



Breathing Lights was a temporary public art installation in fall 2016 that illuminated the windows of hundreds of vacant homes in the cities of Albany, Schenectady and Troy with a diffuse glow that mimicked the rhythm of human breathing. Through youth media, building reclamation clinics, community arts, policy discussions and more, Breathing Lights created an inclusive experience that transformed perceptions of vacant buildings and showcased an arts-based approach to stimulating local and regional revitalization.

For more information, visit BreathingLights.com.

POLICY BRIEF

 Breathing
Lights

PREVENTING AND MITIGATING URBAN BLIGHT
IN NEW YORK STATE'S CAPITAL REGION

APRIL
2017

INTRODUCTION

Urban blight is an epidemic in upstate cities of New York State's Capital Region. It is a symptom of systemic problems. Preventing the occurrence of blighted properties in a holistic and comprehensive manner entails addressing the root causes of the problem. Addressing symptoms without attacking the root causes drains valuable investments, and ensures that the problem will continue into future policy-making initiatives and decisions.

To restore vibrancy and sustainability of Legacy cities, there is a need to focus on increasing demand for residency in those cities. Creating incentives for individuals to live in those cities require application of the principles of sustainable and smart redevelopment. New York State enacted the Smart Growth Act and Complete Streets Act to strengthen smart and sustainable development. Ensuring the implementation and enforcement of those Acts is critical.

In addition to preventing blight, there is a critical need to restore and mitigate the thousands of properties that are distressed and abandoned. Local and state policy makers joined policy advocates, Land Banks officials and academics at a Policy Roundtable, held at the Rockefeller College of Public Affairs & Policy, University at Albany on November 28, 2016. Roundtable participants called for:

- A] better information systems to understand the abandoned housing stock;
- B] better financial resources to enhance human and financial capacity of local governments and Land Banks and strengthen their ability to address the problem more efficiently and effectively;
- C] better legal mechanisms to streamline and expedite the vacant building acquisition and management process; and
- D] better administrative systems to improve access of local governments to funds.

Supported by

**Bloomberg
Philanthropies**

The event was co-chaired by Dr. R. Karl Rethemeyer, Dean, Rockefeller College of Public Affairs & Policy, and Mayors Kathy Sheehan, Gary McCarthy and Patrick Madden of Albany, Schenectady and Troy respectively. This Policy Brief captures policy priorities endorsed by participants to reduce the number of blighted properties in the three cities, and prevent the production of more distressed properties. The Roundtable was sponsored by the Center for Women in Government & Civil Society, Rockefeller College; Breathing Lights: Winner of the Bloomberg Philanthropies Public Art Challenge, New York Conference of Mayors and Municipal Officials; and Historic Albany Foundation.

Policy Roundtable Participants

Faye Andrews, City of Albany
 Dorcey Applys, Albany Common Council
 Bilge Avci, Center for Women in Government & Civil Society, University at Albany
 Wade Beltramo, NYS Conference of Mayors
 Ray Brescia, Albany Law School
 Nancy Burton, Historic Albany Foundation
 Anita Contini, Bloomberg Philanthropies
 Meghan Cook, Center for Technology in Government, University at Albany
 Derrick Conyers, Office of Assembly Member John McDonald
 Mark Eagan, Capital Region Chamber of Commerce
 Cathy Fahey, Albany Common Council
 Patricia Fahy, NYS Assembly
 Carl Falotico, Corporation Counsel
 Joe Fama, Troy Community Land Bank
 Meryl Finkel, ABT Associates
 Adam Frelin, Associate Professor, University at Albany, & Breathing Lights Lead Artist
 Maureen Gebert, Upper Union Business Improvement District
 Judie Gilmore, Breathing Lights
 Cynthia Herbach, South End Improvement Corporation
 David Hogenkamp, Capital Region Land Bank
 Susan Holland, Historic Albany Foundation
 Kelly Kimbrough, Albany Common Council
 Susan Kirchheimer, Historic Albany Foundation
 Kimberly Konrad Alvarez, Landmark Consulting LLC, Historic Preservation & Architectural Services
 Lynn Kopka, Troy City Council
 Ed Kosiur, Schenectady Council
 Christian Leo, New York State Homes and Community Renewal
 Dina Levy, NYS Office of the Attorney General
 Patrick Madden, City of Troy
 Gary McCarthy, City of Schenectady
 Robert McEvoy, Rockefeller College of Public Affairs & Policy, University at Albany

continued on page 4

OVERALL GOAL

Reduce the number of vacant buildings in Capital Region Cities and strengthen prevention mechanisms

POLICY PRIORITIES

1] Enhance system capacity to fully document the vacant buildings stock

- Create a regional, comprehensive, up to date information system with a robust data collection mechanism to facilitate documentation of accurate and current data on all vacant properties including tax foreclosed, corporate-owned, bank owned, bank foreclosed and privately owned, both residential and commercial. Achieving this objective requires expanding human resource capacity at the local level and stronger coordination between local and state agencies as well as greater accountability for owners of abandoned properties.

2] Strengthen funding that support effective and efficient management of vacant properties

- Establish supplemental funding at the state and federal levels earmarked to rehabilitating abandoned buildings.
- Introduce a dedicated source of funding in Restore NY and/or CDBG that distribute funds equitably and avoid geographic competition.
- Provide systemic real property tax exemptions that provide tax credits for rehabilitation of abandoned buildings regardless of their historic or age designation.
- Reduce administrative costs by waiving fees, but ensure mitigation of any unintended consequences of eliminating fees.
- Reduce rehabilitation costs through promoting public private partnerships, i.e. with vendors of construction and rehabilitation materials.
- Expand existing real property tax exemptions provided under tax laws to commercial properties.
- Increase interest rates on delinquent real property taxes and dedicate increased revenues to Land Bank operations.



3] Create stronger legal mechanisms to support effective and efficient management of abandoned properties

- Propose chapter amendment to the Zombie law to compel lenders to expedite the foreclosure process.
- Enable holding Limited Liability Corporations accountable for maintaining abandoned buildings owned.
- Expand provisions of State Law Section 4.06— RPTL Section 485-A that allow tax exemptions on commercial properties to include residential properties.
- Amend the law to allow counties to shorten the redemption period for abandoned properties to one year.
- Streamline the Notice Process for Abandoned Property Proceedings – Currently, Real Property Actions and Proceedings Law Article 19-A to allow local governments to take title to both residential and commercial properties that are "abandoned" within their jurisdictions.
- Amend notice requirements for judicial proceedings to match the notice requirements for in rem tax foreclosure proceedings, thereby protecting property rights while at the same time implementing a process that is well-established and familiar to both local and judicial officials.

4] Streamline administrative mechanisms and remove bureaucratic hurdles

- Reform the cumbersome and burdensome administrative and paperwork process through which local governments apply and obtain funding and manage abandoned building.
- Develop a task force at the regional level dedicated to tackling the problem of abandoned properties.

5] Develop and implement a state-sponsored workforce development initiative

- The initiative would be designed to train and educate unemployed or underemployed residents to enter construction occupations using abandoned properties as sites of training.

Participants' Identified Challenges & Barriers

1. Large magnitude of the problem.
2. Lack of accurate, comprehensive and detailed information about the vacant housing stock, including point of contact with owners.
3. Unwillingness of financial institutions to move properties to foreclosure process in a timely manner.
4. Human and financial capacity constraints of local government to enable information gathering and effective management of properties.
5. Lack of political will to have Limited Liability Corporations disclose information on property owned.
6. Administrative difficulty and prohibitive cost associated with management across municipalities and serving papers to out of state LLCs.
7. Administrative and financial difficulties in strategic acquisition of properties.
8. Lack of legal mechanisms and administrative structures to enable immediate interventions in vacant properties.
9. Administrative complexities in accessing existing funding.
10. High cost of rehabilitation that exceeds market value of property post-rehabilitation.
11. Prohibitive administrative fees including asbestos and lead abatement notification fees.
12. Existing funding is oversubscribed and stretched thin.
13. Lack of systemic sources of funding that do not overburden the state.
14. Misperception that suburban development is less costly than city redevelopment. Cities bearing the larger share of burden.

RATIONALE FOR POLICY PRIORITIES

Understanding of the housing stock will:

- Identify vacant properties held by banks and by delinquent landlords/owners; and properties that are tax foreclosed and bank foreclosed.
- Enable reaching owners (private and corporate) and holding them accountable more effectively and more timely.
- Facilitate strategic acquisition of properties that are on the same block to conduct more comprehensive renovations of neighborhoods and a fairer market value for renovated buildings.

Better Information System

Accessing additional resources will:

- Expand local government's human and financial capacity to mitigate and prevent the problem.
- Allow viability of Land Banks that have flexibility and necessary infrastructure to intervene early and address the problem effectively.

Better Financial Resources

Strengthening legal processes for vacant building acquisition will:

- Enable immediate and early interventions to mediate, stabilize and secure vacant buildings.
- Hold Limited Liability Corporations accountable.
- Shorten redemption period.

Better Legal Mechanisms

Streamlining administrative systems will:

- Enable unhindered access of local government to existing funding.
- Reduce complexities and remove bureaucratic hurdles.
- Enable more efficient and effective interventions, as well as coordinated and focused actions.

Better Administrative Systems

The Policy Brief was compiled by Dr. Dina Refki, Executive Director, Center for Women in Government & Civil Society, Rockefeller College of Public Affairs & Policy, University at Albany; Wade Beltramo, General Counsel, NYS Conference of Mayors & Municipal Officials, Judie Gilmore, Director of Breathing Lights, Winner of the Bloomberg Philanthropies Public Art Challenge and Susan Holland, Executive Director, Albany Historic Foundation.



Policy Roundtable Participants cont.

- Carolyn McLaughlin, Albany Common Council
- Barbara Nelson, TAP, Inc., and Breathing Lights Lead Architect
- Deborah Onslow, Breathing Lights Executive
- Renee Overdyke, City of Albany
- Leesa Perazzo, Schenectady Council
- John Polimeni, Schenectady Council
- Dina Refki, Center for Women in Government & Civil Society, University at Albany
- Sarah Reginelli, Capitalize Albany Corporation
- Karl Rethemeyer, Rockefeller College of Public Affairs & Policy, University at Albany

- Christine Schudde, Habitat for Humanity, Capital District
- Kathy Sheehan, City of Albany
- Michael Skrebutenas, Community Preservation Corporation
- Brandi Stewart, Bloomberg Philanthropies
- Steve Strichman, City of Troy
- Megan Sutherland, Center for Technology in Government, University at Albany
- Arlene Way, Arbor Hill Development Corporation
- Adam Zaranko, Albany County Land Bank