Board of Assessment Appeals

May 28, 2015

The Board of Assessment Appeals was brought to order by Chairman Garfinkel.
Board Members present were: Chairman William Garfinkel, James Welsh, and Todd Stonesifer.
Staff present was City Assessor Cheryl A. Bundek and Administrative Assistant Annette Hart.
Also present, for Item# 1.A on the agenda, were: Ann Marie Townsend, City Planning Director and William W. Pepper Sr., Esquire, Deputy City Solicitor.

Exemptions

1.A. House of Pride

Locations: 110 S. New Street & 106 S. New Street

RECOMMENDED ACTION: Recommend that the request for exemption be reviewed.

BACKGROUND AND ANALYSIS

An exemption application was submitted to the Assessor's Office.

110 S. New Street had been listed as an exempt property from July 2002 until July 2012.
106 S. New Street had been listed as an exempt property from July 2002 until July 2011.

The exemptions were revoked because the Conditional Use permits were revoked; therefore the properties did not meet the qualifications for an exempt status with the City of Dover. Since the properties did not have the proper permits, they were no longer being used for the intended purpose of the exemption.

These are vacant pieces of land.

Exemption Request
106 S New St - $13,100
110 S New Street $11,600

Mr. Marion Lott, Executive Director and Mary Beth Johnson, Property Manager were present for the hearing.

City Assessor, Cheryl Bundek went over the packet, that included paperwork provided by the appellant. She also suggested that the board look at the two parcels of land first and then go over the properties with buildings.

The two parcels of land were 106 S. New Street and 110 S. New St.

Mr. Lott told the board that his organization owes demolition fees and taxes on these two properties.

He explained that the organization is looking into donating those two parcels of land to the Central Delaware Habitat for Humanity.
Mr. Lott was wondering if the City would be able to help his organization and work on an agreement between the City and the House of Pride.

He explained that his organization does not have the funds to pay the outstanding fees and taxes.

Mrs. Ann Marie Townsend explained that the House of Pride would have to come to an agreement with the Central Delaware Habitat for Humanity and then present the city with this agreement. It would be up to the City Council to forgive the fees and taxes on those properties because they were donated to the Habitat for Humanity.

She explained that this should be handled by City Council and would not pertain to the Board of Assessments Appeals.

The Assessor pointed out, after a brief discussion, that the board could only make a decision on whether these two properties should be exempt from taxes up until they are donated to the Central Delaware Habitat for Humanity, as they are currently being utilized.

Chairman Garfinkel explained that in his opinion these two properties should stay as taxable properties, because they are vacant lots.

Chairman Garfinkel made the motion to deny the request for exemption for 106 S New Street and 110 S New Street, which was seconded by Mr. Stonesifer.

Motion carried: 3-0

Locations:	**Exempt Request:**
16 N. New St.	$54,600
29 S. New St.	$82,800
20 N. New St.	$89,900
38 S. New St.	$80,500
37 S. New St.	$119,200
115 S. New St.	$117,900
105 S. New St.	$72,200
102 S. New St.	$60,900
55 S. New St.	$60,900
45 S. New St.	$77,700

BACKGROUND AND ANALYSIS

An exemption application was submitted to the Assessor's Office.

These properties, accept for 115 S New Street, which had never had the exempt status, were listed as exempt properties from July 2002 until October 2012. The exemptions were revoked because the Conditional Use permits were revoked; therefore the properties did not meet the qualifications for an exempt status with the City of Dover. Since the properties did not have the proper permits, they were no longer being used for the intended purpose of the exemption.

RECOMMENDED ACTION: Recommend that the request for exemption be reviewed.

Chairman Garfinkel asked Mr. Lott to comment on the other properties mentioned in the exempt requests.

Mr. Lott handed out a list of all the properties the organization owns, which also lists the number of people living in each of the properties.
He explained that the organization is a Non-Profit organization and that they are not making any money on any of these properties. The rent money generated is utilized to pay the mortgages and utilities. The organization should take in $7,400 a month, but because not all of their renters are able to pay the rent on monthly basis, they often fall short.

Mr. Lott also mentioned that the city has been offering assistance to homeowners in that area and that The House of Pride has put in three applications for assistance, which had all been declined.
Mr. Lott explained that his organization would benefit if these properties would be exempt from property taxes. He explained that his organization keeps the homeless off of the streets and provides a stable home for the children, he asked for the board's help.

Ann Marie Townsend, City Planning Director, went over past issues the city had with the House of Pride such as building code, fire code and zoning issues, etc.

In 2008 the House of Pride applied for conditional use permits to have the house used as residential recovery and transitional housing. The organization did not keep up with the conditional use agreement, which lead to the revocation of the permit by the Planning Commission in 2012.
She refers to a letter from Sandra Dean, who was the organizations attorney at that time, acknowledging that the organization no longer rents to people within the recovery program and that these properties should be taxed.
Mrs. Townsend also said that 115 S. New St. has never been a part of that program and has always been a taxable property.
She questioned the number of 11 people living on one property. To her knowledge these properties where supposed to be one family homes or two unit apartments.
She points out that on the information sheet provided, at the beginning of the hearing, 102 S. New Street is listed as occupying 5 adults and 1 child, she questioned that the occupancy may not be up to code. This made her questioned whether these properties are rentals or if there is even a program for those people that live there.

Mr. Lott explained that the organization used to have numerous individuals in recovery programs, who now are renting apartments. Those individual are still attending those programs and the organization makes sure they continue to participate. Mr. Lott told the board that the occupants have to continue with their programs in order to be able to live there.

Mr. Lott went on to answer Mrs. Townsends question about 102 S. New St. He said the renter's two older children have moved back in, which is why there are so many people living at the property.

Mr. William W. Pepper Sr. Esq. Deputy City Solicitor commented that while the mission of the House of Pride does has a very beneficial purpose, he has not heard anything, during the meeting, that would change the circumstance or why they should now be exempt. He pointed at the letter the City received from Sandra Dean, attorney for the House of Pride, in which it stated that the organization understands that all properties are subject to property tax.

Chairman Garfinkel asked if 115 S New Street should not have been on the exempt request list.

Mrs. Townsend explained that this property had always been a rental property and had never been part of the recovery program.

Chairman Garfinkel asked if Mr. Lott has a license to engage in drug, alcohol and substance abuse services.

Mr. Lott replied that he does not have a license and that the organization is not offering such services, their purpose is to make sure that their renters continue with the programs they are in.

Todd Stonesifer explains that while the services the House of Pride offers are commendable, the board cannot change the rules.

Mr. Stonesifer made the motion to deny the exempt request which was second by Mr. Welsh.

Chairman Garfinkel opened up for discussion at which time Mr. Stonesifer suggested that the organization should get their status back.

Chairman Garfinkel also said, that looking at the certificate of operation for the House of Pride, the purpose should be for substance abuse and not what they are doing now. If they do not have the proper licensing than they are not engaging in the purpose of the organization.

In his opinion nothing has changed since the exempt status has been revoked.

Motion passed 3-0

Mrs. Bundek informed the appellant, that the City Council was the final decision and that a certified letter with the date of the Council Hearing would be mailed to them.

1.B. Central Delaware Habitat for Humanity

Locations:	**Exempt Request:**
20 S Kirkwood St.	$42,300
28 S Kirkwood St.	$50,600
30 S Kirkwood St.	$35,500
40 S Kirkwood St.	$74,900
138 Cherry St.	$38,200
117 S Queen St.	$58,300
29 N Kirkwood St.	$ 0 (already exempt) –City owned)
223 W Division St.	$117,200

BACKGROUND AND ANALYSIS

An exemption request for the above referenced properties was submitted to the Assessor's Office.

These properties are being renovated for low-income families to provide an affordable mortgage. Once these properties are complete and the ownership is transferred, they will be added back to the tax rolls. (As a supplemental billing)

RECOMMENDED ACTION: Recommend that the request for exemption be approved.

Mrs. Tice, Executive Director was present for the meeting.

She went over Central Delaware Habitat for Humanities' mission, which is to bring families together to build affordable homes in the community. Mrs. Tice told the board that there are currently 17 Habitat homeowners in Dover, 40 throughout Kent County and that the organization is working back in Dover on a number of properties.

She went on to tell the board that the Central Delaware Habitat for Humanity had been awarded $672,000 back in January by the Strong Neighborhood Housing Fund. With that fund they are planning to buy, renovate or demolish properties within a 20 block radius of Downtown Dover.

The organization is looking to increase the homeownership in this area, which primarily had been rental properties. She explained that the organization is targeting low-income families who are able to pay a mortgage. The homes are built with the help of volunteers and the aspects of the organization.

Mrs. Tice told the board that construction will begin in June on the four properties located on Kirkwood Street. She went on to explain that 138 Cherry Street is currently in their Land Bank, construction will start sometime in 2016.

117 S. Queen Street is a vacant home and was donated to the organization and is scheduled for demolition, new construction is also scheduled for 2016.

29 N. Kirkwood was purchased from the City, which is also scheduled for construction in 2016.

Mrs. Tice went on to talk about 223 W Division Street, which used to be an old shoe store. She told the board that the building was donated to their organization by a bank. She also mentioned that the organization does not yet know how to utilize that building. One of the options would be to use the building as an office building.

Mrs. Bundek mentioned that the City has not received the deed for 223 W. Division Street. Mrs. Tice offered to provide the Assessor's Office with a copy of the deed.

Board Member Welsh made the motion to accept the request for exemption for all of the properties, which was seconded by Board Member Stonesifer.

Motion passed 3-0

Chairman Garfinkel raised the question about 223 W Division St., he was wondering if this property would fall under the scope of the organization, since this is a commercial property.

Mrs. Tice explained that when a Bank donates a property to a non-profit organization, the building should be used as community development, which is why the organization is looking to use the building as an outreach or a satellite office for the organization. She assured the Board Members that it is not the intent of the organization to use this property for investment purposes and offered to keep the City updated about the future use of the building.

Chairman Garfinkel requested to amend the motion, to grant the exemption for all of the properties except for 223 W. Division Street, which will be exempted for one year only, to be revisited once the organization knows what the use will be.

Motion carried 3-0

The meeting was adjourned at 9:53 A.M.

Mrs. Bundek informed the appellant, that the City Council was the final decision and that a certified letter with the date of the Council Hearing would be mailed to her.