

Blight Busters!



**New Orleans
City Attorney's
Guide to**

Donation of Abandoned or Blighted Property to Non-Profits who agree to Renovate the Property for Housing

For questions contact:
Housing Unit
City Attorney's Office
1340 Poydras St., Room 1115
New Orleans, LA 70115
(504) 299-4850
www.blightbusters.com

Definitions

“**Abandoned or blighted housing property**’ means immovable property that has been adjudicated to a political subdivision for nonpayment of taxes [as opposed to being sold to a private entity for nonpayment of taxes] or which has been acquired by a political subdivision by other means, which property is vacant or not lawfully occupied and which can be used presently for housing or can be revitalized for housing.” R.S. 33:4720.26(1).

“**Vacant or not lawfully occupied**’ shall include but not be limited to any premises which is not actually occupied by its owner, lessee, or other invitee, and has been left unsecured or inadequately secured from unauthorized entry to the extent that the premises may be entered and utilized by vagrants or other uninvited persons as a place of harborage or any premises which by reason of dilapidation, deterioration, state of disrepair, or other status is otherwise detrimental to or endangers public safety, health, or welfare.” R.S. 33:4720.26(3).

Donation of Abandoned or Blighted Property to Non-Profits

La. Const. Art. 7, Sec. 14(A) prohibits donations by political subdivisions. However, La. Const. Art. 7, Sec. 14(B)(6) excepts the “donation of abandoned or blighted housing property by the governing authority of a municipality or parish to a nonprofit organization which is recognized by the Internal Revenue Service as a 501(C)(3) or 501(c)(4) nonprofit organization and which agrees to renovate and maintain such property until conveyance of the property by such organization.” See, also, R.S. 33:4717.3, which allows the donation of abandoned or blighted housing to a nonprofit who agrees to renovate and maintain the property until conveyance of the property by the nonprofit.

The statutes which implement this exception, R.S. 33:4720.25, *et seq.*, were amended by the Louisiana Legislature in the 2001 Regular Session to allow the City to waive the taxes on such properties pursuant to a fair and equitable policy which determines the amount of taxes that shall be cancelled in each case. According to Ordinance No. 20819, M.C.S., the City “shall cancel all Taxes [defined as taxes, paving and other assessments, interest, and penalties due the state or any political subdivision].”

The City will not donate property that has not been adjudicated for at least 18 months subsequent to the filing of the tax adjudication with the Registrar of Conveyances. R.S. 33:4720.29(A). The nonprofit organization must renovate the property within 270 days of the donation and must maintain such property until it conveys the property. The renovation and maintenance must be consistent with the requirements of the New Orleans City Code and the New Orleans Building Code. If the nonprofit organization does not renovate and maintain the property, the City may revoke and dissolve the donation.

If a nonprofit organization is interested in acquiring “abandoned or blighted housing property” (see the definition earlier in this guide), the nonprofit must submit a plan and a budget for the acquisition and renovation of the property, evidence of financial ability to complete the rehabilitation, an appraisal of the property and such other documentation as may be deemed necessary by the City Attorney and/or the Division of Housing and Neighborhood Development (“DHND”) in any particular case. The budget should include, in addition to all costs of renovation and maintenance, the attorney’s fees and costs that may be necessary to render the title merchantable¹. The DHND shall

¹ The nonprofit organization may file a proceeding to quiet the adjudicated tax title after the donation. In the past, this proceeding has been considered indispensable by title examiners to creating a merchantable title. However, an alternative is being promoted by Tax Title Services in conjunction with a major title insurer, which may reduce the time period within which a merchantable title may be established.

review the plan and budget and evidence of financial ability to complete the rehabilitation and shall approve the plan and budget as viable, feasible and prudent. Additionally, the nonprofit *must* retain an attorney who will work with the City Attorney's office in meeting the requirements of the statutes

The nonprofit organization must fulfill resale requirements that require a purchaser of a single family home to own the home and reside there as its primary resident for two years. If the nonprofit organization develops multifamily units, the nonprofit organization must own the property for two years. If these resale provisions are not fulfilled, the purchaser must repay to the City the lesser of (1) the amount of the outstanding taxes, paving and other assessments, and penalties and interest, and (2) the appraised value of the property, less the valuation of the improvements made to the property by the purchaser.

The City Attorney's office administers this program.

Donation of Abandoned or Blighted Property to Non-Profits

Return to:
Housing Unit
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Room 1115
New Orleans, LA 70112

CITY OF NEW ORLEANS APPLICATION FOR POST-ADJUDICATION DONATION

PLEASE TYPE OR PRINT PLAINLY

Received
(Date)

PROPERTY ADDRESS	CITY AND STATE	ZIP	TAX BILL NUMBER
New Orleans, Louisiana			
NAME OF APPLICANT			
ADDRESS OF APPLICANT			
TELEPHONE NUMBER OF APPLICANT			
NAME OF OWNER			
<p>Note: Applications will be considered on a "first come, first served" basis. The term "first come, first served" shall mean the first complete application received. The following attachments must be submitted with the application to make it complete:</p> <ul style="list-style-type: none"> <input type="checkbox"/> N.O.R.A No Interest Form <input type="checkbox"/> Acknowledgment of SOAP Policies <input type="checkbox"/> Photographs showing the property to be left unsecured or inadequately secured from unauthorized entry to the extent that the property may be entered and utilized by vagrants or other uninvited persons as a place of harborage, or dilapidated, deteriorated, in disrepair, or otherwise detrimental to or endangering public safety, health or welfare <input type="checkbox"/> Tax bill, showing the property to be adjudicated to the City of New Orleans for taxes <input type="checkbox"/> Tax sale deed to the City of New Orleans, with recordation information thereon, showing that the three-year redemptive period has passed <input type="checkbox"/> Appraisal of the property <input type="checkbox"/> Plan for renovation of the property <input type="checkbox"/> Budget for renovation of the property, which should include the attorney's fees and costs that may be necessary to render the title to the property merchantable <input type="checkbox"/> Evidence of financial ability to complete the rehabilitation (i.e., bank statement, line of credit letter, loan commitment letter, etc.) <input type="checkbox"/> Corporate resolution, authorizing an officer of the non-profit organization to accept the donation <input type="checkbox"/> Articles of incorporation of the non-profit organization <input type="checkbox"/> Letter from the Internal Revenue Service, recognizing the non-profit status of the non-profit organization <p>Note: The following must be submitted within fifteen (15) days after preliminary approval of the application:</p> <ul style="list-style-type: none"> <input type="checkbox"/> Proposed act of donation <input type="checkbox"/> Title insurance commitment, showing the parties who have interests in the property and the address of the parties as shown on the public records <input type="checkbox"/> The name, address and telephone number of my attorney is: 			
Dated:	<p>WARNING</p> <p>The filing or depositing in any public office of any forged document, wrongfully altered document, or any document containing a false statement or false representation of a material fact, is a felony pursuant to La. R.S. 14:133, punishable by imprisonment for not more than five years, with or without hard labor, plus a fine of not more than five thousand dollars, or both.</p>		
Name of Non-Profit Organization			
By:			
Name			
Title			

Kristine B. Kendrick, Chief Deputy City Attorney
Current as of 10/1/03

Sherry S. Landry., City Attorney
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