

RESIDENTIAL REAL ESTATE

Memphis nonprofit Neighborhood Preservation Inc. utilizes legal pathway to restore abandoned homes

IN THIS ARTICLE

Government & Regulations

Industry

Philanthropy & Nonprofits

Industry

Vincent Sawyer

Person



By Stephen MacLeod
Reporter, Memphis Business Journal
Nov 30, 2021
Updated Dec 1, 2021, 5:37pm CST

A local nonprofit has utilized – for the first time – a legal pathway to revitalize abandoned or blighted homes in Memphis neighborhoods.

Neighborhood Preservation Inc. advocates for policy changes that address systemic barriers to confronting widespread property blight. The organization's mission is to revitalize blighted or abandoned properties to improve neighborhoods.

In January 2021, the nonprofit completed its first revitalization of a

blighted property through the utilization of the Tennessee Neighborhood Preservation Act.

“The statute empowers the Shelby County Environmental Court to compel owners to rectify the health and safety risks that a property poses to the surrounding community,” said Vincent Sawyer, staff attorney at Neighborhood Preservation. “If the court determines that the property is a public nuisance, meaning that it has some type of health or safety risks posed to the community at large, then the court can compel the owner to address those issues. If the owner fails to address those issues after a significant period of time, the court may determine the property to be receivership-eligible.”

If a property becomes receivership-eligible, the environmental court can appoint a receiver to step in for the owner and do the work required to restore the building.



A photo of 1428 Estate Drive before the receivership
VINCENT SAWYER

In many cases, this applies to properties where the owner is deceased; owned by a defunct corporation; or other cases where an owner is unable to be found.

Neighborhood Preservation completed the first receivership utilizing the newly amended statute at 1428 Estate Drive. The previous owner had passed away in 2018 and none of the owner's heirs were interested in the property, Sawyer noted.

The receivership process began in August 2019 when the court appointed the Tennessee Receivership Group as receiver of the property. The Estate Drive home had mold, pests, and garbage that needed to be removed. It took \$30,000 to rid the property of mold alone.

When the property was no longer a health and safety hazard, it was then auctioned to a developer to revitalize the property. The home was acquired for \$115,000 and the plan to fully remediate the property totaled \$79,820. Work on the home was completed in October 2020 and sold in November 2020 for \$309,000. The receivership was terminated and completed in January 2021.

Sawyer said this process allows a path forward where there was once none. Before, the City of Memphis would simply demolish the property with only a vacant lot requiring upkeep remaining. Now, the receivership process allows a legal pathway to redevelop abandoned houses.

“It saves the city demolition funds,” Sawyer said. “It improves the economic health and the general well-being of the citizens that live around these properties. And, it saves these properties from ending up as vacant lots in the land bank where the county – via taxpayers – has to pay for their maintenance.”