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Problem Properties: Holyoke grapples with dozens of run-down and dangerous sites



16 Commercial St. in Holyoke STAFF PHOTO/CAROL LOLLIS » [Buy this Image](#)



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HOLYOKE — Across the city, intricate brickwork and beautiful architecture are found around every corner. But the Paper City also has its fair share of vacant, crumbling, and tax-delinquent buildings that cause city leaders plenty of headaches.

When the city's department heads first came together to tackle those issues five years ago, they formed a team that has continued to meet monthly to streamline the work of dealing with Holyoke's growing list of troublesome properties. Thus was born the Problem Property Group, which last year was renamed the Property Preservation Group.

The first time the group met was on Dec. 10, 2015, and an agenda from the meeting reveals some of the problems the city was facing when it came to problem properties. The group discussed better recordkeeping, private-public partnerships, code enforcement, and improving communication between departments doing work related to a particular property.

“One of the biggest things we were trying to accomplish early on was breaking down the silos of different departments, sort of pooling resources,” said Damian Cote, the city’s building commissioner. “Very quickly we got buy-in from the various different departments.”

And there were a lot of departments involved. When something goes wrong with a property, the city departments that may have to deal with some aspect of the problem include the building, fire, and legal departments, the board of health, director of economic development, treasurer, and mayor’s office.

“First order of business was to just make a list of all the problem properties, and to reconsider how to define a problem property,” said Paul Payer, the former city solicitor who back in 2015 was a city staff attorney who helped get the group started.

By involving all relevant city officials, the group was able to better prioritize its list of problem properties. A building may not be high on the Fire Department’s list of most immediate dangers, for example, but the planning office might have high hopes for development in that neighborhood. And buildings are not the only properties included on the list; a vacant lot, for example, can become a dumping ground or its owner could be behind on taxes, drawing the treasurer, Board of Health and law department into the process of addressing it.

The Fire Department, economic development office and building commissioner each give a property a 1-10 rating based on the property’s safety problems, its fit into the city’s development plans, and the bones of any building on the property. Those scores are averaged and a priority list emerges.

Top 25

In response to a records request, Cote sent the Gazette a list of the city’s top 25 problem properties. They offer a picture of the many reasons a property can become a problem for a city, and what strategies are used to deal with them.

First on the list is 146 Brown Ave., in the city’s Elmwood neighborhood. The property actually contains three lots of land — one with a house and swimming pool, another with a garage, and a third with the former Bosbach Cleaners.

“It’s a highly likely contaminated site,” Cote said. The owner, K.M.D Corporation, also owes at least \$78,504 in back taxes on the property, though the city is hesitant to take over the parcel because of the likely liability costs. The same goes for another K.M.D Corporation property, a former commercial building at 16 Commercial St., on which the owner owes \$32,704 in taxes. That property sits at number two on the list.

K.M.D Corporation owns five properties in the city, according to public records. Efforts to reach K.M.D. were unsuccessful on Thursday.

So what to do with the properties? In the case of 146 Brown Ave., the city has been exploring a process it uses known as receivership, in which a court appoints someone to manage a residential property to enforce an absentee or irresponsible landlord’s code violations or to rehab the property themselves.

That’s what the city was able to do with 174 Lyman St., which sits at number four on the list and has been vacant for at least two decades, Cote said. The city was successful in having a receiver appointed after the property group recently made the decision that the building was deteriorating and this would be the last opportunity to save it.

“It’s in a new owner’s hands with a strict set of regulations to make sure it gets moved on,” Cote said. The property is owned by Boston Home Invest, LLC, a real estate investment firm. The company could not be reached for comment on Thursday.

However, for building number five on the problem property list, a five-story vacant residential building at 440 Appleton St., that didn't happen. The receiver was able to secure the property from further deteriorating, but didn't have plans beyond that — something the city wouldn't agree to nowadays with the property group in place, Cote said. The building is large and vacant, making it a big hazard from the Fire Department's perspective.

The 440 Appleton property is owned by Stephen Bosco, who city property records show owns 21 properties in the city. The 440 Appleton building is the only of those properties on the top 25 list, though.

In an email, Bosco, who runs Arrow Properties Inc., noted that as the building's receiver he spent his own money to make the property safe and secure, believing the building's architecture was worth saving. He then held a required auction, but became the owner after no bidders showed up. He said the building is secure with a tight roof, but that a full renovation is needed and he's unclear when that will happen. As the owner of many tenant-occupied properties, he said he usually prioritizes maintenance at occupied units.

"Renovating century old buildings is what I and my staff do, but it requires a lot of funding, and it also requires a lot of personal attention to get done right," Bosco said. "A full renovation of a building like 440 Appleton will likely cost close to \$1,000,000, due to the requirement to fully bring the building up to today's building code."

At number four on the list is 345 Dwight St., a vacant building that has been a hazard for some 15 years, Cote said. The roof has collapsed, and there are holes inside "big enough for a car to fall through," Cote said. The building is owned by the California-based Assets Investments Co., LLC, according to property records. Efforts to reach the company were unsuccessful.

"The taxes have rolled back on it, but the owners have paid the tax bill and our vacant building registration fees," he said, adding that that's a rare occurrence. "We've demanded through our ordinances plans for rehabilitation."

Vacant building fees

Those vacant building registration fees were created as a result of the group's work, and are placed in a revolving fund that is used for blight remediation and community development. They also are meant to push back against the economic incentives some landlords have to let their properties deteriorate.

Those incentives are part of the larger structural problems that need to be addressed to prevent buildings from being added to the group's list or from moving up the list. Mike Bloomberg, the mayor's chief of staff and representative to the group, said that state policy forces municipalities to rely too much on property taxes for revenue. The fact that those taxes are based on the assessed value of a property can create negative incentives for landlords, he noted.

"Buildings well kept and improved upon end up having to pay a higher fee than buildings that are left to crumble," he said. "There's a built-in economic incentive to let buildings deteriorate, and we've seen a lot of savvy landlords take advantage of that ... They don't want to see their tax bill go up, their goal is to profit."

So what happens when a building is left to deteriorate? In some cases, the city can take over those properties if they owe back taxes. The city can then "mothball" the property — boarding it up and addressing any leaks so it can stay in good condition. And because the group is coordinating between departments, that's now easier to stay on top of, Cote said.

Eventually, though, plenty of buildings get to the point where they are too ruined to be saved. In those cases, properties are either demolished by a small in-house crew working out of the building department and department of public works, or they are put out to bid. The city's crew recently pulled down a building at 394 High St. and is able to do several such demolitions a year.

Recently, the City Council's Finance Committee discussed the idea of bonding in order to purchase an excavator for the city to boost the capacity to tear down buildings that have gotten to that point and to contract out more buildings to get.

Bloomberg said that demolition is certainly a tool to address blight in the city and that often demolishing a property is worth the cost of doing so because of the opportunities it opens up. But he cautioned taking a holistic approach that doesn't just consider demolition, but rather all the tools available to the city.

"Our goal is to stem the causes that lead to problem properties in the first place," he said. "If we're not going to change anything systemically, we're going to spend the rest of our lives demolishing properties because there will always be more and more."

That preventative work is where the group's leaders see themselves focusing on in the future. But they're not quite there yet, Cote said.

"We've put a huge dent in our issues, but I don't think we've gotten to the point where we've cleaned out the past issues completely," he said. "That would really be the hopeful goal is that we move away from the properties that are past the point of no return to putting out small fires before they become big."

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