RECLAIMING LOST HOUSING:
USE OF THE '8 of 58' ABATEMENT PROCESS
by
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Arne Abramson 1982
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ARNE STEVEN ABRAMSON

Submitted to the Department of Urban Studies and Planning on May 24, 1982 in partial fulfillment of the requirements for the Degree of Master of City Planning

ABSTRACT

7 & 9 Brent St., a vacant, abandoned six family home in Codman Square, Dorchester was used to test the City of Boston's commitment to a reformed, expedited process for granting abatements of back taxes under the provisions of Chapter 58, section 8 of the Massachusetts General Laws as a means by which abandoned housing can be redeveloped into productive use. The building carried a back tax total of $26,400, $23,000 of which was requested to be abated. This was the first abatement request to be treated under the City's new guidelines.

The abatement application resulted in the establishment of a new method for determining abatements as based on actual development costs. The test case, 7 & 9 Brent St., received the full requested abatement of $23,000. Such an amount was unprecedented.

The long term reform of the abatement process remains dependant on the continued interest and commitment of the City's Commissioner of Assessing and a change in the attitude of the Assessing Department from viewing abatements as 'cash gifts' to that of treating abatements as a necessary precondition for the rehabilitation and reuse of abandoned property, primarily in low-income neighborhoods.

Thesis Supervisor: Langley C. Keyes
Title: Professor of Urban Studies and Planning
ACKNOWLEDGEMENTS

My ability to enjoy involvement with this project belongs to many. Most of all, I am indebted to my parents and I dedicate this effort to the memory of my father. Any success that I may have, as a professional and as a human being, belongs to the examples set by mom and dad every day of my life. I owe them everything.

On a level more limited to this paper, I thank Pat Cooke. His ability to get things done without the financial support he needs and deserves is truly amazing. At the Land Bank, Dave Knisely, Kathy Hogan, Howard Davis, and Craig Archibald have been as supportive as any friends and co-workers could be. I'll miss them all.

Finally, two special thanks. Without Lang Keyes and his constant direction, I'd probably never have finished either this paper or the Master's program. Steve Kadish is simply one of those special people whose friendship becomes one of the most important things a person can have. Knowing him makes me one of the lucky ones.
INTRODUCTION

With the future of direct federal intervention into the production of new or reconditioned dwelling units in serious question, new avenues must be explored for increasing our usable housing stock. The paper in hand examines one method for accomplishing this task, that of abatements of property tax encumbrances on abandoned buildings. The position argued is that the abatement of back taxes is a necessary precondition for housing redevelopment in situations where renovation costs exclusive of back taxes fall within the expected value of a structure upon completion of renovation, yet the addition of full payment on taxes owed pushes a project beyond the point of economic feasibility. Section 8 of Chapter 58 of the Massachusetts General Laws ('8 of 58') gives the State Commissioner of Revenue the power to authorize such an abatement.

The term 'abandoned' remains rather vague in its use within the literature. For the purposes of this discussion abandoned as used is synonymous with tax encumbered and includes both vacant and occupied structures. The qualifying characteristic is that of significant tax delinquencies. In other words, the term abandoned is as dependant on the broad obligations of ownership as it is

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1 See, for example, The President's Commission on Housing. Interim Report. October, 1981.
on the physical condition of a specific building. In reality, tax delinquency accompanies poor physical condition. Typically, an owner who has stopped paying property taxes has also stopped channeling funds into the maintenance of the structure. Abandonment thus refers to an owner's lack of continued interest in a property.

The inclusion of occupied structures in the discussion becomes important when defining the parameters of a program designed for the reclamation of this 'lost stock' of housing. Experience shows that buildings suffering from disinvestment end up as vacant structures in the absence of extraordinary measures to revive them. Thus, to restrict discussion to vacant buildings serves only to delay the inclusion of many additional living units into the analysis.

Chapter 1 of this paper addresses the magnitude of the problem of abandoned housing by way of a focus on the costs and resources represented by this stock. Chapter 2 then examines the manner in which the City of Boston has previously implemented Section 8 of Chapter 58, the law which makes possible back tax abatements. This examination will be accomplished by analyzing the events surrounding an abatement application for a single family structure in Dorchester. Chapter 3 outlines Boston's new guidelines for an expedited abatement procedure and Chapter 4 details the
attempts of the Massachusetts Government Land Bank, the Massachusetts Attorney General's Office, and Living in Dorchester, Inc. to obtain an abatement under the new, expedited process. Finally, Chapter 5 'steps back' from the role of active participant and evaluates the workings of the abandonment/abatement system and the interventions aimed at that system's reform.

*   *   *   *   *   *   *

My interest, as well as the information necessary to analyze the issue, stems from a personal involvement with tax encumbered properties via work for the Massachusetts Government Land Bank. At the same time that this paper was being drafted, the Land Bank was in the process of instituting a program which would offer long-term, low interest permanent financing (8%, 20 year term) for the rehabilitation and reuse of tax encumbered properties throughout the Commonwealth. In such involvement, I have been acting in the capacity of Project Manager for the pilot project in the above mentioned program. This project is the case study described in Chapter 4.
THE MAGNITUDE OF THE PROBLEM

Boston's bumper crop of abandoned (vacant) buildings, instead of being regarded as a demolition target, must be carefully appraised as a source of needed housing.

Clearly, the issue of what to do with buildings which have been abandoned is not a new one. When the above quotation was written (1970), the City of Boston contained some 1300 residential buildings which had been abandoned and vacated. Of these, the Commonwealth or the Boston Redevelopment Authority controlled 400 buildings, leaving 900 structures for which no responsible party was exercising any management or control function. Importantly, these 900 structures represented 2200 dwelling units at the time.

Such a supply of units is not insignificant. City-wide, this represented roughly 1% of the housing stock.

Yet analysis of this type actually understates the dimensions of the problem. The reality is that abandonment does not distribute itself across city neighborhoods in the

1 The Finance Commission of The City of Boston. A Special Report on Abandoned Buildings and Related Programs. 1970. pg. 6. This study was limited to vacant structures.

2 ibid. pg. 1

3 ibid. pg. 1
same manner that the housing stock tends to. To say, as was done in 1970, that 1% of the housing stock suffers from the problems of abandonment is really to say that the City's poorer neighborhoods bear the brunt of the problem. The fact is that 5% of the South End's housing stock was vacated and abandoned and an even greater percentage of the then Model City Neighborhood's housing supply suffered from such abandonment.

Scaling the discussion back to the city-wide level, the question remains as to the resource represented by this stock of abandoned properties. During January to May of 1970, the Building and Housing Inspection Department of the City of Boston examined 157 vacant, abandoned properties in seven wards of the City. This work was done as part of a task force on delinquent property. What the task force reported was that 23% of the structures examined could definitely be rehabilitated economically and an additional 41% were at least questionable candidates for renovation. In other words, 207 structures were surely salvagable and 369 were potentially reusable. These buildings translate into anywhere from 506 to 1408 dwelling units which could have been reclaimed through renovation.

4 ibid.  pg. 34

5 ibid.  pg. 34

6 ibid.  pg. 34
From another perspective, the rate of housing abandonment was seriously impinging upon efforts to increase the housing stock through new construction. In what by today's standards is an incredible amount of activity, new construction was adding roughly 1600 dwelling units per year to the City's housing stock.

Such was the climate which led to the Finance Committee's analysis of abandoned, vacant properties. The results? Today, the City of Boston is able to publish a list containing some 13,000 tax encumbered structures, 1,000-2,000 of which can safely be classified as vacant and 2,000-4,000 as occupied residential buildings. Of this collection, buildings containing one to six units represent some 10,000 dwelling spaces. The 10,000 figure is consistent with the 1970 task force report which quoted 2.44 units per structure. Unfortunately, no breakdown exists with regard to the number of buildings occupied as opposed to those which have been vacated.

7 ibid. pg. 2
9 Interview with Patrick Cooke, Director, Living in Dorchester, Inc. March 13, 1982.
Discussion of the present physical condition of these structures is much more problematic due to a lack of information: the 1970 task force report is the most recent study of the topic. While it may in fact be true that the same proportion of buildings which were salvageable in 1970 holds true for 1982, that would be a dangerous assumption to make without strong supporting data. A priori, the case could be made in fact that fewer of the buildings salvageable in 1970 could be reclaimed today due simply to the aging and erosion of the supply. In any case, the large number of buildings under discussion combined with the sense of those working with abandoned structures that upwards of 20% of the abandoned buildings are salvageable under present market conditions makes meaningful the discussion of today's stock as a significant resource for increasing the housing supply.

While discussion has until now focused on the potential benefits or resources represented by the stock of abandoned housing units (both vacant and occupied), there are real costs involved with the existence of such a supply. The first cost is the fact that by definition, abandoned structures fail to pay property taxes. Thus, each year the City loses increasingly important tax dollars.

Interview with Patrick Cooke. op cit. Interview with John Donohue, Chief of the Arson Prevention Unit, Massachusetts Attorney General's Department. March 5, 1982
on buildings which continue to demand services such as fire and police protection. Some $37 Million of taxes remain outstanding on one to six family structures alone.

Aside from unrealized revenue, however, there are expenditures associated with abandoned units, mostly with regard to those structures which are vacant. In 1981, 95 fires originated in vacant, abandoned buildings. These fires resulted in property loss totalling some $3,000,000 and a cost incurred by the Boston Fire Department of $374,000 representing the manpower required to respond to the 13 blazes. As has long been known, vacant buildings provide a desirable target for arson. The above figures highlight this fact.

Abandoned buildings thus at once constitute both a potential resource to the city as demonstrated by the possibilities for adding to the usable housing stock, and a drain on the fiscal health of the City in terms of the tax revenues lost combined with the cost of services consumed. While demolition of these buildings will solve the 'cost side' problems, redevelopment represents a real gain in all areas. The crucial factor in the rehabilitation of abandoned structures lies in the control of total redevelopment costs, however. While not much can be done

12 Cwalinski, Len. op cit.

13 Interview with John Donohue. op cit.
to reduce the costs of construction, often the addition of back tax liens pushes a project beyond economic feasibility. Abatement of these taxes, then, becomes a significant tool in successful rehabilitation.
'8 of 58': THE LAW AND ITS RECENT USE BY THE CITY OF BOSTON

'8 of 58' - The Law

Massachusetts General Laws, Chapter 58, section 8 states:

If, at any time after any tax, assessment, rate or other charge has been committed to a collector such tax, assessment, rate or charge, or any interest thereon or costs relative thereto, remains unpaid and the commissioner is of the opinion that such tax, assessment, rate, charge, costs or interest should be abated, he may, in writing, authorize the assessors or the board or officer assessing such tax, assessment, rate or charge, to abate any part or the whole of such tax, assessment, rate, charge, costs or interest, whether or not the same is secured by a tax title held by the town.

This portion of the statute, adopted in 1935, represents the spirit of similar enactments associated with the status of personally held property related to the period immediately following the Great Depression. As might be expected, Depression economic conditions led to widespread tax delinquency. Analysis of the delinquency problem at this time pointed to a dualistic nature of the issue previously unnoticed: some properties remained delinquent for only a short period of time and were redeemed as the Depression conditions eased, while other parcels remained delinquent and continued to accumulate unpaid tax bills. Property of the first type was referred to as 'tax delinquent' while the more pernicious property
of the second type became known as 'tax abandoned'. This latter condition was described as having resulted from a situation in which owners, unable to improve their properties or sell them subject to back taxes, finally decided that the property's value was not even worth its tax cost.

It appears that '8 of 58' was enacted to address just this situation. In the case of 'tax delinquent' properties, '8 of 58' allowed the Commonwealth to facilitate the owner of record's bringing the property back into productive use by reducing the costs of clearing liens on the property's title. With reference to properties which had been 'tax abandoned', the statute provided for a method by which the old owner could transfer title to the property on the assumption that the new owner would obtain an abatement. This allowed the previous owner to get out from under his/her interest in a property while the new owner was given an opportunity to start fresh on the property relatively free of previous encumbrances.

Without the provisions of '8 of 58', the only way in which ownership of such properties could be transferred with liens removed involved the tax foreclosure process. Lengthy and administratively cumbersome, tax foreclosure involves the municipality taking title to the property in

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1 The Treasury Department of The City of Boston. The Tax Title Process in Boston. 1976. pp. 4-6.
question, completing court proceedings to foreclose on the owner's right to redeem the property, and then selling the foreclosed property at either a public auction or through a negotiated sale.

Given an owner willing to sell title to the property, however, '8 of 58' provided for a scenario whereby properties which would have otherwise been labelled 'tax abandoned' could be functionally be classified and treated as 'tax delinquent' as new owners filed for abatements with the intention of rehabilitating the property. This became a particularly important option as the Depression drew to a close and cities across America found themselves title holders to enormous numbers of unwanted properties.

'8 of 58' - Recent Use by the City of Boston

Until recently, the City of Boston has made relatively little use of the powers granted under '8 of 58' in application to small scale residential real estate. A review of the literature released by relevant city departments produces little if no mention of the entire '8 of 58' process.

2 ibid. pg. 6


Since 1980, however, a new interest in the employment of the statute has emerged. That new interest can be traced to three factors. First, by following a policy position of not foreclosing on properties as they became tax delinquent, the City began to compile the rather lengthy list of encumbered structures mentioned in the previous chapter. The size of this list and the blight it represents has become an embarrassment to the City. Furthermore, unless abandoned buildings on this list are reclaimed, its size will only continue to grow, both in terms of numbers of properties involved and the dollar amount of taxes outstanding.

Second, and related to the factor above, the only methods available to reduce the magnitude of the list of encumbered properties are to foreclose and have the City take clear title to the properties involved, to allow the normal workings of private enterprise to reclaim these buildings, or to help the reclamation process along by reducing the entry fee, i.e. the back tax lien.

As a practical matter, shifting properties from the tax delinquent list over to the list of city owned properties does little to alleviate the problems associated with abandoned buildings: their physical reality remains in the same blighted condition. For the normal workings of the housing market to cause abandoned structures to be reclaimed, market conditions would have to be markedly
improved over those which led to abandonment in the first place. Not only would the new owner be acquiring a building costing the full back tax total plus acquisition costs, but years of deferred or non-existent maintenance add to the initial cost of making the building habitable. Thus abatements become the most logical alternative.

Finally, the growing activity and sophistication of community groups in the area of housing production and management has provided additional pressure for the City to deal with the issue of abandoned housing. With vacancies throughout the City at significantly low levels, community groups have focused on abandoned housing as an economical and expedient source of new dwelling units. Such an outlook led in 1980 to the formation of the Corporation For the Conveyance of Abandoned Property, a group composed of five community housing organizations in Dorchester and Jamaica Plain. For two years, the Corporation has been pressuring for the overall reform of the City's approach to '8 of 58' abatements, while at the same time individual member organizations have been submitting abatement applications for review and action by the City. The theory behind this latter activity was that, through regular and persistent exposure to actual abatement requests, the City employees charged with processing abatements would both recognize the need for change and make whatever corrective measures possible within the existing system.
The Corporation For the Conveyance of Abandoned Property came together out of a common complaint that the '8 of 58' process as it was operating in the City of Boston had not kept up with the spirit of the statute. Widespread opinion was that processing abatements was of little importance to the powers that be, resulting in a situation where abatements pending retained a low priority status.

The remainder of this chapter will chronicle the events concerning one specific abatement request, the purpose of which is to highlight the need for structural reform of the abatement determination process.

The Request

36 Moultrie St. is a single family, wood frame building one block north of Codman Square in Dorchester. The most recent owner of the building had died intestate in 1957, leaving behind 8 children to share in the responsibilities of care and upkeep of the structure. Between 1957 and 1972, the building was habited only intermittently with no one living in the building after 1972. Following total vacancy, the building suffered from malicious vandalism which rendered the structure

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Most of the information concerning the abatement request for this project, 36 Moultrie St. was provided by Patrick Cooke, Director of Living in Dorchester, Inc. Pat was responsible for filing the request with the City on behalf of the new owner-occupant of the building.
uninhabitable.

In January 1980, Living in Dorchester, Inc., a non-profit community housing corporation and a prime actor in the Corporation For the Conveyance of Abandoned Property, bought the building with the intention of finding an owner-occupant and 'testing' the '8 of 58' abatement process. By the time a suitable purchaser had been found, 36 Moultrie St. had accumulated over $9,500 in back tax liens.

The abatement process began in June 1980 when a young couple who had been renting in the Codman Square area indicated a desire to work with Living in Dorchester towards the eventual rehab of the property and the attainment of an abatement. The prospective owners were carefully screened with regard to their financial capacity of carrying a mortgage sufficient to complete renovation work plus pay all outstanding taxes. This latter provision was important since, should the abatement request be unsuccessful, any potential lender needed such "coverage" to protect the loan from defaulting. When the buyers were approved in October 1980 by the Suffolk Franklin Savings Bank for a mortgage loan, the requisite pieces were assembled for submission in justification of an abatement request.

On November 7, 1980, Living in Dorchester submitted a detailed request for an '8 of 58' abatement on behalf of
the new owners of the building. Included in the abatement request was a rehab plan which had been prepared by the buyers and Living in Dorchester and approved by Suffolk Franklin Savings Bank. The rehab schedule detailed approximately $40,000 worth of work, including acquisition ($1,000), construction costs, closing fees, and full payment of back taxes. The market value of the home upon completion of renovation was estimated to be only $35,000 based on comparable sales. An abatement of $5,000 was therefore requested in order to bring total project costs in line with the value of the completed structure. Because of the immediate need for housing on the part of the new owners, renovation work commenced when the abatement request was filed.

In accord with the prescribed process, the request was filed with the Corporation Council of the City of Boston. The normal course of events would have the request then reviewed by the Tax Title Division of the City's Law Department. In the Law Department, a municipal lien certificate is drawn and the package is forwarded to the Assessing Department. Once in the Assessing Department, an in-depth review is conducted, including on-site inspection. Based on this review, a recommendation to abate is constructed and the entire package is returned to the Tax Title Division for review. Upon concurrence, the recommendation is forwarded to the State Commissioner
of Revenue in the form of a request from the Assessor for authorization to abate taxes. The State Department of Revenue then reviews the supporting documentation forwarded by the City and returns an authorization to abate an amount found by the State to be justified. Once the approved abatement authorization is received by the City, it goes first to the Law Department for certification. From there, the completed abatement package goes to the Assessing Department for entry into bookkeeping records. The entire process is illustrated in figure 1.

Once the abatement request was initially filed in November, a constant watch was made to ensure that it completed the required rounds. Such oversight took the form of repeated phone calls due to the practical limitations of keeping track of paper once in City Hall. In spite of these efforts, however, in December the entire abatement package was lost while in the Tax Title Division during that department's first review. A new package was submitted and the process began anew.

In February, an unexpected twist occurred as the Tax Title Division initiated foreclosure proceedings on 36 Moultrie St. on the grounds of non-payment of taxes. Complicating this action was the fact that knowledge of this action did not come to the attention of Living in Dorchester until March, for the reason that the notice to foreclose was sent to the previous owner of the building who in turn
FIGURE 1: ABATEMENT APPLICATION PROCESS- 1980

1. Applicant
2. Corporation Council
3. Tax Title Division-Law Dept.
5. Tax Title Division-Law Dept.
6. Assessor
7. State Dept. of Revenue
8. Tax Title Division-Law Dept.
9. Assessing Dept.-Bookkeeping
contacted the new owners. In April, a response to the notice was filed in Land Court by the owners of 36 Moultrie St., contesting the action on the grounds that rehabilitation was well under way (the owners, in fact, having moved into the building on January 31, 1981) and an abatement request was currently pending. The response of the Court was a ruling which stayed foreclosure proceedings until resolution of the abatement request had been reached.

Following the April court action, Living in Dorchester was unable to maintain contact with the abatement process, as phone calls inquiring as to the status of the application went unreturned. In the middle of May, Living in Dorchester contacted the Mayor's Office of Housing, who in turn took an active interest in the progress of the abatement application. The Mayor's Office of Housing was able to locate the application while in the Tax Title Division for second review.

Soon after that, word was received that the abatement request had been forwarded by the City to the State Commissioner of Revenue. Checking on the application's status, Living in Dorchester contacted the State Department of Revenue only to find out that the application had been forwarded without any supporting information: the only thing that the State received was a letter requesting an abatement. While the person contacted confessed to
having difficulty authorizing an abatement without supporting information, when Living in Dorchester offered to deliver a complete copy of the abatement application it was explained that the Department of Revenue was only allowed to accept information from the City requesting the abatement. A copy was delivered anyway.

Even more disturbing, however, was the fact that Living in Dorchester was informed that the city had requested authorization to abate only $3,000 in back taxes. The original abatement application had requested $5,000 and no explanation or justification accompanied the new, lower amount.

Seven weeks after the contact with the State, the owners of 36 Moultrie St. received a letter from the head of the Tax Title Division of the Law Department stating that the City had received an authorization to abate taxes in the amount of $3,000. Again, no explanation was offered as to why the full request of $5,000 was not processed. The letter went on to say that unless the balance of $6,500, plus and additional $500 in interest which had accrued during the nine months the abatement was pending, was paid in full within seven days the structure would be delinquent on its taxes once again and legal action would be initiated.

Thus, an abatement request which began in November 1980 reached a resolution nine months later in July 1981.
In spite of the fact that the owners immediately paid off the outstanding tax bill, they still, however, do not have an official certificate of redemption. For the abatement to become certified, the bookkeeping records in the Assessing Department must be updated. That this did not occur along with the authorization to abate, or even along with payment of the outstanding balance is documented by the fact that in early September 1981, the owners of 36 Moultrie St. received a tax demand notice for the abated portion of taxes ($3,000). Now, seventeen months after the initial abatement application and eight months following notice of the approved abatement, the owners still do not have a certificate of redemption in their possession.

A chronological summary of the abatement for 36 Moultrie St. is shown in figure 2. The chain of events described is exactly the type of situation which officially became the subject of reform as the City released new, expedited guidelines for the processing of abatement applications in May 1982.
FIGURE 2: ABATEMENT CHRONOLOGY, 36 MOURLIE ST.

<table>
<thead>
<tr>
<th>Date</th>
<th>Event</th>
</tr>
</thead>
<tbody>
<tr>
<td>November 1980</td>
<td>Application to abate in the amount of $5,000 filed with Corporation Council.</td>
</tr>
<tr>
<td>December 1980</td>
<td>Application lost in Tax Title Division.</td>
</tr>
<tr>
<td></td>
<td>New application submitted.</td>
</tr>
<tr>
<td>February 1981</td>
<td>Petition to foreclose filed by Tax Title Division.</td>
</tr>
<tr>
<td>April 1981</td>
<td>Land Court rules foreclosure invalid pending abatement resolution</td>
</tr>
<tr>
<td>May 1981</td>
<td>Mayor's Office of Housing intercedes on behalf of applicants.</td>
</tr>
<tr>
<td></td>
<td>City forwards to State request for $3,000 authorization, failing to include documentation.</td>
</tr>
<tr>
<td>July 1981</td>
<td>City notifies owner of $3,000 abatement. Demands $7,000 tax payment.</td>
</tr>
<tr>
<td></td>
<td>$7,000 paid.</td>
</tr>
<tr>
<td>September 1981</td>
<td>Owner receives tax demand notice for $3,000, representing abated portion of taxes.</td>
</tr>
<tr>
<td>April 1982</td>
<td>Certificate of redemption still outstanding.</td>
</tr>
</tbody>
</table>
'8 of 58': MODIFIED GUIDELINES

The notion of modifying and expediting the process by which the City handles '8 of 58' abatement requests has apparently been an active one within City Hall for the past few years. Until recently, however, nothing concrete had surfaced.

The latter part of 1981 saw the release of a first draft of a copy for modified '8 of 58' guidelines. While the title page carried only the name of the City of Boston, it was authored by the staff of the Neighborhood Development Agency based on their analysis of the '8 of 58' process. Under the proposed guidelines, the Agency would serve as coordinator for all '8 of 58' requests, with the responsibility for making abatement recommendations to the Commissioner of Assessing resting squarely with the Neighborhood Development Agency.

With the prospect of a large degree of abatement activity occurring outside of the Assessing Department, that office released a separate set of draft guidelines concerning '8 of 58' abatements on February 1, 1982. While the document also carried the name of the City on the title page, it clearly stated that the paper in hand was a product of the Assessing Department and carried the authority of the Commissioner of Assessing. The Commissioner, it should be recalled, carries the statutory responsibility for recommending to the State Commissioner of
Revenue all requests for abatements under the provisions of '8 of 58'.

After a period of public review, the Assessing Department's guidelines became official City policy on March 15, 1982 (see Appendix B). Specifically, the guidelines detail the following course of events and claim to be restricted to owner-occupied residential structures containing one to six dwelling units.

In order to submit an application requesting an abatement of back taxes, the applicant must meet three criteria. First, the applicant must own or have an option to purchase the subject property. Second, the applicant must either be the future owner-occupant of the property in question or a non-profit community organization which will rehabilitate the structure for a specified owner-occupant. Third, the prospective owner-occupant cannot be tax delinquent on any other property within the City.

Having met the above criteria, the property owner is required to fill out an application form (see Appendix C) and submit it to the G.L. c. 58, s.8 Coordinator in the Assessing Department. If the application is properly filled out, a promise is made that the review process within the City will take no more than sixty days.

Upon receipt of the application, the Commissioner of Assessing is directed to forward a copy of the form to the Assistant Assessor for the ward in which the property is
located. After visiting the property and reviewing the application, the Assistant Assessor reports in writing to the appropriate District Director. This stage of the process is stated to take no greater than fifteen working days.

The District Director then reviews the application, supporting data, and the Assistant Assessor's report. The District Director then is charged with the responsibility for forwarding all materials to the Tax Title Division of the Law Department. There is no stated time duration by which the District Director has to complete this task.

The Tax Title Division carries the responsibility of conducting an independent review of the facts and subsequently submitting a separate recommendation on the abatement to the Commissioner of Assessing. This report is required to be in the hands of the Commissioner within fifteen working days of receipt of the Assistant Assessor's recommendation and supporting materials.

Once the Commissioner has received the package containing the reports of the Assistant Assessor and the Tax Title Division, he forwards all materials to a standing committee composed of five individuals selected by the Commissioner of Assessing. Members of this committee are required to have experience in real estate development and/or community economic development and the committee is charged to meet periodically in order to review applications.
The committee then reports its findings directly to the Commissioner of Assessing.

With all the requisite reports in hand, the Commissioner is given ten working days in which to make a decision on the abatement request. Should the request be approved, the application and supporting documentation is forwarded to the State Commissioner of Revenue. Also at this time the applicant is informed in writing of the amount to be requested by the Commissioner from the State.

Once the Commissioner of Assessing has received a verdict from the State, the applicant is informed of the final amount authorized to be abated. Actual processing of the abatement, however, is not to be forwarded to the City Collector/Treasurer until a certificate of occupancy is issued for all units concerned and the applicant has signed a recapture agreement with the City. Execution of this agreement allows the City to place a lien on the property in the event of sale, the amount being 100% of the abatement in Year 1 and is decreased 20% each year thereafter. The purpose of this recapture agreement is to discourage speculation in the purchasing and rehab of abandoned property.

Figure 1 illustrates the expedited abatement process as outlined, including specified time constraints.

Comment regarding the sixty day review process is warranted. The sixty day figure holds true only if those
FIGURE 1: EXPEDITED ABATEMENT PROCESS - 1982

Application

Commissioner of Assessing

Assistant Assessor (ward) 15 working days

District Director

Tax Title-Law Dept. (15 working days

Commissioner

Committee of five

Commissioner (10 working days

State Commissioner of Revenue

Commissioner

Applicant

Rehabilitation

Commissioner

Collector/Treasurer
actors operating without a time constraint—The Commissioner of Assessing during first receipt of the application, the District Director in forwarding materials to the Tax Title Division, the meeting of the Committee of Five, and the Committee in reporting to the Commissioner—complete their tasks within one day. As outlined, the process is scheduled to take 40 working days, or 8 calendar weeks, to complete. Any extra time taken by any of the above actors results in a one-to-one increase in the time to complete the process and a resulting overrun in the sixty day promise. The meeting of the standing Committee seems particularly vulnerable to such delays.

Concerning the size of abatements which will be recommended, the guidelines specify a formula to be used. As stated, the amount of the abatement will be such that total project costs plus back tax payments will equal the expected value of the structure upon completion. \(^1\) Layered over this calculation of abatements is a reduction for exceeding the standard acquisition price \(^2\) (in an interest to discourage profiteering by delinquent taxpayers upon

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1 Resolution of conflicts concerning value upon completion remains an open issue. While the guidelines suggest verification in the form of an appraisal, the added costs make this an unattractive alternative.

2 For a single family structure, the standard acquisition price equals $1,000. Each additional unit raises this figure by $750 with a limit of six units per building.
sale) and a maximum amount to be abated of 50% of outstanding taxes except in situations where 'special circumstances' prevail. Two examples of such special circumstances are cited: cases in which the prospective homeowner has a family income below 80% of the median metropolitan figure and a larger abatement is necessary in order to keep monthly housing cost manageable; and situations whereby project development costs exceed market value upon completion and an additional abatement is required for successful rehabilitation.

The issuance of the guidelines resulted in much anticipation with regard to future abatement activity. As written, the guidelines provided the city with a workable, predictable, and expedient process. While the limitation of the procedures to owner-occupants of one to six family structures was attacked as failing to reach a 'constituency' broad enough to make a dent on the abandoned housing problem, the same procedures were recognized as easily adaptable to a larger, more diverse group of owners and structures. The critical issue outstanding was thus related to the actual operation of the process; would it work as well as planned? Only a test case could provide such an answer.
INTERVENTION IN THE PROCESS

In thinking about the '8 of 58' abatement process, two factors point to the difficulty in reforming the system. First, the law itself is extremely vague. Other than the fact that the tax must be unpaid, there is no statutory language to direct either the local Assessor or the Commissioner of Revenue in making a decision about which cases should be approved and in what amount. The second factor is related to the 'demand side' of abatements and is much less obvious in its inhibition of reform. Outside of those municipal employees charged with processing abatement requests, very few individuals or groups have regular contact with the process. As a result, the ongoing operation of the system is difficult to monitor from the outside. To do so would require one of three things: a detailed public record of activity on abatement applications; the formation of a private organization(s) to submit abatement applications on behalf of individuals; or a hybrid of the above, that is, a watchdog group which independently collects testimony of individual abatement experiences.

Such was the thought as three groups--The Massachusetts Government Land Bank, the Massachusetts Attorney General's Office, and Living in Dorchester--entered into a program aimed at testing Boston's readiness to enter an expedited abatement process. Under
examination was not only the process with regard to its predictability and efficacy, but also the potential ability for a person or group without 'connections' to obtain a fair abatement. Thus, while each member of the triad had their own separate agenda to pursue, each shared an interest in the ongoing reform of '8 of 58' abatements within the City of Boston.

The Massachusetts Government Land Bank

The Land Bank is an independent state agency charged with the redevelopment of surplus federal and state properties and blighted, decadent, or substandard property throughout the Commonwealth. This is accomplished through the mechanism of buying, selling, and improving property and taking a mortgage note back upon sale. Originally authorized to float up to $40 Million in General Obligation bonds to accomplish its directive, the Land Bank had issued $20 Million worth of bonds when Internal Revenue Service limitations on the use of General Obligation bonds reclassified future Land Bank activity. Under the new restrictions, all Land Bank bonds issued after September 1981 would, with few restrictions, be classified as General Obligation Industrial Development Bonds (I.D.B.). While still tax exempt, certain uses were excluded from bond proceeds in order to retain this favorable status. Housing was one of the excluded uses.

The shift in bond classification from General Obligation
to General Obligation I.D.B put a premium on the use of the first $20 Million issued. While most of this reserve had already been allocated or committed for future use, approximately $3 Million remained unencumbered. At a time in which the prime interest rate was straddling 20%, these funds carried an historic cost in the 7%-8% range. Most importantly, since much of this money had already been used and returned to the Land Bank in the form of mortgage payments, it had been 'laundered' in the sense that no use restrictions accompanied the funds.

Not much more than an historical quirk, then, left the Land Bank with an extremely valuable pool of funds, a supply which would continue to grow as older projects continued to pay off their obligations to the Agency. With future involvement in housing activity via new bond issues restricted, attention quickly focused on housing as a legitimate use for the unrestricted funds. It was, coincidentally, at this point that the Attorney General's Office contacted the Land Bank staff to inquire about an interest in a program they had just initiated.

The Massachusetts Attorney General's Office

Working under a federal grant, the Massachusetts

1 The only restrictions are those contained in the Land Bank's enabling legislation, which is extremely vague mentioning nothing more specific than job creation and the preservation of low and moderate income housing.
Attorney General's Office had created a special Arson Prevention Unit to examine arson's causes, effects, and positive measures of prevention. In the course of studying ways to identify arson prone buildings, significant tax delinquency was observed over and over in the analysis of buildings which had been torched. In addition, it became evident to the investigators that the deteriorated condition of most of the abandoned buildings examined (prior to fires) combined with the high cost of mortgage money made the success of even a few redevelopment demonstration projects unlikely.

With this information in hand, the unit began to study various methods for eliminating encumbrances on abandoned properties as a way to reduce redevelopment costs. Naturally, various legal methods were first examined, including a novel suit under the Consumer Protection Act which transferred clear title of several properties from the delinquent landlord to the Suffolk County Sheriff. The Sheriff, in turn, was authorized by the court to sell the buildings at auction on the basis of proposed redevelopment plans. This action not only eliminated the tax liens (approximately $100,000 on five buildings), but made the cost of purchasing the buildings highly negotiable.

In terms of long run impact, however, the success of such ad hoc litigation is limited by the number of court cases successfully tried. Furthermore, future suits are
more or less dependant on public sector or Legal Aid attorneys, the complexity of the litigation being high and the pecuniary rewards limited. A search was thus made for a process of unenumbering abandoned buildings which any citizen or local group could undertake without a requirement for extensive legal or technical assistance. It was around this time that the Arson Prevention Unit became acquainted with Living in Dorchester.

Living in Dorchester, Inc.

Living in Dorchester, Inc. is a non-profit, community housing organization located in the Codman Square area of Dorchester. Since late 1979, Living in Dorchester has been intimately involved in the recycling of abandoned property, particularly by means of '8 or 58' abatements. Chapter 2 contained an elaborate description of one of Living in Dorchester's requests.

The cornerstone of Living in Dorchester's organizational behavior is that the '8 of 58' process is functionally useless without four essential characteristics. First, the entire abatement process from application to issuance of a certificate of redemption must be completed in a timely manner. In most cases, neither the homeowner nor the mortgage lender will be willing to enter into a project whose absolute feasibility depends on a successful abatement request. Thus to require a renovation project to sit in waiting for between six and eighteen months while the
request is pending places an unrealistic burden on the rehabilitation program.

Second, the results of abatement requests must be predictable at the outset. This predictability must include both the time a request takes to be implemented and the amount likely to be abated. With regard to the matter of time, various sub-contractors must be scheduled for work on the structure. They therefore must have a reasonable estimate of when their services will be required. Predictability of the amount of the abatement is most crucial in areas where the rehab costs plus full tax payments exceed the expected market value upon completion. In such cases, abatements under a certain amount may force both the applicant and the mortgage lender to abandon rehab plans due to insufficient 'coverage' on the investment. This would be most true in low market value neighborhoods.

Third, the abatement formula should take into account the condition of the property, market conditions in the neighborhood, and the expected value at completion of improvements. While actually a more detailed statement of predictability, this is crucial in the initial planning of whether to fully explore rehab plans for a specific building. Both past abatement policies and the newly revised guidelines for '8 or 58' abatements have capped requests at 50% of outstanding taxes in the absence of 'special
circumstances'. The list of special circumstances should be made explicit, should include the market factors listed, and should be incorporated into a clear formula by which abatements are determined.

Fourth, the operational abatement policy and process should be simple enough that 'non housing professionals' and first time home buyers can take advantage of the provisions. A cumbersome and esoteric process not only effectively limits the number of abatement requests to those filed by an emerged class of abatement experts, but development costs increase by the price of employing these people. Ultimately, the success of any abatement program in terms of having a positive impact on a particular neighborhood's housing stock depends on the average citizen's ability to take advantage of its benefits.

Testing '8 of 58'-- 7 & 9 Brent St.

In January 1982, the Land Bank, the Attorney General's Office, and Living in Dorchester began working together in an attempt to test the City's commitment to reform the '8 of 58' abatement process by piloting through the City an abatement application. The common hope was to leave behind a history of an abatement based on the four characteristics outlined above. The belief of the participants was that the time was ripe for such an action, as reflected by the then ongoing process on the part of Boston in implementing the expedited '8 of 58' procedures.
At the core of the group’s actions was the notion that by guiding the first abatement application through the process, future submissions would benefit from the precedents set.

With the large scale program goals clearly understood, the attempt to obtain an abatement on 7 & 9 Brent St. was begun.

A six family structure, 7 & 9 Brent St. had been fully vacant since October 1981 and carried a history of only partial occupancy for several years prior to that. The only problem structure on an otherwise stable block, the building was the constant subject of complaints from neighboring residents. The payment of property taxes having been stopped in 1976 (along with a similar halt in maintenance), the property had accumulated over $26,400 in back tax encumbrances through and including FY 1982. Finally, in November 1981 Living in Dorchester purchased 7 & 9 Brent St. for $500 subject to all outstanding liens, with the intention of abating the taxes and rehabilitating the structure.

At its February 1982 meeting, the Land Bank Board of

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The circumstances surrounding the sale merit mention. Having been cited with code violations and plagued with problem tenants, the owner decided to raze the building rather than cope with the problems. Pat Cooke of Living in Dorchester awoke one morning to the sound of a wrecking crane setting up to demolish the building. Pat immediately got in touch with the owner of 7 & 9 Brent St. and agreed to purchase title to the building for the cost of hiring the crane operator. Thus the building was saved, the crane operator was paid, the owner relieved, and Pat stuck.
Directors granted preliminary approval for a 20 year, 8% mortgage to be used for the renovation of 7 & 9 Brent St. The amount of the mortgage was $72,000, based on projected rehab costs and a 15% payment on all outstanding taxes. A list of conditions were attached to this preliminary approval, however, final authorization to proceed dependant on satisfactory response to the list.

Most of the conditions included were standard items regularly required by the Land Bank of project proponents such as obtaining a commitment for construction financing. Listed among those for Brent St. was one unusual but extremely important qualifier: the City of Boston had to abate at least 85% of all back taxes before the Land Bank would issue final approval to proceed.

This condition made its way into the Land Bank's preliminary commitment letter for economic, philosophical, and strategic reasons. First, redevelopment plans called for the building to be renovated into four one-bedroom apartments and two two-bedroom units. Because of a desire to maintain rents at a level affordable to moderate income renters ($225/month unheated for the one-bedroom, $250/month unheated for the two-bedrooms) combined with the generally depressed market conditions of rental units in the neighborhood, the annual income of the property after expenses (net operating income) could only support a limited mortgage debt. Given that the building
required considerable repair and/or replacement of its systems (heating, insulation, electrical, and plumbing) plus extensive cosmetic repair, there simply was not room in the development budget to pay off more than 15% of the outstanding leins. This first reason was therefore the result of economic necessity.

The second reason for inclusion of the abatement provision stemmed from a philosophical approach adopted by the Land Bank. The City of Boston had been previously examining abatements from the perspective of revenue lost. Under such an outlook, an abatement of 85% on Brent St. was seen as a loss by the City of $23,000 in taxes owed. The Land Bank, on the other hand, approached this issue from the exact opposite direction. They looked at the back tax total as an amount which was unlikely to ever be recovered and in addition one which would continue to grow as the City lost future tax payments. Therefore, any partial payment on the total was a real gain for the City in two aspects; payment on the amount of back taxes owed; and the receipt of future revenues as represented by tax payments derived from an operating structure made possible by the tax abatement.

Finally, conditional approval based on obtainment of an abatement of back taxes was part of an overall strategy geared toward forcing the City to 'play its hand' with regard to a future policy stance concerning abatement
requests. As previously stated, the Land Bank, the Attorney General's Office, and Living in Dorchester all shared the objective of setting a precedent in abatement procedures which could be followed by future abatement applicants. To do that, it was felt that the City must be required not only to act quickly (as prescribed in the new guidelines), but it must be encouraged to look at abatements as a precondition for the rehabilitation of many abandoned properties. Furthermore, the size of the abatement must be in an amount such that rehabilitation makes economic sense. Usually 50% simply won't suffice. The conditional approval, then, presented to the City a 'take it or leave it' proposition: partial payment on back taxes plus future assessment payments today, or a greater back tax payment tomorrow assuming a new buyer could successfully operate the structure while carrying the burden of the greater payment. Reasoned pressure thus became a crucial characteristic of the intervention strategy.

The preliminary approval granted on February 3, 1982 carried with it a 90 day period with which to resolve all outstanding issues (standard Land Bank policy). Thus began the concentrated effort to obtain an '8 of 58' abatement on 7 & 9 Brent St.

The initial step involved arranging a meeting between the Commissioner of Assessing and a lawyer from the Assessing Department, the Executive Director and Director of Projects
of the Land Bank, and the Chief of the Arson Prevention Unit of the Attorney General's Office. At this meeting, it was explained that the Land Bank was in the process of establishing a separate program to address the issue of tax delinquent residential property, that included in the program would be long-term, low interest mortgage money, and that covenants would be written into each Land Bank mortgage protecting the program from real estate speculators and safeguarding the rights of moderate-income tenants. The Attorney General's Office explained that it was working in concert with the Land Bank and was taking care of legal problems as they arose, particularly with regard to deeds and titles. The Commissioner in turn explained that while the expedited procedures were intended to be restricted to use by owner-occupants, the involvement of the Land Bank appeared to contain adequate safeguards against speculation so that straight rental properties such as Brent St. would be given the same advantageous treatment as long as the Land Bank was involved.

Following the meeting with the Commissioner, the second aspect of the intervention strategy was employed, that of positive public scrutiny. In order to pave the way for future activity on abatement requests, knowledge about the program had to be circulated along with the results of the initial request. With this the case, both the Land Bank and Living in Dorchester contacted the
editorial board of The Boston Globe. The result of this contact was a March 2, 1982 editorial extolling the combined efforts of the Land Bank, the Attorney General's Office, Living in Dorchester, and the Assessor's Office (see Appendix D). This exposure was furthered a few weeks later when the City's other major paper, The Boston Herald American, picked up the story keying in on the tremendous opportunity offered by the adoption of the new '8 of 58' abatement process. Things appeared to be moving smoothly.

On February 18, 1982, Living in Dorchester submitted its first application for an abatement of taxes on 7 & 9 Brent St. Written in letter form, the application included all of the information required as listed in the draft guidelines of February 1, 1982.

On March 15, 1982, however, official guidelines for '8 of 58' abatements, as well as an official form on which to file, were released. As such, Living in Dorchester was required to again file for an abatement, this time on the official form. As a matter of interpretation, the Assessing Department determined that official action hadn't begun on 7 & 9 Brent St. until March 18, 1982 when the official form was submitted. The guaranteed sixty day process was thus considered to have begun not in February but in March.

In retrospect, this first sign of the City's beginning to hedge was foretold by the difficulty the Commissioner
had in activating someone in the position of '8 of 58' Coordinator. Initially, action on the abatement request was delayed due to a claim by the Assessor's office that there was no staff person available to begin review. At the time, it was decided that to press on this issue would be detrimental to the cause-- not only would it risk upsetting the Commissioner's cooperation but for the long-term interests of the program, it would be best to 'break-in' the new Coordinator on the pilot case.

With the Coordinator's position finally filled in the beginning of March, it was anticipated that processing the request would get back on track. Instead, as has already been mentioned, Living in Dorchester was required to file again, this time on the new application form. Cooperation continued to break down from here. At the first meeting between the Land Bank and the new Coordinator, the Coordinator began with an attack on the integrity and honesty of Living in Dorchester's Director. This was followed by a statement that it was his opinion that the project's development costs had been presented in such a way as to inflate the total budget by over 50%. This statement was made despite the fact that both the Land Bank and the construction lender, Mutual Bank for Savings, had reviewed and approved the budget, that an independent engineer had estimated the renovation to cost 40% more than presented in the abatement application, and that
submitted with the application were written bids from sub-contractors totalling \( \frac{91}{3} \) of the Coordinator's estimate in 'hard costs' alone.

With progress at a standstill, the Land Bank requested in April a new meeting in order to clarify the understanding of cooperation. While the Commissioner didn't attend this meeting, his assistant and the Coordinator were present. At this session, the basic sentiment expressed was that of frustration. At hand was a building renovation with all of the requisite pieces to proceed except one, an abatement. A community group with relevant experience had obtained site control, various sub-contractors had submitted bids for work to be done, a construction lender was ready to release funds, and a permanent lender was all set to commit-- the whole deal hinged on an abatement in an amount which would allow the project to proceed within the constraints of the size of the lending commitments.

In spite of all of this information, the Coordinator continued to compute his abatement recommendaiton based on total development costs of $47,000 (as opposed to $73,500 as advocated by the applicant). Such a computation

\[ \text{The Coordinator believed that, based on the scope of work, total costs ('hard' and 'soft') should only amount to $47,000. 'Soft costs' include items such as construction period interest, taxes, legal fees, etc. The Land Bank had estimated 'soft costs' to total $19,000 alone.} \]
resulted in a difference between the abatement requested and that recommended of $15,500.

While this difference in outlook was certainly disturbing, equally troublesome was the fact that the Coordinator submitted his recommendation fully expecting the Commissioner to overrule his recommendation and request an abatement authorization from the Commonwealth in the full amount of 85%. In the vernacular, the Coordinator was covering his ass. To recommend the full abatement requested would be to violate the 50% cap on his first case. Even though the new guidelines contained provisions for exceeding 50% on abatements, convention was strongly running to the contrary. Given, however, the Commissioner's personal familiarity with the specifics of 7 & 9 Brent St., the Coordinator felt that he was 'safe' in recommending the limited abatement while still allowing for the possibility of direct action by the Commissioner. Furthermore, by slashing the development costs during administrative review, the Coordinator was showing that he is a 'get tough' guy who is not going to allow inflated rehab costs reduce the size of the back tax payments the City can expect to receive.

The Land Bank, the Attorney General's Office, and Living in Dorchester chose not to accept on faith that the Coordinator was just playing tough on this one case only. If the future of '8 of 58' abatements is to be a successful
one, the belief was that the Coordinator must be in a position which allows him or her to act affirmatively and in an independent manner. This first sign of playing things safe, then, was not an act which inspired confidence. On the other hand, to attempt to totally discredit the Coordinator would risk setting the process back another several months and ruining any feelings of goodwill on the part of the Assessor's Office toward the Land Bank, Attorney General's Office, and Living in Dorchester.

A compromise offer was therefore presented by the Land Bank. Since the immediate focus of conflict was the development budget, and given the fact that neither estimate of the actual costs would be proven right until the project was completed, it was suggested that the Commissioner request from the Commonwealth the authority to abate the full 85% amount. The actual abatement dollar amount, however, wouldn't be determined until renovation had been completed. Should total costs equal or exceed $73,500, the Commissioner would authorize the Collector/Treasurer to enter a full abatement on the books. If, on the other hand, total costs fell short of the projected budget, each dollar 'saved' would be tendered to the City as an additional payment on taxes owed. Structured in this way, all involved could proceed knowing with fair certainty that, given any particular set of conditions
occuring, the abatement is of an easily determined amount. In a rare act of concurrence, the City, the construction lender, and the permanent lender all found this scenario to be reasonable enough to allow the project to proceed. The plan gave the City comfort that it wasn't going to find a developer pocketing tax payments, and gave the lenders confidence that variability of the back tax payment wasn't going to cause the project to run over-budget.

During the course of the meeting, it was promised that the Commissioner would make an official determination of his abatement authorization request to the Commonwealth by the end of April. While the actual determination was delayed due to a mix-up concerning the meeting time of the Committee of Five, the Assessor's Office did deliver the Commissioner's ruling during the second week of May. As promised, the Commissioner requested from the State the authority to abate over 85% of the back tax total.

As outlined in chapter 2, the State Department of Revenue had previously been an impediment in the processing of '8 of 58' abatement requests, taking up to two months to reply to the City. As a way of helping this part of the process along, the Executive Director of the Land Bank and the State Commissioner of Revenue met to discuss the Land Bank's new program involving tax delinquent properties and 7 & 9 Brent St, in particular. It was
during this meeting that the Commissioner explained that the delay in processing was largely the result of an incomplete information package being forwarded by the City and that, given adequate supporting documentation, the State could relay authorization back to the City within a matter of several weeks. This promise remains untested since at the time of writing the request has yet to leave the City. It is unlikely, however, that the State will become a serious impediment for 7 & 9 Brent St. given the number of State powers involved in the request (the Land Bank and the Attorney General).

In sum, a two faceted strategy was employed in an attempt to get responsible action from the City on abatements. First, pressure was applied by the Land Bank for an abatement such that the project was economically feasible, disregarding the convention of not abating more than 50% of taxes outstanding. Second, the media was made aware of the City's new abatement program, thus building widespread anticipation for the City to get the program working as promised by the guidelines. On top of these discrete actions, a constant discussion was maintained between the City and Land Bank, the Attorney General's Office, and Living in Dorchester so that any snag in the process was identified before it was able to upset the entire process. For 7 & 9 Brent St., this strategy was successful.
MEDITATIONS

Obtaining the desired abatement on Brent St. was, however, but one objective behind the actions of the Land Bank, the Attorney General's Office, and Living in Dorchester. Not to trivialize the importance of six new moderate-income living units, but the actual abatement was only a minor (but necessary) task in a much larger scheme. The real question remains. Did Brent St. actually represent the beginning of a real reform in the '8 of 58' abatement process or was it an aberration due to the involvement of some 'big guns' and the media?

The answer to this question obviously remains locked in future abatement activity. Yet the contacts and experiences behind the involvement with Brent St. give a fair indication of things to come. The remainder of this section will muse about that future.

The first point of note regarding the actions described in this paper is that to a large degree, the success of the Brent St. abatement application resulted from the luck of being at the right place in the right time. Not only was the Commissioner of Assessing at the time, Ray Torto, both personally and professionally sympathetic to the issue of abatements vis a vis abandoned property, but the considerable organizing activity that community groups had conducted for the past two years created an environment which was ready for a Brent St. type project. In the
parlance, back tax abatements for abandoned buildings had already become an idea in good currency when the efforts on Brent St. began.

Beyond that, Brent St. was an innovation in the sense that it represented the first effort in testing the new system for determining abatements. As such, it encountered situations which are indicative of the manner in which the future of abatement activity is likely to follow. Several factors lend cause for concern.

First, throughout the process the City maintained a basic stance which was inhibitory in its effect on redeveloping abandoned property. Essentially, there are two approaches one can take in determining abatements for the redevelopment of tax encumbered structures. The first involves analysis of the rehab work required, the debt-carrying capacity of the building (or of the owner in the case of a single family structure), and then 'backing in' to an amount of back taxes to be abated. The second outlook starts at the back tax bill and then proceeds to evaluate the amount of rehab the project can support given the tax bill. This latter outlook is the one that the Assessor's Office operated under.

Such an approach carries with it two dangers. First it runs the risk of pushing a project into a position where the building is over capitalized, that is, carrying too much debt for the owner or the market conditions to
support. The result is either deferred maintenance or a new history of tax delinquency. The second risk is that the new owner, because of financial limitations, will skimp on rehab work, either in terms of quality or scope. In either case, more renovation or repair will be required in the near future. Again, the choice for the owner is to either assume greater debt or forego such items as maintenance or tax bills.

Needless to say, a successful abatement program doesn't pressure buildings back into future delinquency. Oddly enough, this is the direction that the City is headed in, as demonstrated by the Coordinator's low estimation of rehabilitation costs for 7 & 9 Brent St., coupled with a high back tax payment. In spite of repeated illustration of the ramifications of this approach, the Assessor's Office maintained the 'maximum recapture' approach. Until this outlook is modified, the newly expedited process will have a limited impact on redevelopment activity. The hope is that the experiences involved around Brent St., combined with a continued exposure to rehab projects, will alter this perspective.

A second concern regarding the new abatement policy is its self-imposed restriction to one to six family owner-occupied structures. The problem behind this is that a six unit building is a considerable management responsibility, one beyond the capability of most 'amateur
landlords'. To open the process to non-resident owners of structures containing four or more units would greatly facilitate the rehabilitation of such buildings. The fear of speculation implied by the restriction can be reduced by existing mechanisms such as the recapture agreement now included in the abatement program, as well as careful screening concerning the applicant's real estate history and management competence.

A third concern is the result of an unexpected event that occurred at the end of the process, the resignation of the Commissioner of Assessing, Ray Torto. Given that the Commissioner has total control over the abatement recommendations forwarded to the State, the position is a critical one to the proper functioning of the abatement process. While it is admittedly undesirable to have the proper functioning of a program dependant on one person, the concern is that the program didn't have the time to develop a history of performance for the successor to follow. While initial discussions with the heir apparent have found him interested in the continued operation of the '8 of 58' process, it is unclear how strong an initiative he will bring to the task.

Regarding the abatement process itself, one fear that remains concerns the behavior of the head of the Tax Title Division of the City's Law Department. As noted in Chapter 2, and as told by the applicant of that particular request, the person in this position was particularly obstructionist.
in previous abatement applications. He repeatedly lost files and delayed the flow of information. Curiously enough, this particular individual was silent during the entire Brent St. process. The unofficial word is that the Tax Title Division remained obscure during the activity on Brent St. because of the number and power of the 'onlookers'. For the new abatement process to be a success, this department will have to either continue to remain quiet or adopt a more constructive approach to abatements.

Finally, the strategy employed by the Land Bank, the Attorney General's Office, and Living in Dorchester must be examined with regard to its effectiveness. Can it be said that the reasoned pressure, positive media exposure, and constant contact employed throughout the process resulted in movement toward a process which met the four criteria initially identified, that is, a replicable abatement procedure which is simple, expedient, predictable, and rooted in present market realities? Again, the answer to this question is as much rooted in the recent history of pressures to reform abatements as it is in any particular strategy adopted. Most notable, Pat Cooke of Living in Dorchester is so closely identified with abatements by the persons in City Hall, and has been such a relentless presence over the past two years that once he combined with the Land Bank and the Attorney General's Office, an additional legitimacy was added to the cause he was
forwarding. Aside from that factor, however, the tactics used seemed to serve their purpose.

From the start, the City was aware of the fact that the Land Bank was serious in proceeding with Brent St. and that the only factor which could upset the project would be an inadequate abatement. As a result, the project was taken more seriously than it might have been otherwise. The editorial in the Globe and the story in the Herald served the cause of presenting the City's abatement program from such a favorable viewpoint that for the City to withdraw on its promises would have resulted in considerable embarrassment. Finally, the constant efforts made to keep the abatement application on track were interpreted as a constructive attempt to help implement the new process. Thus, when conflict arose over the determination of the abatement request to be presented to the State, the compromise solution offered was taken seriously and not viewed as an infringement upon the duties of the Assessing Department. As a result, the Assessor's Office has indicated a desire to make the method of determining abatements based on actual costs the standard by which all future abatements are handled.

With all said and done, the efforts to abate taxes on 7 & 9 Brent St. was a surprising success. The time was right for an action of the type described, and all of the parties involved were willing to work together to arrive
at a sensible abatement process. The media gave the effort excellent coverage, highlighting the long term benefits of the program as opposed to the specific events surrounding Brent St. The success with Brent St., however, must be treated with caution due to all of the reasons outlined in this chapter. While it must be said that the future of abatement activity looks better now than it has for a long time, it is also clear that abatements remain a political process, subject to various personalities and power struggles within City Hall. As such, constant critical review is a must.
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Treasury Department of the City of Boston. The Tax Title
§ 7E. TAXATION

SECTION 7B.
1. In general

SECTION 7C.
1. In general

§ 8. Delinquent collectors; proceedings by attorney general; abatement of certain taxes, etc.

Whenever it appears to the commissioner that at the end of two years from the commitment of any warrant to a collector any taxes upon such warrant remain uncollected, or if collected have not been turned over to the town treasurer, the commissioner shall within three months bring the matter to the attention of the attorney general, who may bring or cause to be brought an action of contract in the name of the town against the collector and upon his bond, in the superior court for the county where the town lies. Any amount recovered under this section shall be paid into the treasury of the town in whose name the action is prosecuted; but all reasonable expenses incurred by the attorney general in any such action shall be borne by the town, and may be recovered from it by the commonwealth in contract. If, at any time after any tax, assessment, rate or other charge has been committed to a collector such tax, assessment, rate or charge, or any interest thereon or costs relative thereto, remains unpaid and the commissioner is of the opinion that such tax, assessment, rate, charge, costs or interest should be abated, he may, in writing, authorize the assessors or the board or officer assessing such tax, assessment, rate or charge, to abate any part or the whole of such tax, assessment, rate, charge, costs or interest, whether or not the same is secured by a tax title held by the town. The assessors or the board or officer aforesaid may thereupon make the abatement authorized and enter the same in their or his record. Any amount recovered under this section shall be paid into the treasury of the town in whose name the action is prosecuted; but all reasonable expenses incurred by the attorney general in any such action shall be borne by the town, and may be recovered from it by the commonwealth in contract.

Amended by St.1978, c. 514, § 37.

§ 8A. Paraplegic veterans; surviving spouses; abatement of taxes; reimbursement of municipalities

The state treasurer shall annually reimburse each city and town for the amount of taxes lost by such city or town through an abatement to a paraplegic veteran or the surviving spouse of such paraplegic veteran, authorized by the commissioner of revenue and granted under the provisions of section eight.

Amended by St.1977, c. 727; St.1977, c. 889, § 1; St.1978, c. 514, § 38.
GUIDELINES FOR APPLICATION FOR AUTHORITY
FROM THE COMMISSIONER OF REVENUE TO ABATE
PROPERTY TAXES
(G.L. c.58, s. 8)

EXPEDITED PROCEDURES APPLICABLE TO OWNER-OCCUPANTS OF RESIDENTIAL PROPERTIES
(One to Six Units)

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Introduction

The City of Boston has for some time been concerned with the impacts of abandoned property on neighborhood stability. In order to prevent the loss of badly needed housing units through demolition, the City has funded a number of programs designed to promote the rehabilitation of abandoned property. Tax delinquency often proves to be a major impediment to the acquisition and rehabilitation of deteriorated and/or abandoned property.

Mass. General Laws, Chapter 58, s. 8, provides that the Commissioner of Revenue may authorize the Board of Assessors of a city or town to abate at any time an unpaid tax, assessment, rate or other charge. Upon application by the Commissioner of Assessing for the City of Boston under this section, the Commissioner of Revenue, at his or her discretion, may authorize the Assessing Department to abate an unpaid tax, rate or assessment if, in the Commissioner of Revenue's opinion, such abatement will result in the greatest equity for the taxpayer involved and for all taxpayers in the community.

In light of the problems which potential homebuyers and community organizations face in seeking to rehabilitate tax delinquent properties, the Assessing Department of the City of Boston has developed an expedited process for abatement requests under G.L. c.58, s.8, for prospective owner-occupants of residential properties with one to six units. All other property will be processed under currently existing procedures.

These expedited procedures for prospective owner-occupants of residential properties of one to six units will expire on January 1, 1983. At that time, the Commissioner of Assessing will determine whether the
expedited procedures should continue in effect.

This pamphlet sets forth the procedures which will be followed by the Commissioner of Assessing for the City of Boston in determining whether a request will be forwarded to the State Commissioner of Revenue for authority to abate an unpaid tax, assessment, rate or other charge. The expedited review process will not be applicable unless the property owner meets all criteria set forth in this pamphlet.

It is the hope of the Assessing Department that these expedited procedures will encourage more families to obtain and rehabilitate tax delinquent properties. Such rehabilitation helps to stabilize neighborhoods and to provide more tax revenue to the City.

**Application Process**

The Commissioner of Assessing for the City of Boston will determine whether a request for authorization from the Commissioner of Revenue to abate property taxes will be filed. The judgment as to which cases will be forwarded to the Commissioner of Revenue will be based upon a determination of what will result in the greatest equity for the taxpayer involved and for all taxpayers in the City of Boston. In each instance, the decision of the Commissioner of Assessing will be based on the facts and circumstances of the particular application.

These guidelines are particularly directed to partial abatement of taxes on property of relatively low value and in a deteriorated condition which a new owner is committed to rehabilitate immediately so that the property will become more tax productive for the City of Boston.

The Tax Title Division of the Law Department and the Assistant Assessor and
District Director will expeditiously review and recommend to the Commissioner of Assessing that an abatement request be forwarded to the State Department of Revenue if: 1) the applicant meets all eligibility criteria; 2) the applicant has a financially feasible rehabilitation plan; 3) an abatement is necessary to allow such rehabilitation to proceed; and 4) all information is provided.

Each case will be reviewed on its merits. The review process will take a maximum of sixty days.

**Eligibility of Applicant**

1. The applicant must own or have an option to purchase a tax delinquent residential property of one to six units. Applicant must sign a legal instrument verifying, under penalty of perjury, that the acquisition price stated in the application is the full value paid for property. (See attached form B.)

2. Applicant must be the future owner-occupant of the property in question, or a non-profit community organization that will rehabilitate the property for a specified owner-occupant. If, at the time of filing, an owner-occupant has not been specified, an application on behalf of a non-profit community organization will be processed if the organization files a statement of intention to sell to an owner-occupant. An abatement will not be granted until an owner-occupant signs and submits a recapture agreement along with the certificate of occupancy.

3. The prospective owner-occupant cannot be tax delinquent on any other City property. The prospective owner will, under penalty of per-
jury, attest that he has no ownership interest in property in the City of Boston on which taxes are delinquent. (See attached form B.) Non-profit community organizations which own other tax-delinquent property must indicate on the application form what steps are being taken to remove the tax delinquency.

Requirements for G. L. c.58, s.8, Applications

1. Property owners must complete an application form. Application forms are available from the G. L. c.58, s.8 Coordinator in the Assessing Department, Room 301, City Hall, Boston, Mass. Three copies of the completed application form should be filed with the Coordinator.

2. The completed application form should provide the following information:

   a. Property address, ward, precinct, and parcel numbers.

   b. The name and address of the owner of the property during the period the taxes became delinquent, and the name of the current owner (if different from the above).

   c. The addresses and tax status of all other Boston properties in which the prospective owner has an ownership interest.

   d. The years to which the requested abatement relates and a copy of a municipal liens certificate for those years.

   e. The total taxes owed by parcel, through the date of the requested abatement, and the amount of tax abatement requested by parcel.

   f. The total interest owed by parcel, through the date of the requested abatement, and the amount of interest abatement requested by parcel.

   g. The total charges and fees owed by parcel, through the date of the requested abatement, and the amount of charges and fees to be abated by parcel.

   h. Information regarding previous requests by the delinquent taxpayer for abatement or exemption for the parcel(s) in question. This information should include the year of the request, the amount of abatement sought, the reasons behind the request, and the decision of the Assessing Department, if any.
i. Evidence of ownership including acquisition price paid or copy of option or purchase and sale agreement held by applicant.

j. Rehabilitation plan, including cost estimates broken out by major categories or work items.

k. Financing plan including amounts of cash equity to be provided, sweat equity (if any), amount of rehabilitation to be financed, and letters of financing commitment from banks or other institutions.

l. An appraisal of the property, including estimated fair market value after rehabilitation. Indicate how value was determined.

m. Reasons why an abatement is warranted and how such an abatement will benefit the taxpayers of the City of Boston.

3. The City of Boston Neighborhood Development and Employment Administration has staff who can assist applicants in preparing the application form.

4. When all appropriate documentation is received, the Commissioner of Assessing will advise the applicant in writing that the application is complete and that formal review of the application has begun. This notification will not restrict the Commissioner from seeking additional information from the applicant during the review process. A copy of the application will be forwarded to the following for their recommendation:

a. The Assistant Assessor for the ward in which the property is located. The Assistant Assessor will report within fifteen working days his recommendation in writing to the appropriate District Director, based on a site visit and a review of the application. The District Director will review the application, supporting data, and assessor report, and forward the materials to the Tax Title Division of the Law Department.
b. Within fifteen working days of receipt of the assessor recommendations and supporting materials, the Tax Title Division will make an independent recommendation to the Commissioner of Assessing.

c. Other City agencies and outside governmental entities which have notified the Commissioner of Assessing of their interest in such applications. Any recommendations or comments should be sent to the Commissioner of Assessing within fifteen working days of receipt.

5. Upon receipt of the report and recommendation from the Law Department, the Commissioner of Assessing will forward the application, report, and recommendation to a committee composed of five individuals for their recommendation. The Committee will be appointed by the Commissioner of Assessing and be composed of persons with experience in real estate development and community economic development. The Committee will meet periodically to review applications. The Committee will report its recommendations to the Commissioner of Assessing. The term of service of the committee members will expire on December 31, 1982.

6. The Commissioner of Assessing will review the recommendation by the Law Department, the Assistant Assessor assigned to the ward, and the committee appointed for such purpose. The Commissioner will make his decision within ten working days of receipt of the committee's recommendation.

7. The Commissioner of Assessing will advise the applicant in writing of the abatement amount which the City will recommend to the Commissioner of Revenue. The approved application, together with such supporting documents as the Commissioner of Assessing deems necessary, will be forwarded to the state Commissioner of Revenue.
8. An application which has been disapproved by the Commissioner will be returned to the applicant.

9. Upon receipt of the decision of the State Commissioner of Revenue, the Commissioner of Assessing will inform the applicant. The authorization to abate the tax will be forwarded by the Commissioner of Assessing to the City Collector/Treasurer only upon issuance of an occupancy permit by the City of Boston and completion of the recapture agreement.

10. Recapture Agreement. In order to discourage speculation, the property owner will be required to sign a recordable instrument which allows for recapture of the abatement (or a portion thereof) if the owner sells or ceases to reside in the property within five years. (See attached form C.) The recapture agreement will be recorded with the Suffolk County Registry of Deeds. Recapture by the City will proceed on the following basis:

<table>
<thead>
<tr>
<th>Time Residing in the Property</th>
<th>Percent of Abatement that Will Be Recaptured</th>
</tr>
</thead>
<tbody>
<tr>
<td>Less than one year</td>
<td>100%</td>
</tr>
<tr>
<td>At least one year, but less than two years</td>
<td>80%</td>
</tr>
<tr>
<td>At least two years, but less than three years</td>
<td>60%</td>
</tr>
<tr>
<td>At least three years, but less than four years</td>
<td>40%</td>
</tr>
<tr>
<td>At least four years, but less than five years</td>
<td>20%</td>
</tr>
<tr>
<td>Five years or more</td>
<td>0%</td>
</tr>
</tbody>
</table>
Abatement Policy

City review and recommendations for abatements will be a one time only process for a particular property and prospective owner. Once a review is complete and a recommendation for abatement made, no other requests by the prospective owner for further abatement of back taxes assessed to the particular property will be accepted unless there are extraordinary circumstances. Circumstances warranting reconsideration shall be determined solely at the discretion of the Commissioner of Assessing.

In determining if the abatement is necessary, Assessing Department staff will review cost estimates and fair market value appraisals to determine their appropriateness and accuracy. Staff review may result in the deletion on non-essential work items or in lowering costs for "luxury" items included (custom finished storm windows, for example).

Within the guidelines and limits established in this section, the general policy on abatements will be to recommend an abatement which will make the total development cost (standard acquisition price plus rehabilitation costs plus taxes paid) equal to the fair market value of the property after rehabilitation.

The amount of taxes, interest, fees and charges to be paid shall be determined by subtracting the sum of the standard acquisition price and the allowed rehabilitation costs from the established fair market value after rehabilitation. Any penalty incurred for exceeding the standard acquisition price shall be added to the amount to be paid (see below). The amount of abatement recommended shall be the difference be-
between the calculated amount of taxes, interest, fees and charges to be paid and the total amount of delinquent taxes, interest, fees and charges on the property.

The abatement to be granted will forgive back taxes only, and will not reduce future tax liability. A precise time frame for rehabilitation may be required.

The maximum abatement under this section will be fifty percent of the total of delinquent taxes, interest, fees and charges (except those that are statutorily prohibited from being abated, such as certain water and sewer charges). The fifty percent abatement will be tied to a disincentive, to encourage the lowest possible acquisition price and reduce reward to the delinquent taxpayer. This disincentive will operate in the following manner:

a. The standard acquisition price will be $1,000 for a single family home, $1,750 for a two-unit building, $2,500 for three units, $3,250 for four units, $4,000 for five units and $4,750 for six units;

b. Proposals will not be rejected for exceeding the acquisition price standard, but the amount of the recommended abatement will be reduced by one-half the amount in excess of the standard.

Special Circumstances

Special circumstances may exist under which an increased abatement may be warranted.

The following are two examples of the numerous types of cases which may be reviewed under this section:

1. Additional abatements are necessary to make the property available to a low or moderate income homebuyer. Low and moderate income shall
mean those individuals and families whose income falls below eighty percent of the median metropolitan income.

The following information must be provided:

--certified copies of the previous two years' I.R.S. Tax Returns of the prospective owner-occupant;

--an analysis showing buyer's projected monthly housing costs, by category: mortgage principal and interest, taxes, insurance, and utilities;

--reasons why an extraordinary abatement is warranted and how the granting of such an abatement will benefit the City.

2. Acquisition guidelines are met, but development costs still exceed fair market value and additional abatements are required for successful rehabilitation.

--a description of why development costs exceed fair market value and why no modifications can be made;

--statement of prospective owners' income;

--an analysis showing buyer's projected monthly housing costs, by category: mortgage principal and interest, taxes, insurance, and utilities;

--reasons why an extraordinary abatement is warranted and how the granting of such an abatement will benefit the City.

Foreclosure of Right of Redemption

Foreclosure of the right of redemption under a tax title or taking may be preferable to abatement in certain circumstances.

The following are general circumstances which may indicate that foreclosure is a more appropriate route:

1. Abatement which could be granted under the guidelines established herein will not make the project financially feasible.
2. The delinquent owner is unknown or cannot be contacted.

3. The delinquent owner refuses to accept a reasonable sale price.

Such cases will be referred to the Tax Title Division of the Law Department for filing of a petition to foreclose in Land Court.

If the Commissioner of Assessing determines that an application to the Commissioner of Revenue for authority to abate is warranted, he will request that the Tax Title Division not initiate foreclosure proceedings against the property while the application is pending before the Commissioner of Revenue.

AMENDMENT OF GUIDELINES

The Commissioner of Assessing retains the authority to amend these procedures and to require additional information where, in his judgment, such procedures or additional information are warranted.

EFFECTIVE DATE

These guidelines will apply to all applications for abatement pursuant to G.L. Ch. 58, s 8 filed after March 15, 1982 and on or before December 31, 1982.
A. CASE EXAMPLES

Single Family Home
$12,000 due in back taxes, interest, and fees
$20,000 anticipated rehabilitation costs
$29,000 fair market value after rehabilitation

CASE #1: $1,000 acquisition price

standard acquisition price = $1,000
rehabilitation = 20,000
TOTAL ALLOWABLE COSTS = $21,000

fair market value = $29,000
total allowable costs = $21,000
TAX TO BE PAID = $8,000

current tax lien = $12,000
tax to be paid = $8,000
RECOMMENDED ABATEMENT = $4,000

CASE #2: $2,000 acquisition price

standard acquisition price = $1,000
rehabilitation = 20,000
TOTAL ALLOWABLE COSTS = $21,000

fair market value = $29,000
total allowable costs = $21,000
TAX TO BE PAID
(before penalty) $8,000

acquisition price = $2,000
standard acquisition price = $1,000
excess sales payment = $1,000
x .5
PENALTY = $500

current tax lien = $12,000
tax to be paid = $8,000
penalty to be paid = $500
ABATEMENT = $3,500

EXPLANATION: In Case #1, the actual acquisition price equals the standard acquisition price for a single-family home. Therefore, the tax to be paid equals the fair market value of the structure (after rehabilitation) minus total development costs (acquisition plus rehabilitation).

In Case #2, on the other hand, the acquisition price exceeds the standard by $1,000. Only the standard price is allowable as a development cost. In addition, the abatement is reduced by 50% of the difference between the actual and standard acquisition prices.
STATEMENT OF ACQUISITION COST

I, _______________________, do by my signature offered hereto, affirm and swear that the price of acquisition on ________ , for the property located at _______________ , Boston, Massachusetts, the subject of the accompanying G. L. c. 58, s. 8, application, was $ ____________
and is a true and accurate reflection of the full acquisition cost.

I further affirm and swear that I possess no ownership interest in any property in the City of Boston on which taxes are delinquent.

Sworn to under penalties of perjury this _____ day of ________, 19__.  

__________________________
(applicant's name)

Commonwealth of Massachusetts

Suffolk, ss.

(date)

Then personally appeared before me the above-named ________________________ and acknowledged the foregoing to be true and accurate to the best of his knowledge before me.

__________________________
(Notary Public)
RECAPTURE AGREEMENT

$ (Amount of Abatement)  

FOR VALUE RECEIVED promise(s) to pay to the City of Boston on order a percentage of the amount of abatement shown above, as determined according to the following table, in the event that the premises known and numbered as __________________________ are sold within five years from the date of this instrument.

<table>
<thead>
<tr>
<th>Sold Before End of Year</th>
<th>Percentage to be Paid to City</th>
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<tbody>
<tr>
<td>1</td>
<td>100</td>
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<tr>
<td>2</td>
<td>80</td>
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<td>3</td>
<td>60</td>
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<td>4</td>
<td>40</td>
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<td>5</td>
<td>20</td>
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</table>

After Five Years

0

This note is to be secured by a mortgage deed to be recorded in the Suffolk County Registry of Deeds.

Signed in the presence of:

_________________________________________  ___________________________________________
of Boston, Suffolk County, Massachusetts, being (unmarried), for consideration paid, grant to the City of Boston, Suffolk County, Massachusetts, with MORTGAGE COVENANTS, to secure the payment of ________________ Dollars in five years, payable as provided in note of even date, the land in ____________________________, known and numbered as ________________
and bounded and described as follows:

This mortgage is upon the statutory condition for any breach of which the mortgage shall have the statutory power of sale.
Witness hand and seal this day of __________, 19__.

Commonwealth of Massachusetts
Suffolk, ss., 19__.

Then personally appeared the above-named __________________________ and acknowledged the foregoing instrument to be a free act and deed before me.

____________________________
Notary Public

My Commission Expires, __________, 19__.
APPENDIX C
EXPEDITED PROCEDURES APPLICABLE TO OWNER-OCUPANTS OF RESIDENTIAL PROPERTY (1-6 UNITS)

Expedited processing is only available for owner-occupants of residential property. An applicant should obtain a copy of Information Guideline #82-2, "Guideline for Application for Authority from the Commissioner of Revenue to Abate Property Taxes--Expedited Procedures Applicable to Owner-Occupants of Residential Property (1 to 6 Units)". A copy may be obtained in Room 301, City Hall, Boston, Mass.

File a separate application form for each parcel.

Note: If the application is not filed on behalf of an owner-occupant, use application form #82-1. Information Guideline 82-1 explains the procedures which will be followed.

<table>
<thead>
<tr>
<th>LOCATION OF PROPERTY (Indicate address, ward and parcel)</th>
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<tbody>
<tr>
<td>NAME OF APPLICANT</td>
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<tr>
<td>ADDRESS</td>
</tr>
<tr>
<td>TELEPHONE</td>
</tr>
<tr>
<td>IS APPLICANT THE CURRENT OWNER? ☐ YES ☐ NO IF NO, INDICATE CURRENT OWNER:</td>
</tr>
<tr>
<td>IS APPLICANT THE OWNER/OCCUPANT OF THE PROPERTY? ☐ YES ☐ NO</td>
</tr>
<tr>
<td>IF NO, SPECIFY NAME OF OWNER/OCCUPANT</td>
</tr>
<tr>
<td>NAME [☐ NOT KNOWN AT THIS TIME]</td>
</tr>
<tr>
<td>ADDRESS</td>
</tr>
<tr>
<td>WHEN WAS PROPERTY ACQUIRED?</td>
</tr>
<tr>
<td>FROM WHOM ACQUIRED?</td>
</tr>
<tr>
<td>DESCRIPTION OF PROPERTY (Indicate type of structure, number of units, condition, whether presently occupied and, if so, name of occupants.)</td>
</tr>
</tbody>
</table>

HAS AN APPLICATION OR EXEMPTION BEEN FILED IN A PREVIOUS YEAR? ☐ YES ☐ NO

IF YES, INDICATE YEAR OF REQUEST, AMOUNT OF ABATEMENT SOUGHT AND DECISION OF THE ASSESSING DEPARTMENT:
<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>Tax Outstanding</th>
<th>Interest</th>
<th>Other Charges and Fees</th>
<th>Name of Owner During Period Taxes Became Delinquent</th>
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<th>TOTAL</th>
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<table>
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<tr>
<th>TOTAL TAXES, INTEREST, CHARGES AND FEES ACCRUED:</th>
<th>TOTAL AMOUNT OF ABATEMENT REQUESTED:</th>
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</table>

Indicate why an abatement in the amount requested is warranted and, if granted, how the abatement will benefit the taxpayers of the City of Boston.

Indicate address and tax status of all other City of Boston property in which applicant has an ownership interest. If property is delinquent, indicate what action is being taken to remove the tax delinquency.

Attach to this application all information which you believe would assist the Commissioner of Assessing in determining whether the situation warrants an application to the Commissioner of Revenue for authority to abate an unpaid tax. If appropriate, submit the following:

1. Rehabilitation plan, including schedule of renovation with dollar amounts of each item of work.
2. Estimate of value at completion. Indicate how value determined.
3. Proposed rent schedule and tenant selection plan.
4. Statement of annual income and expenses.
5. Municipal lien certificate.
6. Financing plans and commitment.
7. Photographs.
8. Verification of claims of hardship.
10. Income verification.
11. Copy of deed or other evidence of ownership.
12. Other information indicating special circumstances.

Signed under the pains and penalties of perjury,

Signature of Applicant  Date
APPENDIX D
Housing reclamation

Ask almost anybody how to relieve the housing shortage in Boston and the first thing they will say is that the most promising resource is the city's stock of abandoned housing. Unfortunately, it is easier said than done.

Getting most abandoned housing back in shape costs money. In these times money costs money, in the form of exceptionally high interest rates. Further, in many instances the owners of abandoned housing are hard to locate. Further, having walked away from their housing, these owners have typically walked away from their tax bills and owe the city thousands in back taxes, which, if not abated, add still more money to the cost of reclaiming abandoned housing.

A little experiment is about to begin in Boston that is aimed at cracking the abandoned housing nut. A nonprofit real estate operation, known as Living-in-Dorchester, has identified an abandoned, six-unit building on Brent street suitable for reclamation. The Government Land Bank, a state agency, has agreed to use some of its money to provide a full, low-interest mortgage on the property, subject to Living-in-Dorchester's commitment to rent the units at moderate rates.

The attorney general's office, as part of its effort to combat arson (often associated with abandoned buildings) is doing much of the legal work. City Assessor Raymond Torto, confident of the Land Bank's analysis that the proposal is financially feasible and that it is not a speculator's venture, has agreed to expedite the granting of an abatement of back taxes. The parties are confident that a bank can be found to provide the needed construction loan to finance rehabilitation.

All the pieces seem to be in place and what is particularly exciting is that, to the limit of the Land Bank's ability to provide reduced-rate mortgages, it can be replicated elsewhere in Boston and in other cities in the commonwealth. Reclaim abandoned housing? It isn't easy, but with coordination and determination it can be done.
APPENDIX E
May 11, 1982

L. Joyce Hampers, Commissioner
Department of Revenue
Commonwealth of Massachusetts
100 Cambridge Street
Boston, MA 02204

Dear Commissioner,

Pursuant to G.L. Chapter 58, S 8, I request your authorization to abate certain unpaid property taxes assessed by the City of Boston on the above property.

As you are aware, the Assessing Department of the City of Boston has been working closely with the Mass Government Land Bank and the Attorney General's Office in identifying dilapidated structures which are capable of rehabilitation.

The property which is the subject of this request is a frame, six family structure in need of extensive renovation. It has been vacant since the fall of 1981. Fear of fire in the building led neighbors to request the Attorney General's arson prevention program to take an active interest in the property.

The Assessing Department has inspected the property, reviewed the rehabilitation plans, and met on several occasions with the developer (Pat Cooke for Living in Dorchester, Inc.), the staff of the Mass Government Land Bank, and the Attorney General's Office.
The Assessing Department is of the opinion that this project warrants a partial abatement of taxes since the new owner is committed to the immediate rehabilitation of the property. The advisory committee on the "8 of 58" process appointed by the Commissioner of Assessing has reviewed the proposed rehabilitation plans and supports this request for authority to abate.

Accordingly, I request authority to abate $22,968.45 in real estate taxes, charges and interest attributable to the property. The remaining balance of $3,560.00 will be paid by the new owner over a three year period. A photocopy of the application and supporting material is enclosed for your information.

As you are aware, the Assessing Department has expedited the processing of this application in light of the Attorney General's concerns and the opportunity for adding new units to the city's housing stock. The City of Boston would appreciate your prompt attention to this request for authorization to abate.

Please contact me if further information is required.

Very truly yours,

Raymond G. Torto

enclosure
cc: Leo McNiff
Patrick Cooke
David Knisely
John Donohue