To the Residents of New Castle County,

Starting over a decade ago, there had been a steady increase in the number of vacant properties in unincorporated New Castle County, reaching 1,350 in early 2017. For years, various offices of county government have met to address these properties but did not have the tools necessary to solve the underlying problems.

When I assumed office two years ago, we launched our Vacant Spaces to Livable Places Initiative to drastically reduce the number of vacant and blighted properties in our county and create homeownership opportunities. Working collaboratively across departments and with New Castle County Council and the Delaware General Assembly, we made major changes to state and county law and implemented new policies to achieve specific, measurable results. Today, we present to you those results.

We have strengthened communities by decreasing the number of vacant properties by over 30%. For the first time in years, there are fewer than 1,000 vacant properties. We have collected over $1 million in delinquent taxes and fees, much of which goes directly to our schools.

This effort decreases blight and crime, increases property values, eliminates properties that are a drain on government services and reduces tax and sewer fee delinquencies. This report outlines the impact of our initiative in 2018 and the work behind it.

I commend the Vacant Housing Working Group for their leadership in addressing this problem. Thank you also to the members of New Castle County Council and the Delaware General Assembly for your tremendous support and involvement.

Yours in Service,

Matthew Meyer
New Castle County Executive
Addressing vacant and blighted properties is an important issue in maintaining and revitalizing healthy communities. Strategic management of vacant properties has been successful in addressing these issues, which in turn helps to preserve surrounding property values and reduce maintenance costs to local governments. Like many other jurisdictions across the country, New Castle County has been coping with a large number of vacant properties.

Properties become vacant for a variety of reasons including: mortgage foreclosure, heirs inheriting property without the knowledge or money to care for the property, unresponsive property owners, and complicated ownership (lack of clear title).

Regardless of the reason for vacancy, the Department of Land Use initially identified over 1,300 vacant properties in the County, with the majority of these vacant properties being maintained by the County at taxpayer expense. As a result, County Executive Meyer prioritized the creation of the Vacant Spaces to Livable Places Program. The program encourages vacant properties to transition to new homeowners or be redeveloped without the need for a long foreclosure process or significant financial investment by taxpayers.

Throughout this report, you will see photos of vacant properties in various stages of the program.
Program Goals

❖ Improve communities by taking vacant and abandoned properties that are destabilizing communities and putting those vacant properties into productive use.

❖ Improve efficiency and reduce County resources by shifting the cost of vacancy to responsible parties and efficiently collecting monies owed to the County that are assessed against vacant premises.

Process

Vacant Spaces to Livable Places is a five-step process:

1. Step 1: Register Vacant Properties
2. Step 2: Prioritize Monitions
3. Step 3: Notify Property Owners
4. Step 4: File Monitions & Conduct Sheriff’s Sale
5. Step 5: Acquisition & Disposition

1006 Lawndale Road, Wilmington
Step 1: Register Vacant Properties

Registration drives robust action

In 2015, New Castle County amended the County Property Maintenance Code to require owners of vacant properties to register them with the County after they have been vacant for 90 consecutive days. The County also adopted a fee schedule for assessing annual registration fees for each year that a property remains vacant.

In 2017, the County identified two ways to strengthen the registry (Sub. No. 1 to Ordinance 17-033):

- Adjust fee structure to more accurately offset the additional costs associated with the inspection and monitoring of registered vacant properties.
- Allow County to register suspected vacant properties, if the legal owner or mortgagee failed to do so.

Impact: 30% reduction from 2017 to 2019

Number of Vacant Properties

<table>
<thead>
<tr>
<th>Year</th>
<th>Number of Properties</th>
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<tbody>
<tr>
<td>APR 2017</td>
<td>1,350</td>
</tr>
<tr>
<td>JAN 2018</td>
<td>1,149</td>
</tr>
<tr>
<td>JAN 2019</td>
<td>948</td>
</tr>
</tbody>
</table>

| 46 Glen Avenue, New Castle |
Step 2: Prioritize Monitions

The County Monitions Review Team reviews and makes recommendations on which problematic properties should be considered for potential Sheriff’s Sale via a Monitions process. These vacant properties generally have considerable code enforcement violations and associated fees, have been the subject of numerous constituent complaints, have received numerous calls for police services, and owe back property taxes. The Team, comprised of representatives from the Departments of Land Use, Community Services, Police and Finance, recommended 109 properties for Sheriff’s Sale in 2018.

2203 W. Newport Pike, New Castle

2619 Elm Avenue, Claymont

215 Ridge Road, Claymont

3 Westbury Lane, Newark
Step 3: Notify Property Owners

The Office of Law sends a 10-day demand letter to property owners and interested parties to notify them of a potential monition action. In many cases, these letters have resulted in payoffs, either from the property owner or financial institution, without having to file a monition. In 2018, fourteen properties paid outstanding taxes and fees as a result of a demand letter, including the properties below.

<table>
<thead>
<tr>
<th>Property Address</th>
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<tbody>
<tr>
<td>3 White Oak Road, Wilmington</td>
</tr>
<tr>
<td>43 Raven Turn, Newark</td>
</tr>
<tr>
<td>7506 Lancaster Pike, Hockessin</td>
</tr>
<tr>
<td>128 Colesbery Drive, New Castle</td>
</tr>
<tr>
<td>33 S. Independence Blvd, New Castle</td>
</tr>
</tbody>
</table>
Step 4: File Monitions & Conduct Sheriff’s Sale

Delaware State Code authorizes the County to pursue the sale of real property to collect monies owed to the County. The County’s Office of Law oversees the filing of these “monitions” based upon the recommendations of the County Monition Review Team.

In 2018, of the 109 properties recommended for action, 82 were reviewed by the Office of Law and many owners subsequently paid their delinquencies. Twenty-nine of the 82 properties went to Sheriff’s Sale and eighteen of the 29 were sold to third-party purchasers. Eleven were “bought back” by the County.

The County implemented an additional screening at Sheriff’s Sale, to prevent delinquent property owners from bidding on additional properties. This Bidder Prequalification process identified multiple tax delinquent property owners who rectified their delinquent taxes. The County recovered approximately $10,000 through the prequalification process.

The Vacant Monition Candidates Map illustrates properties in New Castle County that are in the various stages of the Vacant Places to Livable Spaces program:
- On Hold (pending completion of repairs or demolition)
- 10-day Demand Letter Payoffs
- In Monition Process
- Sold at Sheriff’s Sale
- County Buybacks at Sheriff’s Sale
Step 5: Acquisition & Disposition
(if property is not sold at Sheriff’s Sale)

When there are no qualified bidders on a property at Sheriff’s Sale, the property reverts to the County. In 2018, 11 properties did not receive a third-party bids. The County Acquisition and Disposition Team reviews these properties to decide the best method to return the properties to constructive use, including:

- soliciting a bid for redevelopment
- selling on the open market
- retaining ownership

The Team includes representatives from the Departments of Land Use, Community Services, Law, Finance, and Administrative Services.

### Properties Sold to Third-Parties (18)

<table>
<thead>
<tr>
<th>Road Address</th>
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<th>Road Address</th>
</tr>
</thead>
<tbody>
<tr>
<td>1012 Caldwell Corner, Townsend</td>
<td>440 Boyds Corner Road, Townsend</td>
<td>1616 Otts Chapel Road, Newark</td>
</tr>
<tr>
<td>215 Ridge Road, Claymont</td>
<td>3038 Court Avenue, Claymont</td>
<td>1 Bizarre Drive, New Castle</td>
</tr>
<tr>
<td>2650 Abington Road, Wilmington</td>
<td>131 Salem Church Road, Newark</td>
<td>302 Stanton Road, Wilmington</td>
</tr>
<tr>
<td>1105 Yellowstone Drive, Newark</td>
<td>37 Denham Avenue, Claymont</td>
<td>4305 N. Jane Way, Wilmington</td>
</tr>
<tr>
<td>532 Ashland Ridge Road, Hockessin</td>
<td>485 Anderson Drive, Wilmington</td>
<td>13 Caxton Drive, New Castle</td>
</tr>
<tr>
<td>11 Midfield Road, New Castle</td>
<td>9 Arbor Avenue, New Castle</td>
<td>I S. Purdue Avenue, New Castle</td>
</tr>
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### Results of Monition Sales

- **Sold to 3rd Party:** 18
- **NCC Buybacks:** 11
- **Sales Stayed:** 4

### County Buyback Properties (11)

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<tr>
<th>Road Address</th>
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<tbody>
<tr>
<td>48 S. Cannon Drive, Wilmington</td>
<td>409 Anderson Drive, Wilmington</td>
<td>312 Single Avenue, New Castle</td>
</tr>
<tr>
<td>2203 W. Newport Pike, Wilmington</td>
<td>28 1/2 Mowery Road, New Castle</td>
<td>43 S. Pennewell Drive, Wilmington</td>
</tr>
<tr>
<td>9 Revis Avenue, New Castle</td>
<td>26 Mowery Road, New Castle</td>
<td>2321 Farrand Drive, Wilmington</td>
</tr>
<tr>
<td>31 S. Rodney Drive, Wilmington</td>
<td>43 Thorn Lane, New Castle</td>
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*Note: All sales confirm on the Friday following the 3rd Monday of the month following the sale. Petition for no attempt of redemption of a tax sale is filed by the buyer after the expiration of the redemption period (60 days from the confirmation date). See timeline on p. 13.*
Funds Recovered

Total funds recovered: $1,011,744

- Funds recovered from Sheriff’s Sales: $550,530
- Funds recovered from Demand Letters prior to the filing of Monitions: $197,766
- Funds recovered after Monitions were filed: $263,448

Funds are then allocated to County Property Taxes, School Taxes, Sewer Fees and Code Enforcement Fees (see chart at right).
Notable Accomplishments

❖ **State Grant for Maintaining Vacant Properties:** The County applied and received a $100,000 grant from the Delaware State Housing Authority to be applied towards the maintenance of vacant properties. The Land Use Department utilized these funds for maintenance, demolition, and abatement of public safety and health issues of vacant and abandoned properties.

❖ **State Grant for Route 9 Revitalization:** The County applied and received a $1.3 Million grant from the Delaware State Housing Authority to develop and rehabilitate properties along the Route 9 corridor. The Department of Community Services will acquire and renovate thirty (30) vacant properties and sell the homes to income qualified households for ownership.

❖ **State Grant for Neighborhood Planning:** The County applied and received a $25,000 planning grant from the Delaware Economic Development Office (DEDO) to develop a community plan for Edgemoor Gardens and Sparrow Run. These communities have very high rates of vacancy, crime and blight. The grant is focused on developing strategies to resolve these issues.

Demolitions using this grant include:
- 22 Pyles Lane, New Castle (pictures below)
- 2321 Farrand Drive, Wilmington
- 148 Massey’s Church Road, Townsend
- 1545 Bear Corbitt Road, Bear

Exterior

Interior

Post-Demolition
2018 Success Stories

❖ As a result of Bidder Prequalification legislation, prevented two tax delinquent property owners from acquiring more properties.

❖ **1012 Caldwell Corner Road:** Sold at Sheriff’s Sale on 7/10/18. Deed was recorded in new owner’s name on 12/10/18.

❖ **1233 Evergreen Road:** Owners paid amount owed in August, resulting in a stay of the Sheriff’s Sale. Renovations complete and house was put on the market (pictures on page 3).

❖ **707 Prospect Avenue:** 10-day demand letter payment made in June. Property sold in July; renovations in progress.

❖ **320 Bassett Avenue:** 10-day demand letter payment made in August. Property sold in October; renovations in progress.

❖ **312 Single Avenue:** A property that reverted to County control at August Sheriff’s Sale. Vacant lot listed for sale and a contract is currently pending.
Sheriff’s Sale Timeline

**Pre-Sale**
Monition Review Team recommends vacant properties for monitions steps, including demand letters, Vendex filing, etc.

**Sheriff’s Sale**
Held in New Castle County Chambers, 2nd Tuesday of every month.

**Post-Sale**
Prequalification applications for winning bidders are approved or disapproved.

**Confirmation**
The sale is approved by the court within approx. 45 days of Sale Date.

**Redemption**
Owner has until 60 days from Confirmation to redeem property.

**Deed Recordation**
New owner records deed in their name.
Executive & Legislative Authority

Vacant Spaces to Livable Places was created through a series of executive orders and enabling legislation. Those documents are linked below.

**New Castle County:**
- Executive Order 2017-6: Good Faith Payment Plan
- Executive Order 2017-7: Prioritization of Properties For Sheriff’s Sale
- Sub. No. 2 to Ord. No. 14-117: Require the Registration and Payment of Fees for Vacant Properties
- Ord. No. 16-092: Remediation Vacancies, Making Progress Grant (ReVaMP)
- Sub. No. 1 to Ord. No. 17-033: Registration of Vacant Premises
- Ord. No. 17-052: Vacant and Abandoned Property Maintenance Grant
- Ord. No. 18-049: Prequalification of Purchasers at Tax Sales

**State of Delaware:**
- House Bill No. 187: Prequalification of Bidders
- House Bill No. 188: Lien Authority

“...evidence shows that vacant properties are an expense that local governments simply cannot afford – and that the expense grows with every year a property remains vacant or abandoned. Such properties produce no or little property tax income, but they require plenty of time, attention, and money...” - The National Vacant Properties Campaign
What’s Next?

Approximately 40 parcels in the vacant property inventory currently qualify for monitions.

Ten additional properties are working through the demolition process and are expected to meet the requirements for monition action within the next 60 days.

Policy Enhancements

• Change state legislation to allow sewer fees to be treated like Code Enforcement Fees for monition process

• Change state legislation to require deed recordation after Sheriff’s Sales – to ensure accurate data for any subsequent Code Enforcement actions

• Review the list of tax delinquent vacant commercial properties

• Review the entire list of parcels having no structure that are tax delinquent, approximately 1800 properties

• Continue to monitor progress and adjust policies as needed