not have a record of failing to maintain other real property in which they own an interest, do not have outstanding liens owed to governmental entities in excess of \$1,000 at such other property, and do not hold properties that have been vacant for 18 consecutive months unless there is active construction on the property.

Carrie Casey, manager of the Division of Community Development and Housing of New Castle County, expressed support for the bill, because it is a tool specific to the Sheriff sale process to address blight by filtering out buyers who do not upkeep their property and perpetuating the issue of community stabilization.

Rep. Hensley stated that he is very supportive of this legislation and asked how many of the 1400 vacant properties are owned by banks.

Ms. Casey responded that, anecdotally, a smaller percentage are owned by banks. Once the banks become owners, they work to dispose of and find other use for the property. Only two of the top 120 “bad actors” in NCC are bank-owned.

Rep. Hensley asked if a bank would fall under this legislation or if it would be in conflict with this legislation.

Ms. Casey responded that this legislation refers only to tax liens, so if the bank owed taxes and fees, then it could be possible. However, it is very unlikely.

Mary Jacobson, attorney for NCC, shared that there were concerns raised regarding this issue, and they worked with the Board of Realtors on an amendment that will address the issue.

Rep. B. Short asked what qualifies as being a “bad actor”.

Ms. Casey replied that they look at code violations and taxes.

Rep. B. Short asked if there should be a threshold, and if a person who is two months behind in paying their taxes or has had complaints for high grass would be subject to this.

Ms. Jacobson responded that the threshold is \$1,000 in back taxes or liens. She clarified that liens don’t occur the day of a violation; it is a long process.

Rep. Spiegelman stated that lines 14-20 do not communicate the meaning Ms. Jacobson stated that it appears that it could be any one of the three written criteria as opposed to a combination of the three.

Ms. Jacobson replied that she is aware and the amendment will address this.

Rep. Spiegelman asked when the amendment will be available.

Ms. Jacobson stated that it should be circulated the following day.

Rep. Ramone stated that he is happy to see that the county cares and that this issue is being addressed. He asked if the type of tax lien matters in the context of the bill.

Ms. Jacobson stated that the amendment will clarify the type of liens that would be affected.

Rep. Ramone asked how this would apply where there is overlap with county and city tax, for example in Wilmington.

Cathy Jennings, explained that the lien will be specific to where the house is located.

Rep. Ramone stated that he hopes these bills will pass and provide the county with the leverage needed to clean up.

Ms. Jennings added that the City of Wilmington is fully supportive of these bills.

Rep. Hensley asked if a lien for unpaid Home Owner Association fees would fall under this legislation.

Ms. Jennings answered that it would not.

Rep. J. Johnson stated that HA 1 to HB 187 exempts organizations that have been working on rehabilitating houses for at least five years, such as Habitat for Humanity. He committed to providing HA 2 before the bill is worked on the floor.

Rep. B. Short asked whether there are nonprofits that work in this field who are considered “bad actors”.

Ms. Casey responded that the local government would be responsible for certifying organizations. She added that similar language is used in community housing projects which show that there is capacity.

Vice Chair Bennett opened the floor to public comment.

Lincoln Willis, speaking on behalf of the League of Local Governments, expressed full support for the bill.

Maria Evans, from the Delaware Association of Realtors, thanked bill sponsors for working on with their organization on the bills. She added that the amendment satisfies all concerns, and, once it is attached to the bill, they will be in full support.

Marlena Gibson, representing the Delaware State Housing Authority, stated that they work closely with local governments to address blight and are very supportive of the bill.

Gillian Andrews, Assistant Director of the Consumer Protection Unit, stated that the Attorney General’s Office fully supports the bill, because it ensures that vacant properties are bought by responsible property owners.

Christian Willaur, from the Delaware Land Bank, expressed support for the legislation. Written testimony can be found at the end of the minutes.

Kevin Smith, from Habitat for Humanity, stated that the organization has been working 30 years to revitalize neighborhoods. He said that the big hindrances are absentee landlords, blighted properties, speculators, and property owners holding onto units in the hopes that Habitat will turn the neighborhood around. Regarding Rep. B. Short’s questions, he stated that there are speculators who may decide to become nonprofits, so it’s important to have that review process in the amendment.

Tina Showalter, Executive Director of Housing Alliance Delaware, expressed support for the legislation.

Rep. B. Short added that he initially approached the legislation cautiously, however, he thinks that the county has done a good job and he supports the legislation.

Joe Meyer, of NCALL and Chair of Restoring Central Dover, stated that his organization is working here in Dover to address the same issues and is in full support of HB 187 and HB 188.

Tom Collins, speaking on behalf of Delaware Bankers Association, stated support for purpose of the bill, but has not seen the amendments.

A motion was made by Rep. Spiegelman and seconded by Rep. B. Short to release HB 187 from committee; motion carried. Yes = 6 (Bennett, Ramone, Gray, Spiegelman, B. Short, Hensley,); No = 0; Absent = 4 (Bolden, Keeley, Matthews, Williams).

HB 187 was reported out of committee with an F=0, M=8, U=0 vote.

Rep. J. Johnson introduced **HB 188, AN ACT TO AMEND TITLE 9 AND 25 OF THE DELAWARE CODE RELATING TO LIENS OF POLITICAL SUBDIVISIONS AND MUNICIPALITIES**. The bill is intended to clarify that costs associated with enforcement of local laws and ordinances relating to the condition of real property and abatement of violations of those laws and ordinances shall be a lien against the property subject to the enforcement action. Rep. J. Johnson added that this puts teeth in to the legislation and clarifies that local governments and subdivisions can collect liens in the same manner as property taxes.

Rep. Hensley asked for clarification that this applies to all properties, occupied and vacant, and the penalty goes to the owner.

Ms. Jacobson responded that when fines are assessed, they are assessed against the property. There is a renter registration process in which an owner is provided notice of violation along with the tenant.

A motion was made by Rep. Keeley and seconded by Rep. Spiegelman to release HB 188 from committee; motion carried. Yes = 6 (Ramone, Spiegelman, B. Short, Bennett, Keeley, Hensley); No = 0; Absent = 4 (Williams, Bolden, Gray, Matthews).

HB 188 was reported out of committee with an F=0, M=7, U=0 vote.

Vice Chair Bennett adjourned the meeting at 4:19 p.m.

Respectfully submitted by:

Jessica Velez

Attendance List:

1. Tom Collins, Delaware Bankers Association
2. Joe Myer, NCALL
3. Tina Showalter, Delaware Housing Alliance
4. Maria Evans, Delaware Association of Realtors
5. Lincoln Willis, League of Local Governments

6. Marlena Gibson, Delaware State Housing Authority
7. Gillian Andrews, Attorney General's Office
8. Carrie Casey, New Castle County
9. Mary Jacobson, New Castle County
10. Kevin Smith, Habitat for Humanity of New Castle County



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June 14, 2017

House – Housing and Community Affairs Committee
Chairperson, Stephanie Bolden

RE: Support of House – Housing and Community Affairs Committee approval of HB 167 and HB 168.

I am here today wearing two hats; one as the CEO of Habitat for Humanity of New Castle County, and one as a board member of the Wilmington Neighborhood Conservancy Land Bank, and as the Chair of the Technical Board for the Land Bank, and on behalf of both of these organizations to express our support for both House Bill 187 and House Bill 188.

Habitat for Humanity of New Castle County for its 30 year history has been working to revitalize neighborhoods in the City of Wilmington and New Castle County. Our strategy has included building new homes on vacant land, renovating homes, and also tearing down vacant residential and commercial structures to build new homes. We have worked in partnership with both the City of Wilmington and New Castle County governments to revitalize these neighborhoods. One of our greatest challenges in turning a neighborhood around, has been blighted properties. Properties that remain vacant, deteriorated or boarded and drag down the neighborhood both financially and psychologically. Many of these properties are owned by absentee landlords, or landlords or investors that hold properties investing little to nothing, while organizations like HFH do all the heavy lifting, helping them gain equity when the neighborhood improves.

Wilmington Neighborhood Conservancy Land Bank is now in a position to accelerate revitalization in neighborhoods where HFH and others work by becoming the steward of properties until they are ready to be developed, thus taking some of this burden off groups like HFH. The Land bank's work and the rate of change is impeded by the current sheriff sale process, allowing those who are not contributing to the revitalization of these neighborhoods to silently invest, wait and potentially gain.

On behalf of Habitat for Humanity of New Castle County, and the Wilmington Neighborhood Conservancy Land Bank, and its Technical Board, I strongly support HB 187 and HB 188, as they have been amended.

Sincerely,

A handwritten signature in black ink, appearing to read "Kevin L. Smith", is written over a horizontal line.

Kevin L. Smith

CEO

Building Homes

Building Community

Building Hope

Wilmington Neighborhood Conservancy Land Bank

June 12, 2017

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Susan Frank, Treasurer
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Chair, House Housing & Community Affairs
Legislative Hall
411 Legislative Avenue
Dover, DE 19901

Directors

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Herb M. Inden
Jeff Goddess
Charles M. Freel
Robert E. Buccini
Thomas Esposito
Hal Schneikert
Kevin Smith

Dear Chair Bolden,

The Wilmington Neighborhood Conservancy Land Bank strongly supports the following proposed legislation:

House Bill 188: AN ACT TO AMEND TITLE 9 AND 25 OF THE DELAWARE CODE RELATING TO LIENS OF POLITICAL SUBDIVISIONS AND MUNICIPALITIES.

House Bill 187 AN ACT TO AMEND TITLES 9 AND 22 OF THE DELAWARE CODE RELATING TO SHERIFF'S SALES.

The creation of the Wilmington Neighborhood Conservancy Land Bank in 2016 following the Delaware State Legislature's forward-thinking land bank enabling legislation in 2015 is a major step towards establishing a comprehensive approach to addressing vacancy and blight in Wilmington.

These two additional bills will build on this momentum by providing the City of Wilmington, and communities throughout Delaware facing similar issues, additional tools to hold property owners accountable for maintaining the properties they own and ensuring that new owners who purchase properties at sheriff's sale have a track record of meeting city standards for property maintenance. This is critical for stopping the cycle of property vacancy and abandonment and promoting property reinvestment and re-use.

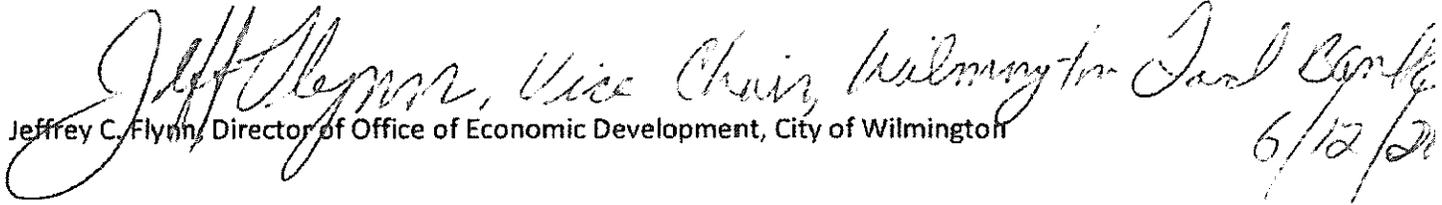
We thank you for your efforts to develop innovative policy solutions that will help build stronger communities and a stronger Delaware.

Sincerely,


Richard Gessner, Chair

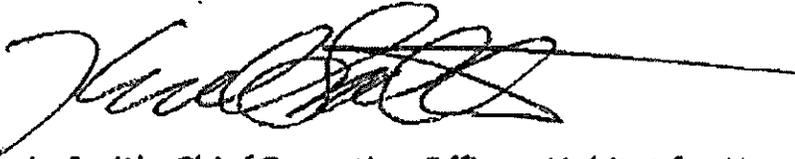


Hanifa Shabazz, President of Wilmington City Council



Jeffrey C. Flynn, Director of Office of Economic Development, City of Wilmington

6/12/20



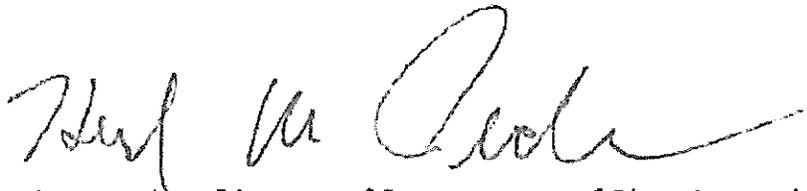
Kevin Smith, Chief Executive Officer, Habitat for Humanity of New Castle County



Robert E. Buccini, President, Buccini/Pollin Group and Chair, Wilmington Housing Partnership



Jeff Goddess, Rosenthal, Monhait and Goddess, P.A.



Herb M. Inden, Director of Department of Planning and Development, City of Wilmington



Leonard Sophrin, Director of Department of Real Estate and Housing



Harold Schneikert, President, 8th District Planning Council

A handwritten signature in black ink that reads "Susan Frank". The signature is written in a cursive, flowing style.

Susan Frank, Senior Vice President, Business Development, Cinnaire

cc:

Rep. Bryon H. Short

Rep. Dennis E. Williams

Rep. Jack J. Peterman

Rep. Jeff N. Spiegelman

Rep. Kimberly Williams

Rep. Michael Ramone

Rep. Paul S. Baumbach

Rep. Ronald E. Gray