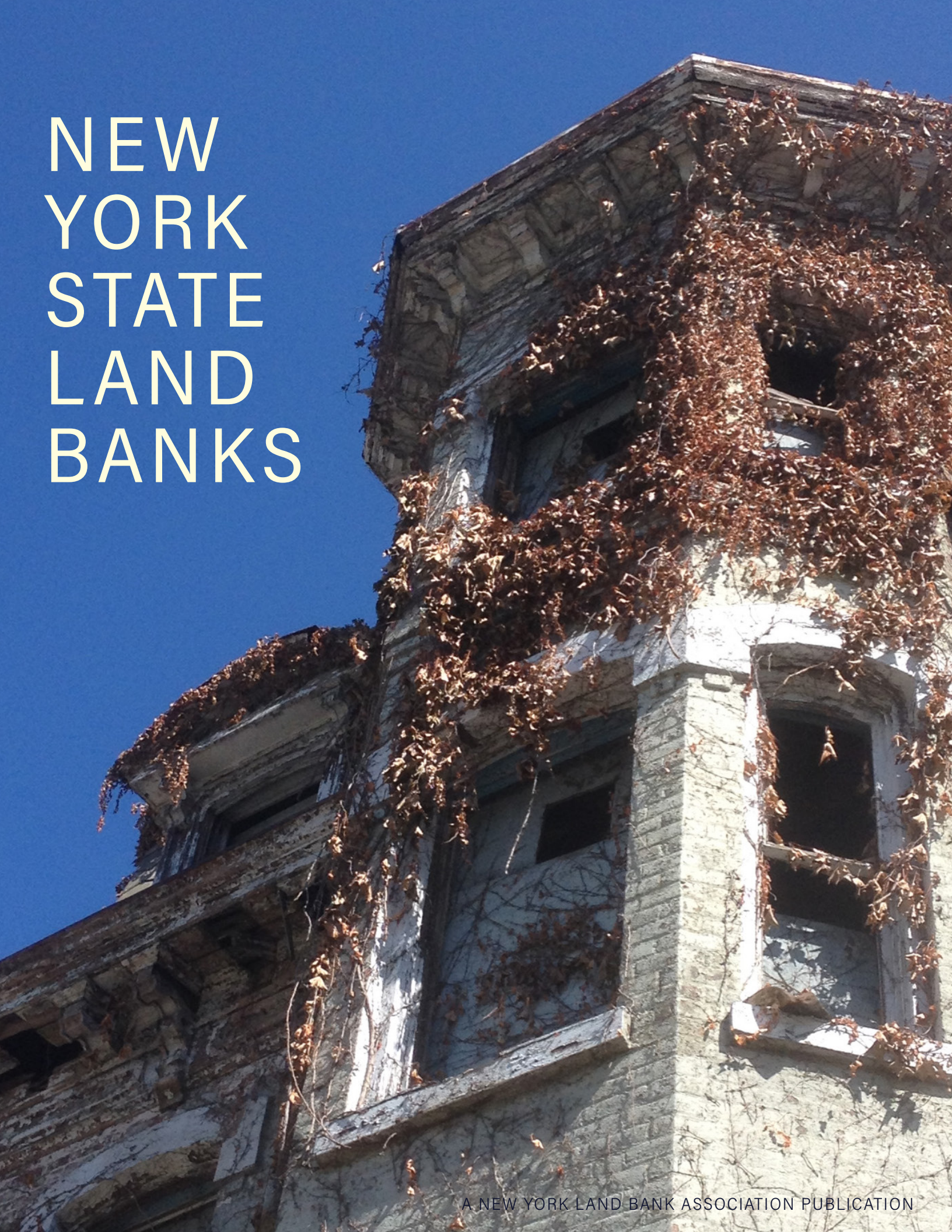


NEW YORK STATE LAND BANKS



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APRIL 2017

IMAGE CREDITS

BENLIC: 20-21

Broome County Land Bank: 8, 12

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Chautauqua County Land Bank: 4, 6-7

Greater Mohawk Valley Land Bank: 34-35

Newburgh Community Land Bank: 10-11, 16-17

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Issues of vacancy and blight are increasingly problematic for communities across the country.

From overgrown brownfield sites scattered across a former industrial region or entire blocks of abandoned and foreclosed homes, the negative impacts imposed by vacancy and blight have sparked a deeper national dialogue and compelled a renewed and urgent focus on both stabilization and revitalization strategies by all levels of government, as well as community stakeholders and residents. And the modern-day land bank is proving to be one of the most prominent and effective tools for combating vacancy and blight.

The land bank movement in New York traces back to Albany's passage of the 2011 Land Bank Act. Five years later, New York can boast one of the most active, sophisticated networks of land banks in the country. Currently, 20 land banks operate across the state, from Buffalo to Long Island. New York land banks have guided more than \$130 million in private and public investments into the transformation of hundreds of vacant, abandoned and tax-delinquent properties to productive use in support of community priorities. By all measures, the land bank movement in New York has exceeded even the most ambitious expectations.

This report offers a history of the land bank movement in New York, including an assessment of the work completed to date, the factors key to success, and what to expect of this maturing movement in the years to come.

SECTION 1.
A NATIONAL CRISIS &
THE MODERN LAND BANK



VACANCY: A NATIONAL CRISIS

The negative impacts of vacant, abandoned, and tax delinquent properties—often grouped together as “problem properties”—were once a challenge limited primarily to former industrial centers in the rust belt region. From 1970 to 2010, factory closures and population migrations (both individuals chasing jobs from the rust belt to the sun belt and “white flight” to the suburbs) caused significant distortions in the supply and demand of housing. For too many rust belt communities, there simply were not enough people to fill the oversupply of an aging housing stock.

The Great Recession, triggered by the mortgage foreclosure crisis, has made vacancy and abandonment a national tragedy, from Florida to California. While the causes may differ in Utica, New York, compared to Las Vegas, Nevada, all agree on the negative impacts and costs imposed by problem properties on communities, neighbors, and taxpayers.

A 2016 study found that vacant and abandoned properties in the City of Toledo, Ohio, cost the City approximately \$9.2 million each year in direct service costs and lost tax revenue; the cumulative loss in residential property values amounted to more than \$98,000,000.¹ In 2008, researchers found that vacant properties in Columbus, Ohio, reduced the sales price of nearby homes by more than \$4,000.² Multiple studies have shown a strong correlation between vacancy and higher crime rates, including arson.³ This is just the tip of the research iceberg.

The scope and scale of vacancy and blight, now undermining the quality of life and fiscal health of communities in virtually every state of the nation, have also fueled a growing national field of practice that is committed to exploring innovative solutions to this problem. Since the Great Recession, perhaps no intervention or tool has garnered more attention within this growing field of practice than the modern-day land bank.

¹ Dan Immergluck and Sara Toering, Center for Community Progress, *A Conservative Analysis of Costs Imposed by Vacant and Blighted Properties in Toledo, Ohio*, June 2016.

² B. Mikelbank, Federal Reserve Bank of Cleveland, *Spatial Analysis of the Impact of Vacant, Abandoned, and Foreclosed Properties*, 2008.

³ Joe Schilling and Jimenez Pinzon, Vacant Property Research Network, Policy Brief No. 2, *The Basics of Blight: Recent Research on Its Drivers, Impacts and Interventions*, 2016.

THE MODERN DAY LAND BANK: A NATIONAL MOVEMENT

KEY TASKS OF EFFECTIVE LAND BANKS

- Acquire properties through various mechanisms
- Establish and uphold maintenance standards
- Collaborate on an intergovernmental and regional basis
- Hold property tax exempt
- Negotiate sales and dispose of property more flexibly than government
- Convey property according to local priorities

Land banks are government-created entities that are focused on the conversion of vacant, abandoned, and tax delinquent properties into productive use (in New York, land banks are non-profit corporations also governed as local public authorities). In essence, land banks acquire title to problem properties, eliminate the legal and financial barriers that render them unmarketable, and then transfer the property to new, responsible owners in a more predictable and deliberate manner consistent with community goals and priorities.

Most land banks have unique powers, granted by state enabling legislation, that enable them to undertake these activities more effectively and efficiently than other public or nonprofit entities. When thoughtfully executed, land banking can resolve some of the toughest barriers to returning land to productive use, helping to unlock the value of problem properties and convert them into assets for community revitalization.

While all land banks exist to support the conversion of problem properties into productive use, they are quite diverse in their structure and operations. According to research by the Center for Community Progress, a national leader on solutions for problem properties, there are approximately 170 land banks and land banking programs across the country as of 2016.⁴ New York now has the third highest number of land banks, behind only Ohio and Michigan.⁵ These land banks vary greatly in terms of the types of jurisdictions and economic conditions in which they operate, the geographic context, the size of their inventories, their staff capacity, their legal authorities, and their goals and programs.

⁴ Of these, 60% have been established since 2008 and 80% of all land banks in the country are created pursuant to state enabling legislation. For additional information, visit the Land Bank Information HQ, an online resource maintained by Center for Community Progress at www.communityprogress.net.

⁵ According to Community Progress, at the end of 2016, there were 20 land banks in New York, 40 in Michigan, and 41 in Ohio.

⁶ Payton Heins and Tarik Abdelazim, Center for Community Progress, *Take it to the Bank: How Land Banks are Strengthening America's Neighborhoods*, November 2014. Available to download for free at www.communityprogress.net.

Six key attributes shared by successful land banks:⁶

- 1**

STRATEGIC LINKS TO THE PROPERTY TAX COLLECTION & FORECLOSURE PROCESS

With many problem properties moving through the tax-foreclosure process, successful land banks have established strategic links to tax foreclosure processes as the primary source of property acquisitions—and the best state enabling legislation will grant land banks specific powers to intervene in the tax foreclosure pipeline cost-effectively, efficiently, and ahead of speculators or investors. The auction of tax-foreclosed properties may generate positive outcomes for marketable properties in strong housing markets, however, the speculative auction rarely, if ever, leads to positive outcomes for problem properties in distressed neighborhoods. Land banks can and should play a key role in acquiring tax-foreclosed properties and, in a deliberate and transparent manner, ensure property ends up in the hands of a responsible owner that promises outcomes consistent with a neighborhood's priorities.
- 2**

OPERATIONS SCALED IN RESPONSE TO LOCAL LAND USE GOALS

Successful land banks have established acquisition and disposition strategies that directly support the implementation of local land use goals and meet community needs. Some land banks tackle massive inventories of extremely unsafe and abandoned properties as part of an urgent stabilization and public safety strategy, while others operate selectively with extreme deliberation. Land banks should always make decisions based on a strong understanding of community priorities and goals, coordinate with other local partners, and complement existing blight prevention strategies.
- 3**

POLICY-DRIVEN, TRANSPARENT, AND PUBLICLY ACCOUNTABLE TRANSACTIONS

The acquisition and disposition of properties – especially those that have long been harmful eyesores – is an important and sensitive endeavor. Successful land banks have gone to great lengths to build and maintain trust with the public through complete transparency in the establishment of priorities, policies, and procedures that govern all actions. Land banks should make sure these ground rules and policies are established prior to any transactions, and annually revisited with public input to maintain a high standard of transparency and accountability.
- 4**

ENGAGEMENT WITH RESIDENTS & OTHER COMMUNITY STAKEHOLDERS

There is no substitute for engaged community stakeholders who understand a community's history and goals. Successful land banks have found creative and consistent ways to inform, engage, and empower active residents to help prioritize land bank interventions and develop long-term solutions. Whether establishing a community advisory board or regularly hosting neighborhood meetings, land banks should explore and implement practices that affirm a strong commitment to inclusiveness, engagement, and empowerment.
- 5**

ALIGNMENT WITH OTHER LOCAL OR REGIONAL TOOLS AND COMMUNITY PROGRAMS

Because a land bank is a tool to support locally developed land use goals, it is important to coordinate with other tools and programs geared toward neighborhood stabilization and revitalization. Successful land banks have helped facilitate and work within diverse collaborations across the public, private, and nonprofit sectors that share similar economic and community development goals. Effective land bank activities must complement existing blight prevention efforts, including but not limited to tax enforcement, strategic code enforcement, neighborhood investments, and community-based planning.
- 6**

RECURRING, RELIABLE SOURCE OF FUNDING

Land banks focus on the inventory of problem properties the local property market has basically rejected, and therefore will always require some level of public support—whether cash or in-kind—that is proportional to the scope and scale of vacancy the land bank is expected to help resolve. With a recurring and reliable source of funding, land banks can focus on the types of creative interventions and community partnerships that are required to transform liabilities to productive use that meet and advance community goals.



SECTION 2.
THE NEW YORK STORY:
SETTING A NEW NATIONAL STANDARD

THE UNDERLYING ECONOMIC & SYSTEMIC CAUSES OF VACANCY & BLIGHT IN NEW YORK

Many cities, towns, and villages across New York endured significant population losses over the last fifty to sixty years (see Table 1), and suffer the challenging dynamics that stem from an oversupply of housing. In fact, these population losses often occurred while their county or overall region experienced growth, which illustrates the need for local and county leaders to work collaboratively at the regional level to tackle the negative impacts imposed by problem properties.

This significant market imbalance of supply and demand for housing is a key reason why many New York communities have wrestled with large inventories of problem properties for decades. And it's under these weak housing market conditions when other barriers and challenges, legal and functional, become more obvious and onerous.

For instance, many local governments lack a solid understanding of the systemic causes of vacancy or abandonment, or even the scope, scale and characteristics of the inventory of problem properties in their community. Most local governments maintain parcel data in silos, exhibit little inter-departmental collaboration, or have such antiquated data systems that systematically integrating parcel data to analyze trends and identify problem properties early is very difficult.

TABLE 1.
POPULATION SHIFTS IN SIX UPSTATE NEW YORK COUNTIES ILLUSTRATING
THE “HOLLOWING OUT OF THE CORE” PHENOMENON

Jurisdiction	1950	2010	Net Change	% Change
City of Schenectady	91,785	66,135	-25,650	-28%
Schenectady County	142,497	154,727	12230	9%
City of Troy	72,311	50,129	-22,182	-31%
Rensselaer County	132,607	159,429	26822	20%
City of Utica	100,489	62,235	-38,254	-38%
Oneida County	222,855	234,878	12023	5%
City of Buffalo	580,132	261,310	-318,822	-55%
Erie County	899,238	919,040	19802	2%
City of Syracuse	220,583	145,170	-75,413	-34%
Onondaga County	341,719	467,026	125307	37%
City of Rochester	332,488	210,565	-121,923	-37%
Monroe County	487,632	744,344	256712	53%

Additionally, the legal systems that can help prevent or minimize the harms of vacancy and abandonment—code enforcement systems, property tax enforcement and foreclosure systems, and mortgage foreclosure systems—can often be ineffective or inefficient, making it difficult to stop and ultimately reverse the decline of neighborhoods burdened by an oversupply of housing, weak housing markets, and concentrated poverty. In fact, the weaker the housing market, the more the deficiencies in these key legal systems can actually contribute to the problem.

For example, local governments in New York rely heavily on the criminal prosecution of property owners to enforce housing and building codes. However, out-of-state owners and limited liability corporations (LLCs) can easily evade the reach of the courts, making it difficult to hold these specific owners accountable. As most local and county governments in New York auction off properties that are tax delinquent, problem properties in distressed neighborhoods often default to local governments in the absence of any bids, or are scooped up by these same speculators or irresponsible landlords for pennies on the dollar in cash deals, perpetuating the cycle of decline. Since the markets in these chronically disinvested neighborhoods do not inspire investor confidence, many of the successful bidders on these low value properties will “drain” rental property of any remaining equity, and then simply walk away.

Over the last fifteen years or so, forward-thinking leaders in New York have experimented with approaches to minimize the harms caused by problem properties, with a focus on some of the key systems discussed above:

► **DATA SYSTEMS AND MANAGEMENT PRACTICES**

More and more cities are partnering with county governments or local colleges and universities to rethink data collection and information management systems, recognizing that reliable and accurate data must be the starting point for all strategic decisions, particularly the allocation of limited resources.

► **CODE ENFORCEMENT SYSTEMS**

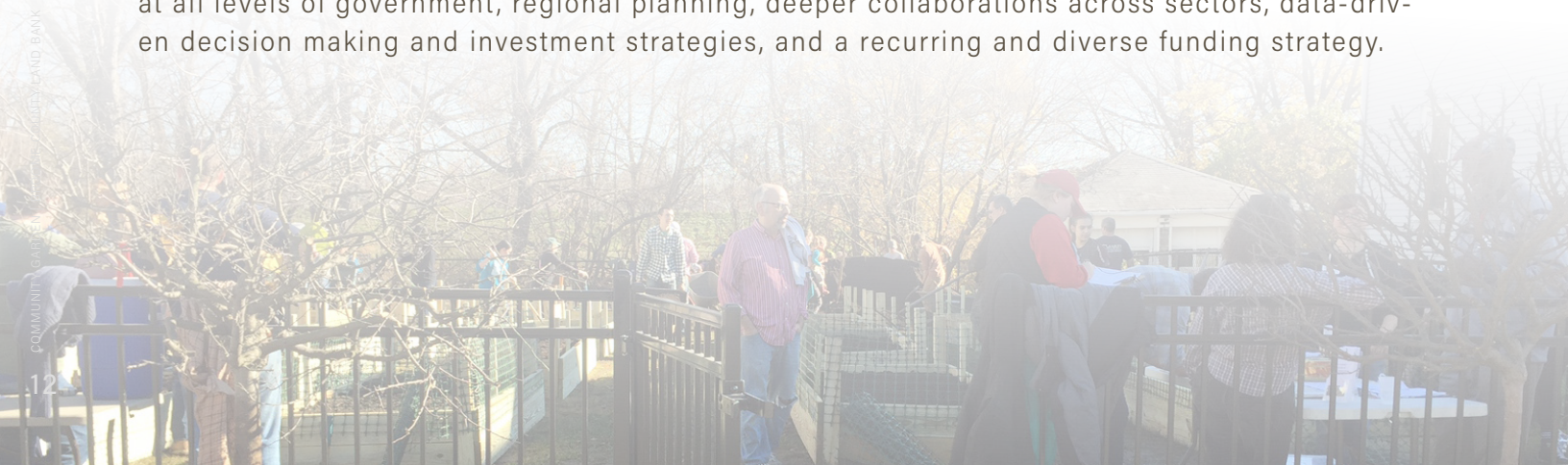
Many cities have passed vacant property registration ordinances and launched new rental registration programs. Many local governments also step in to abate a nuisance on a private property, and then roll the costs to the tax bill as an effective collection strategy.

► **TAX ENFORCEMENT SYSTEMS**

Some communities have changed how they enforce delinquent taxes, such as discontinuing the sale of tax liens or creating special auctions for first-time home buyers only.

Some local governments have also cultivated deep community relationships, building up civic capital to help transform vacant spaces into vibrant places, such as parks, community gardens, or green stormwater infrastructure. Meanwhile, a decade's worth of New York State programs, from the Restore NY Grant Program to the Regional Economic Development Councils, have brought hundreds of millions of dollars to New York communities, allowing local leaders to fund blight elimination programs that address their own unique and urgent needs. But, communities still need more new tools, determined political leadership at all levels of government, regional planning, deeper collaborations across sectors, data-driven decision making and investment strategies, and a recurring and diverse funding strategy.

While these have been helpful, incremental steps in the right direction, the underlying economics of some neighborhoods—and the steady outmigration of residents—continue to pose a threat to the health, vitality, and safety of too many New York families and residents. In the face of these persistent challenges, there has been a growing awareness among state and local leaders that an effective approach to problem properties requires more than just a few tweaks to our existing tools and laws. There also need to be new tools, determined political leadership at all levels of government, regional planning, deeper collaborations across sectors, data-driven decision making and investment strategies, and a recurring and diverse funding strategy.



THE LAND BANK MOVEMENT EMERGES IN NEW YORK

“ The special powers granted to land banks under New York’s bill ensures these new public entities have the ability to streamline the removal of vacancy and abandonment and create a nimble, accountable, and community-driven approach to returning problem properties to productive use. ”

As early as 2007, a handful of New York State leaders, motivated by the impressive results of land banks in other states (notably Michigan and Ohio), began to advocate for legislation allowing local governments to create land banks to complement and bolster existing blight prevention efforts.

After three years of educating state officials about land banks and building a network of supporters across the state, Assemblyman Sam Hoyt, Assemblyman William Magnarelli, and Senator David Valesky—the bill’s primary sponsors—finally saw the New York State Land Bank Act signed into law by Governor Cuomo on July 29, 2011. The original legislation allowed for the creation of up to ten land banks through a competitive application process managed by the Empire State Development Corporation (ESDC). In 2014, both legislative chambers unanimously supported increasing the number of potential land banks from 10 to 20. By the end of 2016m, ESDC has approved all 20 land banks. (see Table 2). As outlined in the legislation, land banks are nonprofit organizations formed by local government and subject to further oversight by public authorities law.

THE NEW YORK LAND BANK ACT, modeled after earlier state-enabling legislation in Michigan and Ohio, but continuing provisions unique to New York, grants the following special powers and legal authority to help land banks effectively and efficiently convert problem properties into neighborhood assets:

- ✓ Obtain property at low or no cost through the tax foreclosure process, usually through local agreements/arrangements with foreclosing governmental unit
- ✓ Exercise “super bid” authority, which allows land banks to jump in front of speculators and other bidders at tax foreclosure auctions
- ✓ Hold land tax-free
- ✓ Lease properties
- ✓ Negotiate sales based not only on the highest bid but also on outcome(s) aligned with community needs (i.e., workforce housing, a grocery store, or expanded recreational space)

NEW YORK LAND BANKS

TABLE 2.
NEW YORK LAND BANKS, AS OF MARCH 2017

- Albany County Land Bank Corporation
- Allegany County Land Bank Corporation
- Broome County Land Bank Corporation
- Buffalo Erie Niagara Land Improvement Corporation
- Capital Region Land Reutilization Corporation
- Cattaraugus County Land Bank Corporation
- Chautauqua County Land Bank Corporation
- Chemung County Land Bank Corporation
- Finger Lakes Regional Land Bank Corporation
- Greater Mohawk Valley Land Bank Corporation
- Greater Syracuse Property Development Corporation
- Nassau County Land Bank Corporation
- Newburgh Community Land Bank
- Oswego County Land Bank Corporation
- Rochester Land Bank Corporation
- Steuben County Land Bank Corporation
- Suffolk County Land Bank Corporation
- Sullivan County Land Bank Corporation
- Tioga County Land Bank Corporation
- Troy Community Land Bank

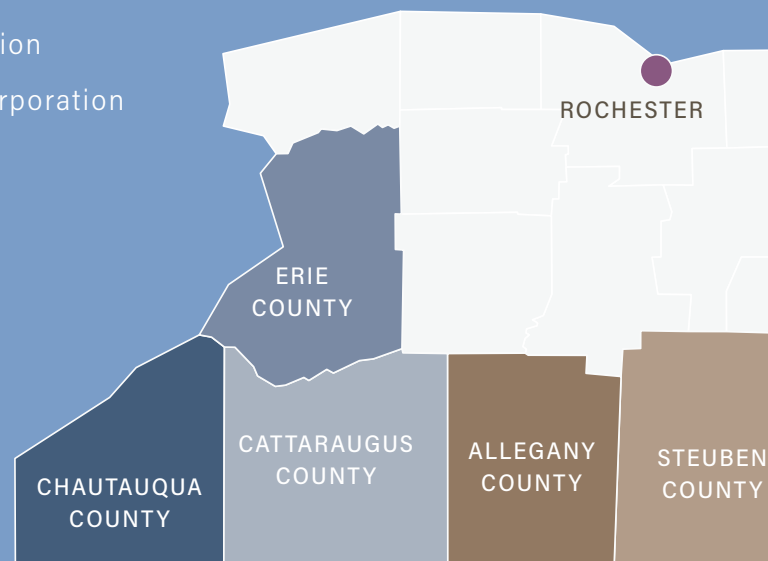


TABLE 3.
LIST OF STATE AND NATIONAL ORGANIZATIONS SUPPORTING LAND BANK NETWORKS

Region	Support Organization	Website
Georgia	Georgia Association of Land Bank Authorities	--
Michigan	Michigan Association of Land Banks	milandbank.org
New York	New York Land Bank Association	nylandbanks.org
Ohio	Thriving Communities Institute	wrlandconservancy.org/whatwedo/advocacy
Pennsylvania	Housing Alliance of Pennsylvania	housingalliancepa.org
National	Center for Community Progress	centerforcommunityprogress.net



The powers granted to land banks under New York’s law intends that these new public entities have the ability to streamline the removal of vacancy and abandonment and create a nimble, accountable, and community-driven approach to returning problem properties to productive use. The Land Bank Act represents what Frank Alexander, cofounder of and Senior Legal and Policy Advisor at Community Progress, describes as the third generation of land banks in his *Land Banks and Land Banking* publication (2015, second edition).⁷ In fact, between 2012 and 2014, seven more states passed land bank bills that shared similarities with New York’s third generation land bank legislation.⁸

A total of eight communities submitted applications to ESDC across two rounds (Spring 2012 and Winter 2012/2013) and all eight were approved. The first group of approved land banks

⁷ In Frank Alexander’s 2015 edition of *Land Banks and Land Banking*, he provides a historical overview of the land banking movement, which is actually more than 40 years old. St. Louis (1971), Cleveland (1976), Louisville (1989) and Atlanta (1991) were all originally created as passive land banks, constituting the first generation. The second generation of land banks included Genesee County and Michigan (2002) and Cuyahoga County and Ohio (2008). While Michigan and Ohio helped re-design and launch the modern land bank, the state laws were complicated and intricate. Third generation land banks differ primarily because the state enabling legislation from which they are authorized are simpler and more coherent. The difference is more form than substance, explains Alexander. A copy of Alexander’s publication is available to download for free at www.communityprogress.net.

⁸ In addition to New York, third generation land banking legislation includes Georgia (2012, an update to its existing first generation land bank legislation), Missouri (2012), Pennsylvania (2012), Tennessee (2012), Nebraska (2012), Alabama (2013), and West Virginia (2014).



represented diverse geographies and interests: two local jurisdictions, four single counties, and two regional entities. Two more, Albany County and the City of Troy, were approved in the summer and fall of 2014. ESDC accepted applications on a rolling basis after the first ten were approved, and another ten land banks had been approved by the end of 2016.

Support from CenterState CEO and Community Progress helped land bank staff and board members cultivate a strong peer-to-peer network that involved monthly conference calls and an active email listserv. By 2014, this loose support network had evolved into a formal professional organization, the New York Land Bank Association (NYLBA).

NYLBA offers legal and policy guidance to all members, develops annual legislative priorities, boasts a successful track record of legislative advocacy (see Section 4: Going Forward), and hosts an annual summit dedicated to sharing best practices and exploring more effective cross-sector solutions to the challenges posed by problem properties. NYLBA currently has 14 dues-paying members and is operated by a volunteer board of directors.⁹ According to Community Progress, NYLBA is one of the nation's most sophisticated and effective statewide land bank associations (see Table 3 for other state and national groups that support land banks).

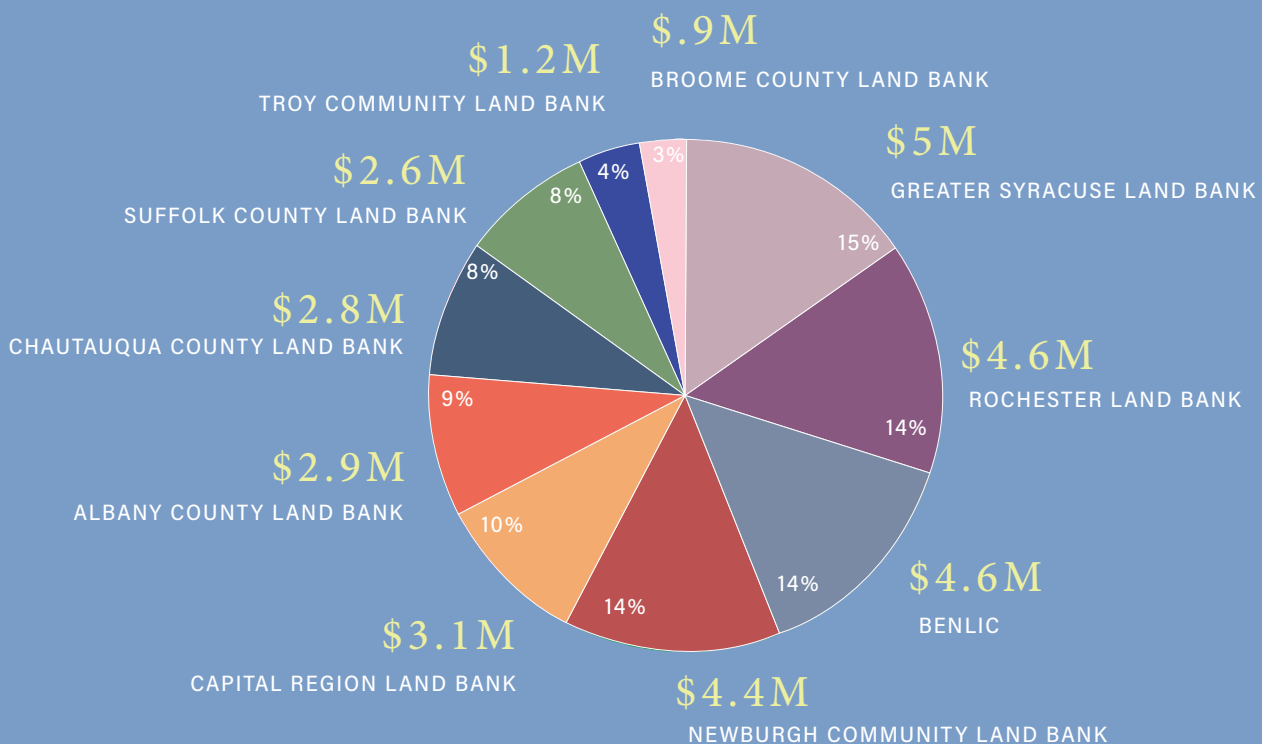
⁹ Other recently created land banks have expressed interest to become dues-paying members in the coming year, once local budgets allow.

FUNDING THE NEW YORK LAND BANK MOVEMENT

Based on national research, land banks typically rely on local funding (general fund appropriations from county and local governments), sales proceeds, a portion of the property taxes generated from repurposed properties,¹⁰ and grants from the philanthropic, public, and private sectors. The same is true of land banks in New York. At the time of this report, 12 of the 20 land banks

TABLE 4.
TOTAL AMOUNT OF CRI FUNDS ROUND 1-2
AWARDED TO THE TEN ORIGINAL LAND BANKS

Greater Syracuse Land Bank	\$4,971,534.00	●
Rochester Land Bank	\$4,645,762.00	●
BENLIC	\$4,587,500.00	●
Newburgh Community Land Bank	\$4,408,850.00	●
Capital Region Land Bank	\$3,150,000.00	●
Albany County Land Bank	\$2,880,000.00	●
Chautauqua County Land Bank	\$2,806,000.00	●
Suffolk County Land Bank	\$2,613,471.00	●
Troy Community Land Bank	\$1,257,748.00	●
Broome County Land Bank	\$955,401.00	●
TOTAL CRI FUNDING ALLOCATED	\$32,276,266.00	



reported cash commitments from local or county governments totaling more than \$13 million to date. More than \$9 million in sales proceeds has been rolled back into land bank activities. An additional \$10.5 million was reported in grant awards secured through federal and state programs and local philanthropic partners.

However, most of the funding support for New York land banks to date has come from the New York Attorney General's (AG) Office. About one year after ESDC's approval of the first round of land banks, the AG's Office announced in the summer of 2013 a new source of dedicated funding for land banks. The AG's Community Revitalization Initiative (CRI) would competitively award \$33 million over two rounds in 2013 and 2014 to eligible land banks. The funds were part of the first National Mortgage Settlement,¹¹ which NY Attorney General Eric Schneiderman had a key role in securing, and the AG's office promised that carving out dedicated funding for land banks would be explored in future settlements.

The first round of CRI funding saw the allocation of \$13 million in awards among eight land banks in the fall of 2013. Nearly all land banks requested grant funds to hire dedicated staff, but there was a lot of innovation and variety among the place-specific proposed activities. For instance, Suffolk County Land Bank requested and received funds for Phase I and Phase II environmental assessments for brownfields that a recently completed local planning

initiative identified as key next steps. Chautauqua County Land Bank's award went almost exclusively to fund an aggressive demolition program (80 properties). Newburgh Community Land Bank requested funds to support the acquisition, remediation and stabilization of tax-delinquent properties to support the City's goals of adding quality workforce housing.

By the time the second round of funding was announced in July 2014, land bank applications from Albany County and the City of Troy had been approved by ESDC and were eligible to apply. Table 4 includes a summary of the total amount of grants awarded through CRI. The AG's Office carved an additional \$20 million for land bank support out of subsequent settlements with lending institutions in 2016. Managed by Enterprise Community Partners and LISC, these funds were competitively awarded to the 19 land banks that were eligible at the time of the grant application deadline.¹²

These settlement funds have been critical to the early successes of New York land banks. As the next section makes clear, the public investments made to date offer a compelling case that, when provided reliable and recurring funding, New York land banks can successfully intervene in this cycle of disinvestment, remove the financial and legal barriers that make these properties unmarketable, attract responsible private investment, and help advance a community's tailored approach to achieving healthier, more vital, and safer neighborhoods for all.

¹⁰ Most states that have passed land bank legislation include some form of tax recapture that allows land banks to receive a portion of the property taxes for a set number of years after successfully repurposing a vacant or abandoned property. For example, the New York Land Bank Act includes the 5/50 tax recapture provision, which means land banks can enter into local agreements with taxing jurisdictions that will give that land bank 50% of the property taxes of a repurposed property for five years after the land bank sale to a private third party.

¹¹ The National Mortgage Settlement, signed in February 2012, was a historic joint state-federal settlement with the country's five largest mortgage servicers, brought by 49 states, the District of Columbia, and the federal government. Representing the largest consumer financial protection in U.S. history, this more than \$50 billion agreement resolved some aspects of the banks' conduct related to the financial crisis. For more information, see <http://www.nationalmortgagesettlement.com/about>.

¹² The award announcement was made as this report was going to print. For more information, see: <https://ag.ny.gov/press-release/ag-schneiderman-announces-20-million-grants-19-land-banks-are-rebuilding-neighborhoods>. The Tioga County Land Bank, the 20th in NY, was approved by ESDC after applications were due for this latest round of funding.

SECTION 3 THE IMPACTS TO DATE



PREFAB ASSEMBLY FOR A NEW RESIDENCE | BENIC

ROUTER EXTENDED

MEASURE OF SUCCESS: BY THE NUMBERS

By nearly any measure, the work carried out by New York land banks has been a resounding success, especially when considering these organizations have been up and running for less than four years. But, while land banks have certainly benefited from outstanding leadership, an effective professional association (NYLBA), and strong support from state and local officials, the influx of dedicated funding from the AG's Office has been critical in jump-starting the land bank movement statewide. The metrics featured in this section are based on the ten land banks that received CRI funding from the AG's Office, since the remaining ten have been in operation for less than a full year (as of December 2016).

Looking at just the number of problem properties that have been addressed, the ten land banks account for the following:

The ability of these ten land banks to leverage other funding sources to bring to bear on these challenges, and the resulting economic impacts are equally as impressive.

1,989

PROBLEM PROPERTIES ACQUIRED, ALMOST ENTIRELY THROUGH THE TAX FORECLOSURE PROCESS, WITH VACANT LOTS ACCOUNTING FOR 25% OF ALL ACQUISITIONS

\$77M

IN PRIVATE INVESTMENT HAS BEEN LEVERAGED IN COMPLETED AND PENDING PROJECTS, RANGING FROM MONITORED UPGRADES TO RENTAL PROPERTIES BY MOM-AND-POP LANDLORDS TO BROWNFIELD REDEVELOPMENT AND NEW, MIXED-USE DEVELOPMENT PROJECTS

651

PROPERTIES SOLD TO PRIVATE INDIVIDUALS OR NON-PROFIT PARTNERS, WITH CLEAR DEVELOPMENT GOALS AND USES BENEFICIAL TO THE NEIGHBORHOOD¹³

\$28.4M

IN ASSESSED VALUE HAS BEEN RETURNED TO THE TAX ROLLS, ACCOUNTING FOR NEARLY \$2 MILLION IN NEW TAX REVENUE FOR LOCAL JURISDICTIONS

482

UNSAFE, DILAPIDATED STRUCTURES DEMOLISHED

\$13M

IN LOCAL AND COUNTY GOVERNMENT FUNDS &

400

STRUCTURES RENOVATED OR STABILIZED (BY THE LAND BANKS), WITH MOST RESULTING IN NEW HOMEOWNERSHIP OPPORTUNITIES OR QUALITY, WORKFORCE RENTAL HOUSING

\$10.5M

IN OTHER GRANTS FROM PUBLIC, PHILANTHROPIC AND PRIVATE PARTNERS, HAVE BEEN LEVERAGED BY LAND BANKS AND INVESTED IN THE TRANSFORMATION OF PROBLEM PROPERTIES TO COMMUNITY ASSETS

\$9.4M

IN SALES PROCEEDS HAVE BEEN ROLLED BACK INTO LAND BANK OPERATIONS AND INTERVENTIONS

¹³ Virtually all New York Land Banks use development agreements, reverter clauses, secured real estate financing and other legal tools to enforce the development and investment commitments made by the successful purchasers of land bank properties. With more than 650 properties sold, there have been only a few instances reported by land banks where such instruments had to be enforced.

MEASURE OF SUCCESS: THE UNSEEN BENEFITS

Performance metrics don't convey the full story of how land banks help improve a community's economic, social, and fiscal health.

First, problem properties drain local tax dollars—primarily in the provision of fire, police, and code enforcement services—deter private investors, and reduce the values of adjacent properties, directly harming the equity and potential wealth of innocent neighbors. A recent report by the Community Impact and Innovation Unit of the NY AG's Office estimates that land bank interventions supported by CRI funding have saved \$19 million in property value for surrounding homes.¹⁴

For every problem property acquired, maintained, and then returned to the private market for productive use, that is one property that no longer generates these external costs and liabilities. *The net fiscal gain to local governments is even greater than the amounts above indicate.*

Second, there is anecdotal evidence that eliminating these problem properties, particularly unsafe structures, has qualitative impacts that advance social justice and equity goals. Most of this work occurs in many of our most distressed neighborhoods in New York, and these investments signal to residents—who for too long might have felt left behind—that they deserve healthy, safe, and vibrant neighborhoods. Research shows that land bank interventions, particularly demolitions and greening vacant land, can reduce crime rates in the immediate vicinity. And even if these interventions don't show a sig-

nificant correlation to reduced crime, field surveys before and after show that residents *feel* safer.¹⁵ The ultimate goal is to support vibrant and healthy neighborhoods for all, and incremental investments that improve perceptions of safety and neighborhood pride are the first step.

Finally, when land banks work more closely with local governments, and strategically align with other preventative systems and revitalization efforts, a shift in community expectations as to what defines responsible ownership can yield significant gains that might go unnoticed. For example, in Syracuse, the City had stopped enforcing delinquent taxes for nearly seven years because it had neither the capacity nor desire to own and maintain the most distressed properties that would end up in the City's inventory at the end of the foreclosure process. Collection rates decreased, given some unscrupulous owners realized there would be no consequence for not paying taxes.

When the Greater Syracuse Land Bank formed, it agreed to accept all properties that ended up in foreclosure if the City again started to enforce delinquent taxes. City officials acknowledge that, between November 2012 and June 2015, this new approach resulted in the collection of an additional \$7.2 million in delinquent city taxes, and \$2.75 million in delinquent county taxes. Officials estimate that when the backlog of delinquent tax cases is fully addressed, which is expected to occur in 2017, the on-time collection rate of property taxes in the City of Syracuse will have jumped from 94% to 99%.

¹⁴ Community Impact and Innovation Unit, New York Office of the Attorney General, *Revitalizing New York State: A Report on NY Attorney General Eric T. Schneiderman's Land Bank Community Revitalization Initiative*, November 2016. A copy of the report can be found at http://ag.ny.gov/sites/default/files/oag_land_bank_report.pdf.

¹⁵ Eugenia C. Garvin, Carolyn C. Cannuscio, and Charles C. Branas, *Greening Vacant Lots to Reduce Violent Crime: A Randomised Controlled Trial*, IP Online First, 2012.

MEASURE OF SUCCESS: LOCAL SNAPSHOTS

New York land banks can turn to any number of local success stories in transforming problem properties into assets that support a community's vision for healthier, more vibrant, and inclusive neighborhoods. Some brief snapshots are included below as further evidence of how a land bank, strategically exercising its core powers in partnership with other stakeholders, can overcome longstanding barriers in support of creative and locally determined redevelopment and reuse projects.

ALBANY COUNTY LAND BANK

www.albanycountylandbank.org

The Land Bank, in partnership with the City of Cohoes and other community stakeholders, demolished a vacant structure located at an important downtown intersection to create a developable parcel that will enable the City to move forward with a larger planned economic development project. The property slated for demolition had been unoccupied for about 10 years and formerly housed a bar and restaurant. The site is the final site needed to create a planned mixed-use development, known as the Mosaic Village a collaboration between 3tarchitects, the Autism Society of the Greater Capital Region, the Spotted Zebra Learning Center in Albany, and the Vecino Group. The development, which has been approved by the City, will consist of 72 housing units, 25% of which will be designed for people with developmental disabilities such as autism. The first floor of the development is expected to contain job training and placement offices along with services that support individuals with disabilities. Other units will be rented to people between 60 and 130 percent annual median income of Albany County. By leveraging its contracting powers, project management capabilities, and grant funds, ACLB was able to eliminate a long-vacant structure, reduce overall project costs, and clear the way for an unprecedented local economic development project that will benefit the surrounding neighborhood and the City of Cohoes

BROOME COUNTY LAND BANK CORPORATION

www.broomelandbank.org

In 2014, the Land Bank acquired a tax-foreclosed commercial property along a strategic corridor on the edge of downtown Binghamton. The six-story building, a former hotel and retirement home, had been vacant since 2010 and suffered extensive flood damage in 2011. The Land Bank publicly marketed the property while engaging the community and exploring public/private partnerships to determine the highest and best use of the property. A developer was selected to demolish the unsound structure and construct a new development in its place. The \$20 million project will be a modern, five-story mixed-use building with 10,000 square feet of commercial space and a total of 118 market-rate housing units—which aligns with the housing goals outlined in Blueprint Binghamton (2014), the City's comprehensive plan. The Land Bank was also able to secure a \$3 million state grant to assist with environmental remediation and demolition of the blighted property, two obstacles which impeded the site's redevelopment. Construction is scheduled to begin in the spring of 2017.

BUFFALO ERIE NIAGARA LAND IMPROVEMENT CORPORATION (BENLIC)

www.benlic.org

BENLIC, focuses on strengthening the residential fabric of town, village, and city neighborhoods throughout Erie County. BENLIC routinely uses their super bid authority to efficiently acquire problem properties at tax foreclosure auctions within Erie County. In 2016, BENLIC acquired nearly 150 tax-foreclosed properties, many of which were absentee-owned and would have likely been acquired by speculators. Some of these properties were subsequently transferred to Buffalo's Division of Real Estate for sale as part of the City's Homeownership Initiative. The remaining properties will be either rehabbed by BENLIC and returned to the tax rolls with an increased assessment, or sold to responsible investors who will be legally responsible for upgrading the property to meet municipal and property maintenance code standards. Since 2014, BENLIC has helped create responsible development pathways for problem properties that had a total tax delinquency of more than \$3 million, and by the end of 2017, will have helped return more than \$5 million in assessed value to local and county tax rolls.



CAPITAL REGION LAND BANK

www.capitalregionlandbank.org

In 2013, the Land Bank, with the assistance of the City of Schenectady and the Schenectady Metroplex Development Authority, acquired a derelict multi-family structure, a run-down former pub, and the neighboring vacant lot to demolish the unsafe structures, assemble the parcels, and re-purpose the land as a community asset for the Eastern Avenue Neighborhood. Through community-based planning efforts, residents expressed concerns about the lack of access to green space and a desire for a pocket park, so the Land Bank subsequently led a community planning charrette to help design and program the space. The result? Tribute Park, named to honor all the workers that toiled in factories and lived in the city's neighborhoods. Phase 1 of the park is complete, and included the installation of landscaping, walking paths and site utilities. A second phase is under development for the spring of 2017. The nearly half-acre park creates a new way for residents to access the contiguous Historic Vale Park and, once completed, will include walking trails, a spray park, and other amenities. The park is being constructed by the Land Bank with the support of the New York State Attorney General's Office, the Schenectady Community Foundation, Wright Family Foundation, and the Carlilian Foundation; and the park will be maintained through a partnership with the City of Schenectady along with the Capital Region Rotary Club.

CHAUTAUQUA COUNTY LAND BANK

www.chautauqualandbank.org

The Chautauqua County Land Bank Corporation focused early investments on high-priority demolitions, including a historic hotel in downtown Westfield that had been abandoned for over two decades. Tipping fee credits, provided by the county-owned landfill as part of a regional approach to blight elimination, were used to dispose of the 1,067 tons of debris. Following the demolition, a plan was created and adopted to grade the site to facilitate development of an access road to community and natural assets below. The project will dramatically improve public access to downtown parking, baseball fields, and the planned Welch Trail, a transformational project that will convert a historic railroad bed to a public multi-use trail along Chautauqua Creek. Not only did the demolition eliminate a longstanding eyesore and open up access to community assets, but the cost of the demolition was leveraged as part of the matching funds to secure an additional \$200,000 in state funding for the trail development, including a signature trail head and amenities behind the Portage Inn site.

GREATER SYRACUSE LAND BANK

www.syracuselandbank.org

With the largest inventory among land banks in New York, the Greater Syracuse Land Bank has developed a range of creative programs to attract and leverage private investment. Some properties are designated Homeownership-Choice properties, which means the Land Bank will only accept offers from buyers who intend to make the property their primary residence. The Land Bank also offers a Public Employees Discount Program, offering 50% discount off the listed sale price to any full time employee of the City, County, or City School District. Discount programs are also offered for applicants who intend to develop income-restricted affordable housing and to purchasers who have a household income equal to or below 80% of the average median income (AMI). Under the City's previous program for selling tax-foreclosed properties, they were able to offer discount programs, but sold properties sight-unseen and had a hard time attracting buyers using traditional financing or whose lender might require a home inspection prior to purchase. The Land Bank, pro-actively taking title to abandoned properties, is better equipped to place properties into specific disposition tracks based on their condition and coordinated plans. Through creative marketing programs and with a focus on market-based solutions, the Land Bank has attracted nearly \$15 million in private investment, and returned to the tax rolls approximately \$13 million in assessed value.





NEWBURGH COMMUNITY LAND BANK

www.newburghcommunitylandbank.org

By early 2017, Newburgh Community Land Bank (NCLB) will have returned more than 50 properties with almost 100 units of housing to active use. NCLB has consciously planned for a variety of housing types with a wide range of affordability in its target neighborhoods. NCLB is also looking beyond housing and rethinking the Land Bank's broad goal of eliminating barriers to redevelopment. NCLB leaders recognize that, an independent and transparent entity with highly trained staff also presents an opportunity to facilitate tactical interventions, installations, and community conversations that bring value, vibrancy, and enhanced prospects to the very same neighborhoods and residents impacted by problem properties. NCLB recently took the lead in managing a project that reimagined the main intersection in downtown Newburgh as the city center. The project, which relied heavily on public input, created a new pilot bus stop, a large park, improved pedestrian crossings and traffic patterns, and utilized local artists to transform vacant space into community assets. NCLB's quasi-public status enabled it to serve as a competent intermediary between the municipality and partner businesses and non-profits to ensure that all of the goals were achieved. Similarly, NCLB partnered with the City of Newburgh in 2015 to launch the Downing Park Urban Farm Project to address food access and justice.



DOWNING PARK URBAN FARM GREENHOUSE | NEWBURGH COMMUNITY LAND BANK



ROCHESTER LAND BANK CORPORATION

[www.cityofrochester.gov/land Bank](http://www.cityofrochester.gov/land%20Bank)

While the first round of the New York State Office of the Attorney General's Community Revitalization Initiative grant allowed Rochester Land Bank Corporation (RLBC) to partner with the City of Rochester's longstanding and successful rehabilitation program, the second round of funding allowed RLBC to attack blight and vacancy on multiple fronts. A particular example was the sole remaining vacant and distressed property on a block recently refreshed with private and public investment. The vacant, boarded-up property was underwater from years of delinquent taxes that exceeded the property's market value. Through its Strategic Blight Removal program, RLBC acquired the property from the City's bulk tax lien purchaser, which had been unable to sell it on the private market, at a substantially lower price than what the City would have been contractually obligated to pay the tax lien servicer. The Land Bank demolished the functionally obsolete structure, and then conveyed the vacant lot to one of its key development partners for use in the Neighborhood Builders Program, where newly constructed homes are sold to income-qualified, first-time home buyers. The proud owner of the new home is a first-generation immigrant who has been able to participate in the "American Dream" of homeownership.

SUFFOLK COUNTY LAND BANK CORPORATION

www.suffolkcountylandbank.org

Long Island's first land bank, Suffolk County Land Bank, established brownfield sites, many of which had been abandoned for an average of 20 years, as a top priority and target for intervention. The Land Bank has completed 60 environmental assessments (mostly Phase I assessments) on brownfield sites, offering owners and potential investors a clear picture of the liability, if any, and the clean-up costs. Working with the County Health Commissioner, the Land Bank's actions have also drawn out some owners from the shadows, resulting in some coming current on their taxes. Voluntary payments and commitments to installment plans have yielded more than \$4.5 million in back tax revenue. The Land Bank has also pioneered a blanket agreement with state environmental agencies, which allows for increased cooperation, extends liability protections to the Land Bank, and establishes a set mechanism to both release liens if needed and distribute proceeds of sale. Exemplifying how land banks are flexible tools that should be tailored to address local priorities, the Land Bank has focused its special powers on solving a decades-old problem, compelled improved compliance from property owners, and set the stage for private investment pursuant to local land use goals.



FORMER LIBERTY INDUSTRIAL FINISHING SITE | NEWSDAY / THOMAS FERRARA | JUNE 2, 2016

TROY COMMUNITY LAND BANK

www.troycommunitylandbank.org

The Land Bank took a deliberate approach its first two years, raising awareness about the purpose and goals of land banks as community development tools, and forging partnerships around the idea of taking a targeted, focused approach in one of the City's most distressed neighborhoods. For example, a three-year anti-poverty initiative, funded by a state grant of \$1.5 million and set to launch in 2017, has provided an excellent opportunity for the Land Bank to engage partner organizations about the need to invest in not just housing, but a whole range of amenities and social needs, in a targeted neighborhood. Additionally, the Land Bank played a pivotal role in the successful implementation of Breathing Lights, a nationally recognized public art project funded with a \$1 million grant from Bloomberg Philanthropies.¹⁶ The Troy Community Land Bank and the other two land banks in the Capital Region (Albany County Land Bank and Capital Region Land Bank) granted artists access to about 300 vacant and abandoned properties in Troy, Schenectady, and Albany. The art installation featured lights in all windows that rhythmically faded in and out like human breath. The project has helped raise awareness about the causes and negative impacts of vacancy and abandonment, and is rallying decision-makers to find common ground on actionable solutions.

¹⁶ To learn more, visit <http://www.breathinglights.com/>

SECTION 4.
GOING FORWARD





GOING FORWARD

The land bank movement in New York has surpassed even the most ambitious expectations. Land bank leaders are fully aware, however, that the problem of vacancy and blight, decades in the making, is far from resolved. Below are four key areas that will likely remain the focus of NYLBA in the coming years: (1) explore ways to achieve a recurring, reliable funding source for land banks, (2) continue to identify and advocate for reforms that ensure cost-effective and efficient operations for land banks, (3) offer support to and learn from the newly created land banks in the state, and (4) contribute to and support diverse, cross-sector collaborations in an effort to better align programs, investments, and strategies to tackle problem properties.

NEXT STEPS

❖ EXPLORE AND PURSUE A RECURRING, RELIABLE FUNDING

According to a 2014 nationwide survey of land bank leaders completed by the Center for Community Progress, all land banks except for those in Ohio identified “Finding a recurring, reliable funding source” as the number one priority.¹⁷ Why not Ohio? Because Ohio is the only state in the nation that has solved the land bank funding challenge.

Ohio’s 2009 land bank bill included a provision for funding called the Delinquent Tax Assessment Collection (DTAC). The law authorizes a County Treasurer to redirect to their County Land Bank (in Ohio, land banks can only be created at the County level) 5% of all excess penalties and interest generated by collected delinquent taxes. To put this in perspective, the Cuyahoga County Land Bank, a pioneer in the field, receives \$7 million annually in DTAC funding.

Held up as a national model by Community Progress, Ohio’s legislative solution is the envy in the field, and significant for two reasons. First, the successful use of DTAC by counties across Ohio signifies broad consensus by local leaders of all political stripes that public funding is critical to help land banks acquire, maintain and transform a community’s harmful inventory of problem properties, largely unmarketable, to neighborhood assets. Second, the predictability of year-over-year funding allows savvy land bank leaders to focus more on mission-driven, high-impact projects than chasing after competitive grants that, if secured, tend to be time-consuming to administer and manage. For these reasons and more, land bank associations and networks in Michigan, Georgia, Tennessee, and Pennsylvania are currently exploring ways to emulate DTAC, or identify a more state-appropriate solution that still ensures land banks, a key tool in the fight against blight, have access to recurring, reliable funding.

Given ongoing financial support these first few years from the AG’s Office, the matter has not been as pressing here in New York. Nevertheless, NYLBA has started a dialogue internally and with key legislative supporters to explore creative ways to achieve sustainable funding for a proven tool that has posted exceptional social, economic, and fiscal returns from the early rounds of public investments.

❖ CONTINUE TO ADVOCATE FOR COST-EFFECTIVE & EFFICIENT LAND BANKS

Whether it’s language in the 2011 New York Land Bank Act or burdensome red tape, land banks have bumped up against a number of obstacles that undermine the intent of land banks to serve as nimble and flexible tools to help tackle vacancy and blight. And thanks to NYLBA, land bank members have had a reliable forum to share these stories, identify common challenges, and work out common sense solutions for legislators in Albany to consider.

¹⁷ P. Heins and T. Abdelazim, *Take it to the Bank*, see pages 35-36.

NYLBA's legislative track record in pushing for optimal conditions for land banking in New York has been impressive, and below is a list of common sense solutions achieved to date thanks to strong, bipartisan support from leaders in Albany.

2016 LEGISLATIVE AMENDMENTS

1. *Exempts the real property of a land bank from all special ad valorem levies and special assessments.* Land bank property is already held tax-exempt, so this amendment simply sought to create consistency, and ensure that the limited resources a land bank has are directed to fixing the problem property, and returning it to taxable status and productive use.
2. *Authorizes holding title of real property of a land bank in the name of a subsidiary.* Some land banks were hesitant to acquire brownfields because of the potential contamination and risks such a parcel may impose to the land bank as a whole. Granting land banks the ability to create subsidiaries offers a promising way for land banks to acquire brownfields with limited risk to the overall enterprise.

2015 LEGISLATIVE AMENDMENTS

1. *Exemption from recording/filing fees associated with real estate transactions (deed, enforcement notes, etc).* An optimal approach for land banks is to acquire tax foreclosed property or donations at no or low cost, directing limited resources instead to either the demolition or renovation of the property. To that end, it made sense to extend this existing exemption for some public entities to land banks as well, helping to keep acquisition costs as low as possible.
2. *Exemption from rules governing disposition for public authorities.* The New York Land Bank Act subjected land banks to the state's regulatory regime for both nonprofits and public authorities. However, the disposition regulations for public authorities are so onerous and tedious that they ran completely counter to the shared goal of granting land banks the ability to be flexible and efficient. Moreover, meeting the requirements of appraisals and fair-market value was complicated, given most land bank properties are vacant lots or low-end, residential properties with few legitimate comparables. Fully exempting land banks from these disposition regulations was ambitious, but land bank leaders provided solid, concrete testimony and real case studies that, in the end, won overwhelming support from Albany lawmakers.

All of the legislative amendments to date, with a focus on land bank operations, stem from a desire by NYLBA to ensure efficient and cost-effective operations so that land banks across the state can achieve the greatest impact possible in their respective service areas and for the people who reside there. Going forward, NYLBA will continue to listen to the local experiences of its members, and where appropriate, partner with state leaders from both parties to advance common sense solutions that can help speed up the transformation of problem properties to neighborhood assets.

❖ MENTOR AND LEARN FROM THE NEWEST LAND BANKS

The first ten land banks have been working together for years, and most have service areas that include at least one large urban city as well as some sizable suburban towns. However, most of the ten land banks approved and in operation for a year or less serve less-populated jurisdictions in predominantly rural areas, or have a particular feature or local challenge that distinguishes them from the “veteran” land banks in New York.

For instance, the Greater Mohawk Valley Land Bank is a distinctly regional, grassroots-driven land bank that spans the largest geographic territory of any land bank in the state. It will service four counties (Herkimer, Montgomery, Otsego, and Schoharie) and two cities (Utica and Rome), an area that bears all the typical scars of deindustrialization, but also the ravages of multiple historic floods between 2007 and 2013. Serving an area with limited institutional capacity at the regional level, GMVLB anticipates using a broad range of creative tools and interventions to tackle vacancy and abandonment across the region, such as comprehensive planning, reevaluating code enforcement’s role in combating decline, job training in property deconstruction and rehabilitation, and creative placemaking.

NYLBA offers the state’s newer land banks an unmatched resource and a built-in peer-to-peer network with a strong commitment to mentoring and supporting fledgling land banks. Equally, NYLBA anticipates learning from this group of ten land banks as they serve more rural regions with some unique characteristics and challenges that could drive experimentation and innovation.

❖ MOVE FROM THE FRINGE TO THE CENTER OF COMMUNITY DEVELOPMENT

Given their intense focus on trying to resolve the inventory of problem properties the last few years, land banks have emerged as the state’s leading experts in the systemic causes of vacancy and blight. Working in collaboration with many different partners, land banks have helped officials and residents gain a deeper understanding of: how robust, integrated parcel data systems are key to driving decisions; how the strength of a neighborhood’s housing market and local planning goals should inform reuse decisions; and how the two key preventative systems, code enforcement and property tax enforcement, can introduce inefficiencies and inequities that actually contribute to vacancy and abandonment. By virtue of this work, land banks are helping not only to build a common understanding of how the status quo is broken, ineffective, and costly, but also to shape consensus among a diverse cross-section of stakeholders and policy makers on creative solutions and bold new approaches to address vacancy and blight.

Looking ahead, there are a number of ongoing and planned initiatives that offer a unique opportunity for the maturing land bank movement to continue to support this cross-sector dialogue and bring unique value to the great work of many stakeholders in building safer, healthier, and more vibrant neighborhoods.

- ▶ State legislation was passed this year to address “zombie properties,” holding banks more accountable during the mortgage foreclosure process, streamlining the process, and adding additional protections to homeowners in default¹⁸

- ▶ The AG's Office continues to carve out funds from bank settlements to support a range of interventions, such as:
 - **Land Banks.** In addition to the \$20 million announced in November 2016, the AG's Office also announced earlier in the year a new \$4 million pilot program called Neighbors for Neighborhoods for eligible land banks.¹⁹
 - **Local Code Enforcement Programs.** Approximately \$13 million was carved out of the AG's \$3.2 billion settlement agreement with Morgan Stanley to help local governments bolster code enforcement programs, improve local data systems, or explore policy innovations.²⁰
 - **Foreclosure Prevention Efforts.** Following the AG's settlement agreement with Goldman Sachs in April 2016, the AG announced a \$100 million expansion of ongoing and successful foreclosure prevention efforts.²¹
- ▶ New York allocated \$25 million for the Restore NY Program in the 2016 State Budget, the first time this since 2009 this highly regarded blight elimination/economic development initiative has been funded.
- ▶ The Breathing Lights Initiative (see Troy Community Land Bank's snapshot of success) will culminate with a major summit in the Capital Region in the spring of 2017, drawing interest and attention from policy makers at all levels and serving as a call to action.

New York is trailblazing new ground by making simultaneous investments in and reforms to some of the key systems and practices related to vacancy and abandonment: land banks, code enforcement and data systems, and mortgage foreclosure systems and prevention. From the Governor's Office to village boards, an unprecedented network of stakeholders are substantively discussing ways to creatively align local systems and strategies toward a more comprehensive, data-driven approach to vacancy and abandonment.

New York land banks, as emergent local and regional centers of expertise in vacancy and blight, are in a unique position to contribute to and support this robust discussion among stakeholders and decision-makers, explore creative ways to build linkages between the key systems above (including tax enforcement and foreclosure systems), and help foster consensus on policy, operational, and budgetary reforms that will more effectively address the challenges and costs imposed by large inventories of problem properties.

¹⁸ An excellent summary of the legislation by Empire for Justice Center can be found at <http://www.empirejustice.org/assets/pdf/issue-areas/foreclosure-prevention/restoring-neighborhoods.pdf>.

¹⁹ See August 2016 press release from the NY Office of Attorney General: <http://ag.ny.gov/press-release/ag-schneiderman-announces-4-million-pilot-program-help-everyday-new-yorkers-transform>.

²⁰ LISC, which is managing the funds, announced the New York Zombie and Vacant Properties Remediation and Prevention Initiative in July 2016. For the initial July 2016 press release from the NY Office of Attorney General, see <http://www.ag.ny.gov/press-release/ag-schneiderman-announces-new-grant-program-communities-combat-zombie-homes>. A full listing of the grantees and awards for this initiative can be found at <http://www.allwnynews.com/2016/10/ag-schneiderman-announces-nearly-13.html>

²¹ Continued funding will support Homeowner Protection Program (HOPP), a statewide network established in 2012 providing free housing counseling and legal services to homeowners at risk of foreclosure; and the Mortgage Assistance Program (MAP), which provides small loans to individuals, empowering them to negotiate with mortgage holders and remain in their homes. See the May 2016 press release from the NY Office of Attorney General: <http://www.ag.ny.gov/press-release/ag-schneiderman-announces-100-million-expansion-foreclosure-prevention-efforts-new>.

SECTION 5. CONCLUSION



NYLBA would like to thank the following state legislators for their strong support of these improvements:

Senator Valesky; Senator Tim Kennedy; Assemblyman Magnarelli; Assemblywoman Donna Lupardo; Assemblyman John T. McDonald III; Assemblyman Philip Ramos; Assemblyman Angelo Santabarbara; Assemblyperson Crespo; Assemblyperson Gottfried; Assemblyperson Fahy; Assemblyperson Skartados; Assemblyperson Hunter

CONCLUSION

New York communities, particularly the urban centers and rural villages upstate, have long struggled to minimize and reverse the negative impacts of vacancy and blight. At times, the scope, scale, and complexity of blight has seemed overwhelming.

But with the state's land bank movement maturing and expanding, there is reason for optimism. Not even five years old, the state's land bank movement has proven the value of breaking from the status quo, and taking a more proactive, deliberate and community-driven approach to vacancy and abandonment. And as state and local leaders look to evaluate and gauge the return on early rounds of public investments, the evidence is clear: \$77 million in private investment leveraged to convert liabilities to assets; \$28 million in assessed value returned to the tax rolls; and tens of millions saved in homeowner equity and future local tax dollars because nearly 2,000 problem properties have come under the thoughtful stewardship of community-based land banks and no longer threaten the health, vitality, and safety of neighborhoods.

The credit doesn't belong to just a few. Just as fighting vacancy and abandonment requires a coordinated, sustained, and comprehensive approach, so too must the credit for the gains these first five years be distributed among many parties: From forward-thinking state leaders who pushed through the enabling legislation in 2011 and then supported a series of legislative reforms, to passionate local practitioners who invested a great deal of resources and time in launching the first round of land banks; from local elected officials who, despite budget challenges, saw the value in investing in land banks, to the Attorney General's office, which carved out tens of millions of dollars from various settlement agreements to support early land bank efforts; from land bank and land-use experts providing support to ensure land bank success in New York, to the resilient residents and local nonprofits who, in partnership with land banks, remain determined to reclaim the health, vibrancy, and security of their neighborhoods.

The maturing land bank movement in New York, moving from follower to leader in just five short years, represents one of the biggest success stories in the national field of practice. With 19 land banks in operation across the state, from Buffalo to Long Island, communities are waging a smarter, more proactive fight against blight, adapting these new tools to local needs, and finding ways to complement existing blight prevention strategies.

There is a long road ahead, but thanks to the state's maturing land bank movement, and a growing network of local and state leaders who recognize the need for ongoing public investment in this critical work, there is every reason for optimism in New York's revitalization work.



NEW YORK LAND BANK
ASSOCIATION