

---

# Adam J. Bello

*Monroe County Clerk*

---



**How can we challenge ourselves to help with the 'zombie' property issue in Monroe County?**



# **Overview of The Problem**

# The 'Zombie' Impact

Economic

# The 'Zombie' Impact

## Economic

Lowered Tax Base  
Decreased Property Value

# The 'Zombie' Impact

Economic

Blight

# The 'Zombie' Impact

Economic

Blight



**'Zombie' Foreclosure**



**Rehabilitated**



**Demolished**

# The 'Zombie' Impact

Economic

Blight

Loss of Property Value

# The 'Zombie' Impact

Economic

Blight

Loss of Property Value

In the City of Rochester, foreclosed and vacant properties have lowered property values in neighborhoods by an **estimated \$11 million**. In the towns, **nearly \$9 million in lost property values** have resulted from Zombie properties.

# The 'Zombie' Impact

Economic

Blight

Loss of Property Value

Crime

# The 'Zombie' Impact

Economic

Blight

Loss of Property Value

Crime

An increase in the foreclosure rate to 3 out of 100 houses can produce a 6.7% increase in the crime rate in that neighborhood.

# **A Call To Action**



**Monroe County Vacant and  
Abandoned Property Task Force  
Est. April 2016**

# Taskforce Strategic Plan

## Vision:

Increasing the vibrancy of our community by lessening the burden of vacant and abandoned properties in our community

## Mission:

Coordinate and implement strategies to reduce vacant and abandoned properties, enabling our community to thrive

## Key Result Areas:

Prevention  
Identification  
Maintenance  
Rehabilitation

# **Task Force Members**

**Canandaigua National Bank  
City of Rochester  
Davidson Fink LLP  
Empire Justice Center  
Flower City Habitat for Humanity  
Ibero American Action League, Inc.  
Greater Rochester Associations of REALTORS  
Greater Rochester Housing Partnership  
Hon. Daniel Doyle, NYS Supreme Court  
NeighborWorks Rochester  
North East Area Development, Inc.  
Office of NYS Assembly Majority Leader Joseph Morelle  
Office of the Monroe County Clerk  
Office of the US Congresswoman Louise Slaughter  
Rochester City Council  
The Housing Council at Pathstone, Inc.  
Town of Brighton  
Woods Oviatt Gilman LLP**

# **Zombies Among Us**

**The Monroe County  
Vacant and Abandoned  
Property  
Taskforce Report**

**October 2016**

## **Co-Chairs**

**Adam J. Bello – Monroe County Clerk**

**Rebecca Caico, Esq. – Empire Justice Center**

# The 3 Pillars

**1. Prevention**

**2. Identification & Maintenance**

**3. Rehabilitation**

# Recommendations

**PREVENTION:**

# Recommendations

## **PREVENTION:**

1. Form Partnerships between municipalities and HUD-approved housing counseling specialists to perform outreach targeted specifically at homeowners in the early stages of mortgage default.

# Recommendations

## **PREVENTION:**

1. Form Partnerships between municipalities and HUD-approved housing counseling specialists to perform outreach targeted specifically at homeowners in the early stages of mortgage default.
2. Seek continued funding for foreclosure prevention services, including legal services and housing counseling.

# Recommendations

## PREVENTION:

1. Form Partnerships between municipalities and HUD-approved housing counseling specialists to perform outreach targeted specifically at homeowners in the early stages of mortgage default.
2. Seek continued funding for foreclosure prevention services, including legal services and housing counseling.
3. Advocate that low-value homes at risk of becoming vacant or abandoned should be excluded from HUD's and FHFA's loan sales programs, and encourage HUD and FHFA to establish a separate process for these properties that includes working with the Rochester Land Bank and local non-profits to preserve these homes as affordable housing.

# Recommendations

## PREVENTION:

1. Form Partnerships between municipalities and HUD-approved housing counseling specialists to perform outreach targeted specifically at homeowners in the early stages of mortgage default.
2. Seek continued funding for foreclosure prevention services, including legal services and housing counseling.
3. Advocate that low-value homes at risk of becoming vacant or abandoned should be excluded from HUD's and FHFA's loan sales programs, and encourage HUD and FHFA to establish a separate process for these properties that includes working with the Rochester Land Bank and local non-profits to preserve these homes as affordable housing.
4. Advocate for public reporting by HUD and FHFA of loan sales outcome data relating to the conduct of private buyers.

# Recommendations

## PREVENTION:

1. Form Partnerships between municipalities and HUD-approved housing counseling specialists to perform outreach targeted specifically at homeowners in the early stages of mortgage default.
2. Seek continued funding for foreclosure prevention services, including legal services and housing counseling.
3. Advocate that low-value homes at risk of becoming vacant or abandoned should be excluded from HUD's and FHFA's loan sales programs, and encourage HUD and FHFA to establish a separate process for these properties that includes working with the Rochester Land Bank and local non-profits to preserve these homes as affordable housing.
4. Advocate for public reporting by HUD and FHFA of loan sales outcome data relating to the conduct of private buyers.
5. Advocate for changes to HUD and FHFA loan sales programs so that investors are required to provide affordable loan modifications that include principal reduction and arrearage forgiveness for homeowners who owe more on their mortgage than the property is worth.

# Recommendations

## PREVENTION:

1. Form Partnerships between municipalities and HUD-approved housing counseling specialists to perform outreach targeted specifically at homeowners in the early stages of mortgage default.
2. Seek continued funding for foreclosure prevention services, including legal services and housing counseling.
3. Advocate that low-value homes at risk of becoming vacant or abandoned should be excluded from HUD's and FHFA's loan sales programs, and encourage HUD and FHFA to establish a separate process for these properties that includes working with the Rochester Land Bank and local non-profits to preserve these homes as affordable housing.
4. Advocate for public reporting by HUD and FHFA of loan sales outcome data relating to the conduct of private buyers.
5. Advocate for changes to HUD and FHFA loan sales programs so that investors are required to provide affordable loan modifications that include principal reduction and arrearage forgiveness for homeowners who owe more on their mortgage than the property is worth.
6. Encourage municipalities with reduced populations to study the need for "right-sizing".

# Recommendations

## PREVENTION:

1. Form Partnerships between municipalities and HUD-approved housing counseling specialists to perform outreach targeted specifically at homeowners in the early stages of mortgage default.
2. Seek continued funding for foreclosure prevention services, including legal services and housing counseling.
3. Advocate that low-value homes at risk of becoming vacant or abandoned should be excluded from HUD's and FHFA's loan sales programs, and encourage HUD and FHFA to establish a separate process for these properties that includes working with the Rochester Land Bank and local non-profits to preserve these homes as affordable housing.
4. Advocate for public reporting by HUD and FHFA of loan sales outcome data relating to the conduct of private buyers.
5. Advocate for changes to HUD and FHFA loan sales programs so that investors are required to provide affordable loan modifications that include principal reduction and arrearage forgiveness for homeowners who owe more on their mortgage than the property is worth.
6. Encourage municipalities with reduced populations to study the need for "right-sizing".
7. Support a shelter supplement program in Monroe County to better align the public assistance shelter allowance with Fair Market Rents.

# Recommendations

## PREVENTION:

1. Form Partnerships between municipalities and HUD-approved housing counseling specialists to perform outreach targeted specifically at homeowners in the early stages of mortgage default.
2. Seek continued funding for foreclosure prevention services, including legal services and housing counseling.
3. Advocate that low-value homes at risk of becoming vacant or abandoned should be excluded from HUD's and FHFA's loan sales programs, and encourage HUD and FHFA to establish a separate process for these properties that includes working with the Rochester Land Bank and local non-profits to preserve these homes as affordable housing.
4. Advocate for public reporting by HUD and FHFA of loan sales outcome data relating to the conduct of private buyers.
5. Advocate for changes to HUD and FHFA loan sales programs so that investors are required to provide affordable loan modifications that include principal reduction and arrearage forgiveness for homeowners who owe more on their mortgage than the property is worth.
6. Encourage municipalities with reduced populations to study the need for "right-sizing".
7. Support a shelter supplement program in Monroe County to better align the public assistance shelter allowance with Fair Market Rents.
8. Consider reestablishing the Monroe County Department of Human Services Quality Housing Inspecting program to ensure that all DSS recipients are provided safe and habitable housing.

# Recommendations

## PREVENTION:

1. Form Partnerships between municipalities and HUD-approved housing counseling specialists to perform outreach targeted specifically at homeowners in the early stages of mortgage default.
2. Seek continued funding for foreclosure prevention services, including legal services and housing counseling.
3. Advocate that low-value homes at risk of becoming vacant or abandoned should be excluded from HUD's and FHFA's loan sales programs, and encourage HUD and FHFA to establish a separate process for these properties that includes working with the Rochester Land Bank and local non-profits to preserve these homes as affordable housing.
4. Advocate for public reporting by HUD and FHFA of loan sales outcome data relating to the conduct of private buyers.
5. Advocate for changes to HUD and FHFA loan sales programs so that investors are required to provide affordable loan modifications that include principal reduction and arrearage forgiveness for homeowners who owe more on their mortgage than the property is worth.
6. Encourage municipalities with reduced populations to study the need for "right-sizing".
7. Support a shelter supplement program in Monroe County to better align the public assistance shelter allowance with Fair Market Rents.
8. Consider reestablishing the Monroe County Department of Human Services Quality Housing Inspecting program to ensure that all DSS recipients are provided safe and habitable housing.
9. Require new landlords who purchase property from the City of Rochester for investment and rental purposes to attend a workshop at a local HUD-approved housing counseling agency

# Recommendations

**IDENTIFICATION & MAINTENANCE**

# Recommendations

## **IDENTIFICATION & MAINTENANCE**

1. Work with New York State Department of Financial Services to design and implement the new statewide Vacant and Abandoned Property Registry.

# **New State Law Addressing Vacant and Abandoned Properties**

**Gov. Cuomo signed into law a series of additions  
to NYS Real Property Actions and Procedures  
Law.**

# **New State Law Addressing Vacant and Abandoned Properties**

Gov. Cuomo signed into law a series of additions to NYS Real Property Actions and Procedures Law.

**If a borrower falls more than 90 days behind on their mortgage, banks are required to inspect to determine if the property is vacant and then must re-inspect every 25-30 days**

# **New State Law Addressing Vacant and Abandoned Properties**

Gov. Cuomo signed into law a series of additions to NYS Real Property Actions and Procedures Law.

If a borrower falls more than 90 days behind on their mortgage, banks are required to inspect to determine if the property is vacant and then must re-inspect every 25-30 days

**The bank must post a notice on the property if it's deemed vacant within 7 days stating who is responsible for maintenance.**

# **New State Law Addressing Vacant and Abandoned Properties**

Gov. Cuomo signed into law a series of additions to NYS Real Property Actions and Procedures Law.

If a borrower falls more than 90 days behind on their mortgage, banks are required to inspect to determine if the property is vacant and then must re-inspect every 25-30 days

The bank must post a notice on the property if it's deemed vacant within 7 days stating who is responsible for maintenance.

**If the homeowner does not contact the bank within 7 days the bank must then secure the property.**

# **New State Law Addressing Vacant and Abandoned Properties**

Gov. Cuomo signed into law a series of additions to NYS Real Property Actions and Procedures Law.

If a borrower falls more than 90 days behind on their mortgage, banks are required to inspect to determine if the property is vacant and then must re-inspect every 25-30 days

The bank must post a notice on the property if it's deemed vacant within 7 days stating who is responsible for maintenance.

If the homeowner does not contact the bank within 7 days the bank must then secure the property.

**Requires lenders to report any properties determined to be vacant to the NYS dept. of Financial Services within 21 days**

# **New State Law Addressing Vacant and Abandoned Properties**

New York State Vacant Property Registry Hotline

**800-342-3736**

For neighbors, concerned citizens, agencies or private businesses to report either the existence or issues surrounding a vacant and abandoned property in their neighborhood.

# Recommendations

## **IDENTIFICATION & MAINTENANCE**

1. Work with New York State Department of Financial Services to design and implement the new statewide Vacant and Abandoned Property Registry.
2. Assist municipalities in effectively accessing and utilizing the information that will be available through the new statewide Vacant and Abandoned Property Registry.

# Recommendations

## **IDENTIFICATION & MAINTENANCE**

1. Work with New York State Department of Financial Services to design and implement the new statewide Vacant and Abandoned Property Registry.
2. Assist municipalities in effectively accessing and utilizing the information that will be available through the new statewide Vacant and Abandoned Property Registry.
3. Increase the sharing of technical abilities and database tools among the City of Rochester, the County Clerk's Office and other municipalities.

# Recommendations

## **IDENTIFICATION & MAINTENANCE**

1. Work with New York State Department of Financial Services to design and implement the new statewide Vacant and Abandoned Property Registry.
2. Assist municipalities in effectively accessing and utilizing the information that will be available through the new statewide Vacant and Abandoned Property Registry.
3. Increase the sharing of technical abilities and database tools among the City of Rochester, the County Clerk's Office and other municipalities.
4. Explore viability of municipalities denying permits to property owners with delinquent taxes, municipal claims or serious code violations.

# Recommendations

## IDENTIFICATION & MAINTENANCE

1. Work with New York State Department of Financial Services to design and implement the new statewide Vacant and Abandoned Property Registry.
2. Assist municipalities in effectively accessing and utilizing the information that will be available through the new statewide Vacant and Abandoned Property Registry.
3. Increase the sharing of technical abilities and database tools among the City of Rochester, the County Clerk's Office and other municipalities.
4. Explore viability of municipalities denying permits to property owners with delinquent taxes, municipal claims or serious code violations.
5. Allow municipalities to attach municipal liens against other real property and personal assets of a delinquent homeowner.

# Recommendations

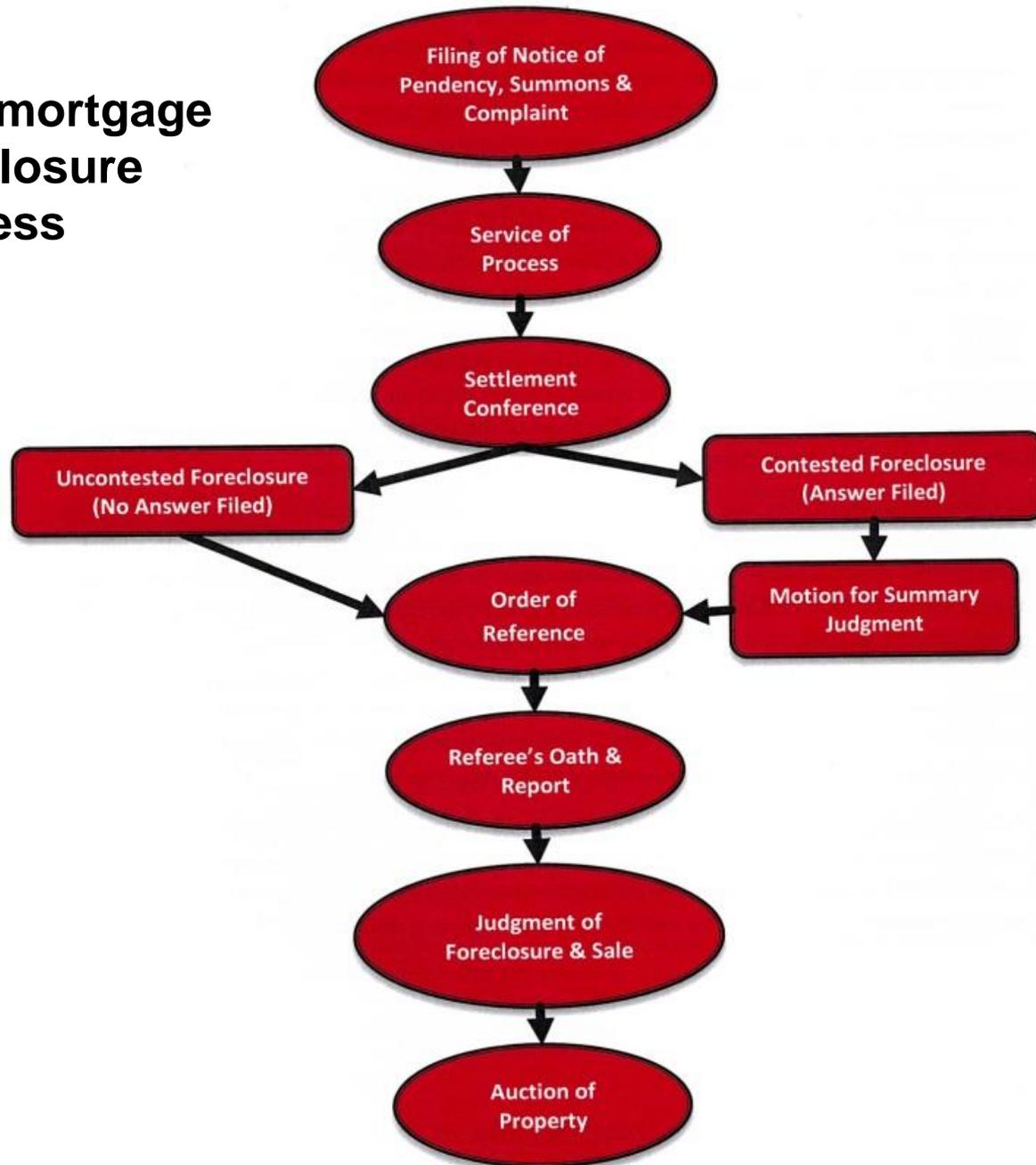
Rehabilitation

# Recommendations

## Rehabilitation

1. Monitor and support the effective implementation of the new statewide expedited foreclosure process.

# NYS mortgage foreclosure process



# **New Expedited Foreclosure Process For Vacant Properties**

In April '15 a local committee of court personnel, bank attorneys, and non-profit legal attorneys representing homeowners was formed to discuss the most efficient way to simultaneously speed up the foreclosure process while still protecting the rights of all parties.

The local expedited process was able to shorten the procedures by at least 4 months by combining several steps that could be accomplished in one day.

In June '16 Gov. Cuomo signed legislation to begin a new statewide expedited foreclosure process.

The new statewide procedures differs from a standard mortgage foreclosure, eliminating certain steps required and adding other protections that did not previously exist.

There are still uncertainties regarding the new statewide process.

# Recommendations

## Rehabilitation

1. Monitor and support the effective implementation of the new statewide expedited foreclosure process.
2. Explore the expansion of municipal certification of vacant and abandoned properties

# Recommendations

## Rehabilitation

1. Monitor and support the effective implementation of the new statewide expedited foreclosure process.
2. Explore the expansion of municipal certification of vacant and abandoned properties
3. Encourage tax lien sale policies to account for the impact that distressed properties have on neighborhoods.

# Recommendations

## Rehabilitation

1. Monitor and support the effective implementation of the new statewide expedited foreclosure process.
2. Explore the expansion of municipal certification of vacant and abandoned properties
3. Encourage tax lien sale policies to account for the impact that distressed properties have on neighborhoods.
4. Municipalities should explore the ability, benefits and disadvantages of prequalifying bidders for tax foreclosure sale.

# Recommendations

## Rehabilitation

1. Monitor and support the effective implementation of the new statewide expedited foreclosure process.
2. Explore the expansion of municipal certification of vacant and abandoned properties
3. Encourage tax lien sale policies to account for the impact that distressed properties have on neighborhoods.
4. Municipalities should explore the ability, benefits and disadvantages of prequalifying bidders for tax foreclosure sale.
5. Advocate for changes to NYS Real Property Law to allow municipalities to pursue Abandonment Actions against vacant properties that have serious zoning, housing, building or property maintenance code violations for more than a year.

# Recommendations

## Rehabilitation

1. Monitor and support the effective implementation of the new statewide expedited foreclosure process.
2. Explore the expansion of municipal certification of vacant and abandoned properties
3. Encourage tax lien sale policies to account for the impact that distressed properties have on neighborhoods.
4. Municipalities should explore the ability, benefits and disadvantages of prequalifying bidders for tax foreclosure sale.
5. Advocate for changes to NYS Real Property Law to allow municipalities to pursue Abandonment Actions against vacant properties that have serious zoning, housing, building or property maintenance code violations for more than a year.
6. Work with lenders to increase the numbers of donated and low-cost properties local not-for-profits.

# Recommendations

## Rehabilitation

1. Monitor and support the effective implementation of the new statewide expedited foreclosure process.
2. Explore the expansion of municipal certification of vacant and abandoned properties
3. Encourage tax lien sale policies to account for the impact that distressed properties have on neighborhoods.
4. Municipalities should explore the ability, benefits and disadvantages of prequalifying bidders for tax foreclosure sale.
5. Advocate for changes to NYS Real Property Law to allow municipalities to pursue Abandonment Actions against vacant properties that have serious zoning, housing, building or property maintenance code violations for more than a year.
6. Work with lenders to increase the numbers of donated and low-cost properties local not-for-profits.
7. Expand the Rochester Land Bank to include all municipalities within Monroe County.

# Recommendations

## Rehabilitation

1. Monitor and support the effective implementation of the new statewide expedited foreclosure process.
2. Explore the expansion of municipal certification of vacant and abandoned properties
3. Encourage tax lien sale policies to account for the impact that distressed properties have on neighborhoods.
4. Municipalities should explore the ability, benefits and disadvantages of prequalifying bidders for tax foreclosure sale.
5. Advocate for changes to NYS Real Property Law to allow municipalities to pursue Abandonment Actions against vacant properties that have serious zoning, housing, building or property maintenance code violations for more than a year.
6. Work with lenders to increase the numbers of donated and low-cost properties local not-for-profits.
7. Expand the Rochester Land Bank to include all municipalities within Monroe County.
8. Encourage the return of vacant housing community-controlled institutions like community land trusts for rehabilitation.

# Recommendations

## Rehabilitation

1. Monitor and support the effective implementation of the new statewide expedited foreclosure process.
2. Explore the expansion of municipal certification of vacant and abandoned properties
3. Encourage tax lien sale policies to account for the impact that distressed properties have on neighborhoods.
4. Municipalities should explore the ability, benefits and disadvantages of prequalifying bidders for tax foreclosure sale.
5. Advocate for changes to NYS Real Property Law to allow municipalities to pursue Abandonment Actions against vacant properties that have serious zoning, housing, building or property maintenance code violations for more than a year.
6. Work with lenders to increase the numbers of donated and low-cost properties local not-for-profits.
7. Expand the Rochester Land Bank to include all municipalities within Monroe County.
8. Encourage the return of vacant housing community-controlled institutions like community land trusts for rehabilitation.
9. Seek participation from all municipalities in the Neighborhood Revitalization Grant Program.



# Neighborhood Revitalization Program (NRP)

A state program run by The State of New York Mortgage Agency (SONYMA).

Offers assistance in select communities to homebuyers to purchase and renovate vacant houses.

Will provide a grant up to \$20,000 to renovate a house once purchased  
Buyers must be income-eligible

The Greater Rochester Housing Program will work with local governments to identify vacant properties and eligible buyers to apply for grant funding.

\*one of the task force's first meetings resulted in the expansion of the NRP beyond the City to include the inner-ring suburbs of Brighton, Gates and Irondequoit



# The Way Forward

**Recognizing**

**Advocating**

**Coordinating**

**Implementing**

**Metrics of Success**

**Get Involved!**

Call 753-1698 or email

[VacantProperty@monroecounty.gov](mailto:VacantProperty@monroecounty.gov)