

MEMORANDUM

TO: Board of Directors, Buffalo Erie Niagara Land Improvement Corporation

FROM: Thomas J. Dearing, Chairperson

SUBJECT: **Resolution #2016-9** Acquisition of City of Buffalo-owned Properties

DATE: February 18, 2016

DISCUSSION:

The Buffalo Erie Niagara Land Improvement Corporation (BENLIC) received funding through a grant award made by the New York State Office of the Attorney General's (OAG) Community Revitalization Initiative to rehabilitate five (5) distressed residential properties in the City of Buffalo, particularly, where possible, properties within the Northland neighborhood of the City. To obtain an inventory of such property, BENLIC, with the assistance of the City of Buffalo, identified property as rehabilitation candidates in the City's 2015 In Rem Foreclosure Auction. BENLIC obtained authority from the City of Buffalo Common Council, the Erie County Legislature, and from its own Board of Directors, to attend the 2015 Buffalo In Rem Auction, and use its preferred bid authority to acquire residential property. BENLIC was partially successful in its endeavor to acquire property at the In Rem Auction: on October 29, 2015, BENLIC successfully bid the total amount of back taxes and fees on two (2) properties in the Northland neighborhood, both of these properties are owned by BENLIC and are currently in the rehab process. Currently BENLIC owns and is in the process of rehabilitating three (3) properties.

To fill its inventory-target of five (5) properties, the City of Buffalo Mayor's Office of Strategic Planning suggested that BENLIC examine the inventory of city-owned residential property. The City acquired this inventory through the In Rem process; as such the properties were tax-delinquent properties. The City of Buffalo is allowed to bid only the total back taxes and fees of property being auctioned via the In Rem process, and its bid is accepted only if no other bids equal to or greater to the total of the back taxes and fees are made by another party. BENLIC staff, with assistance of the City's Real Estate Division, assessed a number of properties inside and outside the boundaries of the Northland target-neighborhood. The goal of the assessment was to identify two (2) properties to complete the inventory, with a secondary goal being to identify properties of a more-manageable scale than other properties currently in BENLIC's inventory.

The following property has been positively identified by BENLIC as properties to augment its inventory:

- 72 Schauf Avenue (SBL# 90.77-5-18)



As BENLIC must hold title in its own name during the rehabilitation process, an agreement to convey the properties to BENLIC is necessary. BENLIC staff proposes that the City convey the properties to BENLIC with the terms of the agreement following the City of Buffalo Proceeds Distribution policy. BENLIC, upon disposition of the properties, would have the same obligation to pay in whole or part the total amounts of prior-owing taxes and fees for the properties.

ACTION:

The Board of Directors is hereby requested to approve the following resolution:

RESOLVED that the BENLIC Board of Directors agrees to the recommendation to acquire and authorizes the acceptance of the above-mentioned properties through conveyance of a quitclaim deed from the City of Buffalo, and be it further

RESOLVED that in consideration of the conveyance BENLIC shall repay the City of Buffalo from future sale proceeds an amount that is consistent with the 2015 City of Buffalo Proceeds Distribution Policy, and be it further,

RESOLVED, that the BENLIC Board of Directors hereby waives section 4(iii)(c) of its Rules and Procedures regarding the requirement of the municipality (Buffalo) to submit Standardized Inspector Report forms and Maintenance, Disposition and Reuse plans for the above mentioned properties, for the purpose of expeditiously acquiring the above-mentioned properties.

RESOLVED, that the BENLIC Board of Directors authorizes BENLIC Executive Director Jocelyn Gordon and BENLIC counsel to take all necessary actions required to execute an agreement with the City of Buffalo, close on the properties and ensure that BENLIC holds clear title to the property.