

Local land banks eye \$20M in state funds

By EMILY DREW

For the C-S-E

Local land banks are hoping to get a portion of the \$20 million in funding Attorney General Eric Schneiderman announced in early November to combat blighted properties in the area.

Officials with the Capital Region Land Bank and the Greater Mohawk Valley Land Bank said they are working on applications for a piece of the funding to do some demolition and rehabilitation work.

Applications are due Nov. 30, and the award notifications will go out in December.

Schneiderman announced the funding Nov. 2. According to his office, the funding was secured through settlements with Morgan Stanley, Goldman Sachs over banking practices that contributed to the housing crisis.

Nicholas Zabawsky, with the Amsterdam Urban Renewal Agency, said the Capital Region Land Bank, which consists of the city and county of Schenectady and city of Amsterdam, will likely apply for funding.

“We have an advisory committee that will be meeting next week to discuss course of action. We’re in with the city of Schenectady and Schenectady County in the joint land bank. Everything we do, we all have to reach a consensus on how we’re going to approach it,” Zabawsky said.

He said the Amsterdam representatives with the land bank gives recommendations to the board of directors as to what projects would best suit the city.

In previous funding opportunities, Amsterdam has had three demolition projects done through the land bank, Zabawsky said.

“Amsterdam does have a huge demolition need. I’m assuming that’s going to be part of the mix and maybe some rehabilitation of some buildings too,” he said.

Tolga Morawski, with the newly established Greater Mohawk Valley Land Bank (GMVLB), also said they are working on an application for the funding. The Montgomery County Legislature opted to join the land bank, which is currently in the process of being incorporated, in October. It consists of Montgomery, Herkimer, Otsego and Schoharie counties, and the cities of Utica and Rome.

Morawski said since the land bank is still so new, the board, made up of representatives from each county and city, is trying to work out priorities and delegations of work, but they are working on an application for the recent funding.

“We’re definitely looking at some residential, some commercial, but primarily residential. Some of that is going to be rental units. Some of that is going to be single owner occupant, single units of housing,” Morawski said.

He said the application is fairly detailed, with a list of potential projects, costs and estimates of how much a property would be worth after the work needed.

According to Schneiderman’s office, the funding will be administered by Local Initiatives Support Corporation, a nonprofit that supports community development, and Enterprise Community Partners Inc., a

real estate investment services company.

The funding from the Morgan Stanley and Goldman Sachs settlement will be offered through competitive Request for Proposals to the state's land banks.

This comes after the \$33 million Schneiderman has already committed to land banks with funding secured through settlements with national banks over misconduct that contributed to the housing crisis.

From 2000 to 2010, New York saw its number of vacant properties increase 27 percent, according to Schneiderman's office. The state established land banks to combat blight, either to rebuild, demolish or repurpose the vacant properties following the 2011 housing market collapse.

Zabawsky said during previous funding opportunities through Schneiderman's office, the Capital Region Land Bank applied for and received \$3 million.

The land bank is currently working on several properties, such as demolishing Division Street and Guy Park Avenue properties. Properties are also being renovated on Division and James streets and Guy Park Avenue.

"We've got maybe 10 properties we're working on," Zabawsky said.

While still new, the GMVLB has received some funding, including \$150,000 grant for "capacity building" to get started and another grant for three full-time AmeriCorps positions for one year, Morawski said.

The land bank board also applied for \$4 million to renovate apartments and rental units for moderate- to lower-income individuals and for another \$150,000 grant for technical development of programs.

Morawski said the land bank board is still deciding what works best throughout the region, since the counties have different foreclosure processes and code enforcement is handled differently.

"We're trying to look at the reasons buildings end up blighted, how they end up that way and ways to kind of avoid them getting into that path of getting run down, before they get to the point where they have to be torn down," Morawski said.

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