



# **Albany County Legislature Blight to Betterment Task Force**

## **2021 Legislative Report**

**Hon. Matthew Peter  
Co-Chair  
Blight to Betterment  
Task Force**

**Hon. Andrew Joyce  
Chairman  
Albany County Legislature**

**Hon. Carolyn McLaughlin  
Co-Chair  
Blight to Betterment  
Task Force**

**Overview:**

In June 2020, Albany County Legislature Chairman Andrew Joyce convened the Blight to Betterment Task Force to help address issues resulting from vacant and abandoned properties throughout Albany County. The Task Force – headed by Legislators Carolyn McLaughlin and Matthew Peter – was charged with reviewing policy, practices, and procedures in order to formulate a roadmap to return blighted land and property to functional, productive use.

Addressing blight and transforming communities is a high priority of the Albany County Legislature. Eliminating blight improves the quality of life for all Albany County residents because it translates to increased homeownership, increased property values in neighborhoods, and an increased tax base for both localities and the county. Fighting blight leads to less crime and more stability in affected neighborhoods, and saves municipal governments the expense of demolishing destabilized blighted properties.

Since its formation last summer, the Task Force—consisting of Legislators, staff and community stakeholders—discussed how untended property and buildings were currently being addressed and how various partners could work together to prevent vacancies, ensure security of properties, and increase homeownership throughout the county. Community partners including the Albany County Land Bank, local code enforcement officers, and subject matter experts were included to provide deeper insight regarding the fight against blight and decay in our most vulnerable neighborhoods.

The prevalence of abandoned and tax delinquent properties causes significant fiscal and social impacts where present. The negative impacts of blighted properties on the ability of a community to attract residents, businesses, and tourism to the area are substantial. This leads to a decline in property values and the tax base for municipalities.

Local and county governments already spend large amounts of money on the long-term effects of blight through the legal process, code enforcement, and demolition. By stopping blight sooner, local and county government will be protecting and investing in underserved communities while saving taxpayer dollars.

**Methods:**

The focus of the Task Force is to prevent blight through neglect at the local level, introduce new methods to increase homeownership, reduce crime, and rebuild healthier communities.

Following its inception, the Task Force began meeting monthly in July 2020.

The initial group consisted of county legislators, legislative staff, elected New York State officials and their representatives, and stakeholders. Individuals on the task force included:

Carolyn McLaughlin, County Legislator

Matthew Peter, County Legislator

Wanda Willingham, County Legislator

Dustin Reidy, County Legislator

Nathan Bruschi, County Legislator

Lynne Lekakis, County Legislator

Beroro Efekoro, County Legislator  
Jeffrey Kuhn, County Legislator  
Matthew Barron, Office of Senator Neil Breslin  
Assemblymember John McDonald  
Elissa Kane, Office of Assemblymember Patricia Fahy  
Michael McLaughlin, Office of County Executive Daniel McCoy  
Darren Scott, New York State Homes and Community Renewal  
Adam Zaranko, Albany County Land Bank  
Richard LaJoy, City of Albany  
Susan Cotner, Affordable Housing Partnership  
Pamela Howard, Historic Albany  
Michael Morris, Legislative staff  
Pat Collins, Legislative staff

The group discussed the direction of the Task Force, then focused on current related practices of Albany County, the City of Albany, the Albany County Land Bank, financial institutions, and other property-owning institutions. Once the group reached a collective understanding of the circumstances through which properties become blighted and abandoned, the focus shifted to how local governments address the issues and identifying potential improvements or fixes.

Major trends started to emerge, illustrating that there is no single fix nor any one level of government responsible for fixing the myriad of issues and failed policies that lead to the current level of crisis.

The lack of multi-level unified government policies and limitations on enforcement that favor property owners make rapid enforcement time consuming and expensive. Zombie properties, the difficulty in serving notice to absentee landlords, judicial backlog in code violation cases, a lengthy foreclosure and bankruptcy process, as well as a gradual decline in the structural integrity of many of the building stock—including historic buildings—further exacerbate these problems.

Suburban flight and the lack of traditional investment in communities of color in the past created a systemic problem. As property owners and property dollars left the city, redlining created a blight cycle. These issues have created gradual and continued blight while at the same time driving down property values, decreasing the ability of those interested in rehabbing and living in these communities to obtain mortgages, and financing.

The Task Force identified the core issues that needed to be addressed and formed three corresponding subcommittees: (1) Blight Prevention at a Local Level, (2) Property Maintenance and Security under County or Land Bank Ownership, and (3) Methods to Increase Home Ownership. Each subcommittee was tasked with developing recommendations to address the socio-economic conditions and impacts of blight.

Subcommittee membership was comprised of the following individuals:

*Blight Prevention at a Local Level Subcommittee*

- Matthew Peter, *Albany County Legislator, Chair*
- Mike Morris, *Chief of Staff for the Albany County Legislature Chair Andrew Joyce*
- Rick LaJoy, *Director of the Department of Buildings and Regulatory Compliance for the City of Albany*
- Pam Howard, *Executive Director of Historic Albany Foundation Inc.*
- Sam Wells, *Neighborhood Stabilization Coordinator for the City of Albany*
- Robert Magee, *Deputy Corporation Counsel for the City of Albany*
- Mike McLaughlin, *Director of Policy and Research for Albany County Executive Daniel McCoy*

*Property Maintenance and Security under County or Land Bank Ownership Subcommittee*

- Matthew Peter, *Albany County Legislator, Chair*
- Mike Morris, *Chief of Staff for the Albany County Legislature Chair Andrew Joyce*
- Rick LaJoy, *Director of the Department of Buildings and Regulatory Compliance for the City of Albany*
- Sam Wells, *Neighborhood Stabilization Coordinator for the City of Albany*
- Robert Magee, *Deputy Corporation Counsel for the City of Albany*
- Mike McLaughlin, *Director of Policy and Research for Albany County Executive Daniel McCoy*
- Adam Zaranko, *Executive Director of Albany County Land Bank*

*Methods to Increase Home Ownership Subcommittee*

- Carolyn McLaughlin, *County Legislator, Chair*
- Matthew Peter, *County Legislator, Chair*
- Beroro Efekoro, *County Legislator*
- Lynne Lekakis, *County Legislator*
- Mike Morris, *Chief of Staff for the Albany County Legislature*
- Mike McLaughlin, *Director of Policy and Research for Albany County Executive Daniel McCoy*
- Adam Zaranko, *Executive Director of Albany County Land Bank*
- Darren Scott, *Director for New York State Homes and Community Renewal*
- Elissa Kane, *Legislative Assistant for New York State Assemblymember Patricia Fahy*
- Linda MacFarlane, *Executive Director of the Community Loan Fund of the Capital Region*
- Susan Cotner, *Executive Director of Affordable Housing Partnership/Albany Community Land Trust*

**Blight to Betterment Task Force Findings and Action Items**

***Blight Prevention at the Local Level***

Blight is both a physical barrier and a socio-economic issue that exacerbates already existing problems. In order for communities and neighborhoods to thrive, it must be addressed early; the

longer it goes on, the greater it will expand and the harder and more expensive it is to rein back in. In discussions among local officials and stakeholders during subcommittee meetings, many issues were brought to light as items that must be addressed to combat and prevent blight. Among the three subcommittees, the Blight Prevention group generated, by far, the largest number of potential action items.

A discourse (or disadvantage) in law and policy prevents local governments from being able to take swift and decisive action to correct problems. Currently, local governments are prevented from entering and inspecting abandoned properties where the owner is unresponsive, out of town, or deceased. This is significant because critical problems, such as insufficient roofing or structural deficiencies, are often not caught in time to be remedied. If and when such a property comes into the possession of local governments, the county, or the Land Bank, the property requires significantly more maintenance and resources.

Other issues that cause blight are zombie properties and absentee owners. In 2016, New York State passed legislation to combat the rising problem of abandoned residential properties—or “zombie properties”—by imposing requirements for the maintenance and upkeep of properties by a mortgagee or its loan service agent and expediting foreclosures. However, due to lack of owners’ identification information, local governments are unable to access vacant properties under current New York State law.

Furthermore, the way that code violations are levied on property owners is often not enough of a deterrent to stop. Under Article 19-A of the New York Real Property Actions and Proceedings law, the code violations issued against a property are not recorded under the owner’s property taxes if the notice is not signed by a judge.

On blight prevention specifically, the subcommittee engaged Albany County’s New York State elected delegation—Senator Neil Breslin, Assemblymember Patricia Fahy and Assemblymember John McDonald—to discuss ways the state may be able to assist. Many of the proposed fixes will require changes to state Real Property Law.

#### Blight Prevention Subcommittee’s Key Findings:

1. The penalties for code violations are not enough to serve as a deterrent for many owners.
2. Due to a web of antiquated local, state, and federal statutes, the foreclosure process can be easily manipulated by absentee and problematic property owners to keep them from being held accountable.
3. The adjudication of code violations is too slow, and it can be costly and time-consuming for a municipality to find the owner’s legal address. In addition, some long-term code violations are discovered when it is too late to salvage many properties.

#### Action Items and Recommendations for 2021:

- 1. The Penalties for code violations are not enough to serve as a deterrent for many owners:**

**Summary of Issue:** After receiving code violations, violators have months to rectify the issue but often never pay a municipality anything. Even if the city spends countless dollars in follow-up to confirm that the work is done correctly or to reissue a violation, it is often not rectified. In addition, repeat offenders are not given a straight minimum code violation, and while the court technically has the ability to issue a fine of up to \$1,000 a day, this is rarely done. Even in instances where a municipality has a gradual increase in fines, such as the City of Albany's vacant building registry, this has not led to a decrease in vacant buildings, it has only led to a better listing. In addition, many bad actors continuously delay paying property taxes or code violations and try to wait out the process until the property is profitable. Repeat offenders need to be identified on a public list with the correct legal addresses and barred from purchasing properties from the Land Bank or the county.

Many banks and management companies that own zombie properties have been forced to maintain these properties through the oversight of the Department of Financial Services. However, confirming that these companies are properly being monitored has become time-consuming for local municipalities.

### **Key Recommendations**

1. Enhance ongoing efforts and local coordination to identify problematic owners that have consistent violations and merge those datasets into one database. This database should be accessible to assist all municipalities in their property-related duties (code enforcement, tax foreclosure, property conveyance, etc.) Anyone in the database would be prevented from engaging in property acquisition from any level of government, including the Land Bank. The Albany County Land Bank has been employing a similar approach since it was established by Albany County in 2014 as part of its Buyer Qualification requirements in connection with its Real Property Disposition Policy.
2. Local municipalities should amend their fine schedules to increase dramatically for repeat bad actors. In addition, municipalities should consider increasing fines on those who do not make the required repairs and any delays or repeat visits by code enforcement officials should be charged to the property owner. The cost of code enforcement should be properly reflected on those who try to avoid their obligations. Using the front-facing list, progressively increased fines should be assessed on the basis of all properties owned by an individual or ownership entity that may have code violations, not just based on an individual property address.
3. Work with the Department of Financial Services to create a public-facing list of all properties they have oversight of within a given municipality. At the same time, there should be an easy form or submission process if local municipalities find that these properties are in code violation. The public-facing list would also show current compliance status of the properties.

## **2. Better management of foreclosure cycle and utilization of newly enacted state legislation to address blighted property**

**Summary of Issue:** Albany County acts as the foreclosing entity for all local municipal entities within the county. After the expiration of a local municipal warrant, a local municipality sends its delinquent tax list to the county for collection. Dependent on many factors, the minimum amount of time before the county can take possession of a property due to tax delinquency is three years. During this time, the County receives interest on any late property taxes, but also makes municipalities whole for the delinquencies turned over for collection. While a longer foreclosure process does help some property owners make payments to get out of arrears, it also continues the slow decay of blighted and abandoned properties. This significantly increases costs for both the county and the municipality where the property resides, and increases the chance of costly emergency demolition as rehabilitation becomes unfeasible due to the advanced state of decay.

There has also been a rise in vacant properties due to the death of owners without established heirs. Without proper oversight, these properties can quickly deteriorate, causing blight.

Recently enacted state legislation sponsored by Assemblymember John McDonald addresses this issue. This new legislation allows local code enforcement entities to certify a property as vacant and abandoned, classifying it as eligible for an accelerated foreclosure cycle that could potentially shorten the foreclosure process by two to three years. The county adopted this local law in April. Local code enforcement entities must utilize this new tool. This will allow for identification of properties that have been abandoned in cases where the longer foreclosure process only serves to further deteriorate them, while preserving the longer process for those who will utilize the extra time to maintain their properties and pay their taxes on time.

### **Key Recommendations**

1. The localities within the county should utilize the newly passed local law to certify which properties are vacant and abandoned, and the foreclosure process for a property should change from four years to two years. (Adopted 4/12.)
2. Work with the Albany County Comptroller, in her capacity as Public Administrator (PA); namely to notify her of vacant properties with deceased owners who have no one eligible or willing to administer the decedent's estate. Upon notification to the PA, the municipality should forward her all-pertinent information about the property and decedent, including the decedent's death certificate, any family tree of next-of-kin information, back taxes, and notices from buildings and codes, water development, receiver of taxes, school district, department of general services, or any other municipal agency along with any responses. The PA will then assess if it is appropriate to pursue an estate and petition the Surrogate's Court to be appointed as administrator of the estate and have the authority to sell the estate's assets, including any real property.

3. **The adjudication of code violations is too slow, and it can be costly and time-consuming to find the right owner. In addition, some long-term code violations are discovered when it is too late to salvage many properties.**

**Summary of Issue:** After code violations are issued and a property owner is properly served, the owner is given time to rectify the situation or has to appear in court. Currently, there is a large backlog in code cases, based on both the need to certify the correct address if the property owner is an LLC or an out-of-state owner as well as the ability of a served owner to rectify violations and then be re-served. In addition, although minor violations need to be adjudicated by a court, there is no designated codes court or judge that specifically handles violations. In cases such as general service fines and parking and traffic tickets, non-judicial officials have the ability—upon mutual consent—to adjudicate fines, reducing the need for minor administrative considerations and fines to be handled by the court system. A further issue is that even when the court adjudicates a code violation, the fine cannot be added to the owner’s property taxes. The municipality must try to put a lien on the property to seize it, which means the fines must be very large and the process lengthy.

**Key Recommendations:**

1. Set up a pilot program for the City of Albany that would allow the city to adjudicate code violations without the need for judicial intervention. The city would request the authority from New York State to set and impose fines for New York State Uniform Fire Prevention and Building Code and building-related city code violations through an internal administrative adjudication on due notice, with an opportunity for a hearing without having to establish the resource-intensive framework delineated in General Municipal Article 14BB. This would allow the City to prioritize and more efficiently address building code-related offenses. This has been done in several other upstate cities, including the Cities of Buffalo and Syracuse.
2. Establish a pilot program for the City of Albany that would allow the city to use established addresses via tax rolls and tax payments as the property owner’s accepted address. This requires an amendment to NY CPLR § 308—or a separate law providing an exception to it—to provide a rebuttable presumption that a property owner’s contact address as provided by the owner to the local tax assessor is a valid address of a defendant’s “actual place of business” for purposes of conferring service of process pursuant to NY CPLR § 308(2), (4) in a proceeding brought to enforce the New York State Uniform Fire Prevention and Building Code and/or a building-related City Code violation at the property for which such contact address is provided. Currently, some delinquent property owners provide outdated or multiple addresses to various government agencies and then allege that one or the other of these addresses is in fact their “last known address” or “actual place of business” for the purpose of avoiding compliance with building codes. An amendment to § 308 would address this practice and result in more timely and efficient code-related prosecution. If successful, this program should be expanded countywide.



3. The City of Albany plans to more effectively and efficiently combat issues related to vacant buildings and vacant building registration moving forward. Counsel for the city will not settle for less than \$1,000 on any code violations matter that includes failure to register a property as vacant, absent mitigating factors. Notably, unfamiliarity with the registration requirement will not be accepted as a mitigating factor and will still be subject to the above guidance. Establishing this practice will convey the seriousness with which the City of Albany treats failures to properly register a building as vacant and promote more diligent vacant building registration by owners moving forward. In addition, this policy will generate data revealing how differing fine levels affect property owner compliance with municipal requirements.
4. Receive a request from the Office of Court Administration and the state legislature that an additional judge be established in either the City of Albany or Albany County court to specifically handle code violations.
5. The City of Albany should be granted a pilot program through which adjudicated code violations could be added to property tax bills, forcing the payment of violations or allowing the foreclosure process to proceed. The City of Albany and Albany County would need an agreement so that large fines would not be paid to the City of Albany as non-payment of taxes, but could still be used to initiate the foreclosure process. RPTL § 901 would need to be amended to permit the City of Albany to levy code enforcement fines on properties in the same manner as may be done by the City of Syracuse.
6. Municipalities should work with the state legislature to make Article 19-A of the New York Real Property Actions and Proceedings law more advantageous and less burdensome for localities.

### ***Property Maintenance and Security under County or Land Bank Ownership***

**Summary of Issue:** The cost of continued upkeep and maintenance of buildings owned by localities and the Albany County Land Bank is extremely high. By the time that most blighted properties complete the foreclosure process, they are in a state of serious disrepair, and even basic upkeep has been disregarded by most former owners. When the county or the Land Bank takes control of a property following foreclosure, they assume all responsibilities of a property owner and absorb all costs related to maintenance such as mowing lawns, shoveling sidewalks, and monitoring for security. They also assume any secondary liabilities that come with property ownership. While the Land Bank and the county work to transfer these properties to qualified new owners, many of them require significant funding to stabilize or rehabilitate. Without substantial tax credits or other incentives, rehabilitation is not economically viable, as necessary investment exceeds the final value of these properties upon project completion.

In addition to the annual and ongoing maintenance and security for all foreclosure properties, the county or the Land Bank is frequently responsible for the cost of emergency demolition or stabilization required if a building is deemed a public safety risk. Emergency demolitions range between \$45,000 and \$60,000 each, and five such demolitions per year would cost more than the annual county funding the Land Bank receives. In addition, if a property in any locality faces emergency demolition and the owner does not pay or lets the property go into foreclosure, the

county must make the locality whole for any emergency demolition costs. The longer a blighted property is in the foreclosure process or is owned by the county or the Land Bank, the greater the chance is it will need to be demolished under a costly emergency order. It is therefore in the best interest of the county and the Land Bank to ensure that properties are properly secured and transferred to responsible owners as soon as possible.

**Key Recommendations:**

1. Work with the Capital Region Building Trades to establish a pre-apprenticeship program that would employ individuals from communities where abandoned buildings and blight exist to learn basic construction skills. Following a successful pre-apprenticeship, these individuals would have the opportunity to participate in a full apprenticeship program with the building trades. The pre-apprenticeship program would focus on learning minor, but sometimes costly, repairs to foreclosed properties belonging to the county and the Land Bank. This work, supervised by a Journey-level trades union teacher, would help lower the overall cost of blighted property rehabilitation and increase the likelihood of purchase by a new owner. The program would also help individuals from many of the county's most socioeconomically vulnerable communities enter highly competitive union apprentices and jobs. In addition, partnerships with existing employment opportunity programs as potential administrative and funding sources could provide both job training and blight reduction for the same cost, potentially doubling the economic impact of existing funding.
2. There is an ongoing financial and community liability when foreclosed properties belonging to the county or Land Bank aren't properly secured or inspected to prevent damage. Current property inspection involves visual exterior inspections to ensure basic structural integrity. Basic boards and locks are used to secure buildings, without proactive procedures to ensure that properties remain secure. The current security procedures do not stop valuable piping or wiring from being stolen or unauthorized individuals from inhabiting buildings, decreasing the likelihood that new buyers will purchase blighted properties. The county should invest in motion-based sensors in key internal areas of buildings. Motion sensors could alert county officials to potential security compromises in buildings under their ownership, allowing them to take appropriate action immediately. Furthermore, the county should either purchase a drone or create and enter into a use agreement with localities in sharing drone programs to inspect the roofs of all foreclosed properties in the county or Land Bank's possession twice a year. Drone inspection would detect roof structural defects, such as holes or water buildup that could be easily remedied sooner at a significant cost savings.
3. The county, the Land Bank, and participating municipalities should apply for any appropriate state grants that may be available through the Capital Region Economic Development Council, as well as seizure money from the NYS Attorney General's office (or the AG's Cities RISE program) to create a stabilization fund. The fund could be used for prioritized foreclosure properties, owned by the county and the Land Bank, to stabilize and make minor repairs, decreasing the chance of expensive

emergency demolitions and making purchase by a new responsible owner more likely.

By offsetting the initial cost of a stabilization and repair fund, the savings from decreasing emergency demolitions in the future along with the potential sales of these properties could be used to create a self-replenishing fund. The ongoing funds set aside each year for ongoing maintenance, security and emergency demolitions are a potential revenue stream if any of the existing costs can be lowered from their current budgeted amount. The county should look into a financial feasibility study to indicate how budgeted funds for property management and liability services can be used to incentivize rehabilitation and expand the property tax base. This study would examine the level of public investment that a foreclosure property would need to be a prime candidate for private rehabilitation. In addition, such a study would create a detailed analysis of the financial costs and benefits both of the system as it exists, as well as the investment of preserving and offering grants or other incentives to rehabilitate properties owned by the county and the Land Bank. Such financial benefits would take into consideration total costs of existing maintenance, security and emergency demolition budgets, and any changes in the property tax base when comparing blighted or demolished properties versus properties that are successfully rehabilitated.

### ***Methods to Increase Home Ownership***

Members of historically underserved communities face outsized barriers to sustainable homeownership, which is ultimately a long-term investment that builds wealth over time. The current economic environment—characterized by slow growth, rapidly rising home prices, declining finances, and tight credit—creates significant barriers to homeownership for those who are socioeconomically disadvantaged.

Homeownership benefits both homeowners and communities alike. Expanding homeownership assistance programs and resources to lower-income community members creates opportunities for improving blighted properties, therefore raising property values in socioeconomically disadvantaged neighborhoods, preventing blight and establishing healthier communities.

### **Key Findings:**

1. Prospective owners are unaware of assistance available to them.
2. The cost of a down payment and closing costs are too high for many first-time home buyers.
3. An affordable property often requires investment larger than a down payment.

### **Action Items and Recommendations for 2021:**

#### **1. Prospective owners are not aware of assistance available to them:**

**Summary of Issue:** Most prospective owners are unaware of financial assistance programs available to them through municipalities or state and federal government programs. This can be due to information or language barriers. Oftentimes, these are the same individuals who

think that they do not qualify for assistance or do not know where to start. Financial Assistance Packages are not often well-advertised and can be difficult to navigate and understand. Typically, low- and moderate-income consumers who are first-time homebuyers are unsure about the path to homeownership and the programs available to them.

**Key Recommendations:**

1. Improve “rent-to-own” opportunities by providing renters with the tools necessary to become homeowners. A program must be established to create opportunities for individuals and families who rent and are interested in purchasing the property they live in. The county and Land Bank should develop or RFQ with third-party entities that rehabilitate properties. These properties would be given at no cost as long as there would be a rent-to-own opportunity.
2. Create a special landing page for prospective homeowners in Albany County on the [www.albanycounty.com](http://www.albanycounty.com) website. Individuals could enter the zip code of a property that they were interested in purchasing, and the website would generate a list of all assistance programs being offered in that zip code. This would include FHA programs, the Albany Housing Partnership’s Homebuyer Dream Program, first-time home buyer grants, and any other eligible programs.
3. Work with the with the Community Loan Fund and the Albany Housing Partnership to further develop programs for first-time homebuyers that can educate potential owners on the costs associated with property maintenance. The Community Loan Fund and Albany Housing Partnership currently offer programs including AHP’s Homebuyer 101 orientation workshop for potential or interested homebuyers to learn about ownership opportunities and grant funding. Any program developed should be accessible to the general population and well-advertised in order to reach communities who would benefit most from learning about the costs and maintenance of upkeeping a property. The County should work with the City of Albany and city neighborhood associations to establish regular seminars.
4. Identify Section 8 tenants who are interested in pursuing homeownership and develop opportunities to direct resources to aspiring individuals who are willing to invest in the community. To improve the lifestyle in a city or town, Section 8 tenants should not be barred from making advancements toward home purchasing. Albany County Department of Social Services should consider establishing programs catering to the needs of Section 8 tenants. Currently, the Albany Housing Authority uses voucher payments to subsidize a mortgage, ensuring that a homeowner’s economic wherewithal increases before the subsidy is set to expire.

**2. The cost of down payment and closing costs is too high for many first-time home buyers**

**Summary of Issue:** Low- and moderate-income individuals who rent are often concerned about purchasing property and paying mortgages and applicable taxes on time due to unstable jobs or low salaries. A down payment can also be a deciding factor for potential homeowners, since a down payment of less than 20 percent of home’s cost can result in higher monthly mortgage payments. Down payment costs can be a financial

burden that may cause distress to the owners and the community if the payments are not made on the property.

**Key Recommendations:**

1. The county should look to connect credit-worthy and otherwise mortgage-eligible individuals with financial assistance, such as grants to cover closing costs. Similar to ensuring that individuals are aware of the tools available to them, tools provided by FHA should be utilized and individuals should be and steered to organizations like the Community Loan Fund and Affordable Housing Partnership. This could be done as an Albany County Legislature “DYK” campaign.

**3. A blighted property often requires investment larger than a down payment**

**Summary of Issue:** Banks and financial lenders base loan eligibility on the property cost plus 20 percent, which makes it challenging for potential homeowners to acquire the capital needed to make necessary repairs. In areas with blight and disinvestment, property values are already depressed because of vacant and abandoned buildings. Individuals who want to invest in and rehabilitate blighted a property have a much higher need for a cash outlay than those purchasing homes in more affluent areas.

**Key Recommendations:**

1. The County should help facilitate the expansion of partnerships between financial and community institutions to expand loan programs for low-income earners. Currently, SEFCU and M&T Bank work with the Community Loan Fund to institute mortgages to low-income families and first-time home buyers purchasing properties in the area. However, this needs to be expanded to cover additional rehabilitation costs over the 20 percent threshold that could be rolled into the existing mortgage for those that qualify.
2. Present prospective homeowners with the opportunity to purchase a two-unit building, where one unit can be rented out and used to offset the cost of the mortgage. Prospective homeowners can start working with the Albany County Land Bank to learn more about these opportunities. The New York State Department of Housing and Community Renewal’s (HCR) Small Building Participation Loan Program has been effective in allowing developers to purchase multiple properties. By purchasing multiple properties, potential homeowners are able to rent out one unit and collect payment in order to cover costs of the unit they decide to live in. By working with the Community Loan Fund and banks who have offered partnerships, homebuyers are able to learn about lenders who offer low-percentage down payments and other offers to make the home-buying process more affordable.
3. Explore with HCR whether programs such as the State of New York Mortgage Agency's “Achieving the Dream” and “Low Interest Rate” programs for owner-occupied housing should be applied to properties that have two or more units in key areas, rather than the current four or more units.

4. Albany County should look to partner with the Land Bank, the Community Loan Fund and other financial institutions to offer secondary loans at the same rate for those investing in blighted and abandoned properties in key areas. The Albany County Land Bank recently formed a partnership with Home Headquarters, Inc. to offer financing to qualified buyers for the purchase and rehabilitation of Land Bank properties. Home Headquarters will serve as a one-stop shop, providing educational resources as well as purchase and construction financing to qualified individuals, families, contractors and investors seeking to purchase and redevelop properties who have difficulty securing the financial resources needed to do so.
5. Work with the Capital Region Building Trades to potentially provide low-cost labor to families or individuals who are unable to pay for repairs and maintenance costs. In addition, the program could rehabilitate abandoned or vacant properties at a modest cost for the city and the county to maintain and integrate neighborhoods.
6. New York State and Albany County should work with financial institutions or the Community Loan Fund to monetize historic tax credits for eligible individuals so they can be used as grants rather than reimbursements once a homeowner has initial approval from the NYS Historic Preservation Office.

### **Conclusion:**

As one can gather from the context of this report, blight is an incredibly complex issue that is not unique to Albany County's urban population centers. It exists in many neighborhoods throughout New York State and the rest of the country, and there is no one-size-fits-all solution that prevents the development of vacant and abandoned properties. Addressing the problem requires bringing numerous partners to the table to develop comprehensive solutions that address immediate, short-term and long-term factors that contribute to blight.

The Albany County Legislature's Blight to Betterment Task Force will continue its work, meeting quarterly for progress reports and to effectuate many of the recommendations outlined by the subcommittees in 2021 in order to return properties to productive use, increase property values and facilitate home ownership. There will be continued dialogue with partners in government as well as community stakeholders and subject-matter specialists.

The Albany County Legislature has already begun to address certain items to improve blight in the communities. In April, the legislature adopted a local law designed to shorten the time that certain properties take to foreclose and is currently working with the Capital Region Building Trades on measures that will potentially provide cost-effective solutions to buildings in need of structural and cosmetic help.

Moving forward, the Blight to Betterment Task Force will prioritize its recommendations by amount of effort required to effectuate and categorize each as an immediate, short-term or long-term action item. Doing so will ensure a comprehensive approach that furthers the county's efforts to boost property values, lessen the burden facing our local governments and improve the quality of life for our residents.