



Vacant Property Receivership Consortium

Frequently Asked Questions

What is the VPRC?

The Vacant Property Receivership Consortium (VPRC) is a collection of organizations and individuals with extensive expertise in receivership properties. Members include academics, executives, and former court officials, who come from academic institutions, nonprofit organizations, and local receivership groups. VPRC members have worked with receiverships in states and municipalities nationwide. They've seen the value of this remedy in their communities, and they want to help other states and municipalities understand the power of this tool to fight vacant, nuisance, and blighted properties. The VPRC's goal is to advance the practice of receivership and the necessary state and local policies to support effective, efficient, and equitable use of this legal remedy.

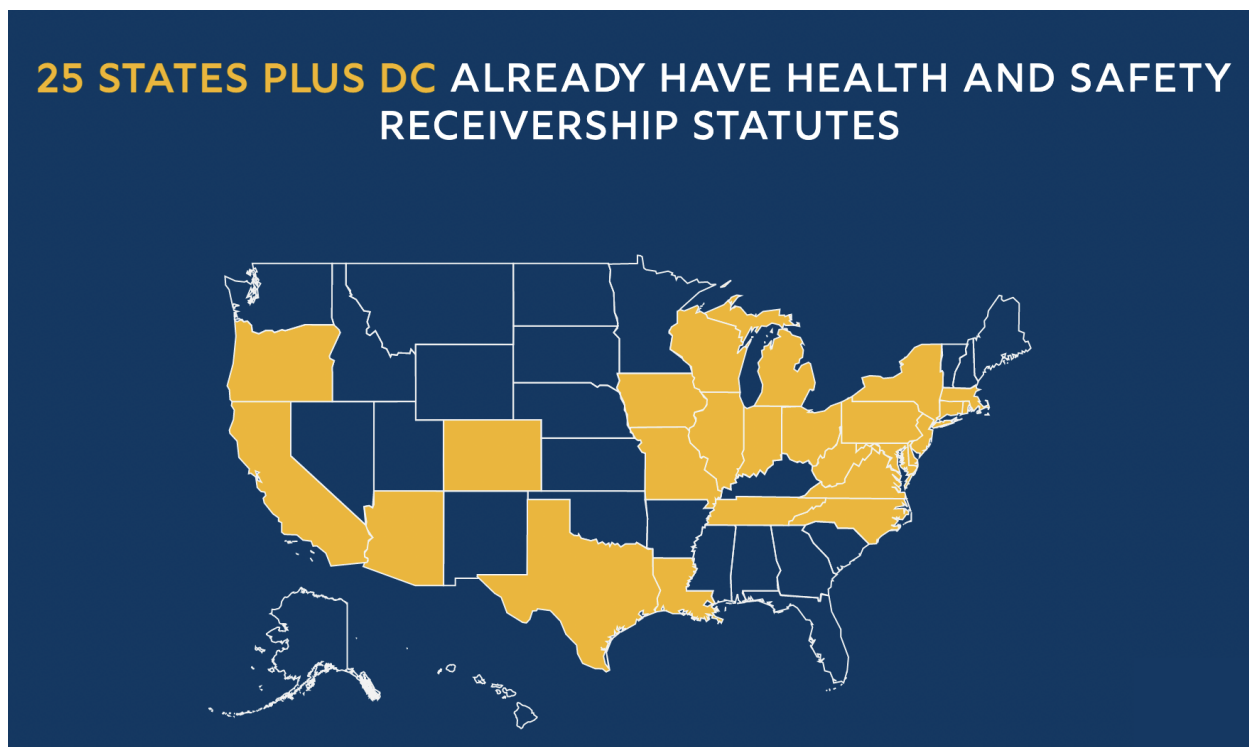
What is receivership?

There are multiple types of legal receivership. Some deal with bankruptcy and conservatorship; however, the VPRC works with health and safety receivership. In health and safety receivership, a receiver is placed in control of a property due to breaches of law or regulation. This is usually the result of a breach of Code Enforcement regulations or an unattended Notice to Abate—often over an extended period—though the rules differ per state statute. A receiver is appointed by the court and acts as a court officer to remediate health and safety issues under the court's direction. The value of the property generally pays for the remediation costs, though there are occasions where grants or donations may be required to abate low-value properties. After the remediation is complete, the receiver is discharged. The property owner may have an opportunity to retain ownership if they are willing to pay the associated abatement costs and fees. Receivership properties are sometimes sold to pay costs; in those cases, any excess proceeds from the sale—after receivership fees and costs and city costs are paid—are paid to the junior lienholders and former owner, as prioritized by the applicable statutes.

How can receivership help my community?

More than 15 million Americans live within half a block of a vacant or vandalized housing unit; that's 1 in 22 people living near a nuisance property. These properties exist in the richest and poorest neighborhoods across the country. *(Based on HUD's 2017 American Housing Survey and U.S. Census population data.)* Nuisance properties cause significant damage to their surrounding communities. Nearby homes and businesses lose value; public health can be compromised under serious nuisance conditions; crime and calls for law enforcement increase in the area around nuisance properties; and taxpayer money is lost responding to issues. Fortunately, nuisance abatement is possible through receivership. Properly used, receivership facilitates neighborhood stabilization and preservation of healthy housing. Studies show that successful receivership improves community health, decreases crime, and increases property values—not only for the receivership property, but for the surrounding community, as well.

Does my state have a receivership statute?



25 states and Washington, D.C. already have receivership statutes. There's a good chance your state already has a statute in place. If it does, and you're interested in piloting a receivership case in your community, let us know. If your state does not have a statute, we may be able to provide information for your legislators. Please contact us at the email address below.

What if I want to pilot a receivership case in my community?

The members of the VPRC are willing to work with one or more local municipalities who would be interested in a test case or pilot program to see how the actual process could work in their community. We anticipate piloting in one or more communities in Spring/Summer of 2023. When our Roundtable Meeting gathers later in 2023, the experiences in these pilot communities will be invaluable. VPRC team members will provide support, guidance and assistance with leaders eager to pilot the approach in their hometown. Our aim is to gather information from multiple jurisdictions that haven't used receivership previously. We anticipate an even larger convening in 2024, by which time some of the pilot cases will have been resolved. We are committed to assisting those working to address vacant and abandoned properties to learn about and utilize the health and safety receivership remedy. If you're interested in leading or supporting a pilot case in your community, please contact Steve Barlow (steve@theworkscdc.org).

Where can I learn more?

Please contact Steve Barlow with the Vacant Property Receivership Consortium, at steve@theworkscdc.org. We're happy to provide statute information for your state or more information on piloting a receivership case in your community. We look forward to hearing from you.