

News from Attorney General Eric T. Schneiderman

FOR IMMEDIATE RELEASE
July 22, 2014

Albany Press Office/ 518-473-5525
New York City Press Office/ 212-416-8060
nyag.pressoffice@ag.ny.gov
Twitter: @AGSchneiderman

STATEMENT FROM A.G. SCHNEIDERMAN ON SIGNING OF LEGISLATION AUTHORIZING 10 NEW LAND BANKS

NEW YORK — Attorney General Eric T. Schneiderman issued the following statement in response to the Governor's signing of a bill authorizing ten new land banks in the State of New York:

"I commend the Governor and the State Legislature for enacting my bill to increase the maximum number of land banks in New York State from 10 to 20. Land banks are a critical tool for helping communities that are plagued by vacant and abandoned properties recover from the housing crisis. My office has already disbursed \$13 million of the \$20 million we initially committed to land banks, funding eight in communities from Long Island to the Hudson Valley to Central and Western New York. But the need is so significant, and the program has been so successful, that we committed an additional \$13 million, bringing the program total to \$33 million. Now that this bill to expand the number of land banks has been signed into law, even more communities will reap the benefits of this powerful tool for urban revitalization. By funding and expanding land banks, we are empowering local communities to rebuild their own neighborhoods, house by house, block by block."

The Attorney General's program bill, which was sponsored in the Assembly by the Chairman of the Committee on Local Governments, William Magnarelli, and in the Senate by Senator David Valesky, changes state law to increase the maximum allowable number of land banks from 10 to 20. Many cities do not have land banks, but there is a critical need for the kind of community redevelopment that land banks can make possible.

Senator Dave Valesky said, "Expanding the successful land banks program will give more municipalities a great tool for neighborhood revitalization and economic development. I commend Attorney General Schneiderman for his leadership in this effort and look forward to seeing positive results in communities across New York State."

"Land banks are one of the most useful tools for jump-starting community renewal projects," said **Assemblyman William Magnarelli**. "Expanding the number of land

banks throughout New York can provide job opportunities, raise property values and truly improve the overall quality of life for both business owners and homeowners. I have seen the benefits of land banks first-hand in Syracuse. Passing this legislation will help give localities greater opportunities to rebuild dilapidated and forgotten properties in a way that better serves the needs of community members, and I applaud Attorney General Eric Schneiderman for his leadership on this important issue.”

Following the collapse of the housing market, the New York State Legislature passed a law in 2011 establishing land banks — nonprofit organizations that can acquire vacant, abandoned, or foreclosed properties and choose to rebuild, demolish, or redesign them. By restoring vacant or abandoned properties, land banks lower costs for local governments, benefit public schools, reduce crime and boost local economies. However, the legislation that authorized land banks in New York did not provide funding for them. Attorney General Schneiderman launched a Land Bank Community Revitalization Initiative to fill that gap and allow the land banks to fulfill their purpose. He has dedicated \$33 million to fund that initiative. In February of this year, the Attorney General proposed his program bill to expand the number of land banks from 10 to 20.

Following are the first round of awards through the program, which were announced on October 29, 2013:

- The Buffalo Erie Niagara Land Bank Corporation was awarded \$2.087 million;
- The Rochester Land Bank Corporation was awarded \$2.78 million;
- The Greater Syracuse Property Development Corporation was awarded \$3 million;
- The Chautauqua County Land Bank Corporation was awarded \$1.5 million;
- The Newburgh Community Land Bank was awarded \$2.45 million;
- The Suffolk County Land Bank Corporation was awarded \$675,000;
- The Capital Region Land Bank was awarded \$150,000; and
- The Broome County Land Bank was awarded \$150,000.

Attorney General Schneiderman first announced last June that he would dedicate National Mortgage Settlement funds to support land banks. In July, he opened the first round of the competitive Request for Applications (RFA) process.

The projects selected for funding will carry out a range of vital community development activities, including demolition of blighted, vacant, and abandoned homes; acquisition and renovation of vacant homes, including remediation of environmental hazards; resale of renovated properties as affordable housing for low- and moderate-income families; acquisition of vacant land that will be transferred to existing community residents who will maintain and repurpose the underutilized open space; and environmental pre-development studies and analyses that will eventually lead to remediation and redevelopment of brownfield sites. Proceeds from the resale of

renovated properties will go back to the land banks and allow them to continue their work.

Attorney General Schneiderman's Land Bank Community Revitalization Initiative will particularly benefit cities and counties that have struggled to maintain local services despite significant declines in tax revenue as a result of the foreclosure crisis and the subsequent epidemic of vacant and abandoned properties. The eight land banks funded have committed to return hundreds of properties to productive use and to get those lots back on the local and county tax rolls over the next 24 months.

The land banks are also using Attorney General Schneiderman's funding to leverage additional resources from both private and public sources in order to expand their community revitalization efforts. A conservative estimate suggests that the land banks will be able to access a combined total of more than \$21 million in other public and private funding over the next two years.

Finally, the Attorney General is providing most grantees with funds to hire full-time staff, which will allow the land banks to expand operations and seek long-term, sustainable sources of funding.

A request for a second round of proposals will be issued this summer.

###