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# Neglected & Derelict Buildings Research

Presented by Staff

Denver City Council District 3, District 5, & District 6



**DENVER**  
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# Agenda

The Problem

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Recommendations

Questions & Discussion



# The Problem

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Neglected and Derelict Buildings (NADB) negatively impact the health, safety, and welfare of Denverites and Denver neighborhoods. These properties pose serious fire risks, create environmental hazards, are often structurally insecure, and attract crime, trespassing and other illegal activities.

NADBs are a resource drain for our city:

- First responders - Denver Police Department (DPD), Denver Fire Department (DPD), and paramedics from Denver Health - are frequently called to these properties and spend hours resolving issues, significantly impacting response times to other calls.
- 311 calls (graffiti, overgrown weeds, general lack of maintenance, trespassing etc.) require attention and code enforcement by City employees.

Residential properties may be listed on NADB list due to equity barriers. Examples include but are not limited to high costs to maintain or demolish a property, mental or physical health challenges, people reentering society after incarceration, or the death of a property owner.

# The Problem

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Neglected and derelict buildings reduce the availability of legitimate residential and commercial spaces, exacerbating the shortage of:

- affordable housing,
- business locations,
- placemaking,
- community building,
- and other neighborhood amenities.

The current process for identifying properties for the NADB list may miss properties that should be listed.

The existing NADB ordinance has not been updated in over a decade (since 2012).

# First Response Calls: Average Estimated Costs

Agency	"Typical" Response Staffing	Average Hourly Rate by Rank (Hourly Wage + Fringe = Hourly Rate)	Estimated Staffing Cost of a Typical Response (per hour)
Denver Police Department	Per call: 2 Police Officers	1 Police Officer: \$68.48 (\$52.68 + \$15.80)	\$136.96
Denver Fire Department	Per apparatus: 1 Lieutenant, 1 Engineer, 2 Firefighters	Firefighter: \$54.37 (\$41.83 + \$12.54) Engineer: \$61.03 (\$46.95 + \$14.08) Lieutenant: \$63.96 (\$49.20 + \$14.76)	\$233.73
Denver Health Paramedic Division	Per ambulance: 2 Paramedics	Paramedic: \$41.86 (\$32.96 + \$8.90)	\$83.72
		<b>Total Cost Estimate</b> <i>(assuming first responders are at a property for 2 hours)</i>	\$908.82

The Department of Safety identified costs associated with calls for service.

Calls for service associated with neglected or derelict properties generally require **at least two officers present** and often take **two hours in length of time** to resolve.

In addition, CPD and DOS spend on average **\$550,000/year** on board ups and emergency fencing through a two-year \$2.85M contract with A Hole in the Wall.

# First Response Calls: Average Estimated Costs Continued

## Important Caveats to the Methodology

- Department of Safety does not track the actual costs associated with responses to calls for service
- Does not equate actual staffing resources that responded to the specific calls for service listed in the chart
- The responding staffing resources could vary in rank, configuration, or status. For instance:
  - Could be one or more employees on overtime;
  - Could be more or fewer personnel in the responding vehicle
  - Could be different ranks of personnel responding
- Does not capture ancillary costs such as fuel, wear and tear, supplies, equipment, medications, board-up services, or other non-personnel costs associated with the response
- DPD & DFD fringe percentages were provided by the Budget Management Office (BMO) as an overall averaged city employee fringe percentage and can vary based on the employee's agency or rank
- Does not include DFD's Fire Prevention Division

# Current Status – NADB Designation

A property is neglected or derelict when **any one or more** of the following circumstances exist on the property:

- 1) The property is **unsafe**; (*the building is in danger of collapse or poses harm to the public*)
- 2) The property is, for any **three (3) consecutive months**, not lawfully occupied, wholly or partially boarded up, and does not show evidence of substantial and ongoing construction activity;
- 3) The property is not lawfully occupied and has been in violation of any provision of city or state law on **three (3) separate occasions** within a two-year period
- 4) 4) The property is not lawfully occupied and the tax on the premises has been due and unpaid for a period of at least one (1) year;
- 5) The property is a **neighborhood nuisance** as the term is defined in subsection (b)(11);
  - Neighborhood *nuisance* means a property that, by reason of **inadequate maintenance, dilapidation, obsolescence** or other similar reason, is a **danger to the public health, safety or welfare**; is **structurally unsafe or unsanitary**; is **not provided with adequate safe egress**; constitutes a **fire hazard**; is otherwise **dangerous to human life**; or in relation to the existing use constitutes a **danger to the public health, safety or welfare**
- 6) **Historic property** that is not being preserved with Chapter 30 of the Code.

*DRMC §10-138 (c)*

# Current Status - Enforcement

CPD learns of potential neglected properties from:

- 311
- Denver Police Department
- Zoning and Neighborhood Inspectors
- Department of Public Health and Environment
- Court Orders
- Council Offices
- Other Agencies



CPD hired 1 full-time employee (FTE) in January 2024 to manage and enforce the NADB list

If the city declares a property as neglected and derelict, property owners must, within 30 days:

- Submit an acceptable remedial plan
- Complete a registration form designating a contact person who will receive communications from the city until the property is removed from the list



# Current Status – Fines

## 1. Failure to Maintain or Submit

### Approved Remedial Plan Within 30 Days:

- Fine: \$1,000
- Response Rate from property owners: ~40% (CPD)

## 2. No Registered Owner on File Within 30 Days:

- Fine: \$500 per day (up to \$15,000)

## 3. Show Cause Hearings:

- Enforcement Actions: Civil penalty up to \$999 per day
- CPD has a budget for 10 show cause hearings per year but staffing capacity is a challenge

## 4. Additional Penalties:

- Fines are in addition to any abatement costs or code violations

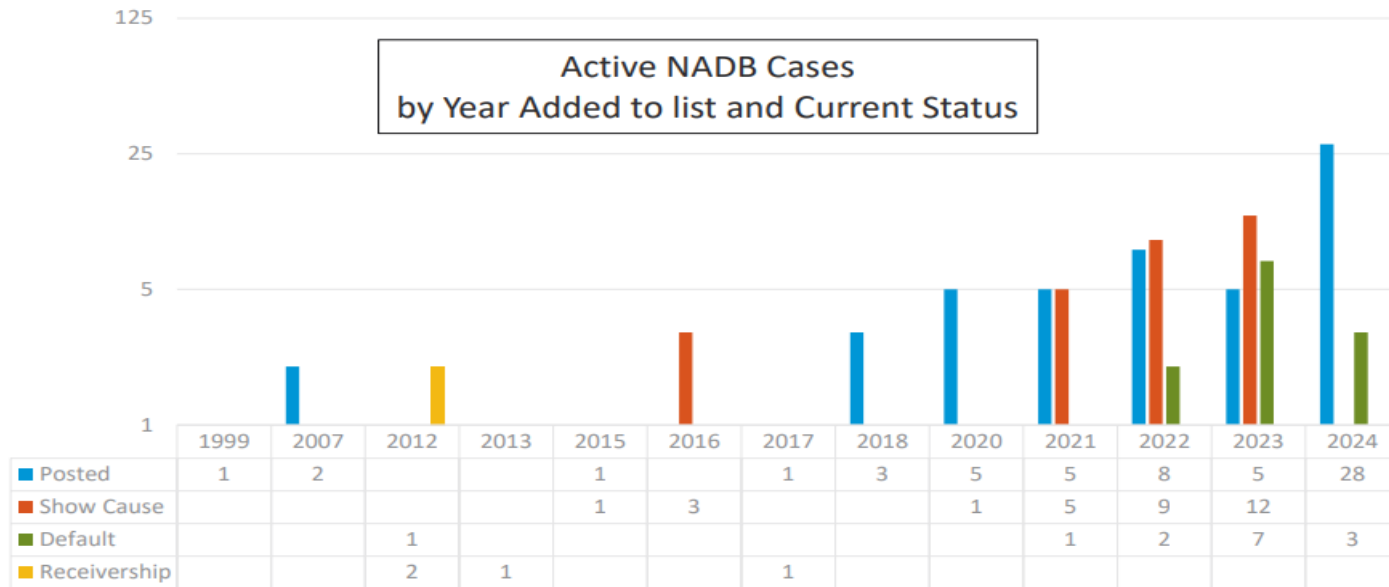


Chart is from CPD's presentation at LUTI on June 18, 2024.

# Current Status - Identified Pain Points

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## Neglected and Derelict Building Working Group:

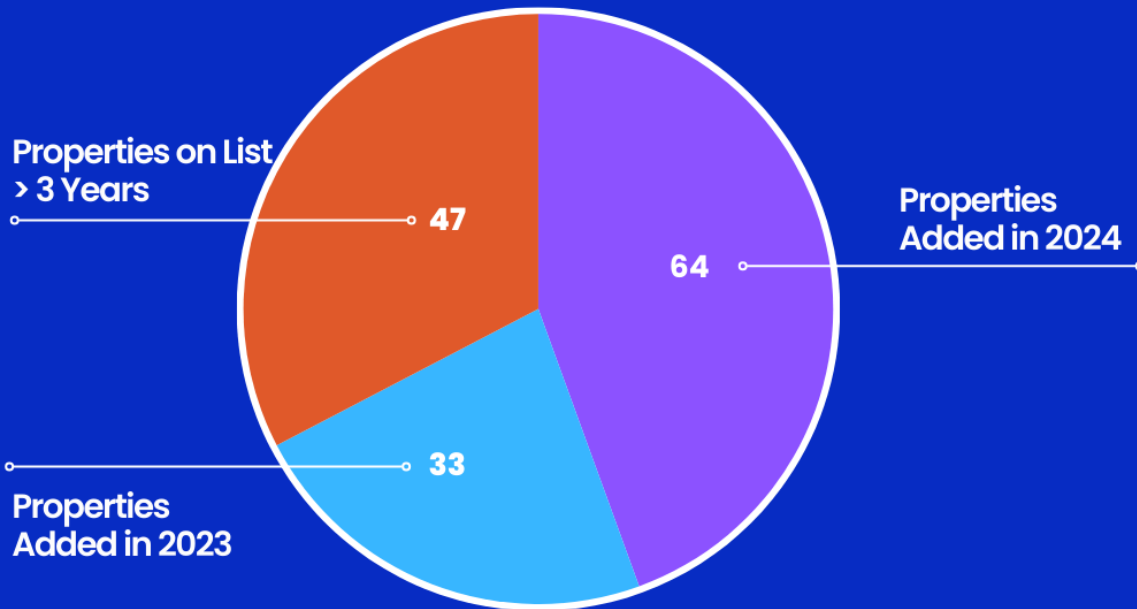
- Councilmembers Torres, Sawyer, and Kashmann
- Mayor's Office
- Community Planning and Development (CPD)
- City Attorney's Office (CAO)
- Department of Public Health and Environment (DPHE)
- Department of Public Safety: Denver Police Department (DPD) & Denver Fire Department (DFD)

## CPD identified four pain points in enforcing the ordinance:

- Lack of leverage at the start of the process
- Bottlenecks and costs of show cause hearings
- Zoning and neighborhood inspections staffing levels
- Bandwidth for receivership process with City Attorney's Office

# Current Properties on NADB List

## Total NADB Listed: 140 as of June 2024



- Properties Added in 2024: 64 (46%)
- Properties Added in 2023: 33 (24%)
- Properties on the List for More Than 3 Years: 47 (34%)

- Every Council District has Neglected and Derelict Buildings
- The majority of NADB are single-family homes.
- There is no trigger for escalated enforcement action if a property is on the NADB list for an extended period.
- 15 properties have been on the NADB list for **over 7 years**.

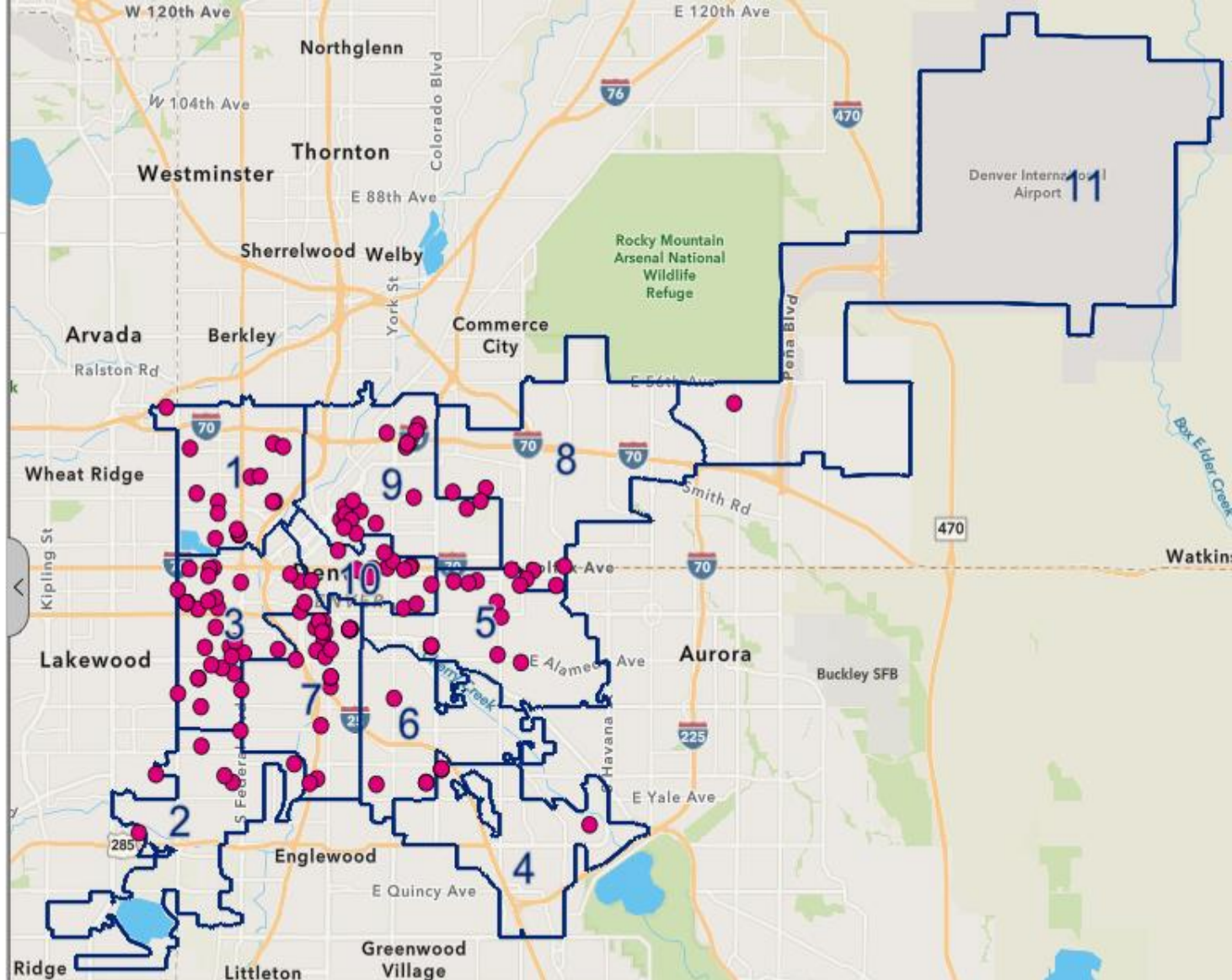


# Legend

NADB Locations



Denver City Council Districts



<https://experience.arcgis.com/experience/98125e21fc0a4e9f8464ed6199aad3a5>



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# District 3 Example 1



Property is part of the Mayor's Place Network Investigation for Paco Sanchez Park. Denver Police Department has investigated the site for criminal activity, human trafficking, illegal narcotics distribution, encampments, and unauthorized occupancy of property.

On the NADB list since: May 2024

- Total responses by DPD, DFD, and Denver Health *since January 1, 2018*: **24**
- Total Safety Personnel involved (*including 911 operators*): **99**
- 311 Calls: **33**

# District 3 Example 2



- Owner released from prison after 3 years, Remedial Plan accepted, plans to move in Sept. 2024, permits in review for future addition
- Total Responses by DPD, DFD, and Paramedics since January 1, 2018: **3**
- Total Safety Personnel Involved (*including 911 operators*): **6**
- 311 Calls: **32**



# District 5 Example



- Total Responses since January 1, 2018: **165**
- Total Safety Personnel Involved (including 911 operators): **260**
- 311 Calls: **41**

- Remained an issue for over a decade
- Created safety challenges for the neighborhood, including one instance where a neighbor was attacked in the alley
- There was a Verizon cell tower in the steeple of the church. The property owners were being paid as part of that lease agreement.
- Property was demolished in 2023 and will be converted into 19 homes

# District 6 Example



Former Community First National Bank

Street view from November 2023, building is now demolished but was neglected for ~ 3 years

Bought by Cobblestone Car Wash in 2024

Site for DPD's Community Homicide Review

Was not on CPD's NADB list

Location of a homicide in February 2023

- Total Responses by DPD, DFD, and Paramedics: **25**
- Total Safety Personnel Involved (*Including 911 operators*): **168**
- 311 Calls: **20**





# Research – Washington D.C. Ordinance

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Property owners in D.C. must **register vacant buildings within 30 days** of receiving notice and pay an **annual \$250 fee**.

An owner has the right to appeal a vacant property designation.

Owners that **fail to register their property or pay the fee** may be penalized with a fine up to **\$5,000** and pay any additional fines and fees for violation of fire and building codes.

**Fees that are not paid in a timely manner are assessed at a rate triple of their property tax and constitute a lien against the property.**

The city shares the list of vacant buildings with the D.C. Office of Tax and Revenue annually for tax purposes.

The city maintains a dashboard and interactive map showing vacant and condemned properties that lists the owners.

As of March 2024, there are **currently 2,290 buildings** that are classified as vacant in D.C. Because of TABOR, this approach would need to be sent to the voters.

# Research – Lakewood's 2023 Ordinance

## Lakewood City Council approved a new ordinance in July 2023 to better track derelict and neglected properties

- Owners of commercial property vacant for more than 30 days in Lakewood must register and pay a fee of \$700 every six months, totaling in a yearly fee of \$1,400.
- Additionally, Council approved an \$800 service response fee for emergency calls to the property.
- If a commercial building is abandoned and/or vacated, the owner is responsible to maintain the building façade and structure, including removal of all graffiti, and keep the property clear of excessive debris and any dangerous conditions.
- Eventually the new ordinance will also apply to residential properties, but Lakewood started enforcing only commercial.

## Lakewood Exemptions:

- Actively for sale properties (up to 2 years)
- Active development permits (up to 2 years so long as all permits remain valid)
- Commercial tenant finish (up to 6 months so long as all permits remain valid)
- Medical or rehabilitation issue of owner (up to 2 years)
- Individual owners of multiple homes (snowbirds) (up to 6 months per year)
- Properties used for warehousing in zones where warehousing is a permitted use
- Government properties
- Other similar situations as determined by Director

## Why Lakewood's Ordinance doesn't fit in Denver:

- Requires inspectors to visit the building every 6 months – staffing issues
- Lakewood's ordinance creates an affirmative duty for property owners to register their NADB and CPD does not have the staffing capacity

# Recommendations – NADB Properties

## Update Fine Structure for NADB Ordinance:

- Develop **separate, escalating fine structures** for commercial and residential properties;
- **Increase the yearly fine** for no submission of remedial plan or noncompliance of remedial plan from **\$1,000 to up to \$5,000**;
- **Clear up language** on whether the \$999 fine per day can be levied without going to a show-cause hearing
- Increase the \$999 administrative fine per day to **up to \$5,000**
- Charge **annual interest** on non-compliant properties;
- Establish an **administrative fine of \$900** to NADB property owners whenever first responders are called to the property and include an appeal process with the dollars going to CPD;
- Require property owners to **refund boarding and fencing** services done by the city;
- Create an ***affirmative duty*** for property owners to **maintain their properties** in good repair and ensure those properties are secured; and
- **Create exemptions** to the fine structure based off equity principles

# Recommendations – NADB Properties

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**Establish a Special Revenue Fund and use the NADB Working group to identify where the funds could be used:**

- Additional show cause hearings
- Hiring of additional CPD staff for NADB or code enforcement units
- Fund an existing contract with Brother's Redevelopment or the Denver Urban Renewal Authority that assists property owners in maintaining and/or demolishing their properties
- Anti-gentrification and anti-displacement resources
- CPD will provide information on where funding would be most effective.

**Final ordinance should comprehensively encompass all inadequately maintained properties:**

- Update definitions of nuisance properties

**Quarterly updates of NADB properties to Council Districts**

- CPD is working on creating a dashboard and tracking in Accela

# List of Stakeholders

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Community Planning and Development

Denver City Council

Landmark Preservation

Department of Public Health & Environment

Department of Safety

Denver Health

PACE Team

Xcel Energy

Denver Water

Colorado Department of Public Health & Environment

Office of Human Rights and Community Partnerships

Denver Economic Development

Registered Neighborhood Organizations

Community Organizations

Residents

# Outstanding Questions for Working Group

Is there a mechanism to trigger escalated enforcement and/or fines for NADB:

- With cell tower leases?
- On the list for 3+ years?
- Poses a severe safety & health risk

What programs & staffing should the Special Revenue Fund support?

- Exemptions for equity barriers (e.g. cost of demolition for people on fixed incomes, people coming out of incarceration, mental and physical health considerations)
- Can CPD be granted enforcement & fine discretion?
- What policy or anti-gentrification tools can be implemented to prevent properties from becoming NADB?

Commercial vs. Residential NADB:

- Different fine and enforcement policy?
- Should we require both commercial and residential property owners to refund the City for board-up or fencing services?

How can we update the NADB ordinance

- Give CPD more leverage in enforcement?
- Remedy the bandwidth issues for the City Attorney's Office on receiverships.

**We're looking forward to hearing suggestions, comments, and ideas from other Councilmembers!**

# Questions and Discussion



# Appendix

## Neighborhood Nuisance definition, per 10-138 (b)(11) of the DRMC:

Neighborhood *nuisance* means a property that, by reason of inadequate maintenance, dilapidation, obsolescence or other similar reason, is a danger to the public health, safety or welfare; is structurally unsafe or unsanitary; is not provided with adequate safe egress; constitutes a fire hazard; is otherwise dangerous to human life; or in relation to the existing use constitutes a danger to the public health, safety or welfare. To determine whether a property is a neighborhood nuisance, as appropriate, and in addition to other factors that the manager finds are relevant, the manager shall consider whether:

- (A) There have been or are Code violations or violations of other ordinances or statutes;
- (B) The property is vacant;
- (C) The grounds are maintained;
- (D) A building's interior is sound;
- (E) The property has been vandalized or subject to other destructive activity;
- (F) The property is within a one thousand-foot radius of a school, park, or recreation center as measured from the closest point of the property to the closest point of the property on which a school, park, or recreation center is located;
- (G) The length of time any of the above conditions have existed;
- (H) In the case of an occupied building, an owner obligated by law or lease to provide services, make repairs, purchase fuel or other needed supplies, or pay utility bills has failed to do so; and
- (I) Other relevant factors as the manager determines

## Neglected & Derelict Building

Locations: [https://experience.arcgis.com/experience/98125e21fc0a4e9f8464ed6199aad3a5#data\\_s=id%3AdataSource\\_1-190b7fc0db2-layer-3%3A46](https://experience.arcgis.com/experience/98125e21fc0a4e9f8464ed6199aad3a5#data_s=id%3AdataSource_1-190b7fc0db2-layer-3%3A46)

## LUTI Presentation on A Hole in the Wall

Contract: <https://denver.legistar.com/LegislationDetail.aspx?ID=6723216&GUID=93E903ED-AD95-42E3-A08D-9A2B6D91A621>



# Appendix

## Boston, MA: Problem Properties Task Force:

- Boston established this task force in 2011 to bring together representatives from multiple city agencies to address problem properties.
- The task force sends notice to an owner of a designated problem property with details of complaints at the property. The owner may submit a plan to resolve the issues or appeal the designation.
- After **eight complaint incidents within a 12-month period**, the Police Commissioner may assess the **cost of the police response to the property owner**.
- Once the penalty is confirmed, the owner has **30 days to make a payment**. In addition, the task force may fine an owner **up to \$300 for each city code violation**. For ongoing violations, the \$300 fine may be assessed each day.

## Minneapolis, MN: Building Registration Program:

- A building owner is required to **register a building with the city within five days** of the building becoming vacant and **pay an annual fee**. The fee adjusts periodically and is currently over **\$7,000**.
- If the property has **not been secured within 60 days**, it is deemed to be in 'nuisance condition' and the **city may order that the property be rehabilitated or demolished**. There are currently 309 vacant properties registered in Minneapolis.

## Chicago, IL: Vacant Building Registry

- **After registering, an owner must pay a \$100 fee**, and ensure that the property is secured to prevent unlawful entry.
- The code has detailed requirements for security and maintenance of the property.
- An owner must **insure the property** with minimum coverage of \$300,000 for residential units and \$1,000,000 for commercial properties.
- If the city finds that a building is dangerous and unsafe or uncompleted and abandoned (a public nuisance), it may require the owner to demolish, repair, or enclose the structure, or make other changes to address unsafe conditions on the property.
- **If the property owner does not act within 15 days, the city may apply for a court order to demolish or repair the property.**
- City code also includes **criminal penalties** for a property owner that fails to secure a building: up to **six months in jail for failure to secure a property**, and **at least 30 days in jail if a felony is committed on unsecured property**.

# Appendix

From CPD as of July 18<sup>th</sup>, 2024: New Innovations for Pilot

- **Initiation of a “Notice of Intent to Schedule Show Cause Hearing” process.** Our NADB staff has noticed that property owners who have been slow to respond tend to really pay attention as soon as we provide notice that a hearing is scheduled. The staff time involved in preparing the documentation that is needed to go to a show cause hearing is quite extensive. Staff had mused that it would be great if we could get the property owners attention some other way, short of having to go to the hearing. As it turns out we have a process that we can use that would essentially be a “pre” notice ... a “Notice of Intent.” We’d like to try this out to see if this helps us get quicker cooperation with property owners to begin developing an acceptable remedial plan to get to a positive outcome. We are ready to get this started in August.
- **A 6-month pilot program to use CPD staff to run the show cause hearings.** This will help us to more quickly get through the backlog of projects that need to get to this advanced fine stage to give us some real leverage to get to a resolution. We have drafted a process/outline for how to run the hearings and can be ready to get this started in August. We will then evaluate the pilot at the end of 6 months to assess if this is something that we want to make permanent.
- **Formalizing the broader process by which projects are identified to be on the NADB list and improving tracking of these properties.** This include reaching out to our partners in Safety and coordinating with City Council offices directly. As we discussed at the June 18<sup>th</sup> LUTI meeting, we are also optimistic that being able to track these properties (and the status of each NADB case) in Accela will help with closer oversight for the program to identify quickly those projects that require additional attention to get to resolution.

None of these innovations requires any changes to the ordinance itself. We are able to implement these changes within the current structure of the program.