

Blight Fact Sheet: Acquisition of Blighted Properties

Authorization

- “Blighted and Deteriorated Property” is the title of Section 6-150, Article VI (Unfit Buildings), Chapter 6 (Buildings and Building Regulations), City of Knoxville Code of Ordinances. It was adopted by Knoxville City Council in 1991 and amended in 1995.
- The ordinance authorizes the City to acquire blighted and deteriorated properties when owners fail to make repairs.

Rationale

While the rights of the owner of a blighted property should be and are given due consideration, this Ordinance is grounded in the rights of surrounding property owners as well as public health and safety. Blighted properties:

- Constitute a burden on the neighborhood.
- Contribute to the spread of disease, as well as losses by fire and accident.
- Devalue adjacent properties.
- Threaten the ability of nearby homeowners to get affordable homeowners insurance.
- Impede the growth and redevelopment of the community.
- Soak up public dollars spent on mowing, clean-up and board-up.
- Reduce the inventory of historic structures in the City.
- Tend to be properties for which property taxes and city liens are not paid.

Definition

The ordinance defines a blighted or deteriorated property as “any vacant structure or vacant or unimproved lot or parcel of ground in a predominantly built up neighborhood (excluding properties being used for agricultural purposes) which:

- Because of the physical condition or use is regarded as a public nuisance, or
- Has been declared a public nuisance in accordance with the City housing, building, plumbing, fire or related codes, or
- Is considered an attractive nuisance to children, or
- Has been declared unfit for human habitation in accordance with city codes, or
- Is a fire hazard or is otherwise dangerous to the safety of persons or property, or
- Is unfit for human use because of disconnected utilities, or
- Accumulates trash and debris or is a haven for rodents or other vermin due to neglect or lack of maintenance, or
- Has been tax delinquent for a period of at least three (3) years, or
- Has not been rehabilitated within the time constraints placed upon the owner pursuant to the Unfit Buildings Ordinance.

The Process

The Community Development Department works with Codes Enforcement to recommend acquisition of properties to the Better Building Board (BBB). By city ordinance, the Better Building Board (BBB) has the authority to first determine and then later certify that a property is blighted — steps must be taken before a blighted property can be acquired.

Determination of Blight

If the BBB “determines” that the property is blighted or deteriorated, an Acquisition Order is issued to the owner, requiring that all blighted conditions be cured within 90 days or the property will be subject to acquisition by the City. Under certain conditions, the BBB may grant an extension of the original 90 days.

Certification of Blight

No less than ninety (90) days following the issuance of an Acquisition Order, the BBB may “certify” that the property is blighted and deteriorated provided that:

1. The owner or designated agent has been sent an order to eliminate the conditions that violate city codes.
2. The property is vacant;
3. The property is blighted and deteriorated as defined under the Ordinance;
4. The Board has notified the property owner that the property has been determined to be blighted or deteriorated and the time period for correction of such conditions has expired and the owner and interested parties of record have failed to comply with the notice, and
5. MPC has determined that the reuse of the property for residential and related use is in keeping with the Comprehensive Plan.

Land Acquisition Committee. Action

Following the BBB Certification of Blight and Deterioration, the City’s Land Acquisition Committee must review & approve the request to acquire the property.

City Council Action

Community Development Dept. asks City Council for authority to acquire the property — by eminent domain if necessary.

Implementation of Eminent Domain Proceedings

Knoxville's Community Development Corporation (KCDC) — the Redevelopment Authority for the City of Knoxville — obtains a fair market value of the property and a title opinion to verify the current ownership of the property.

KCDC initiates contact with the owner or heirs to propose a negotiated sale. If owner and heirs cannot be located, or a negotiated sale cannot be arranged, the City may authorize KCDC to proceed with eminent domain proceedings in Circuit Court.

Owner’s Rights

Just compensation is based on and cannot be less than either the approved fair market appraisal or the Property Assessor’s valuation of the property.

The property owner is given the opportunity to accompany the appraiser on the inspection of the property and to inform the appraiser of any special features which may add to the value of the property. The owner may appeal the value to Circuit Court if s/he does not agree with the amount.

Post-Acquisition

Once the property has been acquired, the Community Development Dept. stabilizes the property and then lists it for sale in the Department’s Homemaker’s Program.