

Question 1

Are properties in the target area characterized by significant delinquent taxes?

No Go to Question #2

Yes
Has the local government attempted to enforce tax foreclosure proceedings in recent years?

Yes
Potential solution:
Begin working with tax collector to ensure commencement of enforcement proceedings.

No
Does the tax collector or tax commissioner feel that the existing tax foreclosure laws are unworkable, or inefficient, or ineffective?

Yes
Are existing procedures ineffective because they do not provide for constitutionally adequate notice with judicial review and order?

Yes
Potential solution:
Begin building a coalition of local Government attorneys, title insurance companies, and tax collectors to draft appropriate revisions to state laws, and if necessary, to local government ordinances, making sure that title to the property at the completion of the procedure is insurable title.

No
Is the failure to enforce delinquent taxes due primarily to administrative resources, or to political concerns?

Yes
Potential solution:
Begin building a coalition around key issues of the losses to the public treasury of nonpayment of property taxes; the implicit shifting of the tax burden to property owners willing to pay taxes, and the negative economic impact on neighborhoods from abandoned and neglected properties.

No
Are the existing procedures inefficient and ineffective because of the multiple steps required, or the length of time (the redemption periods) before the procedures is complete?

No
Has the jurisdiction followed a practice of selling tax liens, either individually or in bulk, to private third party purchasers?

Yes
Potential solution:
Examine why the sale of tax liens is not addressing the "problem" parcels in the targeted development areas.

Yes
Potential solution:
Begin building a coalition of tax collectors, local government attorneys, title insurance companies, and community development corporations to revise tax foreclosure laws to simplify procedures and reduce time period, with careful attention not to create hardships on low-income owner occupied properties.

No
Are existing procedures inefficient and ineffective because of the statutory provisions for minimum bids?

No
Potential solution:
Meet with the tax collector, and the local government attorneys, to determine why existing tax foreclosure proceedings are not being utilized.

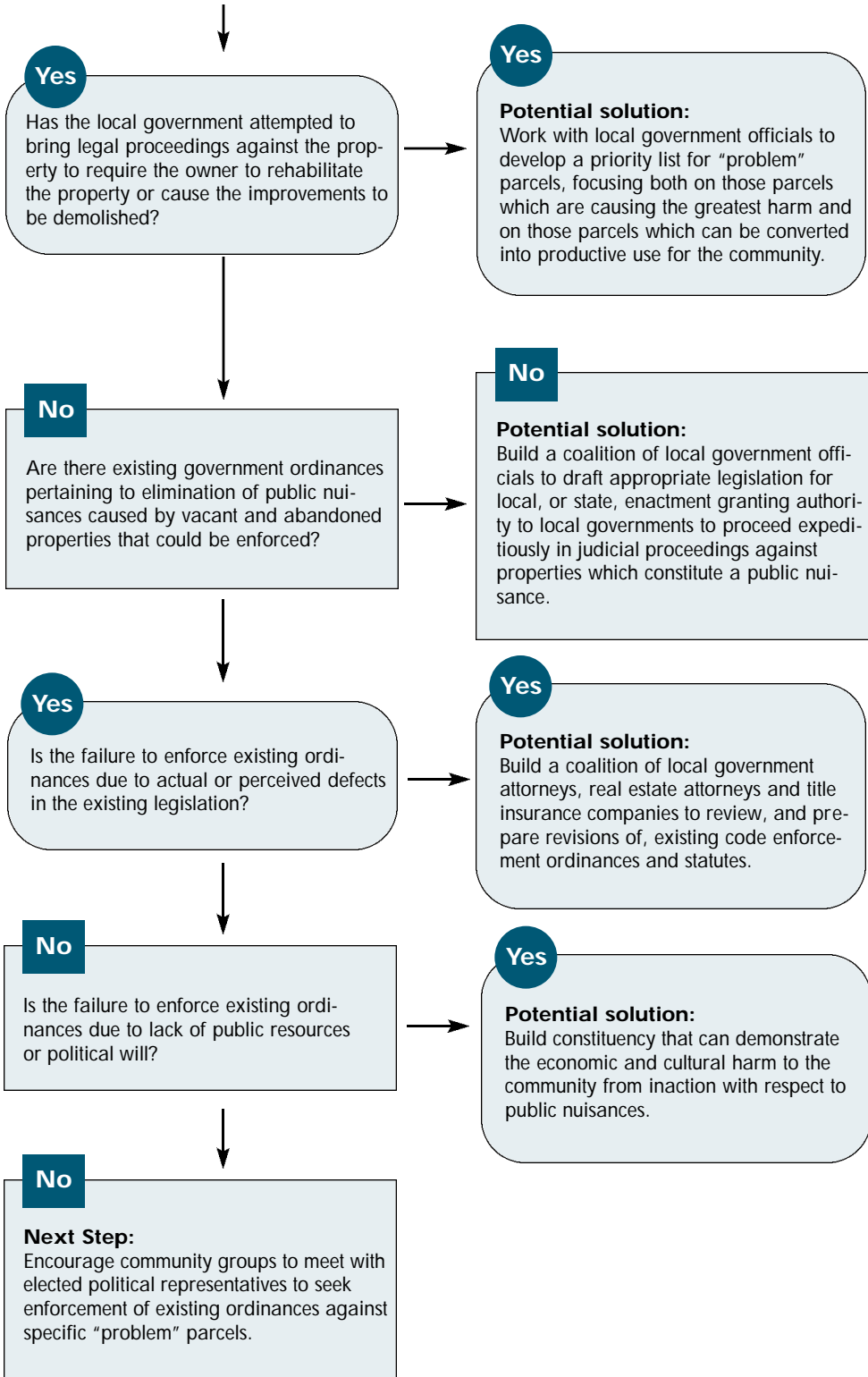
Yes
Potential solution:
Either revise the existing statutory minimum bid requirements, or create a new special purpose government entity which has authority to acquire the property at less than the minimum bid, such as a land bank authority.

No
Next step:
Work with the tax collector to determine if he or she believes that existing laws are inefficient or ineffective.

Question 2

Are properties in the target area characterized by abandoned buildings, or “junk” improvements which are a danger to neighborhood?

→ **No** Go to Question #3



Question 3

Are properties in the neighborhood owned by a governmental entity, a public agency or public authority?

No

Potential solution:

with no property which is tax delinquent, abandoned, constituting a nuisance, or even owned by governmental entities, the only (!) challenge is to find a way to attract new private investment into the community.

Yes

Have the publicly owned properties been inventoried, and divided into categories according to the method, or source, or acquisition of the properties?

No

Next Step:

Work with the appropriate department of the local government to inventory publicly owned properties, and divide them into categories according to source of acquisition (lien foreclosure, excess properties from public works projects, surplus properties no longer needed by local government), and according to geographic location.

Yes

Within each category, has a determination been made of restriction, if any, imposed on the property by virtue of the source of funds used to acquire the property initially?

No

Next Step:

Begin tracing the source of acquisition of the property to determine if any federal, state, or local grant contracts impose conditions on the use of the property, or upon proceeds derived from the sale or transfer of the property.

Yes

Do existing state laws and local ordinances, permit the transfer of public properties to community development corporations, other nonprofit entities, or possibly private developers for title or no cash consideration so long as the property is developed and used in accordance with stated purposes?

No

Next Step:

Build a coalition of local government attorneys and community development corporations to prepare necessary legislation for authorization of special purpose conveyances. Include within this legislation consideration of the possibility of creating a land bank authority.

Yes

Is the failure to utilize existing procedures for the transfer of publicly owned properties due to the lack of capacity of community development corporations or other entities to acquire and develop such properties?

Yes

Potential solution:

Focus on capacity building in the local nonprofit community, whether on nonprofits serving special needs, or on community associations seeking to prepare a strategic plan for a neighborhood, and consider utilization of nonprofit intermediary (either local or national) to facilitate the capacity building.

No

Is the failure to utilize existing procedures attributable to title questions involving the properties?

Yes

Potential solution:

Evaluate the feasibility of using existing statutory procedures (such as Quiet Title Actions) to resolve title defects or creating a new procedure for bulk "reforeclosure" of the tax liens or other liens by which the local government acquired the properties.

No

Next Step:

Identify one or more specific parcels as "models" to use to initiate the transfer of the property to entities for community development purposes.