

REDUCING THE NUMBER OF VACANT & ABANDONED PROPERTIES IN COLUMBUS

City Councilor Tyson Begly



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**LET'S MAKE NO MISTAKE ABOUT
THIS: THE AMERICAN DREAM
STARTS WITH THE
NEIGHBORHOODS. IF WE WISH
TO REBUILD OUR CITIES, WE
MUST FIRST REBUILD OUR
NEIGHBORHOODS.**

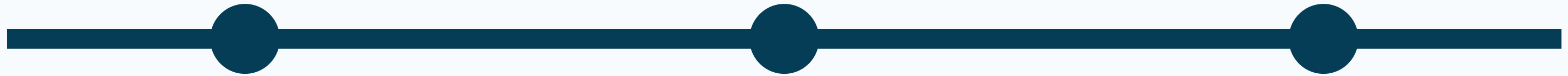
HARVEY MILK

Summary

We have a financial, public safety, and moral obligation to reduce the number of abandoned properties in Columbus.

Ensuring all abandoned properties are turned over to engaged owners in a timely manner increases revenue, increases the supply of housing, decreases maintenance expenses, decreases blight, and decreases crime.

3 types of abandoned homes to address



THE OWNER STILL PAYS TAXES

Property owners pay the taxes but do not take care of the property.

PROPERTY TAXES ARE UNPAID, BUT NOT AUCTIONED YET

The property is eligible for auction but has not been auctioned yet.

THE PROPERTY WAS AUCTIONED BUT DID NOT SELL

Properties that did not meet the reserve bid at auction, and therefore stay abandoned.

Solution Details:

Reducing the timeline to be eligible for auction

PROBLEM

Properties are ineligible for auction, despite owed property fees/liens.

SOLUTION

Require property fees to be collected with property taxes.

NEXT STEPS

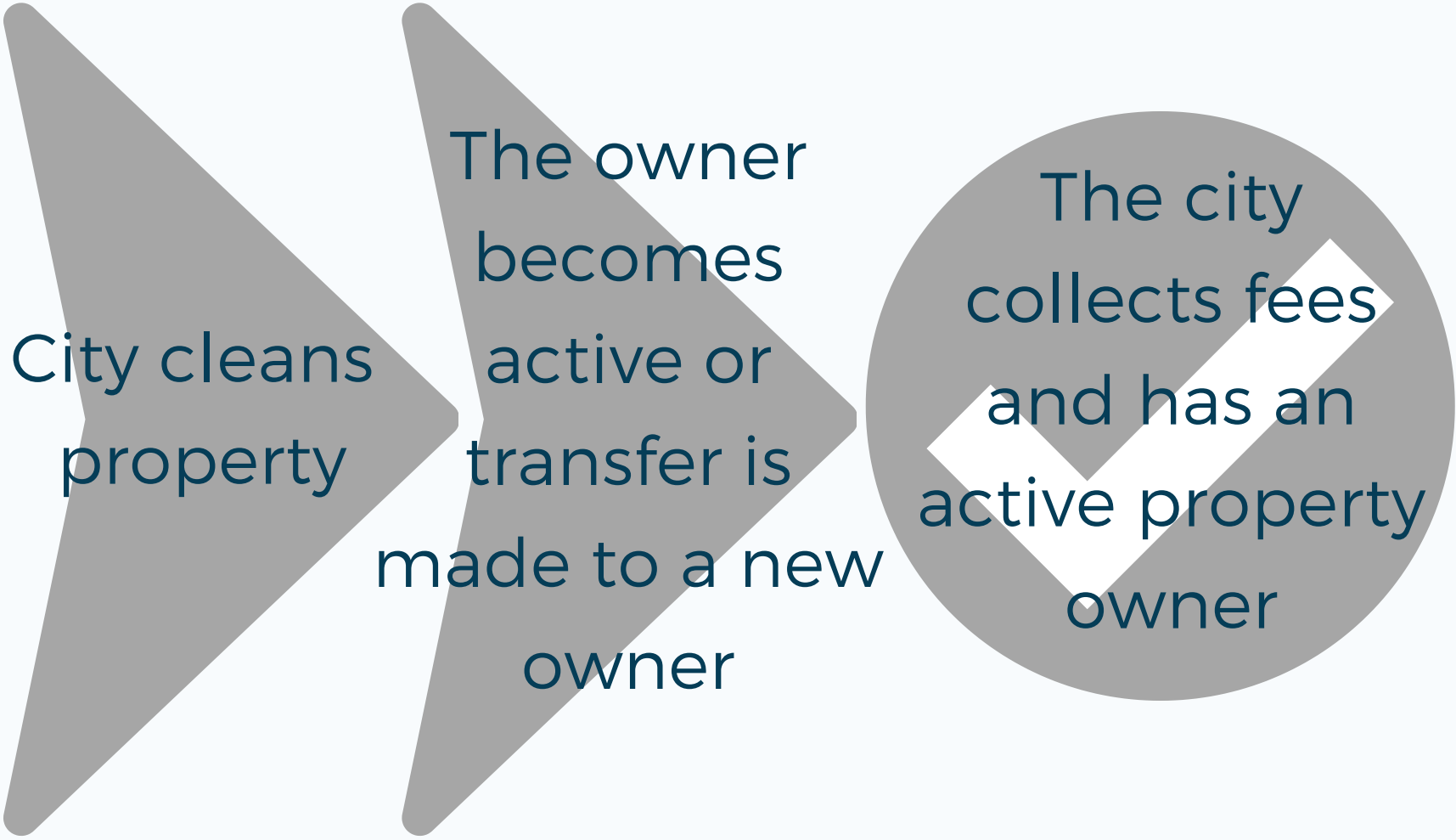
City Councilor Begly working with Senator Randy Robertson to address this at the state level.

Add to the Columbus Legislative wish list for 2024.

Current cycle



New process



Solution Details:

Process backlog of properties eligible for auction.

PROBLEM

Properties have unpaid taxes but haven't been auctioned.

SOLUTION

Prioritize auctioning the backlog.

NEXT STEPS

Support improved reporting and adding resources to auction 50% more parcels each of the next 2 years.

Process all the backlog.

Auction full list each year going forward.

Solution Details:

**Sell or
transition
property that
did not meet
the reserve
bid.**

PROBLEM

Properties were not sold at auction because the reserve was not met.

SOLUTION

Leverage Land Bank Authority to handle as many as possible, and then review leftovers.

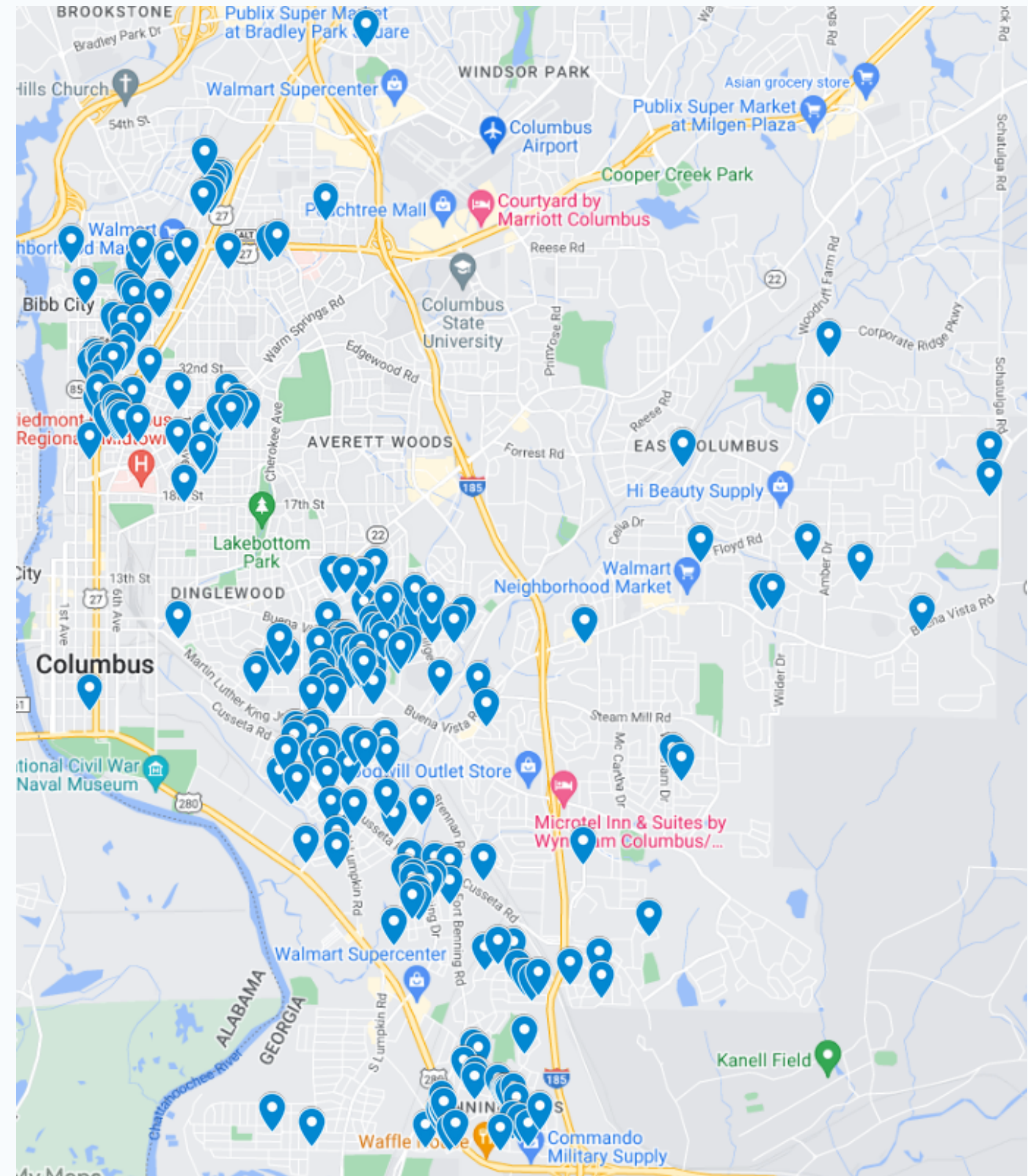
NEXT STEPS

Support Land Bank as they offer more parcels to investors.

For parcels Land Bank does not sell, look for alternative approaches to find new owners.

Map of unsold parcels with liens

https://www.google.com/maps/d/u/0/edit?mid=12T7oJIIW5VVr1EmdlBocPu90o07W_IM&usp=sharing



The solution - recap



Reduce time to be eligible for auction



Process backlog of properties eligible for auction



Sell or transition property that did not meet the reserve bid via Land Bank or other alternatives.

The benefits



Fewer abandoned homes and less blight in the community. More housing is available.



Less crime and less effort to monitor abandoned properties.



Lower clean-up fees, quicker collection of fees, and more tax and service revenue.

IN CONCLUSION

We should prioritize transitioning abandoned properties to engaged owners to increase revenue, increase the supply of housing, decrease maintenance, decrease blight and decrease crime.

Request of City Council



Put property fee
prioritization change
on the legislative
wish list



Support upcoming
budget requests
from Tax
Commissioner



Support Land Bank,
and look for
alternatives for
remaining unsold
parcels.

Appendix

AUCTION PROCESS

Process flow of the current process.

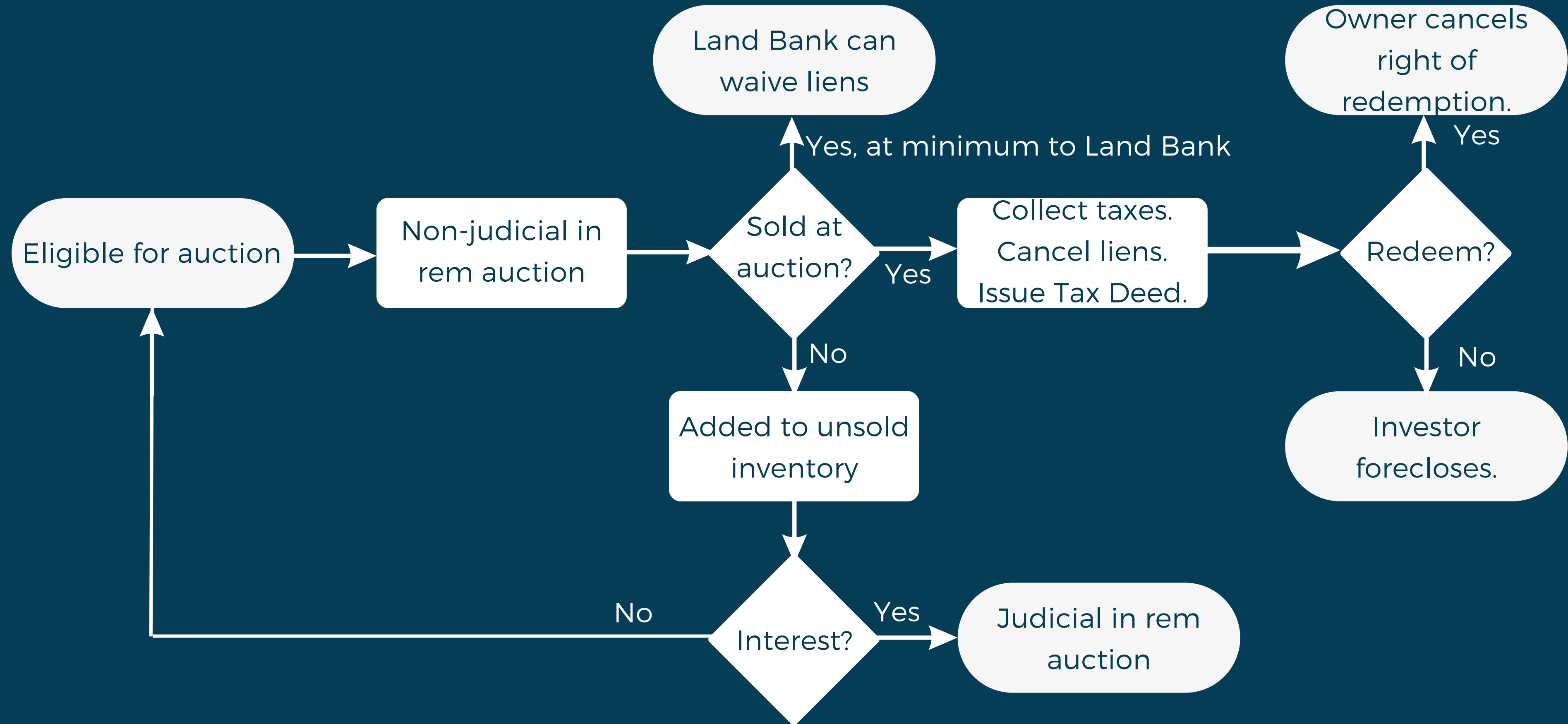
FAQS

Frequently asked questions.

ALABAMA STATUTES

Legal language to collect fees.

Auction Process



Frequently Asked Questions

HOW CAN WE LEGALLY REQUIRE FEES TO BE COLLECTED WITH TAXES?

By incorporating laws similar to Alabama that have operated this method for years. See appendix.

HOW DO OTHER COUNTIES HANDLE IT?

Other counties auction off entire inventory of parcels with unpaid taxes each year.

WHY SELL WITHOUT A LIEN?

So that we can have an engaged owner that pays taxes.

Frequently Asked Questions

WHAT ABOUT OCCUPIED HOMES?

Owners have opportunities and protections to avoid losing their homes.

WHAT ABOUT MESSY TITLES?

These are up to the investors to resolve.

CAN WE AUCTION OFF A BUNDLE OF PROPERTIES?

No. Buyers of bundles tend to focus on the best properties and let the others go back to the auction.

Frequently Asked Questions

CAN THE CITY FORECLOSE ON THE LIENS?

Yes, but there is a legal cost to do so, and the City does not need to own more property.

COULD THIS CHANGE INCREASE THE BACKLOG?

Not if handled correctly. Since the City saves on demolishing fees, the city can reallocate funds to support the additional auction effort. If the backlog happened to increase, the Tax Commissioner could prioritize what to auction first.

Appendix: Alabama Legal References

ALABAMA CODE §11-40-33

"revenue commissioner of the county shall add the amount of the lien to the ad valorem tax bill on the property and shall collect the amount as if it were a tax"

ALABAMA CODE §11-40-34

"assessment shall then be added to the tax bill of the property, collected as a tax"

ALABAMA CODE §11-40-35

"revenue commissioner collect the assessment by adding the assessment to the tax bill"