NEW YORK PRESS ASSOCIATION FIRST-PLACE AWARD FOR GENERAL EXCELLENCE, 2011 - 2013

MID HUDSON TIMES

Vol. 27, No 2 ▪ JANUARY 14 - 20, 2015 ▪ ONE DOLLAR

A little Sousa

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Dominant force

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SERVING NEWBURGH AND NEW WINDSOR

Ferrara exits on positive note

42-year veteran cop wants only best for his city

By ALLAN GAUL
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Anyone who knows Mike Ferrara knows that he is a glass-half-full type of guy. While a realist, he only wants the best for the city where he has spent his entire life -- 42 of his 62 years as a member of the City of Newburgh Police Department, the last four years as chief.

Prior to becoming chief of police, Ferrara served as deputy chief for nearly 17 years. He joined the force in 1972 at age 20. He was graduated from Dutchess Community College with an AAS degree in criminal justice, attended Marist College and graduated from Nyack Theological College with a bachelor's degree in organizational management.

Most of his early career was spent in uniform -- in the beginning he walked a beat. From 1972 to 1975, he rose from patrolman to detective and eventually to lieutenant in 1989. In short, he paid his dues. In 1992, he made captain and two years later was promoted to deputy chief

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The housing market fallout continues

City of Newburgh fire Lieutenant Joe LoCicero inspects an abandoned "zombie" property on Carson Avenue.

By SHANTAL PARRIS RILEY
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There are approximately 600 vacant and abandoned properties in the City of Newburgh. About 200 are privately-owned. Another 200 are owned by the city. The remaining properties are so-called "zombies."

Like their Hollywood counterparts, they drain the life out of their victims – unwitting homeowners, taxpayers and cash-strapped municipalities like the City of Newburgh, unable to afford their upkeep.

These properties are in foreclosure, but in many cases, the mortgage servicers and lenders - large banks like Wells Fargo, JP Morgan Chase and Bank of America - have not completed the foreclosure process.

Properties end up in a nightmarish state of limbo, in which banks and mortgage servicers cannot be held responsible for their care, they cannot be sold and homeowners have left believing they no longer own their home.

In this story series, the Mid Hudson Times looks at the zombie foreclosure crisis in the City of Newburgh.

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The charred and jagged remnants of the roof on the boarded-up building pointed every which way, like a

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The housing market fallout

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hellish crown on a hollow-eyed skeleton.

A fire destroyed the building located at 187 Carson Ave. in 2012, after it was abandoned due to foreclosure.

"The fire started downstairs and it spread very easily," said city fire lieutenant and Code Enforcement Officer Joe LoCicero. "There were void spaces because of the balloon-frame construction. There was nothing to stop the fire from spreading, basically."

LoCicero walked carefully through the inside of the building as sunbeams streamed through gaping holes in the ceiling. Piles of damp debris littered the floors.

"Structurally, it's unsound," he said. "There is no roof and the building has been saturated with water. There are no windows. It's fully open to the elements."

A sign on the front porch read, "Condemned - Unfit for Human Occupancy." A hypodermic needle was on the ground a few inches away. "That's the norm with these vacant properties," said LoCicero. "They become drug dens."

The structure is an example of one of the city's most problematic zombie parcels.

Unfinished business

Zombie properties are typically in the process of foreclosure, but the bank or mortgage servicer has not obtained a judgment of foreclosure on the property.

"The bank files a foreclosure action and the property owner leaves because they can't fight it, they won't fight it or they don't understand the process," said city Fire Chief Michael Vatter.

There are two types of zombie properties in the City of Newburgh, Vatter explained. "The first is where the owner moves out, but the foreclosure is not completed and the property just sits there," he said.

"Some have gone through the foreclosure process and generated a judgment of foreclosure, but the bank doesn't file the judgment and the property ownership doesn't transfer. So, the record shows it is still owned by the homeowner. Only they don't know they still own it."

In other words, the bank doesn't finish the process, and the property sits abandoned, becoming a magnet for crime, a drain on municipal resources and nearby property values.

According to a City of Newburgh Fire Department report entitled "Mortgage Services and Vacant Properties," each vacant or abandoned building reduces the value of adjacent properties by $7,000.

The report states that a group of 13 vacant, bank-serviced buildings destroyed by fire, including the Carson Avenue building, has reduced the value of surrounding properties by almost $500,000.

Fires in vacant and abandoned homes are often associated with arson, as well as faulty heating equipment and electrical systems, the National Fire Protection Association states.

When a property falls into disrepair before the completion of the foreclosure, the burden of maintenance remains on the homeowner, who, in most cases, is gone, said Jessica Bacher, executive director of the Land Use Law Center at Pace Law School, currently working with the city on a variety of land use improvement projects.

"The foreclosure process includes a number of legal steps," Bacher said. "At what point the banks are responsible for maintenance of the property depends on the state. In the State of New York, it happens later in the process than in other states."

New York, New York

According to analysis by the real estate data provider RealtyTrac, zombies accounted for 18 percent of all owner-vacated, active foreclosure properties in the U.S. during the third quarter of 2014.

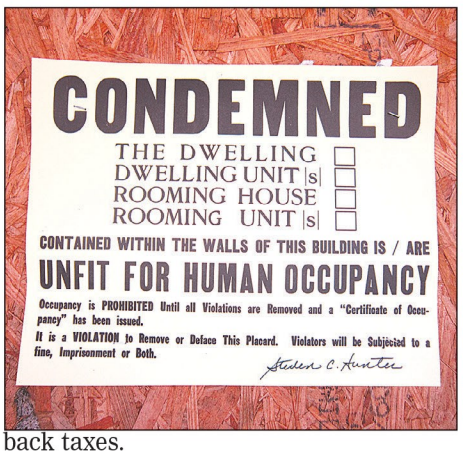
Though zombie foreclosures across the U.S. have decreased in the past year, New York State saw a 30 percent increase in the number of zombie properties from 2013, RealtyTrac reports. New York is second in the nation, after Florida, in terms of sheer numbers of zombie properties - RealtyTrac reported approximately 12,600 in the spring last year. However, the state leads the way for length of time that zombie properties remain in foreclosure – an average of 418 days.

Section 1307 of the New York Real Property Actions and Proceedings Law states that a foreclosing entity becomes responsible for maintenance only once it obtains a judgment of foreclosure and sale for a vacant, residential property.

"When the bank provides notice of its intent to foreclose, the average property owner leaves and stops maintaining the property," Bacher said. "The bank is only responsible for maintenance once it obtains a judgment of foreclosure and sale, and that step takes place towards the end of the process."

In most cases, she noted, "the bank will continue to pay taxes so they don't lose the property to the municipality."

In other cases, the property falls back into the hands of the municipality due to back taxes.



Stuck with the bill

A collection of bitten-up couches and chairs line the front of a boarded-up row house at 139 William St. The property has been tangled in foreclosure proceedings for several years.

"This building was foreclosed on but the bank withdrew the foreclosure. By that time, the owner was nowhere around," Vatter said. "The legal action was started and at some point terminated. This went on for a few years."

During this time, it became a city dump of sorts. "The building wasn't secure and people starting using it to dump garbage," he said. "It becomes an attractive nuisance for the neighborhood. That's why those chairs are out there."

Vatter promised the chairs and couches would be removed and, sure enough, they're gone in a few days. "The building's been cleaned out to some extent," he said. "The average cost to do an abatement, including getting rid of the garbage and securing it, is about $3,000. It depends on how much work is involved."

Later on that day, the fire chief learns the property ended up back in the hands of the city because of unpaid property taxes – in its case, taxes unpaid by the former homeowner.