

BUFFALO ERIE NIAGARA LAND IMPROVEMENT CORPORATION

PERFORMANCE MEASUREMENT REPORT FY 2014

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**Mission Statement: the Buffalo Erie Niagara Land Improvement Corporation (BENLIC) seeks to confront and alleviate the problems distressed properties cause to communities by supporting municipal and regional revitalization efforts and strategically acquiring, improving, assembling and selling distressed, vacant, abandoned and and/or tax-delinquent properties.**

❖ **Return distressed, vacant, abandoned and/or tax-delinquent property to productive use.**

*The Corporation obtained and holds clear title on all of its property:*

- I. Acquired eleven (11) tax-delinquent and tax-foreclosed properties using the preferred bid power of the Corporation at the County's In Rem auction 162, including three (3) single-family residential properties and eight (8) vacant lots.
  - i. The Corporation began rehabilitating two (2) of the single-family residential structures in Erie County (Town of Amherst and Village of Sloan) in 2014 as part of the Corporation's Round 1 Community Revitalization Initiative (CRI) grant award from the New York State Office of the Attorney General (OAG). Rehabilitation will continue through 2014 and 2015, and the properties will be resold to low-moderate income persons.
  - ii. The Corporation sold one (1) of the single-family residential structures in 2014 to the Town of Amherst. The Corporation "capped" the Town's CDBG property acquisition fund – the Corporation acquired the property using its "trump bid" power, the property was then conveyed to the Town at the amount of the back tax. Without the Corporation's efforts the price for the property may have inflated beyond the Town's constrained acquisition resources.
  - iii. Five (5) of the vacant lots acquired will be sold to the Town of Tonawanda. Another vacant lot acquired in 2013 will be sold as well. The six (6) total lots will be "land-

banked” by the Town itself. The Corporation covered the carrying costs for the property with OAG “Side Lot” program funds.

iv. One (1) of the vacant lots acquired was conveyed to the Town of Colden for the nominal sum of \$1.00. The Town agreed to use the property to expand its military park. The Corporation covered the carrying the carrying costs for the property with OAG “Side Lot” program funds.

v. The Corporation plans to dispose of two (2) of the vacant lots to private parties. One property’s carrying costs are being covered with OAG “Side Lot” program funds, the other with BENLIC funds.

II. Acquired three (3) tax-delinquent properties using the preferred bid power of the Corporation at the City of Tonawanda’s 2014 In Rem auction, including three (3) single-family residential properties.

i. The Corporation began rehabilitating three (3) of the single-family residential structures in the City of Tonawanda in 2014 as part of the Corporation’s Round 1 Community Revitalization Initiative (CRI) grant award from the New York State Office of the Attorney General (OAG). Rehabilitation will continue through 2014 and 2015, and the properties will be resold to low-moderate income persons.

III. Acquired one (1) tax-delinquent property using the preferred bid power of the Corporation at the City of Lackawanna’s 2014 In Rem auction – a single-family residential property.

i. The Corporation began rehabilitating one (1) single-family residential in the City of Lackawanna in 2014 as part of the Corporation’s Round 1 Community Revitalization Initiative (CRI) grant award from the New York State Office of the Attorney General (OAG). Rehabilitation will continue through 2014 -2015, and the properties will be resold to low-moderate income persons.

- IV. Acquired one (1) vacant and abandoned property via REO (Real Estate Owned) bank donation, a double-family property.
- i. The Corporation rehabilitated the property using a portion of the cash donation received as part of the donating bank's donation agreement and is set to make more repairs on the property.
- V. Acquired one (1) tax-delinquent property via internal "judicial foreclosure" process.
- i. As part of its 2013 PILOT project, the Corporation received from Erie County three (3) tax certificates. With such tax certificates, the Corporation itself may act as a foreclosing governmental unit and commence foreclosure proceedings on the property. The foreclosure of one (1) property was completed and the Corporation acquired at its own public auction the property. The cost of foreclosure was born by the Town of Cheektowaga. The Corporation intends to dispose of the property to a private owner.
- VI. Disposed of one (1) formerly tax-delinquent property to a private person in late 2014. The Corporation as part of its 2013 PILOT project acquired at County In Rem auction the property of 39 Fowler Avenue. The Corporation explored a variety of options to repair the property in 2014, including obtaining estimates for a full rehabilitation, partial stabilization repair and a structural review. The Corporation's Board of Directors determined that sale "as-is" remained the only viable option to return the property to productive use beyond demolition of the property. The Corporation received an offer for the property in its condition. The offeror prepared a Property Purchase Application which was reviewed by the Board of Directors. The Board determined that sale of the property in "as-is" condition to a prospective purchaser – deemed responsible and fit by the Board- would be in-line with the Corporation's mission. The Corporation disposed of the property in late 2014 – this marked the first real property disposition by the Corporation.

❖ **Enhance the quality of life within neighborhoods**

- I. Prior to property acquisition in 2014, disposition plans – prepared by the municipality, for every property – were received by the Corporation. The disposition plans reflect the goals of the municipality with respect to the various properties and their neighborhoods. Property was selected for acquisition by the Corporation in part for its effect on the quality of life within neighborhoods upon return to productive use.
- II. The Corporation began rehabilitating eight (8) properties in 2014. These properties are blighting proximate property and neighborhoods at-large. A property’s rehabilitation will increase its value and improve neighborhood perception. Many of the Corporation’s rehabilitation projects are nestled between or amongst otherwise properly-maintained properties; it is expected that rehabilitating this sort of property will provide the highest positive neighborhood externalities.

❖ ***Actualize, stabilize and grow the value of the real property tax base***

- I. Sixteen (16) properties were cleared of the back tax amounts of approximately \$1.25 million in 2014. After disposition of a property, a portion of the proceeds will be payed to Erie County, the City of Tonawanda, the City of Lackawanna, and the participating municipalities for expenses incurred for the foreclosure of the property and any maintenance of the property.
- II. Properties undergoing rehabilitation by the Corporation or otherwise improved will likely see their assessment increase, providing for a growth in the value of the real property tax base.
- III. Disposition guidelines of the Corporation function to responsibly return property to productive use to owners / interests that will improve, maintain, make code-compliant and safe, and keep conveyed property from returning to its formerly distressed, vacant, abandoned and/ or tax-delinquent status.

❖ ***Provide economic growth, encourage economic opportunities***

Education and Outreach is conducted continually throughout Erie County during the course of the year. Each town and village in Erie County received an annual notification of properties “ripe” for foreclosure which is interpreted as at least three years behind in tax liens. These properties are considered Land Bank candidates. BENLIC conducts training sessions, presentations, and one on one visits to municipal leaders. These sessions are intended to perform participants as to the benefits of Land Bank participation, the economic opportunities the Land Bank offers, and the value of returning vacant, abandoned structures to productive use.

❖ ***Lessen the burden on local government***

- I. The Corporation completely insured and secured its property in its name.
- II. Funding through the OAG’s Round CRI program allowed for fifty-five (55) demolitions in the City of Buffalo and seven (7) demolitions in the City of Lackawanna. Cost of these demolitions amounted to \$1.1 million. All property was reviewed by the State Historic Preservation Board prior to demolition. All property was vacant and abandoned: such property is more probably suspect to criminal activity, therefore its demolition and removal constitutes a reduction in the probability of crime within a neighborhood.

❖ ***Build Organization Capacity***

- I. A grant for \$2.5 million was awarded the Corporation by the New York State Office of the Attorney General under that Office’s Community Revitalization Initiative in 2014 under the Second Round of the OAG’s CRI program. The award will bolster the OAG’s 2013 grant award (effective 2014-2015) to include more projects in 2015 and 2016 and administrative capacity in 2016.
- II. Erie County Department of Environment and Planning (DEP) continued to provide excellent in-kind staff services through the work of the department’s Deputy Commissioner and Senior

Housing Inspector. Corporation staff works daily with DEP's Senior Housing Inspector to plan, develop, coordinate, review, approve and verify repairs and improvements to the Corporation's residential rehabilitation projects. A number of practices have been implemented under this cooperation in 2014 that will serve to improve the Corporation's rehabilitation projects in years to come.

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