

# STRIKE-OFF BLIGHT PROGRAM UPDATE

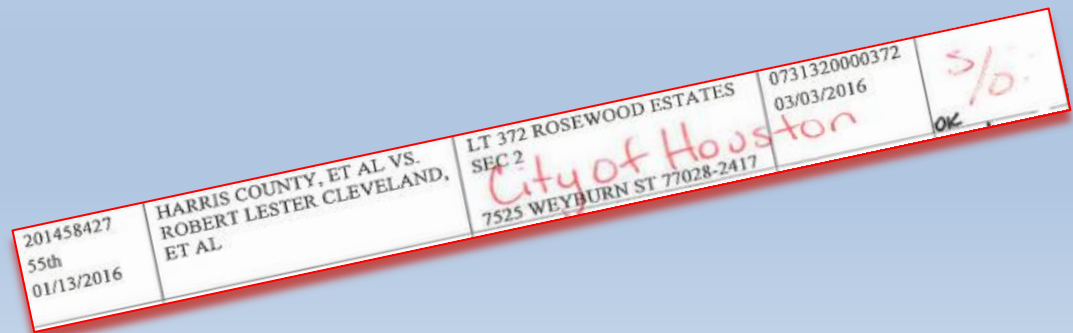
Fast Tracking Tax Foreclosed Dangerous Buildings

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# Strike-Off

- Since 2000, COH in InterLocal Agreement with Harris County and HISD
- Harris County takes in “strike-off” and holds for the other entities
- Harris County did not take dangerous buildings
- Properties not sold: pulled from future tax sale process
- 600 properties were in limbo – many dangerous buildings
- Since April 2014: City may take those properties not taken by Harris County
  - Resolution 2014-14 Authorizes City to take properties in trust for other taxing entities
  - Executive Order 1-2 of April 15, 2014 sets the criteria for properties to be held



# City of Houston Strike-Off Program

- Review potential properties not taken by Harris county
- Must be single family residence, potentially in violation of Chapter 10
- Other constraints: environmental issues and cost of maintenance
- At InterLocal meeting, indicate those properties City is willing to take in Strike-Off
- If sold; then contact new owner
- If not sold; brought back for 1<sup>st</sup> re-sale at Approximately \$2500 - \$3000 minimum bid + (costs)
- If still not sold, brought back again for 2<sup>nd</sup> re-sale at \$250 minimum bid
- If still not sold, then City may demolish with out Hearing (City holds title)

# Properties Struck Off to the City

- Since May of 2014
- City approved for potential Strike-off 287 tax delinquent properties
- 113 Sold at first sale
- 150 struck off to the City (24 sales cancelled for payment of back taxes)
- Every property eventually sold
- All but 2 properties have sold for substantially more than the minimum bid
- Tax sales have generated over \$5.3 million in revenue
- These properties would have not been put back into tax generating status without this program

Account	Situs	Suit #	Sale Date	Sale Min. Bid	Sale Results	1st Resale Date	1st Resale Min. Bid	1st Resale Results	2nd Resale Date	2nd Resale Min. Bid	2nd Resale Results	Purchaser Information
074-011-000-0019	10107 McGallon Rd 77076	201108549	8/5/2014	35,302.00	S/O to COH	11/4/2014	3,361.00	Sold to Jamal Mohd Aqil for \$30,000				Jamal Mohd Aqil 6507 Frasier Point Court Spring, TX 77379 (281) 374-0680
013-164-000-0011	2712 Fox St 77003	201215029	8/5/2014	12,298.78	Sold to Oscar Albavera for \$47,000							Oscar Albavera 1023 W Cavalcade St Houston, TX 77009
040-255-000-0031	1015 Waco St 77020	201330229	8/5/2014	3,851.58	Sale Canceled - paid in full							
051-144-024-0016	7902 Woodward St 77051	201039754	8/5/2014	20,800.88	S/O to COH	11/4/2014	3,511.00	Sold to Sheridan Paul Rampaul for \$7,000				Sheridan Paul Rampaul 6525 Clarewood Oaks Estates Houston, TX 77081 (713) 876-2109
069-116-003-0018	3822 Palm St. 77004	200974458	9/2/2014	36,886.25	Sale Canceled - paid in full							
065-125-039-0882	3901 Hoffman St #20 77026	201317455	9/2/2014	14,769.00	S/O to COH	12/2/2014	2,514.00	Sale Canceled - No Bidders	4/7/2015	250.00	Sold to Miguel Avila for \$2,500	Miguel Avila 4018 Chapman Houston, TX 77009

# After the Tax Sale

- Legal Department contacts the new owner 4-6 months after sale – Redemption period
- While back taxes and liens are erased at a tax sale, Chapter 10 violations follow the property
- To date, 176 new owners have repaired or demolished their buildings with the potentially dangerous conditions.
- 17 have demo permits or repair permits; knowing that they could be taken to a Hearing should they not clean up their property. 58 properties have been too recently purchased to invite letters and 12 have yet to be purchased.
- **BENEFICIAL RESULTS:**
- Over the last two fiscal years; Legal has closed, by owner compliance, 125 in FY 15 and 198 in FY 16, and 160 so far in FY 17, for a total of 483 properties. With a savings of \$20,000 per property, because the City does not have to mitigate.
- Over that same time, the City of Houston has demolished 134 properties in FY 15 and 110 in FY 16

# Additionally

- “Maintenance” costs for properties while being held by the City are paid first out of proceeds from the eventual sale.
- For Example:
  - 7913 Attwater – not sold at initial tax sale: struck-off to the City
  - Order to demolish issued at a previous Hearing
  - City demolition was imminent, but held for tax sale.
  - Demolition occurred between original and 1<sup>st</sup> resale
  - \$17,421 City demo costs added to minimum bid. Sold at 1<sup>st</sup> Re-sale for \$21,000
  - Successful sale recovers costs of demolition, unrecoverable without this program



Questions?