



City of Lowell - Law Department

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May 11, 2018

Mayor William Samaras
and
Members of the City Council

Re: Update Regarding the Recent Tax Title Auction

Dear Mayor Samaras and Members of the City Council:

The following report is an update regarding the recent tax title auction in the City, as well as ongoing collection efforts in other areas.

Since April, 2011 annual tax lien assignment auctions have been organized pursuant to MGL c. 60 §52. At the commencement of the 2018 sale planning process, 338 parcels were in tax title. Following the mailing of two letters and the publication of a notice of auction in the Lowell Sun, the list of auction appropriate liens was reduced to 62 liens after redemption and the internal identification liens not suitable for auction after cross-referencing residents on our list who are receiving elderly, widow, hardship or veteran's exemptions and reviewing the titles, interest owed and the assessed value of each parcel.

On Friday, April 27, 2018, 62 liens were sold as a single bundle for \$159,046.61. To date, \$742,990.01 has been collected in past due taxes in FY2018. Additionally, \$156,299.00 was collected in current year taxes for parcels that were previously in tax title. In total, \$899,289.01 was collected as a direct result of the April 27, 2018 lien auction.

Other methods of collections used in FY2017 included the October 12, 2017 live auction that brought in an additional \$627,000 through the sale of five City owed parcels that were foreclosed upon following proceedings in land court. The five parcels included in the live auction were 51 Payne Street selling for \$340,000; 1012 Westford Street selling for \$95,000; 210 Stedman Street, Unit 3 selling for \$77,500; 41 Ellis Ave., for \$90,000; and 301 Lakeview Ave., for \$25,000.

Post lien assignment auction, the tax title list contains 194 parcels including land to low value, parcels that have been identified for foreclosure proceedings and for a future auction pursuant to MGL c. 60 §2.

Properties identified as land of low value can be foreclosed through an alternative process through DOR. This is generally much faster and far less costly than seeking a foreclosure decree from

Land Court. Once foreclosed, such properties will be assessed by DPD for possible sale in the City's Yard Sale program, and the ability to generate both revenue and taxes, beyond what was originally due from back taxes.

As part of this process, properties have been identified that are located in a revitalization area, or properties that could otherwise be useful for future city projects. Similarly, properties with environmental issues have been identified as yet another key category of property. Currently such properties are being reviewed by our environmental officer. As with other communities, Lowell has traditionally resisted final foreclosure on properties with environmental liability. Under our new plan, it is anticipated that some, if not all, of these properties may qualify for various EPA funding programs and will ultimately be cleaned. In such cases, not only will the City be made whole, but equally important, neighbors and neighborhoods will finally have such properties cleaned.

Law Department staff including Eda Matchak, Attorney Gary Gordon and Tax Title Paralegal Thida Long, continue to work collaboratively with other city departments to reduce the existing balance of past due taxes.

Very truly yours,

Christine P. O'Connor
City Solicitor

cc: Gary D. Gordon, Assistant City Solicitor
Eda Matchak, Director of Elections/Municipal Hearings Officer
Thida Long, Tax Title Paralegal