COMMUNITY LAND TRUSTS AS A STRATEGY FOR TAX DELINQUENCY: PRESERVATION AND DEVELOPMENT OPPORTUNITIES.

1. All property owners in NYC owe taxes and money for water, with a few exceptions.*
   The city sends bills to property owners for water, property taxes, emergency repairs, etc.
   Most property owners pay their bills when they are due in the current system and will continue to do that.

2. Some will not pay when they are due, but will pay when they get late notices and interest starts accruing, just like today.

3. Some will not pay when bills are due, or when interest starts accruing, just like today. For those owners, the City can offer to resolve their debts in exchange for the deed to the land on which any improvements they own are situated. If the owner accepts, the debt will be resolved, and the deed can be transferred to a community land trust (CLT). The owner will keep their improvements and enter into a ground lease with the CLT. The City may also enter into a regulatory agreement with the owner of the improvements and / or the CLT. Both the ground lease and regulatory agreement will be oriented towards keeping improvements on CLT land affordable to present and future residents.

4. Some will not pay when bills are due, or when interest starts accruing, and will not accept the City's offer to resolve the debt by transferring the land to a CLT. For those owners, the City must initiate a foreclosure in court.
   Some owners will pay their bills, with interest, after the foreclosure is started.

5. For those that don’t, the City can make the same offer of accepting the deed to the land as a resolution to the foreclosure.

6. For those that don't pay their bills and don’t accept the City’s offer, foreclosure will result in a judgement, and it will be up to the City to decide what to do with the deed to the entire property.

7. For owner occupied properties (tax class 1), the City can transfer the property to a CLT, which will work out an arrangement through which residents who want to stay in place can stay, and potentially even preserve some equity.
   For rental housing (tax class 2), commercial properties (tax class 4) and vacant lots, the City can transfer the property to a CLT that will partner with a not-for-profit developer to stabilize the housing, create and protect community, commercial and manufacturing and spaces, build new housing on vacant land, and determine the long-term ownership structure in partnership with residents.

* Example exceptions:
  - Charity property owners that own churches, cemeteries, community gardens, theaters, and community centers are exempt from property taxes. Properties with some specific uses are exempt from water bills (e.g. Day Care Centers, Places of Public Worship, Shelters, and a specific list of others).
  - Properties receiving housing property tax abatements for affordable or luxury housing (421-a, temporary).
  - Government-owned and affiliated property such as the City itself (e.g. Parks), NYCHA and EDC is exempt from all municipal charges.
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LATE PAYMENT
CITY MAKES AN OFFER
CITY TAKES OWNER TO COURT
SETTLEMENT OFFER
FORECLOSURE

PRESERVING HOME OWNERSHIP AND CREATING OPPORTUNITIES

BY TAKEROOT JUSTICE AND THE ABOLISH THE TAX LIEN SALE COALITION
DESIGNED BY RAIDA SARWAR