

MUNICIPAL HOME RULE PILOT PROGRAM



City of HUNTINGTON

2015
PROGRESS
REPORT

West Virginia State Code §8-1-5a (m) provides:

“Commencing December 1, 2015, and each year thereafter, each participating municipality shall give a progress report to the Municipal Home Rule Board and commencing January 1, 2016, and each year thereafter, the Municipal Home Rule Board shall give a summary report of all the participating municipalities to the Joint Committee on Government and Finance.”

The Municipal Home Rule Board has developed this standard format for Pilot Program participating municipalities to prepare and submit their respective Annual Progress Reports. The intent of this standard format is to gather and compile information in a consistent, easily understood, and efficient manner that will be used to develop a concise and practical summary report to the Joint Committee on Government and Finance.

Annual Progress Reports must be submitted electronically as an individual file in PDF format no later than the close of business on December 1, 2015 by emailing Debbie Browning at debbie.a.browning@wv.gov, West Virginia Development Office, West Virginia Home Rule Pilot Program, State Capitol Complex, Building 6, Room 553, Charleston, West Virginia 25305-0311, 304-558-2234.

A. General Information		
Name of Municipality:		
Certifying Official: Steve Williams	Title: Mayor	
Contact Person: Pamela Chandler	Title: Finance Director	
Address: PO Box 1659		
City, State, Zip: Huntington, WV 25717		
Telephone Number: 1-304-696-5520	Fax Number:	
E-Mail Address: ChandlerP@CityofHuntington.com		
2010 Census Population: 49,138		
B. Municipal Classification		
☐ Class I	☐ XXX Class II	☐ Class III ☐ Class IV
C. Pilot Program Entry Phase		
☒ Phase I (2007 Legislation)	☐ Phase II (2014 Legislation)	☐ Phase III (2015 Legislation)
D. Attest		
I hereby confirm that I am the authorized official for this municipality and certify that the information submitted herein and attached hereto is true and accurate and that this report addresses each and every initiative included in the original Home Rule Pilot Program Plan Application for this municipality and any subsequent amendments, if applicable.		
Steve Williams		
Type Name of Certifying Official	Signature of Certifying Official	Date

Please use this page to report progress on each **non-tax related initiative** included in your Home Rule Application. Each non-tax related initiative must have a separate page.

Initiative: Fire Damage Insurance Proceeds			
Category of Issues Addressed (check all that apply)			
☒ Organization	☒ Administration	☐ Personnel	☐ Other
Was this non-tax initiative a part of your original plan application ☒ or a plan amendment ☐ ?			
Has the ordinance(s) needed to implement this initiative been enacted?		☒ Yes	☐ No
If yes, when was the ordinance enacted? November 2008			
If no, please describe challenges faced in enacting the related ordinance(s)			
The implementation of this plan was challenged in Circuit Court. Circuit Court issued an injunction delaying enforcement.			
SUCSESSES – In the space below, please provide a brief narrative highlighting successes realized through the implementation of this initiative and any metrics used to track performance. The City of Huntington’s original application for Home Rule contained a provision requiring insurance companies to set aside a portion of insurance proceeds for demolition. In 2010, the WV Legislature passed a Fire Insurance Proceeds Bill that eliminated the need for this issue to be Addressed by the Home Rule Pilot Program and on April 26, 2010 Huntington City Council repealed the Fire Insurance Proceeds ordinance. On June 16, 2010, Governor Manchin signed the Fire Insurance Proceeds Bill into law. Since inception - every instance within the city limits where a fire has occurred on insured properties, the owners took responsibility for demolition of the structure(s) without intervention by the City.			
LESSONS LEARNED – In the space below, please provide a brief narrative highlighting lessons learned during implementation of this revenue initiative that would benefit other municipalities. Sometimes, common issues are best addressed through legislation.			

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Initiative: Increased Capacity To Collect City Fees/Taxes			
Category of Issues Addressed (check all that apply)			
☒ Organization	☒ Administration	☐ Personnel	☐ Other
Was this non-tax initiative a part of your original plan application ☒ or a plan amendment ☐ ?			
Has the ordinance(s) needed to implement this initiative been enacted? ☒ Yes ☐ No			
If yes, when was the ordinance enacted? 8/24/2009			
If no, please describe challenges faced in enacting the related ordinance(s)			
SUCSESSES – In the space below, please provide a brief narrative highlighting successes realized through the implementation of this initiative and any metrics used to track performance. Art. 773.12-14, which requires all past due municipal and refuse fees to be paid before a property is transferred, and Art. 773.15, which permits the City to place statutory liens on past-due fees without suit, work in tandem to bring in revenue that would have previously gone uncollected. The costs involved are low, typically court costs to place and release a lien, cost of certified mailing and internal labor to respond to requests runs about \$22.00. Normally, for Art. 773.12-14, closing attorneys contact the City for payoff amounts. An estimated 80 to 90% of the requests for payoff are paid in full. Art. 773.15 is triggered both at the sale of a property and during any refinance. As representative numbers, in the first three months of 2015, the City collected approximately \$11K under Art.77.12-14 and \$35K under 773.15. Please note that some of the amounts collected under these two ordinances are duplicated in the numbers stated.			
LESSONS LEARNED – In the space below, please provide a brief narrative highlighting lessons learned during implementation of this revenue initiative that would benefit other municipalities. The downsides of these ordinances are limited. The cost is minimal compared to the return. It is important to maintain detailed, accurate records as getting service for placing statutory liens can be an issue. If a property has a balance owed with no lien filed, the chances of it transferring without the City’s knowledge is greater. Therefore, education of attorneys and title companies is imperative. To help combat these issues, the City intends change to lien filings on a quarterly basis in the coming year.			

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Initiative: Land Bank Fast Track Authority			
Category of Issues Addressed (check all that apply)			
☒ Organization	☒ Administration	☐ Personnel	☐ Other
Was this non-tax initiative a part of your original plan application ☒ or a plan amendment ☐ ?			
Has the ordinance(s) needed to implement this initiative been enacted? ☒ Yes ☐ No			
If yes, when was the ordinance enacted?			
If no, please describe challenges faced in enacting the related ordinance(s) The implementation was challenged in Circuit Court and an Injunction was issued.			
SUCSESSES – In the space below, please provide a brief narrative highlighting successes realized through the implementation of this initiative and any metrics used to track performance. Operating under the umbrella of the Huntington Urban Renewal Authority, the land bank has worked to acquire delinquent properties and return them back into productive use, through new construction, redevelopment, and rehabilitation of structures, side yard expansions, community gardens, and added green space. The Land Bank currently holds title to 110 properties and have returned an additional 135 properties back into productive use. With no special previsions, the Land Bank was able to acquire properties through the county and state tax sales for Huntington Development Corporation in the construction of a new forty unit senior complex, Huntington Area Habitat for Humanity and its Veterans Housing Initiative and West Virginia State University. As well as through the SCRATCH project which stand for Sustainable Community Revitalization in Appalachia Through Children’s Hands. The SCRATCH Project works with local children teaching them sustainable gardening. Another major success was the passage of SB 579, which creates the West Virginia Land Reuse Agency Authorization Act. Under this act, any municipality, county, or combination of these has the authority to create a land reuse agency (Land Bank). The goal of the Huntington Land Bank is to improve our community by putting viable properties and land into the ownership of those individuals and groups that will enhance them. By purchasing delinquent tax liens and offering the subsequent properties for sale through the Land Bank, the goal is to create a vehicle that allows all of Huntington to benefit. Properties that have been abandoned now have a purpose.			

LESSONS LEARNED – In the space below, please provide a brief narrative highlighting lessons learned during implementation of this revenue initiative that would benefit other municipalities.

With the creation of the Land Bank, we are able to capture forgotten properties and make them productive again. One major hurdle is bidding with/against out of state investors. The right of first refusal that was granted to the land bank was challenged in circuit court and the injunction issued has hampered our efforts in acting as a true Land Bank. The right of first refusal would provide a funding source that is necessary for our Land Bank to survive. Maintaining vacant and abandoned properties comes with a high cost and without the necessary tools the costs are felt throughout. Property values decrease, police, and fire increase and beautification efforts are limited.

The system under which the Huntington Land Bank is required to compete still privatizes profits and socializes losses. The essential question is what is the purpose of the tax sale? If the basic purpose is to assure that the state receives the taxes owed on a property, there should be no objection in providing a publicly organized Land Bank the right of first refusal.

Please use this page to report progress on each **tax related initiative** included in your Home Rule Application. Each tax related initiative must have a separate page.

Initiative: Municipal Occupation Tax/ Municipal Sales-Use Tax
Was this tax initiative a part of your original plan application ☐ or a plan amendment XX?
Has the ordinance(s) needed to implement this initiative been enacted? XX Yes ☐ No
If yes, when was the ordinance enacted? August 9, 2010 – Adopted by City Council
If no, please describe challenges faced in enacting the related ordinance(s) Plan Amendment on March 2011 – Approval by Home Rule Board Municipal Sales-Use Tax Enacted 04-01-2011
REVENUES – In the space below, please provide a brief narrative highlighting revenue amounts and revenue categories realized; revenue amounts and revenue categories reduced; net revenue gain; and, any metrics used to track performance. It was estimated in 2013 that B&O would be reduced by approximately \$4.4 million a year going forward, but that the offset in Sales Tax Revenue would increase overall revenue by \$1.9M in FY2013 and \$1.06M in FY 2014. In FY2015, overall B& O and Sales Tax collections combined were down by (\$1.8M) from FY2014.
SUCSESSES – In the space below, please provide a brief narrative highlighting projects, improvements, programming, etc. realized through the implementation of this revenue initiative and any metrics used to track performance. Relieved pressure of B&O tax in order to promote new business growth.
LESSONS LEARNED – In the space below, please provide a brief narrative highlighting lessons learned during implementation of this revenue initiative that would benefit other municipalities. A lessor offset of B&O should have been considered. A gradual step down of B&O revenue along with a corresponding gradual step up in sales tax percentage would have helped us to better project future revenues or losses.

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Initiative: Alternative Enforcement of External Sanitation & Common Nuisances			
Category of Issues Addressed (check all that apply)			
XX Organization	XX Administration	☐ Personnel	☐ Other
Was this non-tax initiative a part of your original plan application ☐ or XX a plan amendment?			
Has the ordinance(s) needed to implement this initiative been enacted? XX Yes ☐ No			
If yes, when was the ordinance enacted? Adopted May 23, 2013			
If no, please describe challenges faced in enacting the related ordinance(s)			
SUCSESSES – In the space below, please provide a brief narrative highlighting successes realized through the implementation of this initiative and any metrics used to track performance. This initiative worked exactly as it was envisioned. During the initial six months after passage a huge number of citations were written, which caused residents to clean up their property and keep it clean. There are still citations being written, but not nearly as many as most people now keep their property clean. While this initiative is not a significant source of revenue, it is working very well as a tool to make and keep the City clean.			
LESSONS LEARNED – In the space below, please provide a brief narrative highlighting lessons learned during implementation of this revenue initiative that would benefit other municipalities. A few months into the implementation of this initiative, the process had to be re-visited and streamlined to eliminate unnecessary court appearances.			

