

## *An Overview of Land Banking in Syracuse and Onondaga County*

### **Background**

As evidenced in the recent Census, Syracuse and Onondaga County are turning a corner on investment, development, and growth. These trends suggest a bright future for Central New York. But decades of population loss and economic turmoil has left a resurgent Syracuse with many legacy issues to wrestle with. One of these is vacant property. Nearly 2,000 unoccupied and blighted structures serve as obstacles to sustainable revitalization. These properties can invite crime into our neighborhoods and contribute to contagious blight that drives down surrounding property values. In fact, a 2001 study in Philadelphia found that houses within 150 feet of a vacant or abandoned property experienced a 12% loss in value.

While there are many factors that contribute to blight and vacancy, the issue of tax delinquency is often a common condition among problem properties. In most municipalities, tax delinquent properties are commonly sold at auction to the highest bidder, regardless of that person's commitment to the community where the property is located. This liquidation-based approach to vacant and tax delinquent properties often results in further blight and disinvestment. Land Banks offer a better way to address this issue.

### **What is a Land Bank?**

Land Banks are a vehicle to better coordinate the acquisition, management and re-use of vacant and abandoned property. A Land Bank has the ability to streamline and expedite the often costly and cumbersome foreclosure process. Land Banks also allow the community to engage the private sector in the work of repurposing vacant properties in a fashion that is most consistent with each municipality's goals – whether that means selling an old house to a responsible occupant willing to rehab it, or demolishing a condemned structure and converting the lot into green space.

### **The “Genesee County Land Bank Model”**

The practice of Land Banking was made prominent a decade ago in Michigan, where innovative leaders in Genesee County (home of Flint, MI) pioneered the practice of using a Land Bank for repurposing problem properties in the city of Flint and its suburbs. They have developed everything from multimillion dollar mixed-use buildings, to family-owned homes, to community gardens. Since 2002, the Genesee County Land Bank has operated at no cost to local taxpayers and acquired thousands of properties, developed hundreds of them, and increased local property values by more than \$100 million.

In this model Genesee County assumes the collection of the delinquent taxes by borrowing against tax anticipation notes and making every local municipality, including the City of Flint, whole. This enables the County to maintain local control of the liens while recovering up to 115% of delinquent tax revenue after late fees are assessed. For the properties that the County is unable to collect on, the existence of the Land Bank allows the County to transfer the properties to it without bearing the financial and legal burden of owning them. With its sole purpose to maintain and dispose of vacant properties in an equitable and efficient manner, the Land Bank has the flexibility to make community-driven decisions that ensure the highest and best use of all properties. The Land Bank is funded primarily through the revenue generated by collecting delinquent taxes. Its functions include strategic acquisition, property management, demolition, and private market transactions.

The Genesee County Land Bank Authority was recently awarded an “Innovations in American Government Award” by the Ash Institute at Harvard University. The model has now been successfully replicated in counties throughout the state of Michigan and is also being replicated in the states of Ohio and Pennsylvania.

### **The New York State Land Bank Act**

In June of 2011, the New York State Assembly and Senate passed legislation offering a real solution to the growing problem of vacant and abandoned property. Under the 2011 New York State Land Bank Act, local municipalities were given the autonomy to establish Land Banks at their sole discretion. Land Banks in New York State would operate under the strict control of a local board, appointed by local governments and will function as separate 501(c)3 organizations. The legislation was written in partnership with national experts, the Center for Community Progress (the founders of the Genesee County Land Bank model) with input from CenterState CEO, as well as various city and county governmental leaders.

### **Creating a Land Bank in Syracuse and Onondaga County**

Since 2008, CenterState CEO (formerly the MDA) has been supported by the Ford Foundation to develop strategies for addressing issues of vacant and abandoned properties in our region. During that time, CenterState CEO, along with the City of Syracuse and Onondaga County, has been working with a national organization, the Center for Community Progress (founders of the Genesee County Land Bank), to explore the merits of Land Banking in Central Upstate New York. After much research and public outreach, a broad consensus grew that Land Banks are an important tool for our region. This spurred CenterState CEO to become a leading advocate for a Land Bank bill. Now that the legislation has passed, CenterState CEO has received further commitment from the Center for Community Progress to continue its work with local leadership in order to establish a city-county Land Bank and apply best practices in its formation.

While there is still much legwork to be done, local leadership must act quickly to form a Land Bank. The New York State Land Bank Act initially allows for only ten Land Banks statewide. Land Banks must be formed via local resolutions and will be established on a first come first served basis.

### **Key Message Points**

- Land Banks help to maximize local control over abandoned, tax delinquent properties. They function to acquire these properties, manage them and ultimately bring them to their highest and best use. Land Banks must work within the framework of local planning efforts and collect input on properties at the neighborhood level.
- In New York, Land Banks are not state authorities. They are non-profit organizations, formed and overseen by local governments.
- Land Banks can streamline the delinquent tax collection and property foreclosure processes. Through these processes, a local Land Bank can make the City, County, as well as towns and villages, whole on all of the back taxes due to them from tax delinquent property owners.
- A Land Bank can be formed by any tax foreclosing governmental unit in New York State. However, the Genesee County Land Bank Model demonstrates that Land Banks function best at a regional level. A Land Bank that covers an entire county achieves economies of scale that are not possible for individual municipalities. For this reason, the Onondaga County Government and City of Syracuse are exploring the development a joint, city-county Land Bank.

*For more information, please contact:*

Dominic Robinson, CenterState CEO  
[drobinson@centerstateceo.com](mailto:drobinson@centerstateceo.com)

Ben Walsh, City of Syracuse  
[bwalsh@ci.syracuse.ny.us](mailto:bwalsh@ci.syracuse.ny.us)

Travis Glazier, Onondaga County  
[travisglazier@ongov.net](mailto:travisglazier@ongov.net)