



New York State Conference of Mayors and Municipal Officials

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June 5, 2014

Dear Mayor:

As the 2014 New York State Legislative Session is winding down, the New York Conference of Mayors is focusing on specific legislative items that would make it easier for New York's local governments to deal with neglected, vacant and abandoned properties. The following two bills are currently before the New York Legislature and, if enacted, would serve as valuable tools to deal with distressed properties that are blighting so many of our communities:

The “Abandoned Property Neighborhood Relief Act of 2014” – A. 9341 (Weinstein) / S. 7350 (Klein) –

This legislation, which was introduced at the request of the Attorney General, would amend Real Property Actions and Proceedings Law § 1307 to:

- Establish a statewide vacant and abandoned property registry;
- Impose a requirement on mortgagees to maintain *pre-foreclosure* vacant and abandoned residential property; and
- Empower municipalities to intervene as of right in foreclosure proceedings involving vacant and abandoned residential property for the purpose of requesting injunctive relief, to ensure that the property is maintained in accordance with the law and that the foreclosure action is prosecuted in a timely manner.

Asbestos Project Notification Fee Waiver for Local Governments – A. 1871 (Schimel) / S. 902

(Martins) – This legislation would waive the asbestos project notification fee paid to the NYS Department of Labor for:

- Local governments that are abating or demolishing structures that are a public nuisance or unsafe, at a cost; and
- For projects undertaken by a Land Bank or pursuant to an Urban Renewal or Municipal Redevelopment Plan.

The waiver of this fee would foster the revitalization of cities and villages, as well as assist local redevelopment efforts.

In addition, the 2014-2015 New York State Budget created the Mortgage Settlement Proceeds Trust Fund which consists of monies JP Morgan Chase paid pursuant to a settlement with the State of New York. Of the \$613 million paid by JP Morgan Chase, \$439.5 million is to be allocated via a memorandum of understanding among the Director of the Budget, the Speaker of the Assembly, and the Temporary President of the Senate, in consultation with the Commissioner of the Division of Housing and Community Renewal. These settlement proceeds are to be used for a variety of purposes including housing remediation and anti-blight projects. NYCOM is encouraging the Governor and the Legislature to make a significant portion of the \$439.5 million available to cities and villages for remediating and/or demolishing distressed properties (similar to the Restore NY program).

To assist NYCOM's efforts in advocating on these issues, we are asking you to reach out to key state legislators and the Governor's Office to help them understand the scope of this problem in your communities. Specifically worthwhile information would be the number of distressed, vacant, and abandoned properties that exist in your city, the number of buildings that need to be demolished, and the average cost of such demolitions. Any information you have regarding recent demolition activities, including total number of demolitions and demolition costs, would also be extremely useful.

In addition to contacting your state legislators, we strongly encourage you to reach out to the following individuals as soon as possible:

Larry Schwartz
Secretary to the Governor
Larry.schwartz@exec.ny.gov
(518) 474-8390

Hon. Sheldon Silver
Speaker of the Assembly
Speaker@assembly.state.ny.us
(518) 455-3791

Hon Dean Skelos
Republican Conference Leader
Skelos@nysenate.gov
(518) 455-3171

Hon. Jeff Klein
Independent Democratic Conference Leader
Jdklein@senate.state.ny.us
(518) 455-3595

Hon. Keith Wright
Assemblyman & Chair of the Assembly Committee on Housing
WrightK@assembly.state.ny.us
(518) 455-4793

Hon. Catharine Young
Senator & Chair of the Senate Committee on Housing, Construction and Community Development
Cyoung@senate.state.ny.us
(518) 455-3563

Darryl C. Towns
Commissioner/CEO of NYS Homes and Community Renewal
Jnabors@nyshcr.org
(518) 486-3370

Please keep in mind that the Legislative session is scheduled to end on June 19th so time is of the essence. We also request that you copy NYCOM on any written correspondence that you send. If you have any questions on any of these issues, please feel free to contact NYCOM General Counsel Wade Beltramo at wade@nycom.org.

Thank you in advance for your assistance.

Sincerely,



Peter A. Baynes
Executive Director



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Memorandum in SUPPORT

May 21, 2014

A. 9341, by M. of A. Weinstein

S. 7350, by Sen. Klein

AN ACT establishing the "New York state abandoned property neighborhood relief act of 2014," and to amend the real property actions and proceedings law, in relation to the duty of the mortgagee or its loan servicing agent to maintain property secured by delinquent mortgage

The Conference of Mayors has considered this legislation and recommends that it be approved by the State Legislature.

This legislation, known as the "New York State Abandoned Property Neighborhood Relief Act of 2014," amends Real Property Actions and Proceedings Law § 1307 to define "vacant and abandoned" residential real property, and expands the duty of a mortgagee to maintain vacant, residential real property to include pre-foreclosure "vacant and abandoned" residential property.

The Act requires mortgagees and loan servicing agents to periodically inspect residential real property to determine if properties with delinquent mortgages are currently occupied. In addition, the Act requires the Attorney General to establish and maintain a statewide electronic Vacant and Abandoned Property Registry that local officials will be able to access. Mortgagees or their agents must promptly register vacant and abandoned properties in the Registry. The Act also authorizes municipalities to intervene as of right in foreclosure actions involving vacant and abandoned residential property for the purpose of requesting injunctive relief, to ensure that the property is maintained in accordance with law and that the foreclosure action is timely prosecuted.

Vacant and abandoned properties are an epidemic in New York's cities and villages. Even under the best of circumstances, dealing with these distressed properties can be an expensive, time-consuming task for local officials. Vacant and abandoned properties that are also entangled in mortgage foreclosure present even greater challenges for cities and villages since foreclosures drag on for years, restricting local officials' efforts to address the social costs that these blighting properties have on neighboring parcels and the surrounding community as a whole.

This Act will greatly facilitate the ability of city and village officials to deal with vacant and abandoned properties, empowering them to address these challenges in a manner that minimizes the negative impact that such properties can have on the community.

For the foregoing reasons, the Conference of Mayors supports this legislation and recommends its enactment into law.



Peter A. Baynes
Executive Director

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Memorandum in SUPPORT

MANDATE RELIEF NYCOM PRIORITY

February 27, 2014

A. 1871, by M. of A. Schimel
S. 902, by Sen. Martins

AN ACT to amend the labor law, in relation to the project notification fee imposed for asbestos removal

The Conference of Mayors has reviewed this legislation and recommends that it be approved by the State Legislature.

Every year New York's cities, villages, and towns must abate nuisance conditions found on thousands of private properties and in thousands of privately-owned buildings, either because the property has been abandoned or because the responsible party refuses to fix the condition. Frequently, the costs these municipalities incur in abating these nuisance conditions exceed the properties' value. As a result, even when municipalities place a lien upon the properties in an attempt to recover their abatement costs, the local governments are frequently unable to recoup the money that they have had to expend on the remediation because the property is worth less than the remediation costs.

Compounding this problem is the fact that, pursuant to Labor Law § 904, the State of New York imposes a substantial "project notification fee" when a property contains asbestos that must be abated. This fee can cost local governments and, consequently, their taxpayers several thousands of dollars for each property that the municipality demolishes or remediates as a public nuisance. Because local governments are unlikely to recover the cost of this fee, local taxpayers get stuck footing the bill.

In the tax cap era, it is unconscionable that the State of New York is forcing local governments to fill State coffers for undertaking work that legally is the responsibility of a private individual or entity, but which the local government is undertaking to protect the public's health, safety, and welfare.

This legislation would waive the "project notification fee" when (a) a local government certifies that the work is being done to abate a nuisance or demolish an unsafe building and (b) the local government will not be able to recover the cost of the nuisance abatement or demolition.

For the foregoing reasons, NYCOM supports the enactment of this legislation.