



Onondaga County Legislature

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PLANNING & ECONOMIC DEVELOPMENT COMMITTEE MINUTES – MARCH 11, 2020 KEVIN A. HOLMQUIST, CHAIRMAN

MEMBERS PRESENT: Mr. McBride, Mr. Kinne, Mr. Williams, *Mrs. Abbott-Kenan
ALSO ATTENDING: Ms. Kuhn; *see attached list*

Chairman Holmquist called the meeting to order at 9:03 a.m. ***A motion was made by Mr. McBride, seconded by Mr. Williams, to waive the reading and approve the minutes of the proceedings from the previous committee. MOTION CARRIED.***

1. **CULTURAL RESOURCES TRUST:** Robert Petrovich, Director of Economic Development
 - a. **Confirming Appointment to the Onondaga County Cultural Resources Trust (Regina McArthur)**

A motion was made by Mr. Kinne, seconded by Mr. McBride, to approve this item. Passed unanimously; MOTION CARRIED.

2. **SYRACUSE/ONONDAGA COUNTY PLANNING BOARD:** Dan Kwasnowski, Director
 - a. **Confirming Appointments to the Syracuse/Onondaga County Planning Board (Marty Masterpole, Michael LaFlair)**

A motion was made by Mr. Kinne, seconded by Mr. Williams, to approve this item. Passed unanimously; MOTION CARRIED.

3. **ONONDAGA CIVIC DEVELOPMENT CORPORATION:** Robert Petrovich, Director of Economic Development
 - a. **Confirming Reappointment by the Chairman of the Onondaga County Legislature to the Board of Directors of the Onondaga Civic Development Corporation (Kimberly Townsend)**

A motion was made by Mr. McBride, seconded by Mr. Kinne, to approve this item. Passed unanimously; MOTION CARRIED.

*Mrs. Abbott-Kenan arrived at the meeting.

4. **GREATER SYRACUSE LAND BANK:** Katelyn Wright, Executive Director; Vito Sciscioli, Chairman Board of Directors
 - a. **Annual Report**

Ms. Wright:

- The land bank is a local public authority established by the city and county under the NYS Land Bank Act; written and oral report is required annually, a written report was provided in January
- Highlights from last year:
 1. Increased capacity by hiring a community engagement specialist, adding a second real estate salesperson and additional staff for property maintenance

2. Community progress consultant helped survey elected officials and community members, their recommendations lead to increasing staff to better serve the community and sell properties more quickly returning them to the tax rolls
 3. 2019 was a record sales year with 163 properties returned to the tax rolls; close to hitting their 850th sale
 4. 1,800 properties acquired to date primarily through the cities tax foreclosure process
 5. Over 350 properties demolished
- Amassed large inventory over past 8 years, over 1,000 properties now owned, enabled assembly of larger sites to engage in thoughtful and deliberate land banking; City planners can use the land bank's portfolio when developing neighborhood or revitalization plans
 - Mayor's office announced resurgent plan to build 50 single-family and 75 two-family homes, the plan is feasible only because the land bank has a large portfolio of properties to choose from, many lots aren't large enough to build on with today's building codes; were able to merge properties to turn 4 parcels into 2 building sites in many cases – the resurgent plan will probably take 180 properties out of their inventory
 - Generated \$1.5 million in sales revenue; the land bank is a separate authority which allows them to capture the sales revenue for operations
 - Provide an important service - stabilize and maintain buildings under local control for better police access, use preventive maintenance to stop properties from becoming demolition candidates
 - Never enough sales revenue to cover the operations, generally takes between \$2 and \$2.5 million per year, not counting capital investments, like renovation and demolitions, for which they rely heavily on grant funds
 - Rely on city and county financial support, and NYS to some degree, to help cover their annual operating deficit; in recent years assistance has not been enough, running in the red each year and depleting their fund balance, estimate running out of fund balance towards the end of 2022, need to determine a sustainable solution to finance the land bank before then
 - Pushing to list more properties for sale and maximize revenues to shrink the annual operation deficit; however, if the deficit is truly eliminated the community doesn't need a land bank as it would mean the real estate market is doing well

Mr. Sciscioli:

- Last year's loss of about \$280,000 was offset by fund balance accumulated over the years, struggle financially
- If high standards are set for maintenance it drains their bottom line, it is a real issue as many neighborhoods want to see this, maintenance of vacant lots is also an issue
- Thanked legislators for their support; sustainable financing is important, government funding has been reduced
- Looking for alternative sources of financing; worked with the county executive and legislature to obtain a 1/4% increase in the real estate transaction tax as a funding source last year, would like it considered
- Trying to manage properties efficiently is a big issue; historically the city has never done a good job and maintenance of these properties is a major issue in the quality of neighborhoods, it is important to maintain aggressively and that costs money – spent half a million dollars on cleanups last year

Chairman Holmquist said that he was glad Mr. Sciscioli addressed some of the issues with government support. The challenges are duly noted but he is glad to hear that they are doing everything possible to narrow that gap.

Mr. Kinne said that he is a big supporter of the land bank and was distributed that it was not set up without reliable funding. The problem will expand to other communities and get worse if they cannot get this under control. He hopes this legislature takes it very seriously to find a steady source of income for at least the next 10-15 years so that they can get ahead of the game. The land bank is a win-win for everyone if funded properly. Land banks properly funded across the country are doing well and we are having trouble because we are not.

Chairman Holmquist asked if there were any thoughts on Mr. Kinne's comments. Ms. Wright responded that part of the reason they need sustainable financing is to cover the operating deficit but there are also things they could do better. In many ways, they are doing the bare minimum because of financial constraints. There is a need for more move-in ready housing but their current model is to sell fixer-uppers. They position themselves as a middleman, screen payers to ensure they have enough financing for the project but rehabbing these homes is time-consuming, very difficult and expensive. Many of their single-family homes aren't moving because potential owner-occupants don't have the skills to hire a contractor to handle the project. It is hard to access financing for these kinds of projects and, if you can, it is hard to carry the mortgage for 9 months, and pay rent somewhere else, while the project is under construction. With a recurring source of funding, more could be put into rehabbing homes so that people could easily purchase them with a traditional mortgage.

Mr. McBride thanked Ms. Wright, Mr. Sciscioli and Mr. Hogan for attending and providing this information and echoed Mr. Kinne’s comments. This a great mission and all support the work they are doing.

Mr. McBride asked if there was a model they should emulate for maintenance costs and reoccurring revenue. Ms. Wright responded that the only financially sustainable land banks she has seen are in Ohio where they use something called DTAC, which is basically the interest and penalties on delinquent tax payments. However, that money cannot be diverted to the land bank here because the city and county are already planning on receiving those revenues. As Mr. Sciscioli described, they suggested and have been pushing for an increase in the real estate transfer tax. It is very similar to the way the mortgage recording tax funds CENTRO. There is a state mortgage recording tax that is the same across NYS, which says and in counties that have transit authorities an extra 1/4% is added and those funds go to that county’s transit authority. They suggest something parallel in the real estate transfer law; currently charge \$4 per thousand, increase that to \$6 for counties with land banks and the extra \$2 per thousand would fund the land banks. In Onondaga County, it would generate about \$3 million per year which would cover the operating deficit and allow them to catch up on the backlog of demolitions. There are 250 demolitions on their property list and daily complaints are heard as no one wants to live next to a vacant building. It would also help with new construction and rehabs of existing housing so that there is more move-in ready housing stock on the market. It would also enable them to do more work outside of the city. Some communities have big vacancy problems where tax foreclosures are not the best way to tackle the problem because 90% of vacant property owners outside of the city pay their taxes. However, there are other things that they can do, such as purchase property, encourage owners to donate their land and work closely with village and town codes officials but that takes money to do.

Mr. McBride asked for a list of properties outside of the City of Syracuse. Ms. Wright responded that this list shows everything acquired to date outside of the city and its current status.

Land Bank Properties Acquired to Date Outside of the City of Syracuse

3/2/20

Address1	City/ Town	Village	Sold Amount	Sold Date	Leg. Dist.	Property Status	Acquisition Method	Acquisition Amount	Acquisition Date	Structure Type	Buyer Investment	Outcomes
352 Chestnut Street	Clay	North Syracuse	20,001.00	8/26/2019	14	New	Tax-Foreclosure - County	1.00	03/12/2018	Single Family	40,000.00	Currently under renovation. Buyer plans to re-sell to his daughter.
304 Heman St E	DeWitt	East Syracuse	1.00	01/21/2014	7	Disposed	Tax-Foreclosure - County	1.00	01/21/2014	Single Family	55,000.00	Partnered with County CD to sell to an owner occ; rehabbed using our AG grant
106 Upton St	DeWitt	East Syracuse	8,100.00	07/01/2015	7	Disposed	Tax-Foreclosure - County	1.00	01/15/2015	Single Family	45,500.00	Worked with Village Codes to select buyer with good track record
4684 North Street	Dewitt	Jamesville	22,875.00	07/09/2015	12	Disposed	Tax-Foreclosure - County	1.00	01/15/2015	Single Family	35,000.00	Sold to a flipper who we required re-sell to an owner-occupant
4686 North St	Dewitt	Jamesville	4,994.59	09/14/2016	12	Disposed	Tax-Foreclosure - County	1.00	02/02/2016	Single Family	-	Public User/ Green Space (Sold to Town)
Solvay Road	DeWitt	Jamesville	550.00	05/04/2018	12	Disposed	Tax-Foreclosure - County	1.00	02/06/2018	Single Family	-	Public User/ Green Space (Sold to Town)
7133 Fly Rd	Dewitt		2,245.41	09/14/2016	5	Disposed	Tax-Foreclosure - County	1.00	01/15/2015	Single Family	-	Public User/ Green Space (Sold to Town)
5890 Butternut Dr	Dewitt		3,942.30	09/14/2016	7	Disposed	Tax-Foreclosure - County	1.00	04/12/2016	Single Family	-	Public User/ Green Space (Sold to Town)
46 Hamilton St S	Elbridge	Jordan	25.00	04/25/2017	13	Disposed	Tax-Foreclosure - County	1.00	01/15/2015			Used County \$ to demo and sold lot to next door neighbor
12 Lawrence St	Elbridge	Jordan			13	New	Tax-Foreclosure - County	1.00	02/06/2018			Used County \$ to demo this winter; will market to neighbors
8 Lawrence St	Elbridge	Jordan			13	New	Tax-Foreclosure - County	1.00	11/20/2018			Used County \$ to demo this winter; will market to neighbors
5327 Hamilton Rd	Elbridge				13	New	Tax-Foreclosure - County	1.00	02/02/2016			Used County \$ to demo; trying to market to neighbors
306 Second St	Geddes	Solvay	17,500.00	07/24/2015	7	Disposed	Donation - Bank	1.00	02/12/2015	Single Family	17,800.00	Sold in our Home Ownership Choice program; buyer renovated for himself
907 Myrtle St	Geddes	Solvay			15	New	Tax-Foreclosure - County	1.00	02/06/2018	Single Family		1/2 in Solvay and 1/2 in the City; muni boundary runs through the building; currently on the market; had to wait until both halves were foreclosed upon before listing
Bee Ridge Lot #32	Geddes		500.00	06/04/2014	15	Disposed	Tax-Foreclosure - County	1.00	04/17/2014		-	sold this landlocked parcel to Christopher Community for a senior housing development
Bee Ridge Lot #31	Geddes		500.00	06/04/2014	15	Disposed	Tax-Foreclosure - County	1.00	04/17/2014		-	sold this landlocked parcel to Christopher Community for a senior housing development
2813 Cold Springs Rd	Lysander	Baldwinsville	25,000.00	10/21/2015	1	Disposed	Tax-Foreclosure - County	1.00	01/15/2015	Two Family	81,504.00	Our buyer demolished and built a new \$250k house here for himself
2 Wood St	Lysander	Baldwinsville	7,500.00	09/02/2015	1	Disposed	Tax-Foreclosure - County	1.00	01/15/2015	Single Family	24,500.00	Worked with Village Codes to select buyer with good track record
4 Travers St	Lysander	Baldwinsville	111,300.00	09/21/2016	1	Compliance Monitoring	Tax-Foreclosure - County	1.00	02/02/2016	Single Family	-	LB rehabbed and sold to a first-time homebuyer
53 Curtis Ave	Lysander	Baldwinsville	105,000.00	8/12/2019	1	New	Tax-Foreclosure - County	1.00	02/06/2018	Single Family	-	Sold to a first-time homebuyer
209 Richfield Blvd	Salina	North Syracuse	6,789.00	07/20/2018	5	Compliance Monitoring	Tax-Foreclosure - County	1.00	02/06/2018	Single Family	82,978.00	Flipper finished and re-sold for \$115,000 to owner-occupants. Beautiful transformation across from a public park.
203 Galster Ave	Salina		24,900.00	12/06/2016	5	Disposed	Tax-Foreclosure - County	1.00	02/02/2016	Single Family	18,880.00	Sold in our Home Ownership Choice program; buyer renovated for himself
114 Grandy Dr	Salina		29,900.00	08/05/2016	4	Disposed	Tax-Foreclosure - County	1.00	03/18/2016	Single Family	29,905.00	Sold to a flipper who we required re-sell to an owner-occupant (beautiful transformation)
429 Kirsch Dr	Salina		21,000.00	8/23/2019	5	New	Tax-Foreclosure - County	1.00	11/20/2018	Single Family	36,800.00	Buyer plans to reno and flip to owner-occupant
103 Gaynor Ave	Salina		45,000.00	5/1/2019	5	New	Tax-Foreclosure - County	1.00	11/20/2018	Single Family	15,000.00	Owner-occ purchased to live there himself. Has until 5/1/20 to finish renovations.

In answer to Ms. Abbott-Kenan, Ms. Wright said that they typically acquire about 6 properties per year.

Ms. Wright said that she thinks they should be doing more to help with abandoned and vacant properties outside of the city but they need the financial resources to do so.

Mrs. Abbott-Kenan said that she struggles with the business model. Their mission is awesome but she questions why they continue to acquire properties they cannot afford and asked if there was an explanation as to why this is still their model. She understands why they want to take two parcels to make one but if it is not sustainable

she wonders if there is a different model. Ms. Wright responded that the land banks were designed to gain control over abandoned properties that the local government could not control, and a lot of municipal functions don't generate revenue every year. When a property is on the seizable lists property owners aren't going to pay code violation fines or respond to demands for repairs. When the land bank has control of that property they can engage in preventative maintenance and stop it from becoming a \$25,000 demolition property in the future. It enables them to be a more responsible property owner so they can send someone out to deal with the trash, debris or open to entry. In the past, the city had to use their staff to do those things at a much higher cost, i.e. city board-up costs \$200, land bank board-up costs between \$8-\$50. It makes sense to take on functions, that the city would have to provide anyway, which they can provide more cost-effectively.

Mr. Ssiscioli said that the board has struggled with this issue since its inception. Mrs. Abbott-Kenan said that it is such a hard thing, especially when they are looking at a countywide real estate transfer tax to fix the city. She then questioned what would it take to acquire more properties outside the city, which would make it an easier pill for her to swallow. Ms. Wright said that if the county got rid of their auction and conveyed all those properties to the land bank they would be providing a lot more services throughout the county. It makes a lot more sense because auction property is bought sight unseen, and buyers sometimes walking away after going inside and 3 years later it is back at the auction again. They would be able to do away with situations like that. When buying a property sight unseen you take on a lot of risks so potential revenues aren't being maximized. If they cleaned out the properties and allowed people to walk through they would be able to get a better sales price and buyers would be able to access traditional financing. Auctions only attract cash buyers and home inspections attract a much wider pool. It makes a lot of sense and this is what Albany County has done with their land bank. Historically, there has not been an appetite for that here.

Mr. Williams said that he was not the greatest fan of the land bank before meeting with Ms. Wright but still has some concerns. He is not in favor of tearing down property, especially in his neighborhood where there is a lot of land bank property. More money should be focused on rehabbing houses for the community. However, those in his community cannot afford to buy the home, let alone go to the bank for additional funds to rehab the property. The persons buying these houses are the same ones that they are being taken from because they have the money. If the land bank is going to be funded, the funds need to be directed to the right place. He understands that things have to be torn down but the land bank is more focused on demolition than rehab. Mr. Sciscioli responded that there is not enough money to do that.

Mr. Williams said that the land bank has a bad name in his community. After talking to them he understands the obstacles they face but the community doesn't know that. With some of their new hires, they are starting to explain to the community what the land bank does, and this is something that has been lost within his community. To Ms. Abbott-Kenan's point, he understands what they are designed to do but why are they still collecting houses when they don't have resources to fund the backlog. He suggests that they focus on what they have to get them back on the tax rolls or torn down as needed. At some point, the line has to be drawn. If this is going to work we have to figure out the best business model for the land bank and the community. Ms. Wright responded that they now have 1,000 properties in their inventory and about half are vacant lots. Half of the structures are demolition and half are renovation candidates. About 120 of the 250 renovation candidates are listed for sale. About 50 are pending closing and the sales staff is working to get the remaining listed. Part of the reason properties are still being acquired is that only 100 properties remain to be listed and they sell more than 100 properties per year. They are working to acquire property that they believe they can get back onto the tax rolls and, as previously stated, she believes it makes more sense to hold demo properties than leave them on the seizable list. She understands where Mr. Williams is coming from but there is more nuance to it that most people don't see.

Ms. Wright said that more accurate information is going out to the community. Also, their web page has been updated to provide more transparency for community residents. It contains a ton of information and she hopes people are using it. <http://syracuselandbank.org/>

Ms. Wright said that the county can appoint 3 citizens to their community advisory board but has never made those appointments. In answer to Chairman Holmquist, Ms. Wright said the County Legislature makes the appointments.

Ms. Wright said that the 2020 budget placed \$250,000 in contingency for the land bank. A letter was sent to Chairman Knapp in February asking for release. They hope to use the funds for spring demolition so that Home Headquarters can immediately start building new houses there and they pressed for time with the construction season. They have also communicated with the County Executive’s office about this. They are eager to see the funds released so that they don’t miss their window; grant funds will be lost if construction does not begin this year.

Mr. Kinne said that he thought it was a lot more than \$25,000 to tear down a house. Mr. Sciscioli responded that this was the average. Ms. Wright said that a typical detached wood-framed house is about \$25,000 but many of them are larger and when they get into brick structures it adds up quickly. Mr. Sciscioli said that there is not enough competition in the demolition market to control some of the costs but the other issue is that the disposition of the materials is not easy and there isn’t a house in the city without asbestos. Ms. Wright said that she reached out to suggest that more companies get their asbestos abatement license so that they can start including them on their bid list.

Ms. Wright said that Mr. Sciscioli and Julie Cerio’s appointments will be termed out in October. Mr. Sciscioli is appointed by the mayor and Ms. Cerio’s appointed by the county executive. Chairman Holmquist responded that the appointment issue will be addressed. They should have a full board with these interesting concerns. Ms. Wright said that with only five board members having a lapse creates real challenges for them.

Chairman Holmquist said that there were some really good questions and commended his teammates on a job well done.

A motion was made by Mr. McBride, seconded by Mr. Williams, to adjourn the meeting at 9:34 a.m. MOTION CARRIED.

Respectfully submitted,



KATHERINE M. FRENCH, Deputy Clerk
Onondaga County Legislature

ATTENDANCE

COMMITTEE: Planning & Economic Development

DATE: March 11, 2020

NAME	DEPARTMENT/AGENCY
PLEASE PRINT	
<i>Pat Wagon</i>	<i>County Executive's Office</i>
<i>Luke Avey-Dunphy</i>	<i>Syracuse Land Bank</i>
<i>Tom Lambell</i>	<i>Syracuse Land Bank</i>
<i>VITO SCISCIOLI</i>	" " "
<i>Katelyn Wright</i>	" " "
<i>John DeSantis</i>	<i>Leg</i>
<i>Hick Pars</i>	<i>Leg.</i>
<i>Tim Fratreschi</i>	<i>Leg</i>