

# THE DAILY NEWS

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**DEBATE 2016: Tim Kaine attacks and Mike Pence fights back in VP faceoff » B5**



## La Marque

"The seller is not disclosing the structure is identified substandard and unfit for occupancy." **Carol Buttler**, La Marque city manager

# City: Speculators selling condemned properties



Photos by Stuart Villanueva/The Daily News

Whendy Carreon stands in the doorway of her La Marque house on Friday. After buying the home, Carreon and her mother, Juana Rubio, discovered that it was slated to be demolished by the city.

By **MARISSA BARNETT**  
The Daily News

**S**peculators have been buying up condemned houses slated for demolition in a citywide cleanup effort and reselling them to unwitting buyers, city officials and one family claim.

Buyers of such houses find themselves liable for the costs of repairing them back to city code, or for the cost of the demolition and the loss of the structures, those familiar with the transactions said.

City officials said brokers working for a Houston-based company had purchased

See **CONDEMNED** on page A5



Demolition notices are pasted to the back door of Whendy Carreon's La Marque house Friday.

## League City

# City council unanimously OKs deal for lower tax rate

By **VALERIE WELLS**  
The Daily News

The League City council voted unanimously Tuesday to approve a slightly lower tax rate for the new fiscal year, but one that will generate more revenue to support a budget plan already passed by council members.

The approved rate will be 57 cents per \$100 of taxable property value. The new rate is 3.47 percent higher than the effective tax rate of 55.09 cents per \$100, and slightly lower than the current tax rate of 57.35 cents per \$100.

During an hour of debate, three different motions with three different rates failed. The first rate discussed was 55.09 cents per \$100. It failed 5-3, with councilmen Nick Long, Hank Dugie and Mayor Pat Hallisey voting for the lowest suggestion.

"The city costs more to run every year," said Councilman Dan Becker. He argued the city will need a paid, rather than

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## INSIDE



Used cookbook sale tells many tales » **C1**

## Galveston County

# District attorney declines investigation into county judge

By **CHACOUR KOOP**  
The Daily News

The Galveston County District Attorney's Office has declined to investigate allegations County Judge Mark Henry sought retaliation when he apparently relieved a judge of his duties.

Henry told Associate Judge Stephen Baker in a Sunday email he would no longer perform magistrate duties, the preliminary hearings on criminal cases, because Baker "decided to follow the direction of (56th District Court Judge) Lonnie Cox with respect to magistrate and personal bond."

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## National Night Out

Firefighters with League City Station 4, Justin Tarver, left, and Cody Kelly, right, visit with Aubree Svoboda and Madelyne Byrd, both 6 during National Night Out at the Magnolia Creek pool area off Bay Area Boulevard on Tuesday.

Kim Christensen/  
For The Daily

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## Today's weather



**87** Partly sunny,  
20% chance  
rain » **A10**  
**77**

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## Inside



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“We were very shocked. My mom was crying and everything — we’d bought the house thinking we could fix it up.” **Whendy Carreon**

**CONDEMNED**

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houses posted for condemnation review with the city’s Building Standards Commission and resold them without informing buyers the structures were uninhabitable and marked for demolition.

A representative of the company named by the city said its policy was to inform potential buyers through sellers’ disclosure forms about any pending code violations, including whether the house is condemned or on the list to be demolished. The Daily News isn’t naming the Houston firm pending further verification of the city’s claims.

A second company and a real estate agent named in connection with one sale said that because the city’s records are inaccurate they didn’t know before it was resold that a house had been condemned and marked for demolition.

In recent years, La Marque has condemned and put dozens of homes on track to be demolished as part of a broader blight and city cleanup effort.

**Signs stripped**

In some cases, sellers removed city condemnation signs posted on the property, City Manager Carol Buttler said. The city does not know how many properties have been purchased to resell without disclosing the condemnation and demolition orders, but she said at least six condemned houses were for sale now. The city had not provided addresses of those properties by Tuesday evening.

“The seller is not disclosing the structure is identified substandard and unfit for occupancy,” Buttler said.

The company named by the city said it was not aware of any instances where sellers removed condemnation signs or where a property was sold without disclosure of a pending demolition.

The Texas Attorney General’s Office, which polices some types of fraud, and the Better Business Bureau had been notified about the situation, Buttler said.

No one is known to have filed a lawsuit and no criminal charges have been filed over any recent resales of condemned houses in La Marque.

The Daily News has not yet identified any homeowners who purchased property from the Houston firm, but spoke to a family who made similar claims about a Houston woman.

**‘Shocked’**

The Rubio family last year purchased a home on Azalea Street for their 19-year-old daughter. But after the money and title had been exchanged, the family learned the house had been condemned and was slated for demolition.

Juana Rubio, who together with her husband purchased the house for about \$26,000 in cash, said a woman sold her the house



Stuart Villanueva/The Daily News

Whendy Carreon walks through her La Marque house on Friday. After buying the home, Carreon and her mother, Juana Rubio, discovered that it was slated to be demolished by the city.



A sign meaning “God bless this home” hangs above the doorway at Whendy Carreon’s La Marque house.

without telling her it had been condemned and put on the list of homes to be demolished by the city.

Claudia Fernandez of Houston, who sold Rubio the property, said she did not learn until after it was sold that the house at 606 Azalea St. was listed to be demolished.

But Buttler said Fernandez had been aware the house was on the list.

“Staff verified that Ms. Fernandez did know the house was slated for Building Standards Commission before selling the house to the family at this address, because the city has documented evidence,” Buttler said Monday.

Fernandez declined to answer further questions. Fernandez works for Houston-based Greenpoint Investment Co., owned by Richard Fallin.

Jessica Neikirk, a spokeswoman for the company, said Fernandez does personal and some real

estate work for Fallin.

“We did not have ownership of the property at the time any notices went out,” Neikirk said. “We didn’t get any notices or any kind of note that it was going to be on any kind of agenda until we had already sold the property.”

“We contacted the city to say their records were not accurate according to our deed and title. We’ve been trying to communicate with the city but we’re not having any luck.”

**Staying the demolition**

Rubio purchased the home using Fernandez in September 2015 for \$26,000 cash. She knew the house needed a lot of work, but said she did not know the city planned to demolish it. No condemnation notice was posted on the house when she bought it, but when she showed up in December to begin work, she found an orange condemned sticker, Rubio said.

“We were very shocked,” said Whendy Carreon, Rubio’s daughter, for whom the family purchased the house. “My mom was crying and everything — we’d bought the house thinking we could fix it up.”

The family immediately informed the city about what had happened and requested a stay of the demolition, Rubio said.

The city worked with the family between December and March to get the house off the demolition list. The family hired an engineering firm earlier this year to provide a structural report and show the city they were serious about bringing the house up to code, Joe Compian of Gulf Coast Interfaith said. Compian has been working with the family to help remedy the situation.

“They had worked hard to save the money and wanted to help their daughter, who they are very proud of, so they wanted to keep the house,” Compian said. “They presented the report to the city and were able to get about a year and half to get the work done.”

Rubio said she did not intend to pursue legal action. The family plans to start working on the house this fall, she said.

**Other buyers**

City staff became aware of the situation after noticing people working in houses where the city had posted substandard-structure signs, Buttler said. New homeowners also contacted the city to get water, sewer and building permits for houses on the list to be demolished, she said.

City staff members have been telling homeowners they have the option to get an attorney and file complaints in court, she said.

The city has had to deny permits and recommend that



Joe Compian of Gulf Coast Interfaith speaks on behalf of Whendy Carreon and her mother, Juana Rubio. He claims a developer sold them a home without disclosing that it was slated for demolition.

homeowners get structural engineering reports, Buttler said. Homeowners can correct problems identified in engineering reports and then have the property inspected by the city’s official building inspector.

“Although fraud was not committed against the city, staff is making an effort to protect new families moving in the city,” she said.

Dickinson attorney Kerry Pettijohn said she has seen situations in La Marque and other communities in which speculators sold condemned property to unwitting clients without disclosing its status.

Once the title is swapped and the property is in new ownership, there’s often little a person can do except bring it up to code, which can be costly, or allow it to be demolished and lose the structure, she said. If a seller has misrepresented the condition of a property they can be taken to court for fraud, she said.

Contact reporter Marissa Barnett at 409-683-5257 or marissa.barnett@galvnews.com.

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