

Report Back from NYS Land Bank Summit

November 7 – 8, 2013

Hosted by Centerstate Center of Excellence (CS CEO)
and Center for Community Progress (CCP)

Prepared by Tarik Abdelazim, member of BC Land Bank's Community Advisory Panel

ATTENDANCE:

Seven of the eight land banks were present (Newburgh Land Bank was unable to attend), with total of 14 land bank reps (County Planning officials, County Legislators, municipal officials, land bank staff, and board members).

This was an exceptional, informative, and inspiring summit. The discussions were candid and substantive, and there was an excellent atmosphere of collegiality and knowledge-sharing.

The CCP rep, who works nationally on land bank legislation and policy, said there's a lot of attention across the country being paid to NYS right now, and given the level of competence, expertise and passion of the summit participants, I felt confident that we could meet and exceed expectations.

AGENDA ITEMS DISCUSSED OVER TWO DAYS:

- Updates from each land bank and knowledge-sharing
- Technology and Reporting
- Community Engagement Strategies & Transparency
- 2014 Strategy & Goals
- AG Funding
- Revenue Plans – Sustainability v Mission?
- 2014 Legislative Agenda
- Creation of New York Land Bank Association
- Proposed Albany Advocacy Day (February 2014?)
- Role of CS CEO and CCP

AG FUNDING AWARDS

- **Syracuse, \$3,000,000**
 - ACQUIRE, REHAB, SELL – Plan to put 50 homes (40 urban,10 rural) through this program with focus on middle to low-income purchasers
 - DEMOLITION – Plan to demolish 20 homes in same neighborhoods of above rehabs
 - FULL TIME STAFF
 - TECHNOLOGY and MARKETING
- **Rochester, \$2,700,000**
 - ACQUIRE, REHAB, SELL – Plan to put 50 distressed residential properties through this program, in partnership with Greater Rochester Housing Partnership (<http://www.homerochester.org/index.asp?pageId=11>)
 - FULL TIME STAFF

- **Newburgh, \$2,450,000**
 - ACQUIRE, REHAB, SELL – Plan to put 25 foreclosed/vacant homes through this program, and sell to income-qualified buyers
 - ACQUIRE, DEMOLISH, NEW CONSTRUCTION – Plan to demolish 20 foreclosed/vacant homes, and construct new affordable rental housing with local Community Housing Development Organization (CHDO)¹
 - HIRE TWO (2) FULL TIME STAFF – Executive Director and Program Manager
- **Erie County/Buffalo Land Bank, \$2,087,000**
 - DEMOLITION – Take down about 50 foreclosed, blighted homes (\$1.1 million)
 - FULL TIME STAFF plus one (1) part-time staff (high-level)
 - SIDE LOT DISPOSITION PROGRAM (\$25,000)
 - ACQUIRE, REHAB, SELL (\$600,000, estimated at \$75,000/home)
- **Chattaqua County, \$1,500,000**
 - DEMOLITION – Take down 80 distressed properties in neighborhoods
 - FULL TIME STAFF
 - MARKETING & WEBSITE
 - SIDE LOT DISPOSITION – Neighbors didn't want to purchase adjacent vacant lots since it cost about \$350 to close and file deeds, so Land Bank will pay that amount, and sell to owner for \$1. Received a lot of positive feedback and commitment from adjacent property owners.
- **Suffolk County, \$675,000**
 - PHASE I & II ENVIRONMENTALS – Identified 18 brownfield sites and requested funds to conduct environmental assessments
- **Capital District (Schenectady) - \$150,000 Capacity Building Grant**
 - Focus on application was primarily residential properties and a few odd commercial properties, but too many individual projects listed without coherent narrative, priority not clear, and information was presented poorly (author admits as much)
 - Challenge was this land bank was setup to serve 7 counties, with two counties and a couple local jurisdictions currently represented, and another in process of joining at time of application; it was extremely hard to gather and assemble information in a coherent fashion that pleased all 'political' interests
- **Broome County - \$150,000 Capacity Building Grant**
 - My personal take: Our Land Bank can clearly help with brownfield redevelopment—but is this the right program to ask for funds to redevelop large brownfield sites? I'm not sure. We all agreed at the summit that it seems like the lawyers running this program—and unfamiliar with this work—want clear, achievable outcomes at the end of the two-year grant period. Maybe we ought to reconsider approach for round two, and reach consensus on something more consistent with above winners. We do have a local model to emulate as well. We could approach AG's funding as "Restore NY Round 4," and the application modeled after what Binghamton has done over three rounds of Restore NY funding (ie, demolitions, rehabs, affordable housing, homeownership).

¹ There are five registered CHDOs in Broome County: First Ward Action Council; Opportunities for Broome; SEPP Management; Community Potential Inc (development arm of Binghamton Housing Authority); and Metro Interfaith.

FINANCIAL SUPPORT?

- Syracuse has, by far, the greatest financial support, but as a result of very unique circumstances
 - \$1,500,000 from City of Syracuse in 2013 budget, and expects something similar in 2014
 - \$500,000 from Onondaga County in 2014, and expects something similar in 2015
 - \$250,000 awarded by Onondaga County Civic Development Corporation
- Eric County Land Bank received a one-time cash commitment from the County for \$100,000
- Chattaqua County Land Bank received a one-time cash transfer of \$150,000 from another County agency (tobacco settlement funds that were sitting idle)
- Capital District/Schenectady Land Bank received two-year commitment from County of \$50,000/year, and a \$50,000 cash commitment from their IDA

DELINQUENT TAXES AND TRANSFER?

We all found it amazing how different the tax foreclosure process was across the state, and how foreclosing governmental units (FGUs) planned to engage with the new land banks.

- City of Syracuse will foreclose on outstanding tax liens (3,000 over three years), obtain title if not redeemed, and transfer title to land bank for \$151 (\$150 for recording fees, and \$1 for sale)
 - Both County and City agreed to forfeit payments on extinguished liens, recognizing the long-term social and economic benefits
- Chattaqua County agreed to transfer title on select, foreclosed properties at no cost to land bank
- Broome County agreed to forfeit payments on extinguished liens in exchange for an undetermined portion of sale proceeds
- All others present were envious of above cooperation between FGUs and respective land banks, stating that their land bank was expected to pay full amount of delinquent taxes and liens to acquire foreclosed property

INTERESTING TIDBITS

- Chattaqua County passed this year a “Landfill Credit Program,” offering municipalities annual credits at the County run landfill for demolition debris (1 credit allows them to dump 80 tons of demolition debris free of charge). Program was launched as part of their shared-services agreements to show County's commitment in helping to 'fight blight' in neighborhoods.
 - Perhaps Broome County can pass a credit program specifically for the Broome County Land Bank? This would give land bank leverage in requesting small annual funding commitments from Union and Binghamton to help with maintenance and operations. By working with the land bank to carry out demolitions, they actually save money (CDBG match), so better to support the organization.
- Rochester Real Estate Division, which manages foreclosures and disposition, sends most properties to auction. They also shuttle a couple dozen properties each year through a program where they generate code inspection/violation reports for each property, and then sell on condition of remedying all violations. They carry out a “conditional closing,” similar to the highly regarded Cuyahoga Land Bank (OH) which runs a “Deed in Escrow” program. Both

programs agree to sell the property to a developer for nominal price but won't release deed until the Building Department certifies compliance with code and set of building standards. If not completed within a certain time frame, deed reverts back to the land bank/city.

- Broome County and City hope to launch a pilot project this winter, where city code inspectors are granted access to all foreclosed properties of two-units or more prior to the March/April auction. Code inspection reports would be included with auction booklet and available for public review prior to bidding. Perhaps any property that does not sell at auction could be shifted to the land bank, and a similar program to Rochester and Cuyahoga be developed, but with an added incentive. This "Quality Rental Housing Incentive Fund" could be seeded via an ask of the AG's second round of funding (say \$500,000). Broome County Land Bank would require purchaser to pay delinquent taxes (make County whole) and any maintenance/administrative costs incurred by bank (make Bank whole). The bank would offer a small incentive \$2500- 5000/unit, requiring remediation of all code violations AND cost-effective curb-appeal improvements to help boost the neighborhood housing market values.

LEGISLATIVE ADVOCACY IN 2014?

- Exempt land banks from having to pay recording fees at transfer/closing (which applies to governmental units)
- Grant land banks the power to extinguish tax liens on donated properties
- Exempt land banks from appraisal requirements prior to purchase, a required by public authorities law (given most of these properties at time of purchase are distressed)
- We are fortunate that our Assemblywoman was one of the prime co-sponsors of the NYS Land Bank bill (actually, her advocacy to increase cap from five land banks to ten land banks is the only reason why Broome has a land bank!), so we should maintain strong, open communication with her and her staff if we support the above reforms, or want to recommend others.