

Kelso gets to work cleaning up abandoned, foreclosed properties

By Amy M.E. Fischer / The Daily News | Posted: Saturday, March 6, 2010



Bill Wagner / The Daily News Some of the messes at Terry's Salvage are behind the aging fences; some just sit in the open in the former driveway.

One property at a time, the city of Kelso is working to create stable, more attractive neighborhoods.

Using \$430,000 in federal funds to revitalize neighborhoods hurt by the subprime mortgage crisis, the city has developed a new Neighborhood Stabilization Program to buy and renovate foreclosed homes and sell them to low-to-mid-income families. The money the city received last year also will be used to demolish abandoned, blighted properties, starting with a derelict wrecking yard on North Pacific Avenue.

"We're not wasting any time," Community Development Director Mike Kerins said last week. "We're getting pretty aggressive to find homes, do demolition on the blight and try to raise up North Kelso."

The city bought its first foreclosed house last week in the 1400 block of North First Avenue for \$89,000. Kelso has contracted with Lower Columbia CAP to find a qualified buyer, make critical repairs and teach the new owners to do the finish work and basic maintenance, said Sheila Girt, CAP's energy and housing director.

"We're excited to see how it's going to come out — taking properties that are just abandoned, basically, and turning them into somebody's home," Girt said Wednesday. "There might be some good out of bad. At least they won't go to waste."

Under Kelso's new program, CAP will find a family that qualifies for a home loan, can afford a mortgage and earns 80 percent or less of the \$57,800 county median income for a family of four.

The state distributed \$28 million statewide last year from the U.S. Department of Housing and Urban Development to cities hit hardest by foreclosures. Kelso was the only Cowlitz County city to receive the funds based on factors that included the number of subprime loans, vacancy rates, number of foreclosures and delinquencies.

Kelso's blight demolitions likely will begin with Terry's Salvage Yard at 1124 N. Pacific Ave., Kerins said. The half-acre property at the corner of North Pacific and Donation Street was abandoned at least five years ago. Most of the hulk vehicles have been removed from the large yard surrounded by a sagging fence, but the boarded-up building and overgrown yard are littered with rusting oil drums, tires, broken glass, car body parts, a truck and two campers.

The city has been trying to contact the property owner, who is believed to live in Maryland, Kerins said.

Under HUD rules, when a city determines a property constitutes blight, the owner has 30 days to submit plans to clean up the property or demolish it. If the owner doesn't comply, the city can demolish the building and bill the owner. If the owner doesn't pay, the city may put a lien on the property and foreclose it, Kerins said.

Once the city has possession of Terry's Salvage, it will test the soil for hazardous waste and begin cleaning up, Kerins said. In 2004, the state Department of Ecology put the closed wrecking yard on its Hazardous Sites List and ranked it 2 out of 5 for pollution, with a 1 being the worst. The site remains on the state's list.

The city's plans to demolish Terry's Salvage are welcome news to Gary and Janice Fugleberg, who have lived directly behind the scrap yard since 1973.

"Get rid of it. It wouldn't hurt my feelings a bit," Gary Fugleberg, 62, said Wednesday.

Although there's a doorway cut into the fence with a wood ramp into Terry's Salvage yard, the Fuglebergs haven't noticed any vagrants or kids hanging out. However, the site is swarming with rats and possums, and its tangle of blackberry brambles have encroached on the Fugleberg's backyard. Also, Janice Fugleberg is afraid the sludge of old chemicals on the site will catch fire and blow up the whole block.

"If that thing goes up, it sits right against three houses," said Fugleberg, 60. "That's always been worrying me. Every time I smell smoke, I panic."

How the money will be put to work

Kelso has contracted with Lower Columbia CAP to do the remodeling work on the city's housing rehabilitation project.

The social service agency has been doing housing rehabilitation through various programs since 1989. Over the years, CAP has rehabilitated 110 houses and put nearly 400 families into new homes, according to Sheila Girt, CAP's energy and housing director.

Under Kelso's new property renovation program, CAP will charge the city a 15 percent technical assistance fee above the cost for renovation materials

After receiving federal funding for cleaning up blighted neighborhoods, Kelso worked with the Kelso Housing Authority and the Cowlitz-Wahkiakum Council of Governments to come up with a plan for spending the money, the original amount of which must be obligated by September.

Because the sale proceeds on the foreclosed homes to new buyers will go back into the Neighborhood Stabilization fund, the money will be recycled until it's all spent. It's estimated the fund will allow for the purchase and renovation of eight homes. (Gap financing will consume some of the money, Girt said.)