

Blight Busters!



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

Sale of Abandoned Property

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 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], which property is vacant or not lawfully occupied. The term ‘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 such status is otherwise detrimental to or endangers public safety, health, or welfare.” R.S. 33:4720.12(1).

Sale of Abandoned Property

R.S. 33:4720.11, et seq., and R.S. 33:4712 allow the City of New Orleans to sell “abandoned property”, which is defined as property that has been adjudicated to the City for nonpayment of taxes and which is “vacant or not lawfully occupied”, which term is defined in the Definitions section of this Guide. These acts of sale convey the property free and clear of taxes, interest and penalties and conventional and judicial mortgages

The City will not convey property that has not been adjudicated for at least 18 months subsequent to the filing of the tax adjudication with the Registrar of Conveyances. La. Const. Art. 7, §25(B)(2). The act of sale from the City to the purchaser will contain a requirement that the purchaser bring the property up to the standards of the New Orleans City Code and the New Orleans Building Code within 270 days of the act of sale. If the purchaser does not renovate the property, the City may revoke and dissolve the sale. The property will be sold privately for 50% of the appraised value, but for not more than the appraised value, less the attorney’s fees and costs necessary to make the title to the property insurable.

If you are interested in purchasing “abandoned property”, you 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. Prior to approving the sale, the City Attorney and/or DHND will review the plans and specifications and the budget for the rehabilitation and evidence of financial ability to complete the rehabilitation and determine whether it is viable and feasible. Additionally, you **must** retain an attorney who will work with the City Attorney’s office in meeting the requirements of the statutes.

The City Attorney’s office administers this program.

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.

Return to: Housing Unit City Attorney's Office 1340 Poydras St. Room 1115 New Orleans, LA 70112	CITY OF NEW ORLEANS APPLICATION FOR POST-ADJUDICATION SALE PLEASE TYPE OR PRINT PLAINLY		Received (Date)
PROPERTY ADDRESS	CITY AND STATE New Orleans, Louisiana	ZIP	TAX BILL NUMBER:
NAME AND ADDRESS OF APPLICANT:		TELEPHONE NUMBER	
NAME AND ADDRESS 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 (18) eighteen month 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.) <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 sale <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: <p>_____ (_____) _____ Name Address Phone</p>			
Dated:	WARNING 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.		
Name of Proposed Purchaser			
By:			
Name			

Kristine B. Kendrick, Chief Deputy City Attorney
 Current as of 2/27/03

Sherry S. Landry, City Attorney
 Page 4 of 4

**S.O.A.P. /
Sav-a-Lot**

N.O.R.A. No Interest Form

Property Address: _____

The New Orleans Redevelopment Authority verifies that the above referenced property is currently:

	YES	NO
1. Subject to an application for a N.O.R.A. expropriation.	<input type="checkbox"/>	<input type="checkbox"/>
2. Is a N.O.R.A. "R.E.A.L.M." property with a letter of intent.	<input type="checkbox"/>	<input type="checkbox"/>
3. Is a N.O.R.A. "R.E.A.L.M." property without a letter of intent.	<input type="checkbox"/>	<input type="checkbox"/>

N.O.R.A. Representative

Date

Acknowledgment of SOAP Policies

I have read and consent to the following policies and certify that I meet the Conditions of Application.

Date: _____

Applicant for Sale or Donation of Abandoned Property

POLICIES CONCERNING THE SALE AND DONATION OF ABANDONED PROPERTY

Role of the City Attorney's Office

- The City Attorney's Office represents the City, not the applicant. The City Attorney's Office shall in all decisions concerning the sale or donation of abandoned property act in the best interests of the City, not the applicant. The City Attorney's Office cannot and shall not render legal advice to the applicant. Neither the applicant nor the applicant's attorney may rely upon any legal advice rendered by the City Attorney's Office.
- The applicant shall retain his/her/its own attorney to represent the applicant's interests.
- The City is not required to sell or donate abandoned or adjudicated properties. It may choose, in its own discretion, to do so if it perceives such a sale or donation or sales and donations to be in the City's best interests.
- These policies may be amended at any time without notice to the applicant.

Conditions of Application

- Applicants may not apply for the sale or donation of abandoned property that is owned in whole or in part by the applicant.
- Unless otherwise permitted in writing by the Mayor or the Executive Assistant to the Mayor for Housing and Neighborhood Development, applicants may not apply for the sale or donation of abandoned property that is owned in whole or in part by:
 - a member of the applicant's immediate family, or
 - any entity in which the applicant or a member of the applicant's immediate family has an interest, or
 - any entity of which the applicant or a member of the applicant's immediate family is an officer, director, trustee, partner, employee or member, or
 - any person or a member of the person's immediate family who has an interest in the applicant or is an officer, director, trustee, partner, employee or member in or of the applicant.
- The Mayor, the Executive Assistant to the Mayor for Housing and Neighborhood Development or the City Attorney may, in any of those officials' sole discretion, debar any person or entity, temporarily or permanently, from participation in the Sale and Donation of Abandoned Property Program for any cause, including, but not limited to, contributing to the abandoned or blighted status of any property or having an interest in any person or entity

owning a blighted or abandoned property or being an entity in which any person or entity owning a blighted or abandoned property has an interest, or for filing or depositing with the City Attorney's Office any forged document, wrongfully altered document, or any document containing a false statement or false representation of a material fact.

Conditions of Sale or Donation

- Sales shall be at 50% of the appraised value as established by a licensed Louisiana appraiser. After review of the appraisal, the City Attorney's Office, in its sole discretion, may reject the appraisal and require another appraisal. If another application for the sale of abandoned property is accompanied by an appraisal which appraises the property at a higher price, any sale of the property shall be at the higher price unless the City Attorney's Office, in its sole discretion, determines that the higher appraisal should be rejected.
- Sales and donations of abandoned property shall be without warranty of title and "as is" and shall be subject to revocation or dissolution in the event the applicant fails to rehabilitate said property within 270 days of the date of the sale or donation or fails to maintain the property until the sale, transfer or conveyance of the property by the applicant. The renovation and maintenance shall be consistent with the requirements of the New Orleans City Code and the New Orleans Building Code.
- Donations of abandoned property may be made only to 501(c)(3) or 501(c)(4) nonprofit organizations who agree to renovate and maintain the property for housing purposes until conveyance of the property by such organization.
- Donees of abandoned property must fulfill the resale requirements of La. R.S. 33:4720.29(B), or the donee or purchaser from the donee shall refund the full amount of Waived Delinquent Revenues as required by La. R.S. 33:4720.29(C).

Acceptance of Applications and Preliminary Approval

- In order to be complete, applications must be accompanied by:
 - New Orleans Redevelopment Authority ("NORA") No Interest Form showing that NORA is not expropriating the property and that the property is not a REALM property. In the sole discretion of the Executive Assistant to the Mayor for Housing and Neighborhood Development, an application for the sale of an abandoned property that is a REALM property, but not subject to a letter of interest, may be accepted.
 - Acknowledgment of SOAP Policies
 - 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.
 - Tax bill, showing the property to be adjudicated to the City of New Orleans for taxes
 - Tax sale deed to the City of New Orleans, with recordation information thereon, showing that the eighteen (18) month redemptive period has passed
 - Appraisal of the property (commercial properties must have a commercial appraisal)

- Plan for renovation of the property. Applicants may not simply remove trash and excessive vegetation from the property and thereafter maintain it. The property must be put to a use consistent with its zoning. Whether the use is sufficient to comply with this requirement shall be determined by the City Attorney's Office in its sole discretion. Abandoned property adjacent to property owned by the applicant may be incorporated into the applicant's property by resubdivision and used as part of the applicant's yard.
- 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
- Evidence of financial ability to complete the rehabilitation (e.g., bank statement, line of credit letter, loan commitment letter)
- Name, address and telephone number of the applicant's attorney
- In the case of a donation, a corporate resolution, authorizing an officer of the non-profit organization to accept the donation
- In the case of a donation, the articles of incorporation of the non-profit organization
- In the case of a donation, the letter from the Internal Revenue Service, recognizing the non-profit status of the organization
- Incomplete applications may be supplemented by the applicant within five (5) days of verbal or written notice that the application is incomplete.
- Incomplete applications that are not completed on a timely basis shall be rejected.
- Complete applications shall be accepted on a first come, first served basis. However, applications on property on which a prior application has been submitted to and accepted by NORA, the Division of Housing and Neighborhood Development ("DHND") or the City Attorney's Office for any program affecting the property (e.g., NORA expropriation, Blighted Property Amnesty, Project Renew, Project Tax Amnesty or Lien Waiver Committee) which may, in the sole discretion of the City Attorney's Office, adversely affect the prior application may be rejected. An application may also be rejected if, in the sole discretion of the City Attorney's Office, it may cause a diminution in benefits to the City or cause undue delay or a risk of litigation.
- Complete applications shall be reviewed by the Construction Bureau of DHND to determine whether the plan and budget is viable and feasible (and in the case of a donation, prudent) and by the City Attorney's Office to determine whether the property is "vacant or not lawfully occupied" and the evidence of financial ability is substantial. Such reviews shall be made subject to the sole discretion of the Construction Bureau and the City Attorney's Office. If either review is unsatisfactory, the applications will be deemed to have one or more unsatisfactory elements. If both reviews are positive, the application shall be deemed to have been "preliminarily approved".
- Neither preliminary or final approval nor sale or donation mean that the applicant will obtain the property or that his/her/its plans for rehabilitation of the property comply with the City's zoning or subdivision regulations or the regulations of the Historic District Landmarks Commission. Furthermore, it does not mean that the applicant will be able to obtain building permits. These are separate areas of regulation over which the City Attorney's Office has no authority, and the applicant's property and project are subject to all such rules and regulations

- just as are all other properties and projects pursued in the City.
- Complete applications that have unsatisfactory elements may be supplemented by the applicant within fourteen (14) days of written notice that an element is unsatisfactory.
 - Complete applications with unsatisfactory elements that are not supplemented with satisfactory elements on a timely basis shall be rejected.

Routing after Preliminary Approval

- Prior to the act of sale or donation, the applicant must submit the following:
 - Proposed act of sale or donation, and
 - Title insurance commitment, showing the parties who have interests in the property and the address of the parties as shown on the public records
- The applicant or the applicant's attorney shall serve as the city's representative by providing and recording the notices required by La.-R.S. 33:4720.17. Such notices must be provided to the owner and all interested parties sixty (60) days prior to the act of sale. The applicant must submit to the City Attorney's Office a copy of the recorded notices indicating that the sixty (60) days have passed.
- The City of New Orleans reserves the right, in its sole discretion, to reject any application, whether complete or incomplete or satisfactory or unsatisfactory. The decision to reject a complete, satisfactory application may be made by the Mayor, the Executive Assistant to the Mayor for Housing and Neighborhood Development, the City Attorney, the Director of Finance, the City Planning Commission, the City Council member for the councilmanic district in which the property is located, or the City Council. Any of the foregoing shall be deemed to have rejected an application if he, she or it does not approve the application within a reasonable period of time.
- Applications may be rejected if the legal requirements for the sale or donation of abandoned property do not or no longer exist, e.g., the property has been redeemed or the property is no longer deemed "vacant or not lawfully occupied" by the City Attorney's Office in its sole discretion.
- Applications may be converted to an application for a private sale of adjudicated property for the purposes of rehabilitation or an application for a public sale of adjudicated property in the sole discretion of the Mayor, the Executive Assistant to the Mayor for Housing and Neighborhood Development or the City Attorney.