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Sam Hoyt (716) 852-2795

The Mayor's Anti Flipping Task Force applauds efforts to modify the In Rem auction

The Mayor's Anti Flipping Task Force (AFTF), co-chaired by Assemblymember Sam Hoyt (D-Buffalo, Grand Island) and Senator William Stachowski (D- Erie), applauds the efforts of the Common Council to remedy the serious problem of fraudulent property flipping associated with the sale of property at the City of Buffalo's annual In Rem auction. This resolution in the Common Council provides for the first day of the In Rem auction to be reserved for homeowner bidders.

Assemblymember Hoyt states, "I have strongly supported modifications to the City's In Rem auction as recommended by the Mayor's Anti Flipping Task Force. To help move properties into the hands of owner occupants will help to stabilize our fractured neighborhoods." Senator Stachowski states "This Task Force was created to help the city deal with the scourge of illegal property flipping and the destruction it has created in many of our neighborhoods. I look forward to working with the Common Council on these, and other suggestions we've made, as we move forward."

The AFTF supports various mechanisms to address the troubling problems associated with the volume of depressed housing available through the In Rem auction, including the Common Council resolution to transfer title to the City in order to sell directly to viable owner occupants, rather than to the highest bidder at the auction. This process must occur selectively in order to prevent the City from encountering negative repercussions associated with assuming title to all properties, and being left in possession of the overflow of unsold properties. The AFTF supports a change in current law to permit unrestricted bids for a designated time period by owner-occupants in a public auction.

An additional strategy recommended by the AFTF is the enactment of a third party transfer ordinance, legislation aimed at reducing the number of distressed properties within the City. This legislation has been successfully implemented in NYC. With this mechanism in place, distressed properties are offered to pre determined third parties with the stipulation that the property be rehabilitated. The elimination of distressed properties available at the In rem auction can greatly reduce the practice of real estate flipping as those properties are the ones most likely to be flipped.

The AFTF encourages the Common Council as they develop this proposal enabling the City to take title to a portion of the properties transferred at the In Rem auction and increase the level of owner occupants.