

NEW YORK
LANDBANK
ASSOCIATION

February 14, 2024

Hon. Liz Krueger, Chair
New York State Senate Finance Committee
416 Capitol
Albany, NY 12247

Hon. Helene E. Weinstein, Chair
New York State Assembly Ways and Means Committee
LOB 923
Albany, NY 12248

Sent electronically via financechair@nyenate.gov and wamchair@nyassembly.gov

RE: Written testimony for the 2024 joint legislative budget hearing on housing

Dear Chairperson Krueger and Chairperson Weinstein,

On behalf of the New York Land Bank Association, I respectfully submit the enclosed written testimony regarding the FY25 New York State budget.

New York's land bank program was established in response to the 2008 Foreclosure Crisis and has grown exponentially since its inception in 2012. From Buffalo to Long Island, New York's 29 land banks serve an area that includes 63% of the state's population outside of New York City and consists of over 800 cities, towns, and villages, and nearly all of New York's urban centers. Empire State Development recently approved the creation of New York's 29th land bank in Columbia County and the number of land banks in New York is expected to increase as more communities turn to these proven and effective organizations to help combat both the vacant property and affordable housing crises.

New York's land banks utilize grant funding to support property demolitions, acquisitions, stabilizations, lot improvements, and rehabilitation projects and work in partnership with state and local government, non-profits, residents, community groups, and responsible developers and investors to return properties to productive use and support community development.

As communities throughout New York continued to grapple with challenges that include population loss, the housing crisis, continued impacts of the pandemic, inflation, racial and economic disparities, and substantial concentrations of vacant properties, New York's land banks have emerged as an invaluable resource that can help address these challenges.

Land banks are New York's most effective tool for reclaiming vacant properties and revitalizing neighborhoods and are uniquely situated to help New York's urban areas combat the damaged caused by decades of discriminatory and systemic disinvestment in urban neighborhoods that has

resulted in the tremendous racial and economic disparities that plague our cities today. In New York's rural areas, land banks help low-to moderate-income families achieve the dream of homeownership, build wealth, and revitalize small-town main streets facing vacancies and disinvestment. Many rural towns and villages suffer from poverty and income inequality and lack the resources to address problem properties. New York's rural land banks have proven a vital resource to build the capacity of small municipalities to help combat vacant properties.

New York's network of land banks has the state-wide presence and on-the-ground infrastructure to help address the state's severe shortage of quality affordable housing. In many communities, land banks can help local governments meet their housing goals through reclaiming vacant and abandoned properties, providing the dual benefit of reducing the harm caused by vacant properties while creating more affordable housing, revitalizing neighborhoods and supporting workforce development goals.

Over the past 12 years New York's land banks have generated over \$480 million in new investment in historically underserved urban neighborhoods, village centers, rural main streets, and formerly contaminated industrial sites across the state.

New York has become a national leader in this movement, building one of the most effective networks of land banks in the United States. The progress our land banks have achieved over the past decade is remarkable:

- ✓ **Acquiring over 5,000 problem properties**
- ✓ **Demolishing 1,567 vacant structures**
- ✓ **Returning 3,231 properties to productive use**
- ✓ **Generating more than \$300 million in private investment**
- ✓ **Returning \$135 million in assessed value to local tax rolls**

To build upon the tremendous success that New York's land banks have achieved over the past decade and equip our communities with the tools they need to combat New York's vacant property and affordable housing crises, the New York Land Bank Association requests a budget allocation of \$10 million. The FY 2023 budget appropriated \$50 million for the services and expense of land banks and the FY24 another \$10 million. New York State Homes and Community Renewal (NYSHCR) is administering the funds under their newly created *Land Bank Initiative* program, part of NYSHCR's affordable housing strategy. Grant funds are being deployed to land banks across the state to ensure our communities remain equipped with the tools they need to combat New York's vacant property and affordable housing crises. While not all these funds have been spent yet, to skip a year would mean that no new funding would come online until April 2025, and we anticipate all the existing funds will be fully allocated by 12/31/24, creating a gap in the flow of funding.

While the FY23 and FY24 budget appropriations represent a meaningful investment in reclaiming vacant properties and supporting the creation of more affordable housing, the need for additional investment remains vital. Local governments throughout New York will work to catch up on a backlog of tax-foreclosures resulting from the COVID pandemic and the pause resulting from *Tyler v. Hennepin County*.

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To support the important work of our land banks the New York Land Bank Association respectfully requests an additional \$10 million of funding be allocated to NYSHCR's *Land Bank Initiative* so we can collectively continue to realize the tremendous and transformative return on the investment that New York's land banks have, and continue to, provide our state and local governments.

We appreciate your time and consideration and look forward to discussing how we can work together to transform vacant and abandoned problem properties from harmful liabilities into opportunities to build more affordable housing and create more equitable, inclusive, healthy, and resilient communities.

Sincerely,

A handwritten signature in blue ink that reads "Katelyn Wright". The signature is written in a cursive, flowing style.

Katelyn Wright, President
NY Land Bank Association

Contact: info@nylba.org
(315) 418-8036