



Millions in loans helping Wausau, residents clean up blight



Written by

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The city has purchased, razed and rebuilt more than 20 blighted homes during the past five years and provided \$1.5 million in loans to more than 120 homeowners and landlords in a massive effort to clean up the city's core neighborhoods.

During the same period, city attorneys have spent countless hours in court forcing owners to pay hundreds and in some cases thousands of dollars for violating ordinances that require properties to be clean, safe and up to code.

That carrot-stick approach is intended to drive up property values, reduced crime and protect tenants from unscrupulous landlords. And it's working, city officials say.

"We look at it as good stewardship with the taxpayers' dollars," said Ann Werth,

director of the city's Community Development Department. "We're creating value and improving neighborhoods."

In some cases, the city has targeted entire neighborhoods, including the area bordered by Bridge and Short streets, and First and Second streets. But the effort is ongoing with a current focus on the neighborhood just east of downtown, between Franklin and Forest streets and LaSalle and Sixth streets.

John Fischer, a landlord with 200 rental units around the Wausau area and a member of its Housing Code Task Force, said the effort to reduce and eliminate blighted properties is worthy of attention. Though the city has worked for years to address blight, Fischer said there are no quick solutions, and the city needs to build upon the efforts it already has made.

"The big thing that I always point out is that it doesn't happen overnight," he said. "This could be a 10- to 15-year fix, but we just can't keep back-burnering it."

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No one in Wausau is ready to put blight elimination on the back burner. But they might have to if Congress carries out a threat to gut the primary source of funding for city rehab projects.

Eye(sore) of the beholder

Does a pile of trash bags in the backyard make a property blighted? What about chipping paint on the exterior of a home, or a broken window?

The Housing Code Task Force and the city's Public Health and Safety Committee have grappled with the question of how to define blight so the city has a clear idea of the problem it hopes to attack.

In early March, Wausau City Council members approved a new section to the city's municipal housing code that includes blight criteria such as "inadequate maintenance," harboring criminal activity and properties that interfere with "the lawful use and enjoyment of other space in the building or other properties within the neighborhood."

While the city works to define blight, Wausau Assistant City Attorney Patricia Cal Baker often falls back on a 1975 code adopted by the city from the Building Officials & Code Administrators International.

The code states, for example, that exteriors "shall be free of holes, breaks, loose or rotting boards or timbers," and either must be painted or covered with

siding that is kept in repair. Also, every window "shall be kept in sound condition and repair."

The man responsible for enforcing city housing codes and maintenance, property inspector Cliff Ambriz, said he has heard the complaints about some neighborhoods being run down and havens for criminals. But from his perspective, the problems are overstated.

"There may be some problem properties that need more attention than the house next door, but truly? Blight? I just don't see it," he said.

Dick Holster, owner of Holster Management, has about 30 properties in the city and has spent tens of thousands of dollars renovating them in recent years. But Holster worries that, in the effort to attack blight, such broad definitions -- such as "inadequate maintenance" of a property -- might result in the city unfairly targeting landlords and tenants.

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"In some cases, it's good to have broad definitions, but sometimes, you can be too broad," Dick Holster said.

Gentle enforcement

Ambriz, who has spent the past 20 years inspecting Wausau properties, said owners of properties throughout the city violate housing and property maintenance codes. Most of his work results from complaints lodged by a neighbor of problem properties, although fielding those complaints often results in the discovery of other homes in violation of one or more codes.

"I may end up with 30 or 40 houses when I go to look at that one house that had a complaint," he said.

But what might look unsightly to some might not be illegal, he said. Residents might disagree, or think the city codes and ordinances aren't tough enough, but all he can do is enforce what's on the books.

Prodding property owners to clean up yards, paint their homes or fix roofs can be a lengthy process involving notification letters, follow-up visits and, in some cases, court appearances and trials. However, Ambriz said the city tries to be patient.

"We try not to go to court unless we really, really have to," he said. "There are circumstances behind every issue."

Cal Baker agreed.

"I've said this in court probably 150 times, but I would much rather work with these people to have these problems corrected before we seek a (court) judgment," she said. "The long-term benefits of having these houses in good repair is much better than having a paper judgment."

Helping themselves

As the city buys homes for demolition or renovation and pays to build homes throughout the city, it also offers help in the form of low-interest, deferred rehabilitation loans to homeowners and landlords who aim to improve their lots and keep the property inspectors away.

The city has provided an average homeowner loan of \$18,352 to 45 families during the past five years, and about \$8,600 for each of its 87 rental-unit loans, said Tammy Stratz, Wausau's community development analyst.

Renee Schroeder's Ninth Avenue home has

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chipping, lead-tinged blue paint along the wooden siding, and the electrical work inside is not up to code. Old insulation in the attic lets the heat seep out.

"If not for (the city), I would never be able to pay for all of this myself," she said.

Schroeder bought the home seven years ago with her now-ex-husband with the understanding that it would be a fixer-upper, but it still is in need of a fix-up.

She was put on the Community Development Department's waiting list in 2008 and signed the papers last week. Construction will start within the next four months and be complete by the end of summer.

"I had happy tears in their office," she said.

Looking forward

All these efforts could come to a screeching halt, leaving dozens of homeowners on a waiting list to improve their homes, if Congress follows through with a threatened cut to Community Development Block Grant funding.

Congress still has not finalized a 2011 budget, and the House on Friday debated a continuing resolution that includes a 63 percent cut to CDBG funding, from \$4 billion in 2010 to about \$1.5 billion.

Wausau currently has about \$150,000 budgeted for homeowner rehabilitation loans, Stratz said. The city has a balance in

its homeowner rehab account of about \$75,000.

The funding also is used to buy and demolish blighted homes, and the city also provides CDBG funding to Wausau Area Fresh Start to assist Hmong residents with purchasing property.

A cut could mean more properties remain in disrepair, and reduce the amount of assistance available for new homeowners, Werth said.

"You would not be able to run this program with that kind of a cut," she said.

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BEFORE: This rental property, owned by Holster Management, was damaged by a fire four years ago at its former location on Franklin Street. The company purchased the home and moved it to McClellan Street. The home was gutted and completely remodeled with the help of a rental rehabilitation loan from the city of Wausau's Community Development Department. / Courtesy Holster Management

Legal action

In the past three years, the city of Wausau has issued more than 130 summonses to enforce property maintenance violations. The city often spends two years or more sending letters to property owners and following up on inspections. More than half of the cases were resolved before a judgment was issued.

2008

- 41 summonses/complaints, 26 judgments
- Example: 511 N. Bellis St.: failure to properly scrape and paint or install siding on the exterior of the house and garage
- Judgment: \$42,000 — Fine of \$58.60 per day for 731 days

2009

- 53 summonses/complaints, 33 judgments
- Example: 1017 E. Wausau Ave.: trash in front yard, debris in side yard, vehicle improperly parked in front yard
- Judgment: \$93,870 — three violations at \$298 each for 105 days

2010

- 46 summonses/complaints, 34 judgments
- Example: 702 Maple St.: failure to remove abandoned/unregistered vehicle, failure to remove accumulated items around exterior, failure to replace or scrape paint, failure to replace windows and doors
- Judgment: \$2,275 — \$10 per day for 225 days, plus \$25 service fee*
- *Note: Judgment will be voided if problems are corrected by end of June

Source: Wausau City Attorney's office



AFTER: This rental property, owned by Holster Management, was damaged by a fire four years ago at its former location on Franklin Street. The company purchased the home and moved it to McClellan Street. The home was gutted and

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completely remodeled with the help of a rental rehabilitation loan from the city of Wausau's Community Development Department. / Xai Kha/Wausau Daily Herald



City of Wausau building inspectors Phil Borchardt, left, and Cliff Ambriz examine the porch of a home Thursday on Lincoln Street in Wausau. Borchardt and Ambriz both said the property is not considered blighted, but the porch is in violation of city codes for improper steps, damaged floorboards and other problems. / Chad Dally/Wausau Daily Herald

The blight fight

Sources of money and how it has been spent during the past five years:

- Community Development Block Grant: About \$1.75 million for purchases and demolition, and homeowner and rental rehabilitation loans
- Neighborhood Stabilization Program (stimulus funding): \$1,087,588 to demolish and rebuild or rehabilitate seven properties
- Tax Increment Financing: \$309,800 to buy five homes
- Judd S. Alexander Foundation grant: \$600,000 to demolish and rebuild or rehabilitate seven homes

Total: About \$3.75 million

Source: City of Wausau

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