Poughkeepsie's policies on vacant buildings aren't working: Column

Joshua Simons, Valley Views  Published 11:20 a.m. ET Dec. 12, 2018

On Monday, Dec. 3, four homeless people perished in a fire at 61 Academy St. in the City of Poughkeepsie. This is the latest in a string of incidents involving vacant abandoned properties in Poughkeepsie that include the June 18 collapse of 19 Academy St. It is obvious that the city has a problem with vacant and abandoned buildings. What is less obvious is that the vacant and abandoned problem in Poughkeepsie is tied to the tax lien sale system used to collect delinquent taxes.

I recently published a Discussion Brief titled: “Going… Going… Gone: Tax Lien Auctions, Hidden Costs, and Missed Opportunities for the City of Poughkeepsie”. It is available on The Benjamin Center website. Since this is a highly complex issue, I won’t go into detail here except to say that the tax lien auction system currently practiced in the City of Poughkeepsie has been an obstacle to the city’s revitalization for decades. It prioritizes private profits over the public interest, and is an obstacle to the city instituting policies like land-banking that could bring in millions of dollars of state funding to revitalize vacant and abandoned properties and put them back on the tax rolls. 61 Academy is just one example of this system’s failure.

On April 6, 2015 Henry Kryger, the previous owner of the property passed away, presumably leaving no heirs. The taxes went unpaid. Since the lien did not sell at auction in 2015, the city held the lien. In January, the redemption period ended, and the City of Poughkeepsie had the right to the deed to the property. In September there was a proposal to sell the property for $14,000, demolish the building, and create off-street parking, but that deal never came to fruition. Instead, the building sat empty for nearly another year serving only to attract the homeless people in need of shelter who ultimately perished in it.

In an alternative system this might have been avoided. If tax foreclosure was used instead of the current system the property would have been foreclosed, and six weeks later (in mid-February in this instance), the city could have put the property up for auction or transferred it to a land bank to be revitalized. There would have been no ambiguity around whose responsibility it is to secure the property. There would have been no question about a future purchaser clearing title (foreclosure proceedings automatically quiet title, and transfer from the tax lien sale does not). Furthermore, if the City of Poughkeepsie had established a land bank years ago money from the New York state attorney general, acquired through settlements with the banking institutions that caused the sub-prime mortgage crisis and the recession that ensued, could have been used to repair and resell the property.

Instead the city has another scorched reminder that vacant and abandoned properties are not just aesthetically detrimental to the city, they pose a very real threat to public safety. The vacant and abandoned law that is currently on the books was a good first step, but seems to be aimed more
toward properties left vacant because of mortgage foreclosures than it does distressed and abandoned properties. The city is in an unenviable position. It
does not have the funds necessary to demolish the abandoned structures that are beyond repair, and also lacks the funding to incentivize the repair of
the ones that are salvageable.

In the paper I wrote I offered potential solutions. The city could adopt the system of tax foreclosure that is used in every other municipality in Dutchess
County, and most in New York State. It is the system that is prescribed in state law, but Poughkeepsie opted out of it in 1993. The city could form a land
bank. The statutory maximum number of land banks was recently increased, and new funding through a settlement with the Royal Bank of Scotland is
being made available. What is increasingly clear is that the City of Poughkeepsie can no longer afford to keep doing the same things over and over and
expect different results. The time to address this issue is now.

Joshua Simons is senior research associate at The Benjamin Center for Public Policy Initiatives at SUNY New Paltz.

Read more on this issue

Building collapse points to broader city challenge: Editorial (/story/opinion/editorials/2018/06/19/building-collapse-points-broader-city-challenge-
editorial/714102002/)

Poughkeepsie would benefit greatly by starting land bank: Column (/story/opinion/valley-views/2018/09/20/poughkeepsie-would-benefit-greatly-starting-
land-bank-column/1362568002/)

Tax lien process is best for City of Poughkeepsie and its residents: Column (/story/opinion/valley-views/2018/09/26/tax-lien-process-best-city-
poughkeepsie-and-its-residents/1414950002/)

Read or Share this story: https://www.poughkeepsiejournal.com/story/opinion/valley-views/2018/12/12/poughkeepsies-policies-vacant-buildings-arent-
working-column/2266796002/