

STRATEGIC PLAN 2016-2018



The Land Bank
Buffalo Erie Niagara Land Improvement Corporation

Unique Statutory Authority and Public Responsibility

A Letter from the Executive Director



The opportunity to lead and set the tone for Western New York's first Land Bank is one I've been preparing for most of my professional life. As an Urban Planner, I've long helped communities prepare plans to guide their growth and development. During

that time, I've forged relationships with municipal leaders, community groups, block clubs, and non-profits and done a lot of listening. This experience with listening and learning strengthened my beliefs that if hope isn't visible and tangible in one's own neighborhood then it becomes very difficult to be hopeful about one's community in general.

When the Mayor of Buffalo and the Erie County Executive signed the Buffalo Erie Niagara Improvement Corporation (BENLIC) into creation, they made visible and tangible hope a possibility in each of our neighborhoods. Most of us in Western New York live on a block that is reduced in vitality by one or more abandoned and neglected homes. These empty homes create a vortex of energy, lower our property values, and ultimately lower our sense of community.

BENLIC's unique and powerful statutory authority – the only "preferred bid" for use at public foreclosure auctions allowed by New York State law – engenders our Board of Directors with tremendous public responsibility. The ability to help improve quality of life for so many rests in our hands.

The substantial grant of \$4.5 Million from NYS Office of the Attorney General, part of the JP Morgan Chase Mortgage Fraud Settlement Fund, enabled BENLIC to immediately add value to neighborhoods. By the end of 2016 BENLIC will have rehabilitated nearly two dozen homes and returned them to tax paying status with

responsible homeowners. These home sales enable BENLIC to "recycle" residual moneys received and reuse them for future projects.

In March of 2016 our Land Bank received an additional boost from Bank of America with \$500,000.00 in unrestricted funding to capitalize the Corporation and continue to meet our Mission.

The possibilities for future partnerships, new initiatives and collaboration are extensive. Our Board is committed to piloting creative concepts and learning through experience. Over the next few years, we look forward to exploring concepts that have proved successful with other Land Banks:

- Workforce Development
- Refugee and Veterans Housing Development
- Urban Infill with newly constructed "Small Footprint" Dwellings
- Mixed Use Development
- Large Scale Parcel Assembly
- Green Deconstruction

Our Strategic Plan will set the path to enable BENLIC's growth. Our most powerful Performance Measure for success will equal the number of neighborhoods we can impact to restore hope. We look forward to demonstrating Public Responsibility by sharing our unique capacity for change with every community in Western New York.

With kind regards,

A handwritten signature in black ink that reads "Jocelyn Gordon". The signature is fluid and cursive.

Jocelyn Gordon

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New construction stabilizes a solid residential block like this one on Kohler Avenue in the City of Tonawanda.



This property in the City of Buffalo's West Side expresses neighborhood stability and design sensibility. The Land Bank's mission to restore real property to productive use is embodied by these important qualities.

About BENLIC

How can just one neglected property impact a neighborhood? By driving down surrounding property values, decreasing community morale, creating a fire and public safety hazard, and draining local tax coffers. Just one problem property can trigger a downward spiral. Now multiply that impact when an entire street or a neighborhood falls into blight, disrepair and disinvestment over time.

Western New York has experienced its share of disinvestment as sprawl, changing demographics, and the impact of the housing foreclosure crisis have altered the landscape of our community. In urban areas like the Cities of Buffalo and Lackawanna, highly speculative public auctions of tax delinquent property leave neighborhoods prey to investors who often refuse to add value to the properties they purchase at public sale.

The passage of New York State's Land Bank Act of 2011 ushered in a tremendous opportunity for communities to address some of the most vexing issues of our age and the most difficult to change: neighborhood blight, abandoned and tax delinquent property, and private sector speculation and disinvestment.

Enter the Buffalo Erie Niagara Land Improvement Corporation (BENLIC): a 501 C3 Not for Profit Corporation and Public Authority of New York State.

What is a Land Bank? Essentially, Land Banks are designed specifically to address the inventory of problem properties discarded or undervalued by the private market.

Land Banks are assigned unique authority to acquire property, clear taxes and title, and return land to productive use and responsible ownership.

As one of New York's founding eight Land Banks, BENLIC has the ability to:

- Obtain property through In Rem foreclosure public auctions using what is commonly referred to as a "Superbid" authority. The Superbid enables BENLIC to exercise a preferred bid at tax foreclosure auction, ensuring more predictable reuse outcomes for properties. Once BENLIC places a bid on a property the bidding ends.



Before (top) and after (bottom) photos of a property on West Royal Parkway in the Town of Amherst. This property was sold in February 2016.

- Return formerly derelict and tax delinquent property to the tax rolls through sale to responsible owners. Unlike a public auction fraught with risk, BENLIC can govern the disposition of its property to the most responsible buyer.
- Hold land tax free, assemble parcels over time and "bank" properties until their market value increases or to assist with more impactful community-driven redevelopment
- Act as Clearinghouse for large regional and national banks by accepting foreclosed properties through donation and returning them to the tax rolls under responsible ownership
- Assist communities with demolishing property that has deteriorated too much to merit rehabilitation
- Assist every community in Erie County with meeting their respective land use and neighborhood planning goals.

Who The Land Bank Serves

BENLIC's broad geographic scope is unique among New York State Land Banks. We work within Towns, Villages and Cities throughout Erie County and tailor our efforts accordingly.

The Land Bank is Urban:

The Land Bank operates within each of Erie County's four Foreclosing Governmental Units (FGU's): Erie County, City of Buffalo, City of Lackawanna, and City of Tonawanda. Real Property departments within each FGU enforce delinquent taxes by conducting regular In Rem Foreclosure Auctions or "tax sales" of delinquent property.

The Land Bank is Countywide:

Erie County is an FGU in its own right and conducts an annual In Rem Foreclosure Auction. Erie County handles In Rem foreclosure proceedings for each of its 39 Towns and Villages. From rural Angola, to suburban Amherst, to historic Lancaster, BENLIC's impact extends across the municipal boundaries of Erie County.

The Land Bank has Room for Growth:

BENLIC's Inter-municipal Agreement provides the opportunity for Niagara County to become a future participating member of the Corporation.

Key Accomplishments

In 2014, all New York State Land Banks were granted moneys from the NYS Office of the Attorney General. The funds came from the JP Morgan Chase Mortgage Fraud settlement stemming from the national subprime mortgage crisis and housing price collapse of 2007-8. By placing over \$33 Million - a small portion of the settlement - with Land Banks, Attorney General Eric Schneiderman's office enabled a healing process to begin in neighborhoods across New York State.

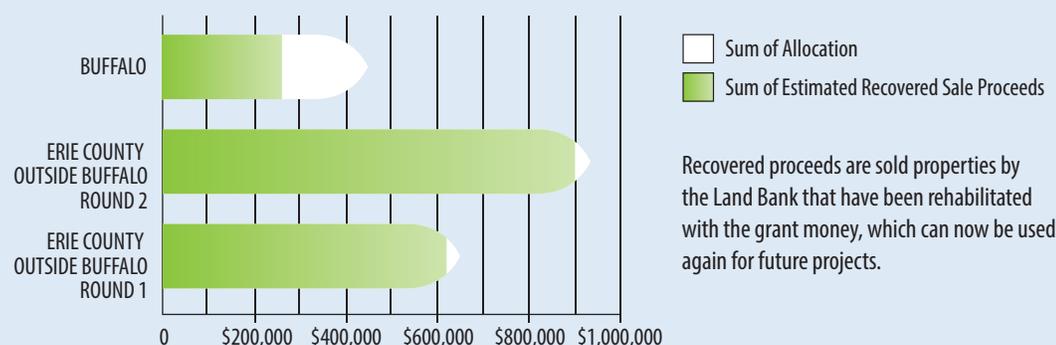
The Land Bank has, to date, received among the highest levels of continued funding from the NYS Attorney General amongst NYS Land Banks: over \$4.5 Million. In 2016, the Land Bank also received a gift of \$500,000.00 in unrestricted funding from Bank of America. The Corporation's demonstrated capacity, expertise and strategic approach were credited with receipt of these awards.

The Land Bank's work includes:

- **Acquisition and Rehab:** Strategic acquisition and rehabilitation of more than 24 vacant, tax delinquent homes throughout Erie County. BENLIC will add value exceeding \$2.3 million to these homes and return them to tax-paying status and responsible ownership.
- **Side Lot Program:** Assistance with strategic, tax delinquent vacant lot acquisitions that enable individual communities to meet the goals of their respective Comprehensive Land Use Plans. BENLIC has helped to enable a military park expansion in Colden, a public parking lot development in Springville, and pleased many neighbors who have taken ownership of vacant lots adjacent to their own through BENLIC's Side Lot Sale Program.
- **Strategic Demolition:** Financial assistance to the Cities of Buffalo, Lackawanna, Tonawanda and other municipalities totaling over \$2 Million for targeted demolitions. While BENLIC's priority is to enhance value of property, the Corporation also recognizes that demolition is a strategic tool to protect community health and safety.
- **Responsible Disposition:** Establishing relationships with large banks, including Wells Fargo, JP Morgan Chase, and Bank of America, that have resulted in BENLIC's acceptance of numerous "donation" properties throughout Erie County. These are typically completed bank foreclosures, often accompanied by cash contributions, which BENLIC

Staff expediently improved and sell to responsible buyers. To date, the value of these properties exceeds \$600,000 and the pipeline continues to grow as more long awaited foreclosures are completed.

OAG 2014-2016 PROJECT FUNDS



External Forces and Trends

In April, 2015 the Land Bank Board participated in a one day retreat to contemplate a 3 Year Strategic Plan for the Corporation. The retreat was facilitated by a representative from Center for Community Progress, a national nonprofit organization with an exclusive focus on helping communities address vacancy and blight with recognized expertise in land banks and

land banking. An important part of the retreat was completing a group SWOT (Strengths Weaknesses Opportunities Threats) Analysis. Strengths and Opportunities were tempered by Weakness and Threats. Successfully navigating these realities will dictate BENLIC's path toward three year growth and continued success.

STRENGTHS

- Unique Statutory Powers i.e. The Land Bank's "SUPER BID" is the only preferred bid in existence under NYS law.
- Creating more predictable outcomes at public auctions by minimizing risk
- Working with communities to target irresponsible property owners
- Capitalizing on Board expertise and creativity
- Highly transparent operations as dictated by NYS Public Authorities law
- Riding the wave of national trend supporting Land Banking
- Significant In-kind Staff support from Erie County and City of Buffalo
- Well-developed Policies and Procedures
- Stability of OAG funding through 2016
- Statewide partnership with ten existing NYS Land Banks

OPPORTUNITIES

- Enhancing public education and encouraging municipal leadership to make use of the Land Bank
- Simplifying the Land Bank's message
- Developing creative partnerships with foundations, existing non-profits and economic development organizations with complementary goals
- Enabling each FGU to "Tell Their Own Story". The strategy for Buffalo will be and should be different than strategies employed by local Towns and Villages.
- Leveraging neighborhood private investment
- Continuously improving legislation to match evolving community need with Land Bank law

WEAKNESSES

- Communicating the Message: The complex nature of Land Banks and the difficulty of educating municipal leaders and the public
- Gathering public input: How to establish the most efficient method of gathering public input and maintain high levels of community engagement
- Geography: the Land Bank could be spread too thin over a large County
- Ex-officio status of Board
- Lack of funding diversity

THREATS

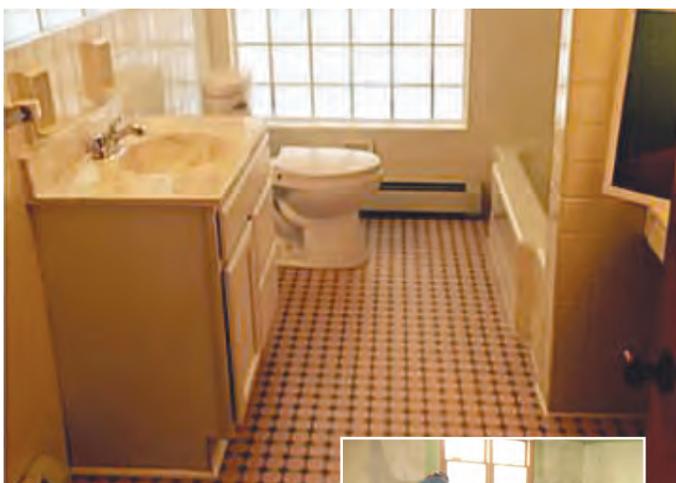
- The Erie County Tax Act – keep perceived inequities of Erie County Tax Act from becoming part of the decision-making process.
- Keeping the Land Bank "above the fray" and safeguarded against the threat of those with potentially vested interests
- Maintaining financial sustainability
- Addressing the increasing speculative nature of public auctions

Mission and Values

The Land Bank's Mission Statement represents our core purpose and the unique manner in which the entity fits in with the fabric of Western New York without replicating the mission of other non-profits, planning or economic development entities. Our Values color the rationale behind every decision the Board of Directors considers.

MISSION STATEMENT:

The Land Bank 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/or tax-delinquent properties.



Before (top) and after (bottom) photos of the bathroom remodel on Abbott Road in the City of Lackawanna. This property was sold in June of 2015. Inset shows contractors at work during the renovation.



VALUES:

Commitment

The Land Bank is committed to addressing the issues of blight and abandonment in Erie County's neighborhoods. We endeavor to "leave each property better than we found it" and encourage responsible homeownership and responsible community investment.

Flexibility

Each real estate transaction is unique, and every community has different land use planning goals. The Land Bank is flexible and offers a powerful variety of approaches, striving to become one of Western New York's most valuable implementation tools for community development.

Partnership

Our Corporation acts only in partnership with, and appreciation of, municipal leaders and neighboring non-profits and economic development agencies to help determine the outcome of a neglected property.

Transparency and Fiscal Responsibility

As a Public Authority of New York State, our reporting is transparent at every level. Our website (www.benlic.org) is our primary method of communicating technical and financial information to the public, and is updated continuously.

Sustainability

Our Corporation is driven to assist communities, increasing the critical impact we make across Western New York with each new endeavor. This level of accomplishment can only arise through sustainable practices including deep understanding of how to acquire, strategically redevelop, and sell a marketable product.

Creativity

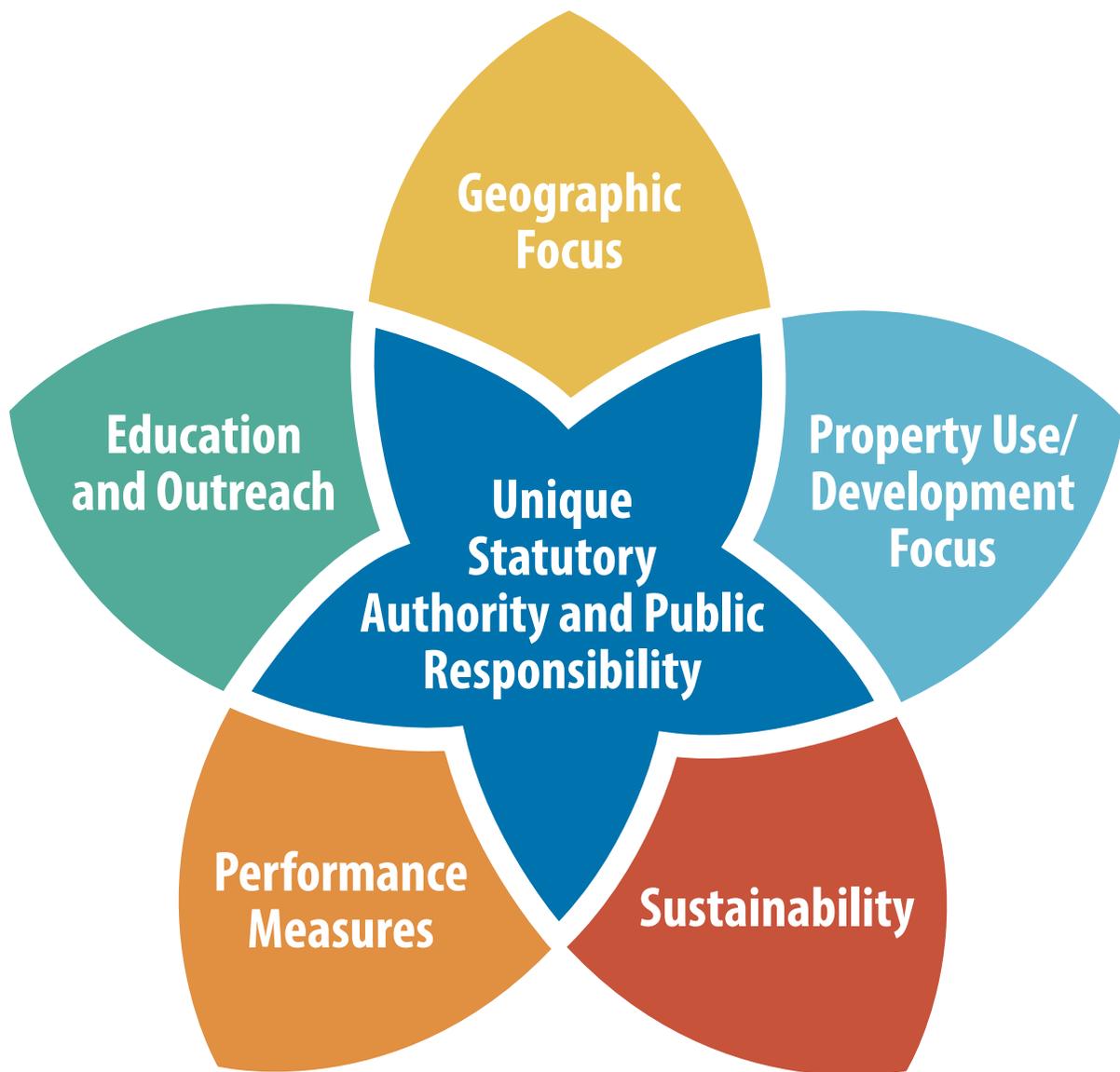
BENLIC's Board of Directors encourages creative thinking and conservative experimentation. No lesson can be learned more effectively than through experience. These formative years of the Corporation require trial and error to discover successful approaches to fighting vacancy, blight and abandonment. At the same time, the growing national land bank movement offers BENLIC a deep resource of best practices and creative strategies, and we will also turn to our field for inspiration, guidance, and knowledge-sharing.

Three Year Strategic Focus Areas

Based on the extensive Strategic Planning process and subsequent research by Staff, the Corporation identified one clear Core Focus and five supporting Focus Areas for concentration over the next three years. At the “hub” of the wheel image illustrated below, BENLIC’S Core Focus, is **Unique Statutory Authority and Public Responsibility**. The long term success of the Corporation will stem from using BENLIC’s unique powers to improve neighborhoods. BENLIC’s unique statutory authority also offers a singularly effective

tool to a myriad of regional partners. BENLIC can strategically assist these partners accomplish their individual planning goals and meet their respective Missions.

The other five Focus Areas, the “spokes” of the wheel, include **Geographic Focus, Education and Outreach, Performance Measures, Sustainability, and Property Use/Development Focus**.



Core Focus & Strategic Focus Areas

UNIQUE STATUTORY AUTHORITY AND PUBLIC RESPONSIBILITY

Goals:

- Enable municipal planning and non-profit entities to meet their planning goals without replicating their respective Missions
- Use our unique authority to minimize the risk of the public auction process and add value to neighborhoods
- Conduct transparent, policy-driven transactions that are driven by community needs and goals.

GEOGRAPHIC FOCUS

Goal:

- Make an impact throughout Western New York while efficiently using existing resources

EDUCATION AND OUTREACH

Goal:

- Reach citizens and municipal leaders alike with BENLIC's message

PERFORMANCE MEASURES

Goal:

- Add greater value to neighborhoods with each passing year

SUSTAINABILITY

Goal:

- Grow Land Bank resources through a combination of fiscal responsibility and fundraising

PROPERTY USE/DEVELOPMENT FOCUS

Goal:

- Consider all possibilities to improve neighborhoods, yet act conservatively while the Corporation gathers experience over the next three years.

Geographic Focus

GOAL:

Make an impact throughout Western New York by efficiently building upon local and regional areas of strength, planning focus and public/private investment

STRATEGIES AND TACTICS:

For All FGU's: Establish baseline criteria to target neighborhoods for property acquisition that prioritizes: proximity to public transportation, stores and services, parks, schools, walking trails, and employment centers

Erie County

- Leverage funding by targeting neighborhoods that belong to the Erie County Consortium of CDBG Funding
- Leverage funding by targeting neighborhoods whose municipalities have their own CDBG Programs in Erie County: Amherst, Hamburg, Cheektowaga, Tonawanda
- Target existing Erie County priority areas that have already received significant funding and focus: Villages of Alden, Angola, Gowanda, Depew, Springville, Town of Evans
- Assist communities without active planning departments by using Erie County's internet mapping system to target potential property acquisitions.



The Land Bank's Kohler Avenue, Broad Street and Morgan Street properties are all strategically located near Niawanda Park and other amenities and services.



This home on Fuller Street in the City of Buffalo received a complete renovation and is located steps from Riverside Park and the Niagara River

City of Buffalo

- Work with the Mayor's Office of Strategic Planning and Common Council to target neighborhoods for property acquisition that complement and enhance existing planning initiatives
- Use the extensive infrastructure the City of Buffalo has in place to manage demolitions; continue to "pass through" this funding for future demolitions rather than taking individual title to properties for demolition

City of Lackawanna

- Balance the level of financial need of properties in the First ward by acquiring, rehabbing and selling a variety of properties with value throughout the City
- Work with local officials to refine the concept of "banking" all vacant, tax-delinquent lots in the First Ward of Lackawanna for future development

City of Tonawanda

- Work with the Mayor's Neighborhood Development Team to target neighborhoods for potential acquisition
- Target neighborhoods that have received County funds for exterior improvements to build critical mass

Education and Outreach

GOAL:

Expand the reach of BENLIC's message to citizens and municipal leaders alike

STRATEGIES AND TACTICS:

For All FGU's

- Simplify the complex nature of Land Bank legislation with a clear, consistent message
- Use website and social media, where appropriate, to deliver BENLIC's message to the widest possible audience
- Expand the growing registry of trusted, local contractors and real estate professionals with regional expertise to complete BENLIC's work

Erie County

- Encourage the development of municipal Distressed Properties Task Forces to serve as a mechanism for bringing problem properties to the attention of municipal leaders and the Land Bank
- Schedule select personal meetings with municipal leaders and Town/Village Boards on a rotating basis to deliver BENLIC's message and underscore the unique qualities of Land Bank legislation

City of Buffalo

- Coordinate BENLIC's work with the Office of Strategic Planning to review opportunities for partnerships with non-profits, foundations, and other development partners with development interest in City neighborhoods
- Include City of Buffalo representation at speaking engagements and presentations to local block clubs and non-profits
- Continue participation with the Distressed Properties Task Force

City of Lackawanna

- Coordinate with the Mayor and the Department of Development to deliver BENLIC's message to select block clubs whose members can serve as "neighborhood watchdogs"

City of Tonawanda

- Meet regularly with the Mayor's Development Team to develop a unified approach toward neighborhood building
- Promote the City of Tonawanda as a destination for first-time homeowners



Left: the NYS Office of the AG Press Conference in March of 2015. Shown from left to right: Alex Carducci, BENLIC Asst. Program Coordinator; Joseph Maciejewski, BENLIC Board Member; Jocelyn Gordon, BENLIC Executive Director and Maria Whyte, Deputy County Executive.

Below: Jocelyn Gordon speaks, at the Conference, as NYS Attorney General Eric Schneiderman listens in the background.



Performance Measures

GOAL:

Add greater value to neighborhoods with each passing year

STRATEGIES AND TACTICS:

For All FGUs

- Meet the benchmarks of the 3 Year, \$4.5 million Community Revitalization Initiative Grant for rehab and demolition by January of 2017. This accomplishment will enable BENLIC to define itself and serve as the Corporation's ultimate performance measure during these formative years.
- Recover the majority of rehab funding received from the Office of the Attorney General to reuse for future projects. This recovery can be accomplished by completing strategic improvements to property recovering the value of these improvements upon resale.
- Reduce the negative impact of "Zombie" properties on neighborhoods by actively seeking donations of completed bank foreclosures and adding value to these properties where appropriate.
- Increase the number of municipalities served each year. Success will breed success. More communities will participate with BENLIC when they see improvement in their neighboring communities

- Reduce the municipal burden of demolition expenses by actively seeking specific sources of funding reserved for this purpose
- Foster the Board of Directors' continued sense of creativity and willingness to try new PILOT projects and develop new partnerships



Before (top) and after (bottom) photos of a dramatic kitchen remodel on Atlantic Avenue in the Village of Sloan. This property was sold in March of 2016.

Sustainability

GOAL:

To grow Land Bank resources through a combination of fiscal responsibility and creative funding strategies and partnerships

For All FGU's

- Develop a three year Business Plan for the Corporation that details a Plan for financial sustainability. The Plan should also consider future costs for office space, staff growth, and legal fees required in lieu of in-kind services BENLIC currently receives
- Follow successful existing Land Bank models to determine an appropriate path toward future growth
- Capitalize on existing national momentum supporting Land Banks to approach large Foundations for support
- Balance acquisition decisions by implementing BENLIC's "A, B and C" property-type equation i.e. One "A" property (property with high value) is required to enable the acquisition of two "B" properties (mid to low value). "C" level properties are for demolition and require a separate source of funding.



Exterior of a property ready for Land Bank rehab on Northumberland Street in the City of Buffalo.



Above: This former dilapidated property on Kohler Avenue in the City of Tonawanda was demolished and a new foundation was installed. The final product will be a new panelized home. This photo shows the progress as of April, 2016. Top right: The demolition of the original property. Bottom right: The new foundation.

Property Use Development Focus

GOAL:

Consider all possibilities to add value to neighborhoods, yet act conservatively while the Corporation gathers experience over the next three years

For All FGU's

- Use BENLIC to focus primarily on acquisition and resale of residential properties during the next three years as the Corporation gains knowledge and experience
- Consider acquisition of commercial property if a strong reuse plan is in place and a strong municipal or non-profit partner is established
- Environmentally compromised properties should be avoided until if and when BENLIC has the financial capacity to hold and/or remediate the property before resale
- Explore concepts that have proved successful with other Land Banks:
 - Workforce Development
 - Refugee and Veterans Housing Development
 - Urban Infill with newly constructed “Small Footprint” Dwellings
 - Mixed Use Development
 - Large Scale Parcel Assembly
 - Green Deconstruction



Jocelyn Gordon, BENLIC Executive Director, oversees work at a home on Morgan Street in the City of Tonawanda.



Exterior of a home on Stillwell Avenue in the Village of Kenmore before (left) and after (right) renovation.

BENLIC Board Composition

BENLIC's Board is comprised of Ex-Officio members who represent by virtue of their title. The current Board roster is listed below with each title listed in bold and italics.

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