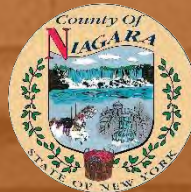


How can land banks turn vacancy into value?

WEDNESDAY, APRIL 28, 2021
10:00 A.M. – 12:00 P.M.



ONE REGION FORWARD



A Regional Plan for Sustainable
Development in Buffalo Niagara



www.oneregionforward.org



A New Way to Plan for Buffalo Niagara

Performance-based, not
prescriptive

Not “One Size, Fits All”

Designed to be implemented
by many

Driven by collaboration and
coordination



Supported by strategies developed by hundreds of local experts and stakeholders...



A NEW WAY TO PLAN | HOW DO WE GET THERE?

WHAT WE COULD DO DIFFERENTLY

RECOMMENDED STRATEGIES AND ACTIONS

Develop a regional "hub and corridor" transportation system.

Although decades of "sprawl without growth" have created a land use pattern for which it is increasingly difficult to provide convenient and energy efficient transportation services, the historic pattern of development in our region still offers an opportunity to match transportation—and transit—to land use. The region grew up along the major arteries emanating from Buffalo and Niagara Falls and in outlying villages connected to them, creating a system of hubs and corridors (e.g. Broadway as a corridor with hubs at Fillmore Avenue, and the villages of Depew, Lancaster and Alden). If we concentrate development of jobs, housing and infrastructure in these hubs and corridors, we can create a pattern that is more efficient and can be better served by transportation.

High quality transit.

The past decade has seen steady growth in transit ridership after decades of declining ridership, falling revenues, and service cuts. Elimination of federal operating subsidies and constraints on state support have compounded the loss of farebox revenues. Previous service cuts continue to limit ridership growth and the revenues that would come with it. All of this has occurred during decades of sprawl without growth and rising automobile use. Recent growth in ridership, however, combined with developments in the Metro Rail corridor, offer a ray of hope that the situation can be significantly improved. A program of targeted service improvements, partnerships with major institutional destinations (e.g. the Buffalo Niagara Medical Campus), and well-designed incentives and promotions could shift the momentum in favor of transit. None of this, however, can happen without additional funding. The region should make transit funding and system improvement a top priority for advocacy and action. Additionally, concentrated development patterns that promote walking and may effectively be served by transit can reduce transportation costs for users as well as the costs of public services and infrastructure. This in turn can increase the return on investment as the result of land development used at its best and highest value, resulting in an increase in sales and property tax receipts.

Transit Oriented Development (TOD).

Transit Oriented Development, in which new homes and apartments, offices and shops are built in close proximity to high quality transit service—especially rail transit—has proven in many cases around the nation to be a good way to improve land use, neighborhood quality, and transportation access. The University at Buffalo's forthcoming School of Medicine building atop the Allen-Medical Campus Metro Rail station is a good example of TOD. The NFTA, Buffalo Urban Development Corporation and private developers should work together on other pilot

A NEW WAY TO PLAN | HOW DO WE GET THERE?

Pursue neighborhood-specific asset-based strategies for redevelopment.

es for housing and neighborhood strategically targeted where new strong neighborhoods nearby, engage active residents and helping markets work again. Municipal on with community based is key to set strategy, conduct and align capital investments with

What if public transit was extended where there is demand?

MOMENTUM TO BUILD ON
The Niagara Frontier Transportation Authority has planning under way with an analysis of alternatives for transportation improvements in the "Buffalo-Amherst Corridor." Because of growth in the Buffalo Niagara Medical Campus and in Amherst the area has been identified as most likely to draw ridership needed to support high quality transit improvements. That might include an extension of Metro Rail, new Bus Rapid Transit, enhanced bus service, or other investments. The corridor also has high potential for promoting dense mixed use development that will further promote access to transit and growing ridership.

What if we had robust tools to address vacancy and abandonment?

MOMENTUM TO BUILD ON
The Buffalo Erie Niagara Land Improvement Corporation—Buffalo Niagara's new land bank—is now up and running. Equipped with new powers from the New York State Legislature, the agency is beginning to acquire distressed properties, preparing them for redevelopment, and putting these properties in the hands of responsible new owners. The new land bank is an essential element in addressing 77,000 tax delinquent loans in Erie County alone and promoting neighborhood redevelopment and infill projects in both counties.

Public investments in neighborhoods

policy and capital investment priorities are neighborhoods. Even mundane things like curbs, sidewalks and street lighting matter. Larger investments in parks, streets, business districts and the like can not only if all of these are coordinated with statutory budgeting and crowd-sourced these strategic investments. But alignment of investments with local plans is the key. Neighborhood retail are part of the mixed diverse, accessible, quality housing. For repairing or restoring existing fabric. For lean retrofitting or repurposing dated and, or creating town centers where none

to Plan for Buffalo Niagara



Learning Series Tentative Schedule

June 2021 Coastal Resilience

October 2021 Food Systems

August 2021 Affordable Housing

December 2021 Universal Design

www.OneRegionForward.org

Presenters & Panelists



Jocelyn Gordon, Executive Director, Buffalo Erie Niagara Land Improvement Corporation



Kate Lockhart, Director of Vacant & Abandoned Property Program, Western New York Law Center



Andrea Klyczek, Executive Director, Niagara Orleans Regional Land Improvement Corporation



Chip Nolan, Assistant Vice President, Property Preservation, M&T Bank



Amy Fisk, Brownfields Program Manager, Niagara County Economic Development Dept.



Michael Zimmerman, Director of Community Development, North Tonawanda

Agenda

- 10:00 a.m. - Welcome, Introductions, and Overview of One Region Forward**
- 10:15 a.m. - Overview of NYS Land Banks and BENLIC Approach (Jocelyn Gordon)**
- 10:40 a.m. - NORLIC Land Bank Approach (Andrea Klyczek, Amy Fisk)**
- 11:00 a.m. - Mortgage Foreclosure and Vacant Properties (Kate Lockhart, Chip Nolan)**
- 11:30 a.m. - Panel Discussion / Q&A (Michael Zimmerman, Presenters)**
- 12:00 p.m. - Adjourn**





AGENDA

01

What is a Land Bank?

02

How does BENIC work?

03

How do we do it?

04

Working with BENIC

05

Have an impact !

What is a Land Bank?



A land bank is a not-for-profit corporation that is created to **efficiently** acquire, hold, manage, and develop tax delinquent, tax foreclosed, vacant, or abandoned property for conversion into productive use.

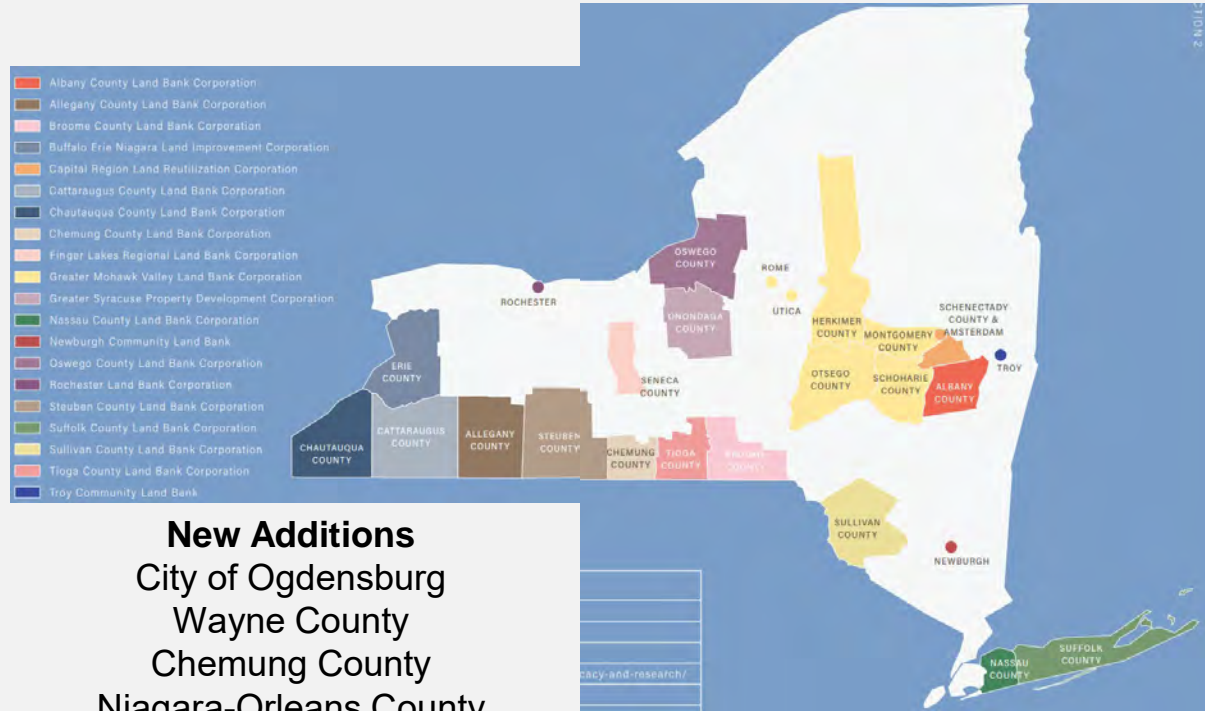


Buffalo Erie Niagara Land Improvement Corporation or BENLIC was one of the first ten Land Banks created in New York State: 2011

Types of Property Address

- Residential
 - Vacant Structures and Vacant Lots
- Commercial
 - Mixed Use
- Industrial
 - Environmentally Compromised/ Brownfield

NYS Land Banks



How do we do it?



Superbid

We use “superbid” status at public sale

Land Bank bid is preferred at municipal In Rem Auctions



Donations

We receive donations from banks and other organizations.

The Problem: Vacancy and Abando

Results in:

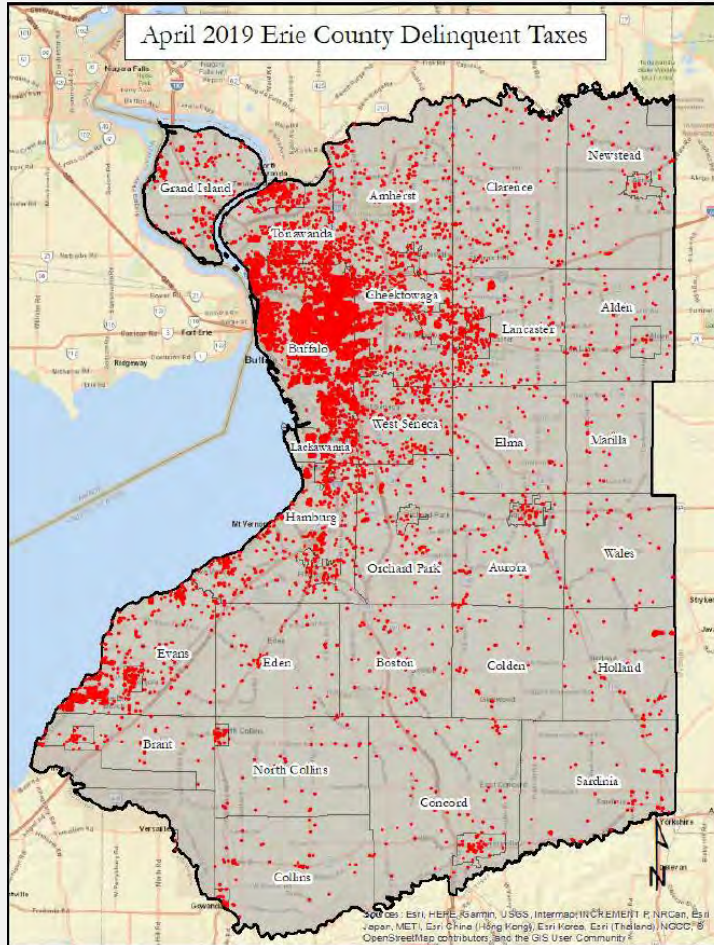
Lost property
value and tax
revenue

Increased fire,
police, and
health
services

Decreased
neighborhood
morale and a
cycle of
disinvestment

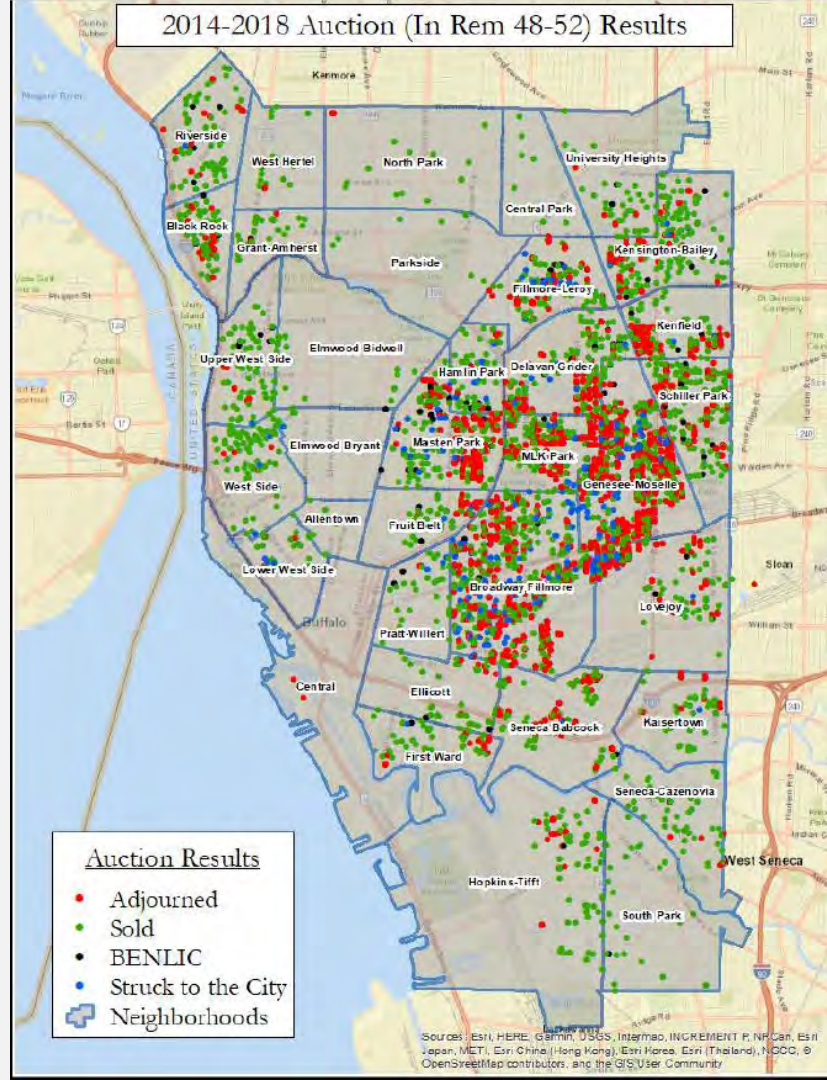


Liens in Erie County



- 17,227 liens
- \$24,577,179 owed throughout Erie County
- \$1,426/Property
- County DOES NOT foreclose on all eligible property

2014-2018 Auction (In Rem 48-52) Results



Auction Results

- Adjourned
- Sold
- BENLIC
- Struck to the City
- ▣ Neighborhoods

Sources: Esri, HERE, Garmin, USGS, Intermap, INCREMENT P, NRCan, Esri Japan, METI, Esri China (Hong Kong), Esri Korea, Esri (Thailand), NOAA, Sw OpenStreetMap contributors, and the GIS User Community

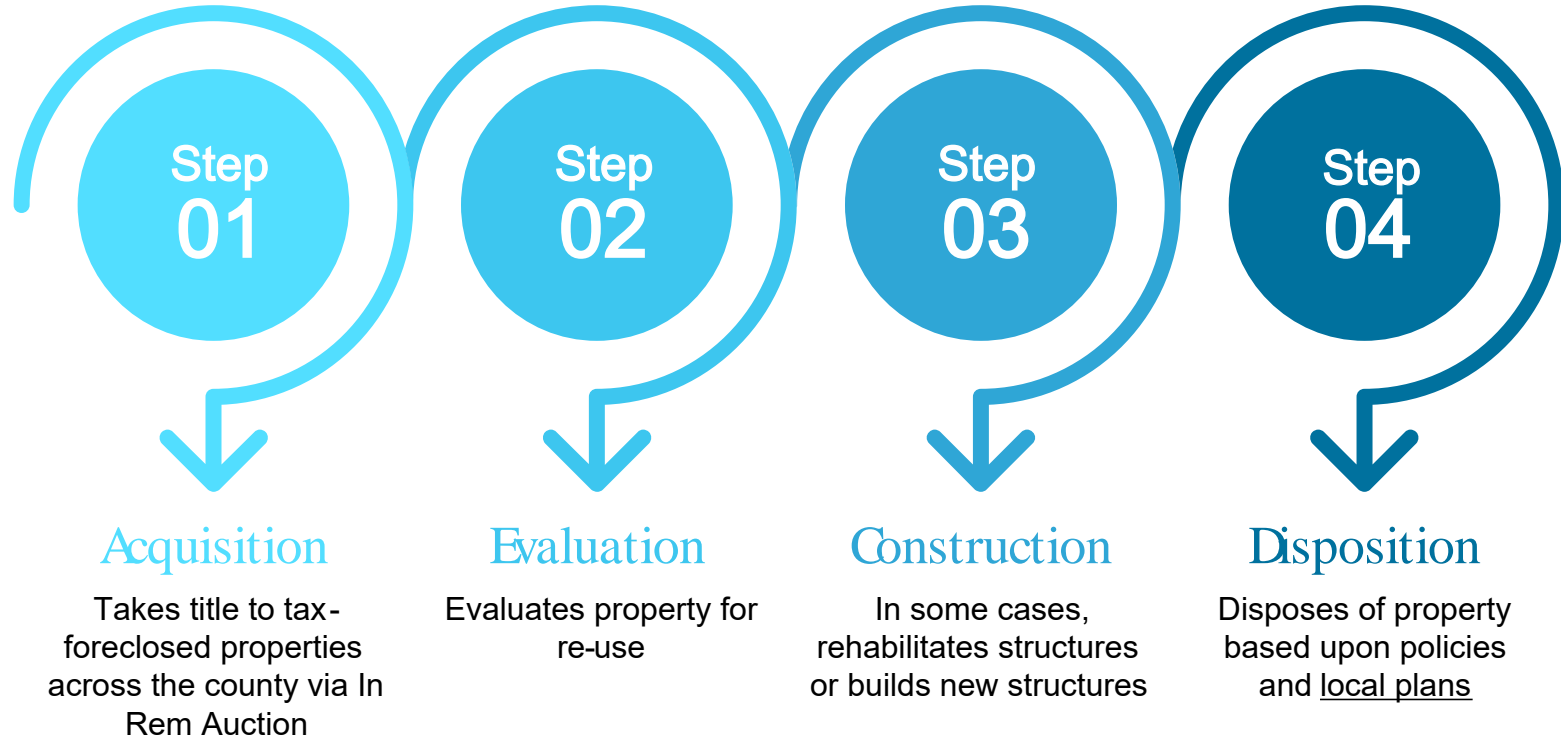
Negligent Landlords and Speculative Auctions



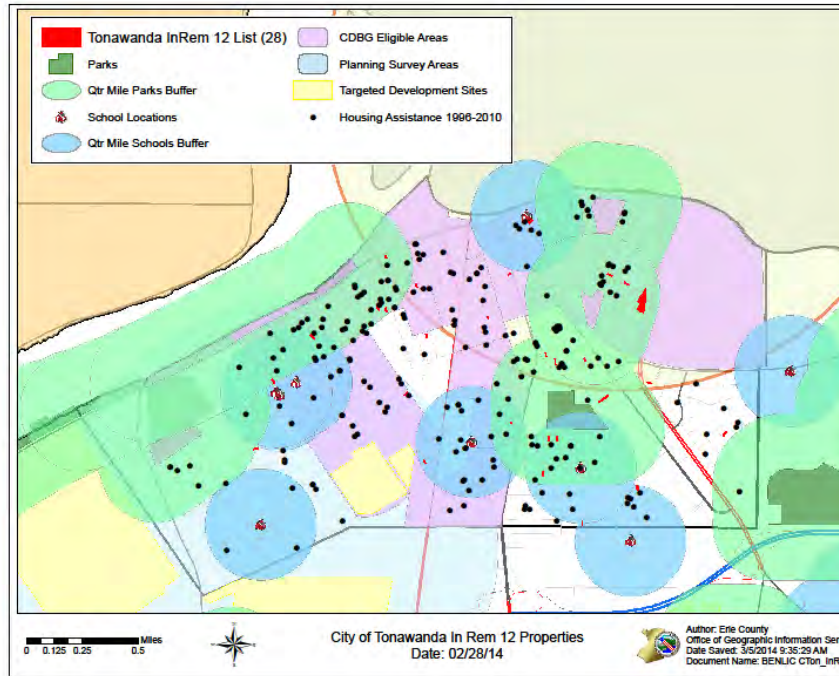
Break the cycle of disinvestment and speculation by adding value and selling responsibly.



A Solution: How does BENLIC work?

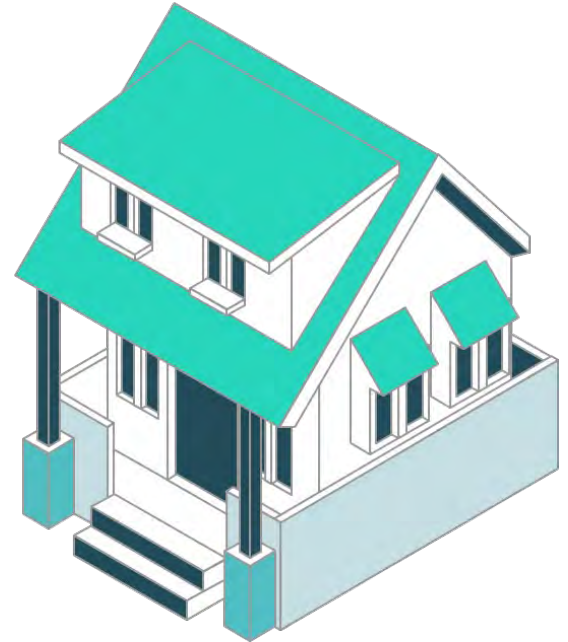


Incorporate Planning Principles



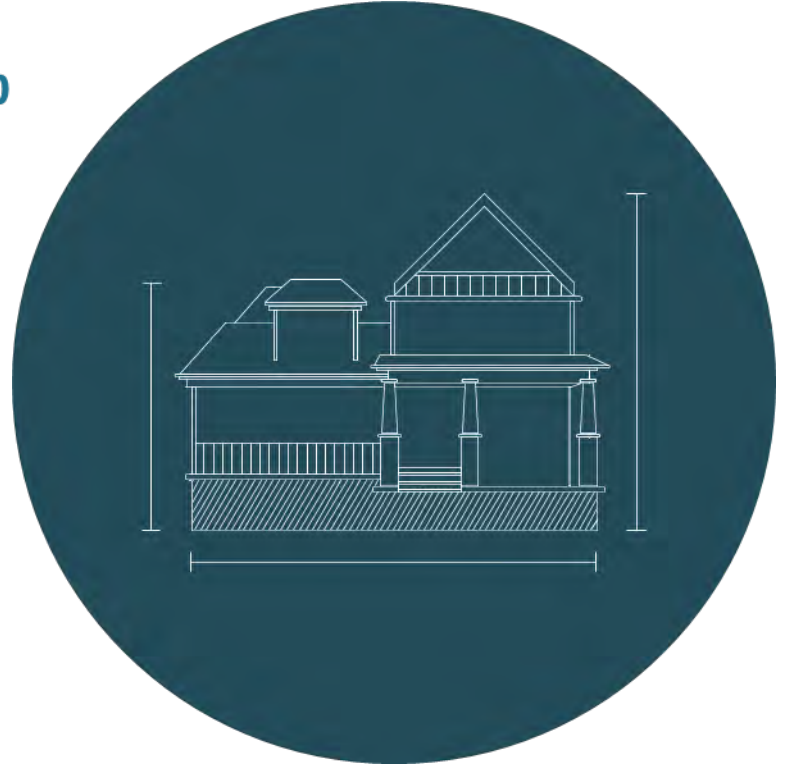
Not for Profit Dispositions

- Sell to Towns/ Villages for HUDRehabs
- Habitat for Humanity
- Harmac/ Bailey Green Initiative
- Community Development Corporations – UDCDC
- FBLand Trust
- Heart of the City



Vacant to Value Dispositions

- ❖ Enables a Buyer to Complete Their Own Rehab
- ❖ Our Building Inspector Prepares Works Scope
- ❖ 1 Year Time Limit – Property is Liened
- ❖ Timely Check-Ins from BENLIC
- ❖ To Date Leverage of More than \$2 Million in Private Investment





BEFORE

26 Newton, Angola



AFTER

New Modular Construction at 272 Kohler

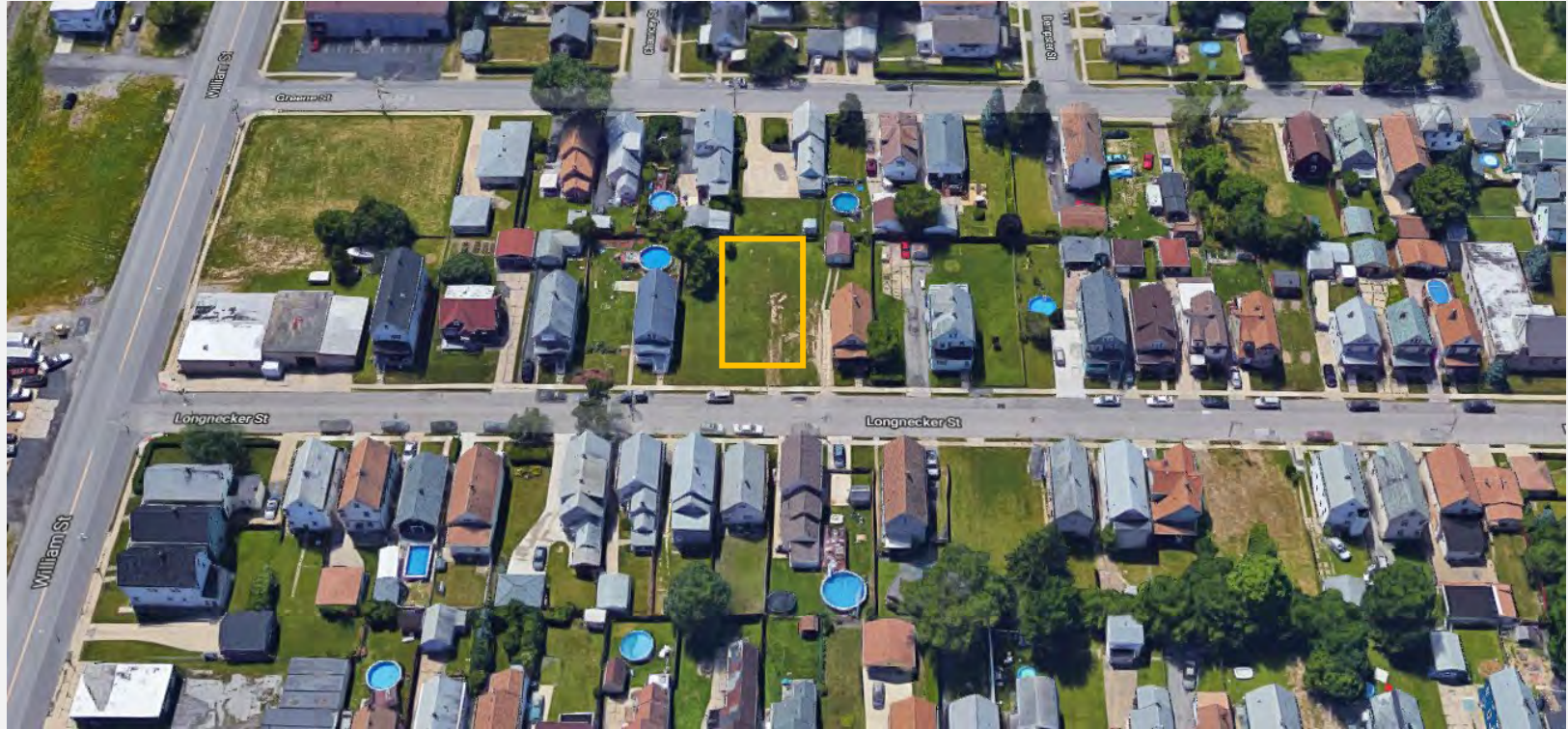


More Modular Construction





Urban Infill – New Construction



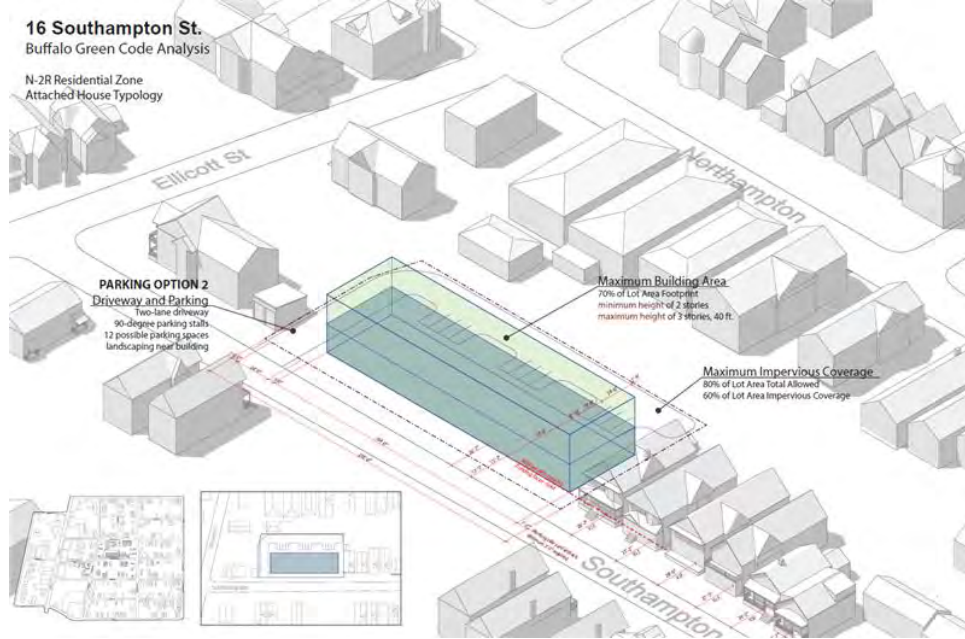




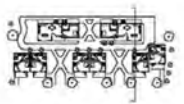


16 Southampton St.
Buffalo Green Code Analysis

N-2R Residential Zone
Attached House Typology



Section A



Architect's Renderings



CountyWide Impacts

- Per \$1 BENIC costs ->\$0.23 Increase in Property Value
- \$1,406,000.00 in anticipated Price Appreciation
- Average Property Value Increase: 35%
- \$6 Million in Rehabilitation and New Construction to Date leading to \$7.3 Million in Property Sales
- The ONLY Land Bank to Recycle AG Funds back into BENIC general fund.
- \$1,500,000+ in Repayment of County Back Taxes



Looking Ahead

Growth continues during COVID-19 Pandemic: 2021
Property Sales to Exceed \$2 Million

Growing Partnership with UB School of Architecture
Small Built Works Studio

“Making a Market” and Setting New Comps in many of
Buffalo’s Moderate Income Neighborhoods: Black
Rock/ Riverside, Lovejoy, Delevan/ Grider (Northland)





The Land Bank

Buffalo Erie Niagara Land Improvement Corporation

THANK
YOU!

NIAGARA ORLEANS REGIONAL LAND IMPROVEMENT CORP. (NORLIC)



Niagara Orleans Regional Land Bank

- May 2017- Niagara County Legislature unanimously passes resolution IL-051-17 supporting the creation of NORLIC
- September 2017- Orleans County Legislature passes resolution #320-9187 supporting the creation of NORLIC
- October 2017- Empire State Development approves NORLIC
- December 2017- First NORLIC meeting and election of officers

NORLIC – Board of Directors

- NORLIC is governed by a seven member board:

Niagara County Manager

Niagara County Commissioner of Economic Development

Niagara County Treasurer

Orleans County Chairperson (or appointee)

City of Niagara Falls – appointee

City of Lockport – appointee

City of North Tonawanda – appointee

- NORLIC Board appointed a President, Treasurer and Recording Secretary to act as staff.

NORLIC – Why do we need it?

- Meet the challenges of vacant, abandoned, and tax delinquent properties an effective strategy
- Tackle environmental complications and work to mitigate future risk
- Creation of dedicated funding sources for community redevelopment efforts
- Build and grows community partnerships
- Creation of new channels to federal, state and private funding sources
- Assist in the achievement of goals set forth in individual community master plan's

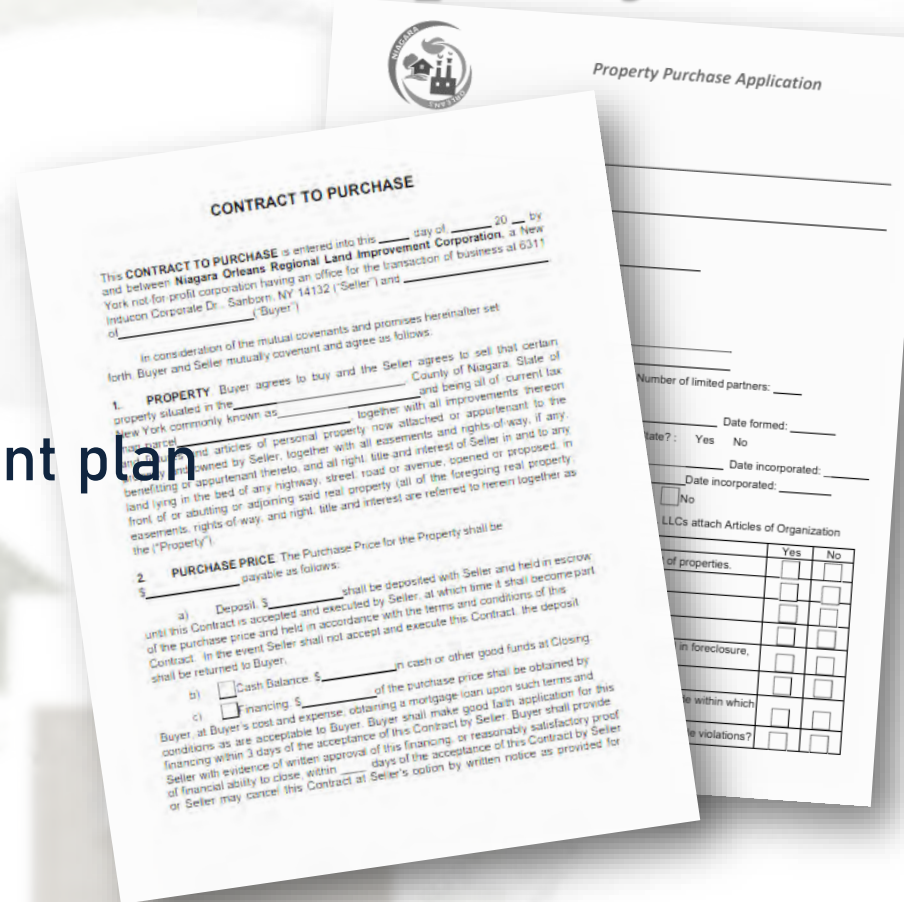
Mission Statement: The Niagara Orleans Regional Land Improvement Corporation (NORLIC) is a municipal partnership that works with communities to acquire vacant and abandoned properties. NORLIC's efforts will return abandoned properties to productive use, creating a better community for future generations.

NORLIC – Acquisition of Property

- Potential Sources:
- Tax Foreclosure – Primary means
- Forfeited Property – Alternative to tax foreclosure
- Donation – Includes private and REO properties
- Purchase – From current owner

NORLIC – Disposition of Property

- Board decision:
- NORLIC selection criteria
 - owner occupancy
 - redevelopment or management plan
 - level of investment
 - timeframe for development
 - benefit to the neighborhood
 - offer amount
- Board selects the preferred applicant
- Counsel moves to transfer the property



NORLIC – Completed Project



NORLIC – Completed Project



NORLIC Projects 2018 - 2021

- Acquired – 11 residential properties
- Sold- 10 properties (private rehabilitation)
- Restored- 1 residential property
- Rehabilitation- assisted 1 commercial redevelopment
- Demolition- funded 22 residential demolitions
- Environmental Tests- 2 industrial sites tested
- Tax Lien- 1 tax delinquent industrial site transferred
- Agreements- entered into an agreement with the DEC

What is a brownfield?



Brownfield sites are real properties, the expansion, development, or reuse of which may be complicated by the presence or potential presence of a hazardous substance, pollutant, or contaminant.

What is the problem?

- Niagara County has a policy of not foreclosing on tax delinquent contaminated properties because of liability concerns over paying for cleanup costs.
- Policy created a black hole of 86 properties where taxes continue to accumulate and properties negatively impact the surrounding area.



Agreement with NYSDEC

- Agreement removes liability concerns, encourages reuse of brownfield sites, and protects public health and the environment while returning sites back to the tax rolls.
- Parties to agreement include NYS Oil Spill Fund and NYS Comptrollers Office to address petroleum related sites which are typically excluded from liability protections.
- Parties share information freely and work together to develop plan of action for sites.



What are the costs?

- Cost Sharing Agreement among all parties
- Upon sale of the property proceeds of sale are shared:
 - DEC – guaranteed \$1,000 (if state expended funds)
 - OSC – guaranteed \$1,000 (if spill fund \$ was expended)
 - Land Bank/County keeps remainder
- Land bank/County aren't liable for cleanup costs.
- Developer/purchaser will be required to enter NYS Brownfields Cleanup Program and will expend private funds to remediate site.



Implementing Agreement

- Categorization of 86 black hole sites and selection of “low hanging fruit” to move forward with cleanup and development. Early successes needed.
- New process developed to prevent further sites from entering the black hole.
 - Annual review of property foreclosure list to identify potentially contaminated sites
 - Obtain Temporary Incidents of Ownership (TIO)
 - Conduct Phase I and II ESAs
 - Develop an action plan for cleanup and redevelopment

First Test Case

- 3505 Hyde Park Boulevard, Town of Niagara – vacant manufacturing site
- Property is in an industrial area where recent private investments are being made
- Owner delinquent on property taxes since 2000 with \$1,105,438 in back taxes owed
- NORLIC sold the tax lien to a private developer who has experience with brownfield cleanups
- Proposed industrial/warehousing reuse





Contact Information

Andrea Klyczek

Deputy Commissioner, Niagara County Department of Economic Development

Assistant Director, Niagara County Industrial Development Agency

Phone: (716) 278-8761

Email: andrea.klyczek@niagaracounty.com

Amy E. Fisk, AICP

Brownfield Program Manager, Niagara County Department of Economic Development

President, Niagara County Brownfield Development Corporation

Phone: (716) 278-8754

Email: amy.fisk@niagaracounty.com



Mortgage Foreclosure and Vacant Properties

KATE LOCKHART, DIRECTOR, VACANT AND ABANDONED
PROPERTY PROGRAM, WESTERN NEW YORK LAW CENTER

CHIP NOLAN, ASSISTANT VICE PRESIDENT, PROPERTY
PRESERVATION, M&T BANK

Vacant and abandoned versus Zombie

Vacant and Abandoned

- ▶ Per RPAPL 1309
 - ▶ Three (3) consecutive inspections 25-35 days apart at different times of day
 - ▶ No occupant present and no evidence of occupancy
 - ▶ Property not maintained (per sections of NYS property maintenance code)
 - ▶ Court or state or local government, with notice to the mortgagor(s), determines the property is vacant and abandoned
 - ▶ Each mortgagor separately issues a sworn statement of intent to vacate and abandon the property, confirmed by subsequent inspection

Zombie property

- ▶ A VAP is not automatically a zombie
- ▶ Zombies occur when
 - ▶ A servicer does not timely proceed with foreclosure in good faith
 - ▶ A servicer does not initiate or dismisses foreclosure when a mortgagor is not engaged and/or does not qualify for loss mitigation
- ▶ Zombies are NOT
 - ▶ VAPs that are proceeding through foreclosure process where delays occur because of loss mitigation review, bankruptcy filing, court delays
 - ▶ VAPs where the servicer completes foreclosure or otherwise discharges its lien on the property

Foreclosure process overview



NYS 2016 Zombie Property and Foreclosure Prevention Act

RPAPL 1308

- Applies to 1st lien, 1-4 family residential real property
- Set expectations for
 - Inspections
 - Seven (7)-day posted notice of vacancy
 - Securing and maintaining
- Prohibits removal of personal property prior to foreclosure sale
- Established a civil penalty of \$500 per each day for non-compliance with maintenance requirements

RPAPL 1309

- Defined a vacant and abandoned property ("VAP")
- Provides exclusions for unabandoned vacant properties
- Established an application for expedited Judgment and Sale for VAPs

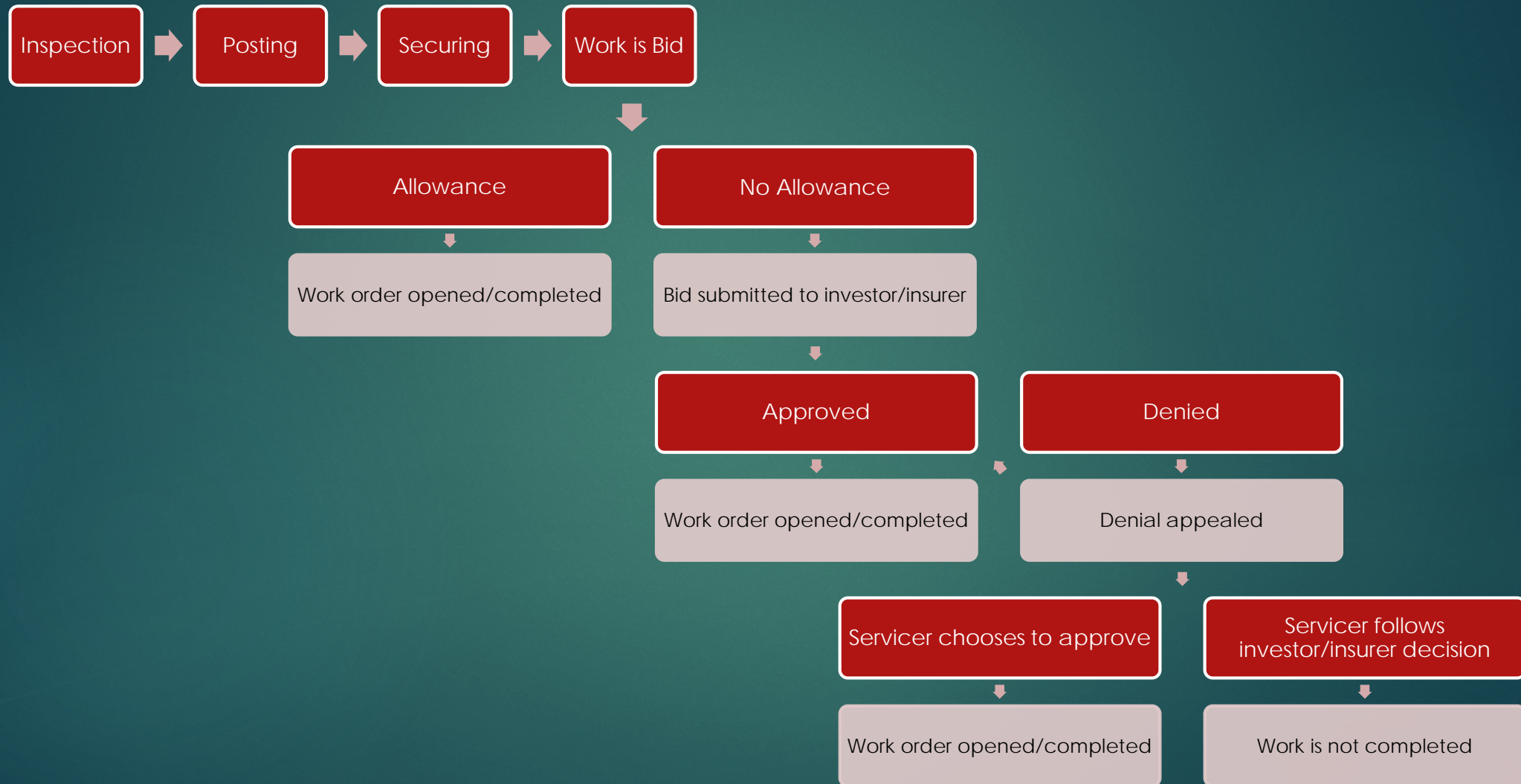
RPAPL 1310

Established a requirement for NYS Department of Financial Service ("DFS") to maintain a statewide electronic database/registry of VAPs

3 NYCRR 422.8

Established the ability for NYS DFS to release to a Public Official information in the VAP registry that is specific to the scope of Public Official's district or political subdivision

VAP Maintenance Process



Erie County Zombie Foreclosure Task Force



Erie County Zombie Foreclosure Task Force

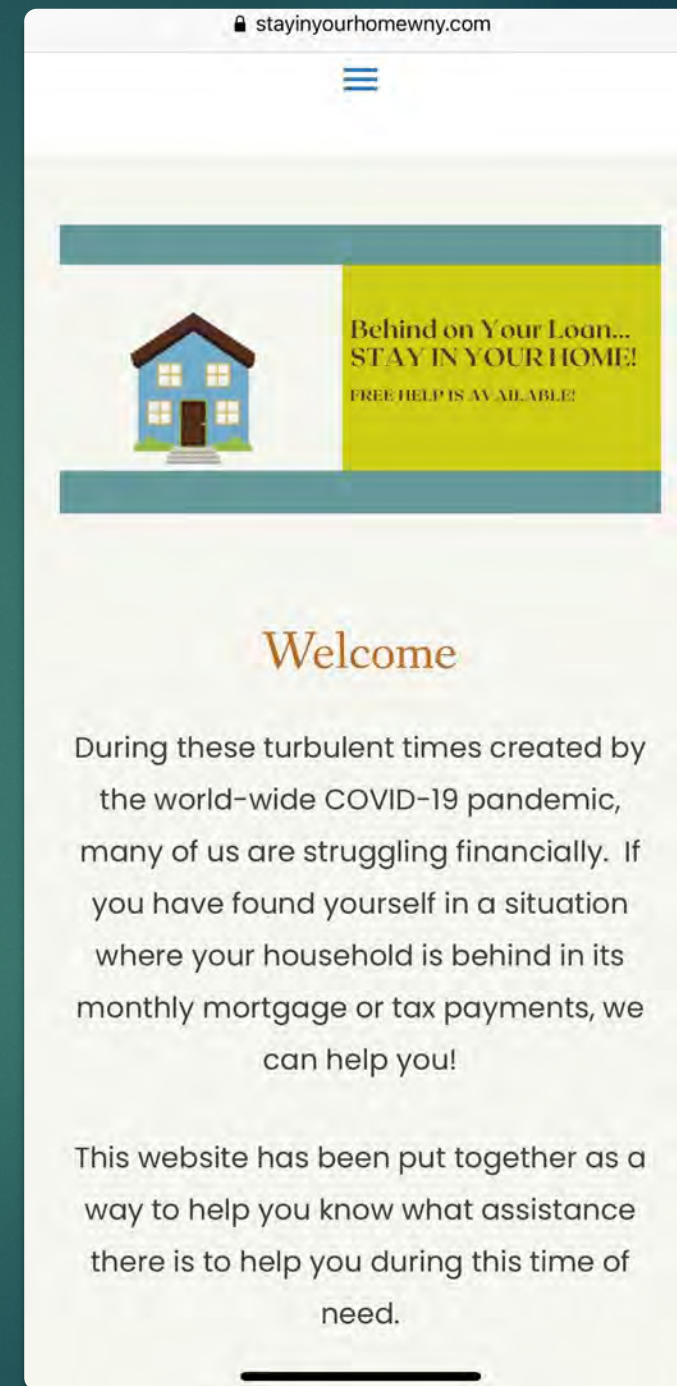


Erie County Zombie Foreclosure Task Force



Code enforcement as a community resource

- Understand and explain VAP maintenance process
 - Set expectations with neighbors
- Encourage mortgagors to contact their servicer and work with non-profit housing counselors
- Advise mortgagors to stay in their home through the foreclosure process



Relevant Legislation

S4190/A6976 – Servicer contact information in filings

- ▶ RPAPL 1321 & 1351 and CPLR 6511 amended to include the name and telephone number of the mortgage servicer for the foreclosing party (plaintiff) in filings of Notice of Pendency, Order of Reference, and Judgment of Foreclosure and Sale
- ▶ Provides a more efficient way for local municipal officials to identify and contact the mortgage service regarding maintenance concerns
- ▶ Different steps throughout the process ensures changes in servicing result in updated information

S3933/A3081 – Prohibits “mortgage in default” registrations

- ▶ Creates RPAPL 1393
 - ▶ Prohibits a registration requirement prior to the filing of a notice of pendency
 - ▶ Limits registration fees to \$75 annually for reasonable administrative costs
- ▶ Protects mortgagors' privacy
- ▶ Limits the hefty and unreasonable fees collected by a third-party administrator
 - ▶ Fees are not recoverable, but increased servicing costs could impact new home loan pricing

Thank You

- **Looking for planning board and zoning board of appeals credit?** Leave your name and email address in the chat box and we will send you an attendance certificate.
- **Looking for AICP Certification Maintenance credit?** Enter #9214196 into the CM Search box at www.planning.org/cm/search.
- **Looking for further resources?** Visit www.oneregionforward.org to learn more about the plan and find helpful resources on land banks and mortgage foreclosure prevention.
- **Looking for contact information?** Email benjamin.bidell@niagaracounty.com to get put in touch with today's speakers.