



The Greater Syracuse Land Bank was established in 2012, first acquired properties in late-2013, and since then has sold 500 properties. Below are some overall updates on its operations and its impact.

Financial Impact

- Since creating the Land Bank, the City of Syracuse has collected **\$10.6 million** above historic delinquent tax collection levels. \$6 million of that has been granted to the Land Bank, **netting \$4.6 million for the City to date**, which couldn't have otherwise been collected.
 - In addition, prior to foreclosure the City has to make the school district whole even for seizable properties that weren't paying taxes – **saving the City an expense of \$3 million annually**. Once these properties enter the Land Bank they are exempt from property taxes and the City no longer has to make SCSD whole for that uncollected portion of the school district levy. After the Land Bank sells them, these properties generate taxes, the City collects those payments, and remits their portion to SCSD.
 - Prior to foreclosure the City mows lawns, boards windows, and picks up trash at seizable properties. It costs the City \$54 to mow a lawn and the Land Bank \$12. It costs the City \$100-200 per board up and the Land Bank less than \$25. The City does not shovel sidewalks during snow events, but the Land Bank does. All of the Land Bank's subcontractors that perform these tasks are M/WBE's except for Project Joseph, which is a workforce training program. It would be more efficient to finish getting through that list of foreclosures and pay the land bank to provide the same service that the City is already providing, but at a lower cost – this could save the City several hundred thousand dollars annually.
- **The Land Bank has sold 500 properties**
 - **Leveraging \$17.6 million in private investment in renovations and new construction**
 - Returned to the tax rolls, these properties **generate over \$880,000/year in local property taxes**.
- The City's proactive response to abandoned properties and investment in the Land Bank gives confidence to other grantors and has enabled the Land Bank to **leverage over \$18 million in other grant funds**

Property Maintenance

- In April 2017 the Land Bank resumed periodic inspections of each property once per month. At this time an inspector identifies if the property needs to be boarded, if there is trash/debris, whether the lawn/snow crew is performing satisfactorily, and if the property has been vandalized.
 - Periodic inspections drive a 'task list' that gets distributed to staff and contractors to address the next day. These crews also respond to complaints called into the Land Bank directly and/or via Code Enforcement.
 - Code Enforcement reports that complaints about land bank properties have been significantly reduced since these periodic inspections resumed.
- The Land Bank currently has 934 properties in inventory. In the past year we have:
 - Boarded over 1,800 windows
 - Mowed 17,000 lawns
 - Shoveled 6,237 sidewalks
 - Removed 10,270 cubic yards of debris
 - Disposed of over 1,400 tires

Property Sales

500 sold/1,425 acquired = Over 1/3 redeveloped or being redeveloped & returned to taxable status

Genesee County Land Bank in Flint, MI – a model for other land banks around the county – has sold 15% of the properties it has acquired to date

- Most sales leverage private investment in transitional or marginal neighborhoods (see map)
- 45% of residential structures sold become owner occupied
- 77 % of buyers reside in Syracuse. 91% in Onondaga County.
- 6 properties have been sold under the Public Employees Discount Program and 5 more are pending. Public employees (full-time employees of the City, County, or SCSD) promise to occupy the home as their primary residence for five years in exchange for a discount equal to ½ of the list price.
- 8 properties sold under the Tenant-to-Homeowner program where tenants living in the property at the time of foreclosure get a chance to purchase the property noncompetitively, often leasing for a period of time while they work on getting mortgage qualified. Several more are pending at this time.

Properties Sold in the City of Syracuse
Plans for Post-Purchase Use:

Occupy as Primary Residence	104	Residential
Re-Sell to an Owner Occupant	51	
Operate as a Rental	190	
Side Lot/ Expand Yard	82	
Operate as Business	20	Commercial
Commercial Side-Lot	12	
Parking	7	
Public Use/ Green Space*	4	
Returned to Former Owner	7	
Total	477**	

*Three of these sold to the City of Syracuse, one for use as a community garden.

**Remainder sold outside of the City or the week of 10/30/17

The Land Bank maintains 50-60 active listings at any given time. When a property is occupied at the time of foreclosure it often takes 3-6 months to relocate the tenants, get the property cleaned out, and get it listed for sale. Even when it is not occupied, it takes several weeks to clean out trash/debris, pull comps, measure and draft work specs prior to listing. A property is not listed right away if it appears to be a demolition candidate or if it is part of a planned assemblage where we know more properties are working their way through foreclosure.

Feedback from the neighbors and from potential purchasers is important. Our staff are working to add more listings every week and we prioritize properties that people call and inquire about. We also receive calls about properties that we have categorized as demolition candidates. In those cases, we reevaluate the property and if it appears that it can be salvaged we will carefully craft the scope of work to address all of the problems with that house. More often than not the interested party does not choose to make an offer once they see how bad the property is, but we do follow up on the inquiry, reevaluate the property, and make sure we are doing our due diligence to avoid demolitions when possible.

Whereas the City used to be required to sell to the highest bidder coming in above appraised value, the Land Bank has the ability to customize specific incentive programs (such as Tenant-to-Homeowner, Home Ownership Choice, and the Public Employee Discount Program) and to consider other community benefits when evaluating purchase offers.

November 2, 2017

- Several times the board has voted to sell a property to someone other than the highest bidder in order to show preference for a public employee who plans to owner occupy the home. Just this week the board voted to sell a property to a young man who was not the highest bidder, but was applying to purchase 118 Brooklea Drive under the Public Employee Discount Program. He is a custodian at a Syracuse public school, studying at OCC to become an electrician. He plans to continue working for SCSD after he finishes this program and looks forward to turning this house into a home for his family – he and his girlfriend are currently expecting a new baby. The Land Bank has worked with numerous tenants living in homes at the time of foreclosure and worked with Home HeadQuarters to help them purchase the house and make any renovations needed.
- In several cases, as these former tenants are financing both the purchase and renovation they find that they cannot afford to pay the appraised value of the home, the Land Bank has opted to hold the difference between the appraised value and what they can afford as a deferred mortgage to be forgiven after five years of owner occupancy.

Interim Uses

Not all Land Bank properties are suited for immediate redevelopment, but interim uses that beautify the neighborhood are another way that we can improve quality of life, improve perception of the neighborhood, and keep making incremental improvements that will increase property values and eventually shift demand so that we can attract private investment in infill construction and significant redevelopment projects. Pocket parks and community gardens are one way that we can make the neighborhood more attractive. Instead of vacant lots that attract illegal dumping now people see a beautified space that provides a place for the neighbors to come together and interact with each other.



The youth librarian at Mundy Branch Library teaches children how to plant and grow their own herbs and vegetables at the pocket park across the street on Rowland.



Children enjoy the "Little Free Library" at the W. Colvin Community Garden.



Volunteers decorate birdhouses at the 134 W. Borden pocket park.

November 2, 2017

What does the Future Hold?

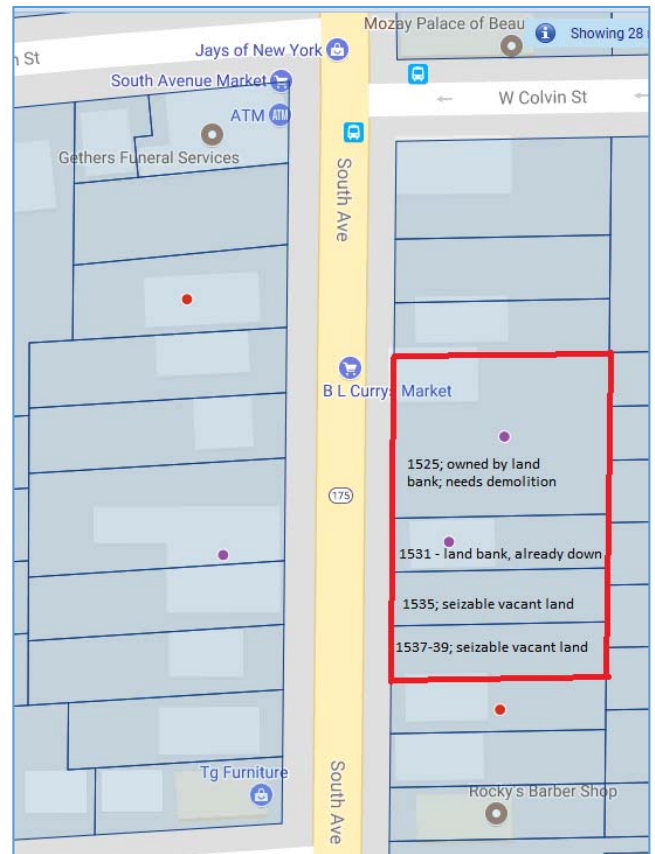
The attached four-year budget projection does not include the cost of demolitions. It projects that the Land Bank will deplete its fund balance in early 2021. When the Land Bank's City funding was cut in May 2017 we evaluated whether it would be appropriate to spend some of the Land Bank's fund balance on demolitions. Without the demolition expense the Land Bank is projected to deplete its fund reserves in 2021. This reserve will fill our operating deficits and allow us to keep maintaining properties, preparing them for market, and getting them sold and put back to productive use – achieving the Land Bank's core objective. If we used those funds instead for demolitions the Land Bank would run out of money much more quickly and no longer be able to provide this important public service.

The organization's inventory is projected to stabilize and begin to shrink after 2019. At this point expenses will decline, but so will sales revenue and an ongoing source of operating subsidy will still be needed, as well as a source of demolition funding and subsidies for things like renovating properties and creating affordable housing if we are to provide more than just fixer-upper housing that the buyer must renovate on their own. (See attached funding proposal from the NY Land Bank Association.)

Targeted Revitalization Plans, Site Assembly, and Infill Development

In October 2017 the Land Bank hired a neighborhood planner with extensive mapping and data analysis experience. A significant part of her role will be to more fully integrate mapping into our redevelopment strategies and plans, including driving the order in which properties get listed for sale and prioritizing the order in which properties are demolished. This added capacity will be a big help, but it cannot make up for the pace of foreclosures. There are many cases where the map shows potential for site assembly and a clustered, targeted redevelopment strategy, but where we are waiting for more properties to complete foreclosure.

As these strategic area plans are developed we are more deliberately 'flagging' properties where potential clusters are emerging. Putting together these site assemblages and, in some cases, completing demolitions are steps 1 and 2 on the way to attracting infill development. As you see to the right, with one (expensive) demolition of a commercial building and two more foreclosures we could assemble a .6 acre commercially zoned site prime for multi-story, mixed-use infill development. (Unfortunately, the roof of this building was compromised when we took title and while we would rather see the building renovated, we recently visited with a structural engineer who confirmed that it is beyond repair and collapsing into the second floor. The building cannot be salvaged.)



Community Outreach

The Land Bank is currently seeking a Community Outreach Coordinator. We are looking for an individual with experience living, working, or volunteering in neighborhoods where the Land Bank's work is focused, who can leverage their existing connections to better connect people to the Land Bank and ensure that the Land Bank is serving the community's interest. This person will attend a wide range of community meetings and, at times, convene such

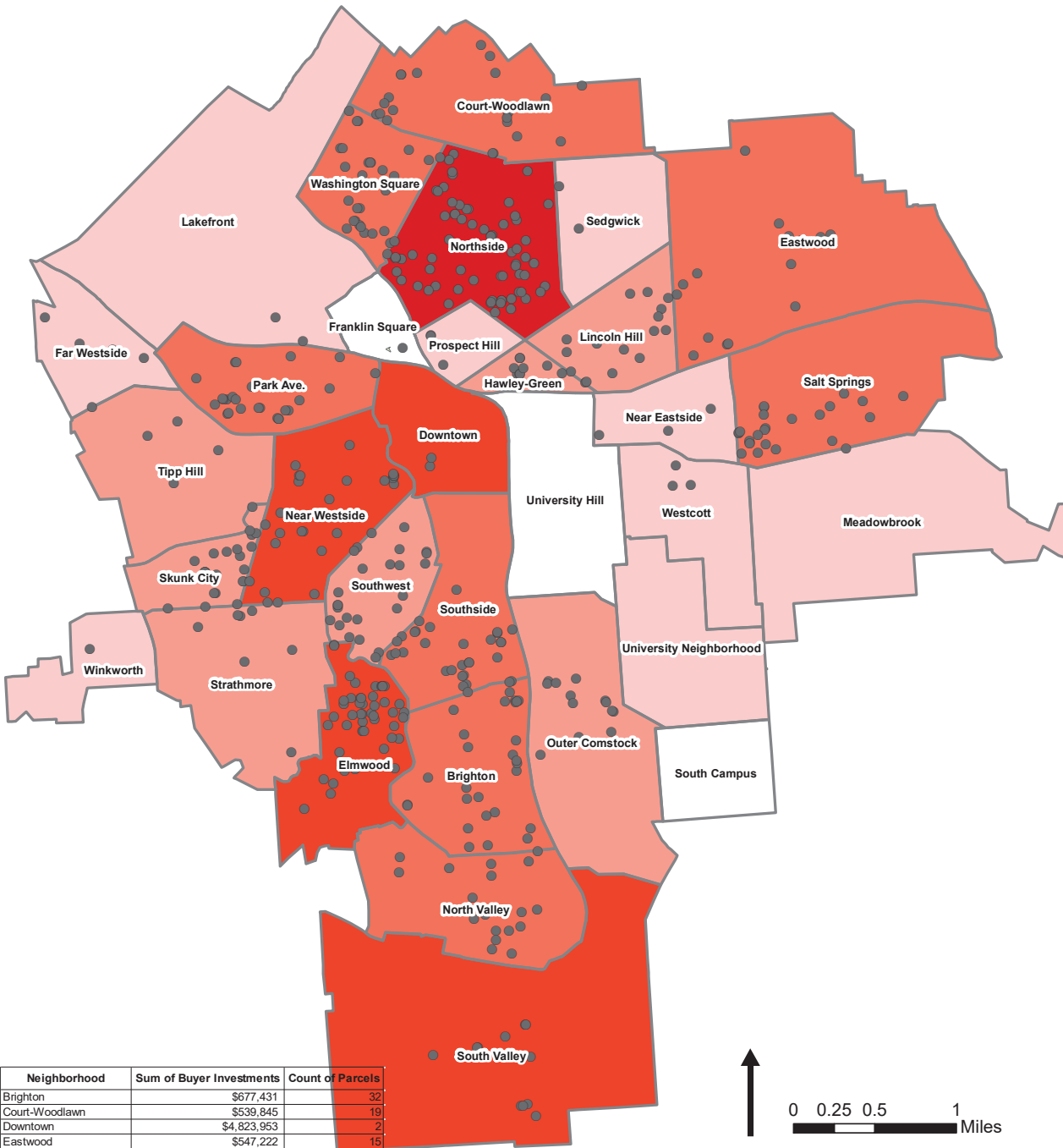
November 2, 2017

meetings on behalf of the Land Bank in order to ensure that the community is well informed about opportunities to partner with the Land Bank and/or purchase properties from the Land Bank and to ensure that the Land Bank's planning processes and sales decisions are informed by feedback from neighborhood residents. We believe putting someone in this role will improve the quality of service that we can provide to the community.

Attached

- Map of properties sold and private investment leveraged
- 2018-21 budget
- 2017 NY Land Bank Association fundraising paper

Greater Syracuse Landbank Buyer Investments in City Neighborhoods



Neighborhood	Sum of Buyer Investments	Count of Parcels
Brighton	\$677,431	32
Court-Woodlawn	\$539,845	19
Downtown	\$4,823,953	2
Eastwood	\$547,222	15
Elmwood	\$1,009,291	46
Far Westside	\$79,281	5
Hawley-Green	\$265,150	10
Lakefront	\$0	3
Lincoln Hill	\$427,885	16
Meadowbrook	\$78,000	1
Near Eastside	\$184,480	5
Near Westside	\$1,109,947	33
North Valley	\$640,491	18
Northside	\$1,974,858	72
Outer Comstock	\$323,440	13
Park Ave.	\$606,439	25
Prospect Hill	\$33,850	5
Salt Springs	\$662,420	22
Sedgwick	\$58,000	2
Skunk City	\$313,850	23
South Valley	\$449,821	11
Southside	\$511,266	30
Southwest	\$453,785	24
Strathmore	\$331,400	9
Tipp Hill	\$456,925	4
University Neighborhood		1
Washington Square	\$725,697	30
Westcott	\$80,000	3
Winkworth	\$60,000	1
TOTAL INVESTMENT	\$17,424,627	480



● Properties Sold by Land Bank

Map Prepared by Greater Syracuse Land Bank
10/31/2017



	2017 October amended 1014	2018 1499	2019 1869	2020 1839	2021 1809
Ordinary Income/Expense					
Income					
40000 · Government Grants					
40010 · City of Syracuse	\$ -	\$ -	\$ -	\$ -	\$ -
40030 · Admin/Developer Fees	\$ 60,000.00	\$ 70,000.00	\$ -	\$ -	\$ -
40040 · Onondaga County	\$ 240,000.00	\$ 240,000.00	\$ -	\$ -	\$ -
40060 · NY Attorney General	\$ 1,977,100.00	\$ 881,900.00	\$ -	\$ -	\$ -
40070 · 50%/5Year Split					
Total 40000 · Government Grants	\$ 2,277,100.00	\$ 1,191,900.00	\$ -	\$ -	\$ -
42000 · REO Donated Funds	\$ 50,000.00	\$ 20,000.00	\$ 20,000.00	\$ 20,000.00	\$ 20,000.00
43000 · In Kind Donations					
48000 · Side Lot Application Income	\$ 1,000.00	\$ 1,000.00	\$ 1,000.00	\$ 1,000.00	\$ 1,000.00
49000 · Rental Income	\$ 36,000.00	\$ 36,000.00	\$ 30,000.00	\$ 24,000.00	\$ 18,000.00
49500 · Sale of Property	\$ 1,500,000.00	\$ 1,250,000.00	\$ 1,000,000.00	\$ 750,000.00	\$ 750,000.00
Total Income	\$ 3,864,100.00	\$ 2,498,900.00	\$ 1,051,000.00	\$ 795,000.00	\$ 789,000.00
Cost of Goods Sold					
50000 · Cost of Sales					
50010 · Property Purchase Cost	\$ 239,947.00	\$ 197,395.00	\$ 180,030.00	\$ 119,630.00	\$ 119,630.00
50020 · Recording Fees	\$ -	\$ -	\$ -	\$ -	\$ -
50030 · Initial Inspections	\$ -	\$ -	\$ -	\$ -	\$ -
50031 · Periodic Inspections	\$ 10,560.00	\$ 49,320.00	\$ 59,640.00	\$ 60,060.00	\$ 58,380.00
50040 · Board-Up	\$ 24,144.00	\$ 16,172.00	\$ 12,092.00	\$ 11,612.00	\$ 11,132.00
50045 · Pest Extermination	\$ 8,120.00	\$ 7,810.00	\$ 7,410.00	\$ 7,010.00	\$ 6,610.00
50050 · Debris Removal	\$ 249,140.00	\$ 284,540.00	\$ 251,240.00	\$ 230,690.00	\$ 224,890.00
50060 · Re-Key	\$ 5,760.00	\$ 2,720.00	\$ 1,280.00	\$ 1,280.00	\$ 1,280.00
50070 · Yard Maintenance	\$ 161,775.00	\$ 135,345.00	\$ 185,445.00	\$ 186,795.00	\$ 183,645.00
50080 · Snow Removal	\$ 144,492.00	\$ 97,383.00	\$ 132,473.00	\$ 141,163.00	\$ 138,853.00
50090 · Renovation (co-developed, subsidized projects)	\$ 539,000.00	\$ 560,000.00	\$ -	\$ -	\$ -
50095 · Sidewalk Replacement/Repair	\$ 20,000.00	\$ 20,000.00	\$ 20,000.00	\$ 20,000.00	\$ 20,000.00
50100 · Stabilization	\$ 25,000.00	\$ 75,000.00	\$ 75,000.00	\$ 75,000.00	\$ 50,000.00
50110 · Demolition/Deconstruction	\$ 1,004,705.88	\$ -	\$ -	\$ -	\$ -

	2017 October amended	2018	2019	2020	2021
60500 · Payroll					
60510 · Salary	\$ 383,981.42	\$ 387,333.50	\$ 398,953.51	\$ 410,922.11	\$ 423,249.77
60520 · Payroll Taxes	\$ 33,806.50	\$ 34,101.62	\$ 35,124.67	\$ 36,178.41	\$ 37,263.77
60530 · Employee Health Insurance	\$ 53,940.00	\$ 51,662.37	\$ 53,212.24	\$ 54,808.61	\$ 56,452.87
60540 · Employer 401(k) Match	\$ 19,199.07	\$ 19,366.68	\$ 19,947.68	\$ 20,546.11	\$ 21,162.49
60550 · Payroll Processing Fees	\$ 2,677.50	\$ 2,811.38	\$ 2,951.94	\$ 3,099.54	\$ 3,254.52
60500 · Payroll - Other					
Total 60500 · Payroll	\$ 493,604.49	\$ 495,275.54	\$ 510,190.04	\$ 525,554.78	\$ 541,383.41
60600 · Professional Services	\$ 50,000.00	\$ 30,000.00	\$ 30,000.00	\$ 30,000.00	\$ 30,000.00
60700 · Insurance					
60701 · Property					
60702 · Liability	\$ 185,111.00	\$ 214,023.00	\$ 254,983.00	\$ 256,343.00	\$ 249,303.00
60700 · Insurance - Other	\$ 78,441.36	\$ 73,395.00	\$ 73,395.00	\$ 73,395.00	\$ 73,395.00
Total 60700 · Insurance	\$ 263,552.36	\$ 287,418.00	\$ 328,378.00	\$ 329,738.00	\$ 322,698.00
60800 · Telephone	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00
60900 · Travel	\$ 500.00	\$ 500.00	\$ 500.00	\$ 500.00	\$ 500.00
60905 · Conference/Meeting	\$ 3,000.00	\$ 3,000.00	\$ 3,000.00	\$ 3,000.00	\$ 3,000.00
61000 · Bank Service Charge	\$ -	\$ -	\$ -	\$ -	\$ -
61100 · Repairs & Maintenance***					
61200 · License and Fees	\$ 2,500.00	\$ 2,500.00	\$ 2,500.00	\$ 2,500.00	\$ 2,500.00
61300 · Events & Marketing	\$ 20,000.00	\$ 10,000.00	\$ 10,000.00	\$ 10,000.00	\$ 10,000.00
61400 · Rent Expense	\$ 24,976.41	\$ 25,475.91	\$ 25,985.43	\$ 26,505.12	\$ 26,505.12
Total Expense	\$ 1,018,633.26	\$ 1,009,669.45	\$ 1,066,053.47	\$ 1,083,297.90	\$ 1,092,086.53
Net Ordinary Income	\$ (218,397.14)	\$ (529,544.45)	\$ (1,119,653.47)	\$ (1,286,177.90)	\$ (1,255,546.53)

Other Income/Expense**Other Income**

79000 Misc. / Other Income					
70300 · Rental Late Fee Income	\$ -	\$ -	\$ -	\$ -	\$ -
Total Other Income	\$ -	\$ -	\$ -	\$ -	\$ -



	2017 October amended	2018	2019	2020	2021
Other Expense					
Total Other Expense	\$ -	\$ -	\$ -	\$ -	\$ -
Net Other Income	\$ -	\$ -	\$ -	\$ -	\$ -
Net Income	\$ (218,397.14)	\$ (529,544.45)	\$ (1,119,653.47)	\$ (1,286,177.90)	\$ (1,255,546.53)
Fund Balance at Year End	\$ 3,683,319.72	\$ 3,153,775.26	\$ 2,034,121.79	\$ 747,943.90	\$ (507,602.64)
(COGS+expense)	\$ 4,082,497.14	\$ 3,028,444.45	\$ 2,170,653.47	\$ 2,081,177.90	\$ 2,044,546.53

NY LAND BANKS

are a modern and proven solution for strengthening communities, revitalizing neighborhoods, supporting local economic development, creating more affordable housing and protecting the environment. A tremendous effort by communities, local governments and state government has established 21 land banks throughout New York. Since the passage of the progressive Land Bank Act in 2011, these entities have developed into one of the most sophisticated and effective networks of land banks in the United States, positioning New York State at the forefront of the movement, a national leader of eliminating blight.

Despite progress over the past five years, decades of disinvestment and inequitable policies and banking practices have resulted in thousands of zombie and tax-foreclosed properties and hundreds of thousands of vacant properties that harm our neighborhoods. Through reliable and predictable funding New York State could reverse decades of decline, restore communities and become the national model for combating blight, preserving equity, creating affordable housing, and improving neighborhoods from Buffalo to Long Island. Unfortunately, NYS land banks have no funding beyond 2018.

BACKGROUND

- Decades of disinvestment and inequitable housing policies combined with the 2008 mortgage foreclosure crisis have devastated communities throughout New York State.
- Even with aggressive legislation to curb the proliferation of blight there remain an estimated +280,000 vacant housing units in the hardest hit communities throughout the State.
- Vacant and abandoned properties depress property values, reduce the local tax base, increase government services costs, create and perpetuate cycles of disinvestment, increase crime, impact public and environmental health, and disproportionately burden economically distressed neighborhoods and communities of color.

In less than five years, 21 NYS land banks have achieved nationally recognized progress that has exceeded even the most ambitious expectations:

2,000+ PROBLEM PROPERTIES ACQUIRED

+\$75M OF PRIVATE INVESTMENT INCENTIVIZED

\$28.4M IN ASSESSED VALUE BACK TO TAX ROLLS

480+ BLIGHTED STRUCTURES DEMOLISHED

400+ BUILDINGS RENOVATED OR STABILIZED

650+ PROPERTIES SOLD TO RESPONSIBLE BUYERS

KEY CHALLENGES

- Most funding for NYS land banks comes from bank settlements with the NYS Attorney General's Office and existing grants and does not extend beyond 2018. No future dedicated funds are expected.
- Contributions from local governments received by a few land banks are insufficient to address the scale of the crisis, and land banks that have received local funding have seen such funding reduced or eliminated.
- Lack of predictable funding forces land banks to limit the number of problem properties they can address, incentivizes short-term planning and projects over longer-term (and more impactful) strategic planning (including "land banking"), curtailing the potential of land banks intended under state law. Land banks cannot bank land due to unreliable funding, which limits overall effectiveness.
- Competitive grant programs do not provide adequate recurring funding. Because each land bank is "custom designed" to focus on the greatest challenges facing each locality—such as brownfields, affordable housing, demolition of blighted structures, etc.—existing grant programs tend not to align with how land banks function and have limited application.

FUNDING NEEDS

NYS Land Banks need a dependable and dedicated source of funding that is:

- Complementary, not in competition, with

existing related programs

- Recurring and predictable to support long-term planning & land banking
- Scaled to the size of the blighted property problem
- Available for a broad range of mission-related activities that fight blight.

One way to secure such a recurring funding source would be a small increase to the taxes collected on real estate transactions, such as the mortgage recording tax or real estate transfer tax, the revenue from which would be dedicated to land banks. The immediate impact to the responsible party (buyer or seller) would be minimal and a one-time cost charged when transferring title or recording a mortgage. Legislating such a revenue source at the state level, so that all NY land banks are funded in the same manner, is consistent with Ohio's land bank model that is known nationwide as a best practice in the field of land banking. The NY Land Bank Association has done further research on these two possible funding models and can provide further data on fiscal impact upon request.

Funding from the OAG's Community Revitalization Initiative will be exhausted at the end of 2018. If a long-term solution cannot be integrated into the state's 2019 budget, the NYLBA proposes a \$60 million general fund allocation—approximately \$50 million for capital improvements and up to \$10 million for predevelopment activities—with the sum to be apportioned among land banks based on the size of the community served and the scale of their blighted property problem. This interim

investment will sustain the tremendous momentum gained over the past five years. Not only will it provide near-term stability, it will allow more narrowly focused land banks to begin to experiment with a broader range of strategies on the broader array of vacant properties. By demonstrating a sustained commitment to land banking, New York State will help the movement at last reach its full potential.

BENEFITS OF INVESTING IN LAND BANKS

- Better integration of statewide and local initiatives and programs to enhance affordable housing, environmental protection, and economic development throughout rural and urban NYS.
- Reduced dependence on state aid and outside revenue: The redevelopment (or demolition when necessary) of blighted properties helps to grow the local property tax base, helping distressed

CONCLUSION

Abandoned properties prevent new home buyers and businesses from moving and investing into older neighborhoods, depress property values, prevent existing homeowners from growing wealth through home equity, limit the ability of investors to finance new businesses or improvements in these areas, and limit the ability of local governments whose property tax bases are depressed to provide services in our most distressed communities.

The cost of doing nothing is too high a price for our residents to pay. With current funding sources set to expire and several options available, New York State has the opportunity to become a national leader in one of the most progressive and impactful approaches to combating blight.

The time to act is now.

municipalities rely less on state aid and other outside sources of revenue.

- More efficient provision of government services and significant savings well beyond the cost of "doing nothing"
- Significant return on investment:

GREATER SYRACUSE LAND BANK

generated approximately **\$7.66** in return on investment for every **\$1.00** of operating funds it received from the City of Syracuse (\$2.90 in incentivized private renovation investment, \$2.10 in other grant funds, and \$2.66 in assessed property value returned to taxable status)

ALBANY COUNTY LAND BANK

generated approximately **\$10.31** in return on investment for every **\$1.00** of operating funds it received from Albany County (\$5.13 in incentivized private renovation investment, \$3.53 in other grant funds, and \$1.50 in assessed property value returned to taxable status)