

New York Land Bank Association

TESTIMONY FOR THE 2018 JOINT LEGISLATIVE HEARING ON ECONOMIC DEVELOPMENT Submitted by the New York Land Bank Association

In 2011 New York State passed the Land Bank Act enabling communities throughout the state to form land banks in order to address the considerable number of vacant and abandoned properties harming our neighborhoods. In short time, land banks have become a proven solution for strengthening communities, revitalizing neighborhoods, supporting local economic development, creating more affordable housing, and preserving open space and protecting the environment.

In less than five years, New York State land banks have achieved nationally recognized progress that has exceeded even the most ambitious expectations, including:

- Over 2,000 problem properties acquired
- More than \$75 M of private investment generated
- Over \$30 M in assessed value returned to tax rolls
- 480+ blighted structures demolished
- 400+ buildings renovated or stabilized
- 650+ properties sold to responsible buyers

From Buffalo to Long Island, the state's 23 land banks have made significant progress in combating blight throughout communities across New York. However, despite our considerable progress, tens of thousands of zombie and tax-foreclosed vacant properties continue to harm our neighborhoods. Restoring our communities requires both innovative approaches and sufficient resources, and there is currently no committed funding for land banks identified beyond 2018.

A lack of sustained funding for land banks' work limits the number of problem properties land banks can address, incentivizes short-term planning and projects over longer-term (and more impactful) strategic planning (including "land banking"), undermining the full potential of land banks intended under state law.

The most successful land banks in the nation have secured recurring, adequate, and predictable public funding. With a comparable funding model, New York State could bolster its already impressive network of land banks (already one of the largest and most active statewide approaches to blight in the United States) reverse decades of decline, restore communities, and become the national model for combating blight and improving neighborhoods in every corner of the state.

The New York State Land Bank Association has requested a \$60 million general fund allocation in the upcoming state budget —\$50 million for capital improvements and up to \$10 million for predevelopment activities—be apportioned among land banks based on the size of the community served and the scale of their blighted property challenge.

Land Banks have proven to be wise investments, generating a positive return for every public dollar invested, and financial support for land banks would complement other innovative state programs such as the Restore New York Communities Initiative, the Downtown Revitalization Initiative, and the Upstate Revitalization Initiative. An investment in land banks by New York State will help break the insidious cycle of disinvestment experienced by so many communities and complement existing state programs, amplifying revitalization efforts throughout the state.

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Abandoned and blighted properties prevent new home buyers and businesses from moving into and investing in older neighborhoods, depress property values, prevent existing homeowners from growing wealth through home equity, limit the ability of investors to finance new businesses or improvements in these areas, and limit the ability of local governments to generate vital property taxes.

New York State land banks have the statutory powers, proven track record, and local support needed to revitalize communities throughout our great state. New York State has the opportunity to become a national leader in one of the most effective approaches to combating blight. The New York Land Bank Association is requesting that our state representatives add this much needed funding to the FY 2019 state budget so that New York State can remain a national leader in this innovative approach to revitalizing communities. The cost of doing nothing is too high a price for New Yorkers to pay.

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