

**Buffalo Erie Niagara Land  
Improvement Corporation**

# **Five-Year Strategic and Financial Plan**



**Final Report  
May 2022**



**The Land Bank**  
*Buffalo Erie Niagara Land Improvement Corporation*

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# Acknowledgements

BENLIC staff and Asakura Robinson thank the participants who shaped this five-year plan. The opinions expressed in this report are those of Asakura Robinson and not necessarily reflective of the opinions of all parties listed here.

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The Land Bank  
Buffalo Erie Niagara Land Improvement Corporation

# 01

# Executive Summary

The Buffalo Erie Niagara Land Improvement Corporation (BENLIC) is a New York State Land Bank that works to return vacant, abandoned, and tax-delinquent properties to productive and taxpaying use. BENLIC's area of operations includes four Foreclosing Governmental Units (FGUs): Erie County, including all Towns and Villages in the County; the City of Buffalo; the City of Lackawanna; and the City of Tonawanda. Asakura Robinson was commissioned to produce a strategic and financial plan to define key organizational priorities for BENLIC for 2022-2026.

## What Are BENLIC's Unique Assets and Key Achievements?

BENLIC has made significant progress in returning vacant, abandoned, and tax-delinquent properties to productive use since 2015, the year when the last strategic plan was completed. From 2015-2021, BENLIC has:



Returned **172** vacant and tax-delinquent properties to commerce



Provided almost **\$1 million** in previously unpaid back taxes to partner jurisdictions



Invested over **\$7.3 million** of its own resources to restore vacant properties



Leveraged **\$3.3 million** in additional investment that “makes the pie bigger” for all residents of Erie County and Buffalo

Partners and stakeholders commend BENLIC's staff for their efficiency, their innovative work, and their dedication to achieving BENLIC's mission. BENLIC has absorbed lessons learned from other land banks and used these to their advantage; for example, a stakeholder admired the clarity and detail in the Scopes of Work that BENLIC provides to private investors who renovate properties as part of the organization's Vacant to Value program.

BENLIC has a strong foundation for growth in its operations over the next five years. Staff estimate that the organization has the administrative capacity to revitalize 60 to 80 properties per year, depending on the availability of properties and funding. The experience and efficiency of current staff is critical to reaching this benchmark; retaining and incentivizing current staff members should be a priority for BENLIC's board.

## What are BENLIC's Primary Challenges?

BENLIC's potential for growth is tempered by two central issues. First, the organization needs a sustainable pipeline of properties from its partner jurisdictions. A COVID-related moratorium on tax foreclosure (*In Rem*) auctions throughout New York State in 2020-2021 resulted in a significant downturn in

BENLIC acquisitions. The moratorium has been lifted, so this problem is largely resolved. A more significant challenge is the lack of a clear, formalized acquisition process for BENLIC within the City of Buffalo.

BENLIC also needs funding to replace the now-exhausted New York Attorney General's Office Community Revitalization Initiative funds that have been the organization's most sustainable and reliable funding source to date. The New York state legislature recently passed a \$50 million allocation for land banks as part of the Governor's affordable housing package in the 2023 New York State budget. The mechanism for distributing funds has not yet been determined. BENLIC's staff and board members should advocate for BENLIC to receive its fair share of this budget allocation and should seek a stable State allocation to land banks in future budgets.

BENLIC also faces a perception among local stakeholders that it has not been deeply involved in revitalization of soft-market areas when compared to other New York State Land Banks. Given that many areas of high vacancy are located in places with historic disinvestment, it is important for BENLIC to communicate an approach that centers equity and affordability as areas of focus.



Before and after a BENLIC rehabilitation.



## **BENLIC Strategic Focus Areas for 2022-2026**

Asakura Robinson has identified four strategic focus areas that address the opportunities and challenges BENLIC faces for the next five years. These focus areas and their associated recommendations are summarized below and are further detailed in the body of the report.



### **Focus Area 1: Ensure financial stability through acquisition growth and new funding sources.**

**Recommendation 1:** Develop a formal acquisition process with the City of Buffalo.

**Recommendation 1a:** City of Buffalo Annual Proposals.

**Recommendation 1b:** Formal City of Buffalo Disposition Plan.

**Recommendation 2:** Prioritize acquisition of property in municipalities of focus that are selected annually.

**Recommendation 3:** Request that Erie County hold a vacant and abandoned property auction, and establish a process for holding similar auctions to respond to inventory and market conditions.

**Recommendation 4:** Increase funding from the State of New York through advocacy and agency partnerships.

**Recommendation 5:** Leverage partner organizations that utilize federal funding.



### **Focus Area 2: Continue to unlock opportunities for productive reuse of vacant property.**

**Recommendation 6:** Retain and grow successful existing programs.

**Recommendation 7:** Formalize a Strategic Infill Program to respond to changing market conditions.

**Recommendation 8:** Formalize BENLIC's work with residents earning less than 100% AMI as the Equitable Homeownership Program.



### **Focus Area 3: Add a focus on affordability and equity.**

**Recommendation 9:** Adopt and implement statewide and regional affordable housing and equity frameworks.

**Recommendation 10:** Add a specific focus on equity and/or affordability to BENLIC's stated values.

**Recommendation 11:** Develop data and metrics to quantify and communicate BENLIC's equitable and affordable investments.



### **Focus Area 4: Build relationships strategically.**

**Recommendation 12:** Prioritize strategic municipal and non-profit relationships that further BENLIC's mission.

**Recommendation 13:** Manage board turnover and knowledge levels with one-on-one sessions.

**Recommendation 14:** Provide competitive staff compensation to retain BENLIC's qualified and seasoned team.

**Recommendation 15:** Secure multi-year funding for a communications and community relations position from local philanthropic organizations.

**Recommendation 16:** Consider creating an advisory board to increase community input.



# 02

# Introduction and Context

This 2022-2026 strategic and financial plan for BENLIC will enable the organization to meet local policy priorities of its partner jurisdictions while fulfilling its full mission and legislative purpose as a New York Land Bank for the City of Buffalo and Erie County.

## History of Land Banks in New York State

The New York State Legislature enabled the formation of land banks in the state through passage of the Land Bank Act in July 2011. Per the New York State Land Bank Association, “Land banks are not-for-profit corporations created to take control of, and redevelop, vacant or abandoned properties to better serve the public interest.” In the Act’s legislative intent section, it states: “There exists a crisis in many cities and their metro areas caused by disinvestment in real property and resulting in a significant amount of vacant and abandoned property.”

The Land Bank Act establishes key powers for land banks in New York State to allow them to address these vacancy challenges. These key powers include:

- The ability for any municipality to “convey to a land bank real property and interests in

real property on such terms and conditions, form and substance of consideration, and procedures, all as determined by the transferring municipality in its discretion.”

This means that municipalities can choose to convey real property for less than its market or appraised value in order to better facilitate the return of property to the tax rolls and fulfill the objectives of local redevelopment plans.

- The ability to acquire real property “from entities other than political subdivisions... [if it] is tax delinquent, tax foreclosed, vacant or abandoned; provided, however, that a land bank shall have authority to enter into agreements to purchase other real property consistent with an approved redevelopment plan.” As an example, this allows land banks to acquire vacant properties that have undergone bank foreclosures. BENLIC has been able to assist in redeveloping several of these bank-foreclosed properties in the City of Buffalo.

While the Land Bank Act sets out broad powers for land banks across the State of New York, it defers many specific operational items related to board composition, acquisition and disposition protocols, and other items to be established in a specific local intergovernmental agreement. The intergovernmental agreement can further define and limit the powers of a specific land bank.

## Formation and History of BENLIC

BENLIC was established as a New York State Land Bank in 2012, pursuant to the statewide Land Bank Act. Buffalo and Erie County's vacancy challenges at the time were so significant that they were specifically mentioned in New York's Land Bank Act as part of the original impetus for establishing land banks throughout New York State. The following language comes directly from the Legislative Intent section of the Land Bank Act: "For example, Cornell Cooperative Extension Association of Erie County estimates that the city of Buffalo has thirteen thousand vacant parcels, four thousand vacant structures and an estimated twenty-two thousand two hundred ninety vacant residential units. This condition of vacant and abandoned property represents lost revenue to local governments and large costs ranging from demolition, effects of safety hazards and spreading deterioration of neighborhoods including resulting mortgage foreclosures."

BENLIC is governed by an eleven-member Board of Directors that includes members in appointed positions for each of its Foreclosing Governmental Units, including five from the City of Buffalo, three from Erie County, one each from Lackawanna and Tonawanda, and one from the Empire State Development Corporation. Board membership remains with each position; BENLIC's board membership changes every time a new person is appointed to these roles.

- The Commissioner of Administration and Finance, Policy and Urban Affairs for the City of Buffalo
- The Executive Director of Strategic Planning of the City of Buffalo
- The Commissioner of Permit and Inspection Services of the City of Buffalo

- The Corporation Counsel of the City of Buffalo
- The General Manager of the Buffalo Sewer Authority
- The Commissioner of Environment and Planning of the County of Erie
- The Director of Real Property Services of the County of Erie
- The County Attorney of Erie County
- The City Assessor of the City of Lackawanna
- The City Treasurer of the City of Tonawanda
- The Western New York Regional Director of the Empire State Development Corporation

At the time of its formation, BENLIC focused on addressing widespread neighborhood blight, abandoned and tax delinquent property, and private sector speculation and disinvestment. Much of this work occurred in the context of the 2008 housing crisis, which limited housing investment and resulted in widespread abandonment and foreclosure. For example, in its first few years of operation, BENLIC used its funding to demolish 111 properties in the City of Buffalo.

Since 2012, housing market conditions have changed significantly. Rising demand for housing has increased prices for land and homes across the City of Buffalo and Erie County. While BENLIC continues to address vacancy, its strategies are shifting toward strategic infill on former demolition sites and other actions that address housing supply constraints.

## **BENLIC Core Principles**

BENLIC has documented its progress and strategic thinking since 2012 in documents including its 2016-2018 Strategic Plan, 2017-2019 Business Plan, 2018 "Renew and Review" focus group summary and communications plan, and 2020 Board Retreat materials. Asakura Robinson has based recommendations in this Strategic Plan on several core principles extracted from these documents.

### **Current Mission Statement and Values**

**Mission Statement:** The Land Bank seeks to confront and alleviate the problems distressed properties cause to communities by supporting municipal and regional revitalization efforts and strategically acquiring, improving, assembling and selling distressed, vacant, abandoned and/or tax-delinquent properties.

**Values:** The following values are detailed further in BENLIC's 2016-2018 Strategic Plan.

- Commitment - "Leave each property better than we found it."
- Flexibility - All real estate transactions are unique.
- Partnerships - A variety of partners help determine the best use of a property.
- Transparency and Fiscal Responsibility - Reporting can be found on the Corporation's website.
- Sustainability - Building a deep understanding of how to acquire, strategically redevelop, and sell a marketable product.
- Creativity - The Board supports pilot programs as well as implementing national best practices.

### **Core Operational Principles**

**Cooperation with Local Governments:** BENLIC's founding intermunicipal agreement prioritizes consultation between BENLIC and local governments before BENLIC acquires properties at tax auction.

**Focusing on Small Residential Rehab and Infill:** BENLIC's business plan and programs focus on returning 1-2 family residential properties to productive use. While BENLIC has the authority to address all property types, its core business lines focus on small residential properties.

**Revitalizing and Resourcing Communities:** As a land bank, BENLIC's mission includes bringing new resources to the region to help revitalize communities and return properties to taxpaying status. Some programs may be able to accomplish this goal while remaining financially neutral or profitable for the organization. Other programs, particularly those that target highly distressed markets, are likely to need external sources of subsidy on a consistent basis. BENLIC serves as a tool to help bring resources to Erie County and the City of Buffalo to help alleviate these challenges.



## Vacancy in Buffalo and Erie County Today

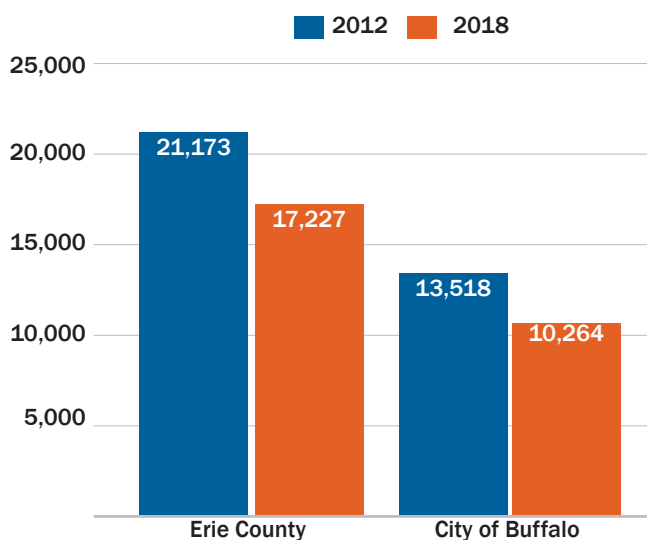
While Erie County and the City of Buffalo have made significant progress in addressing issues of vacancy and tax delinquency since BENLIC’s formation in 2012, vacancy and tax-delinquency remain widespread. Addressing these issues remains important and urgent to ensure fiscal sustainability for BENLIC’s partner jurisdictions and to improve quality of life and wealth-building opportunities for residents.

A report that BENLIC commissioned in 2020 from Dr. Jason Knight, a local academic and researcher at SUNY Buffalo State College, provides context on the magnitude of the problem. Figure 1 relies on data drawn from this report; it represents the total number of tax-delinquent properties in Erie County as a whole (including the City of Buffalo) and in the City

of Buffalo specifically, in 2012 and 2018. The number of delinquent properties has decreased but remains in the tens of thousands, reflecting a continuing problem. The data also show that the City of Buffalo represented the majority (60%) of all tax-delinquent properties in Erie County as of 2018. Increasing property values and investment on Buffalo’s West Side may have affected this trend through 2022, but Buffalo is still likely to represent the most substantial concentration of vacancy in the region based on population trends. A map of vacant properties within the City of Buffalo is shown in Figure 2.<sup>1</sup>

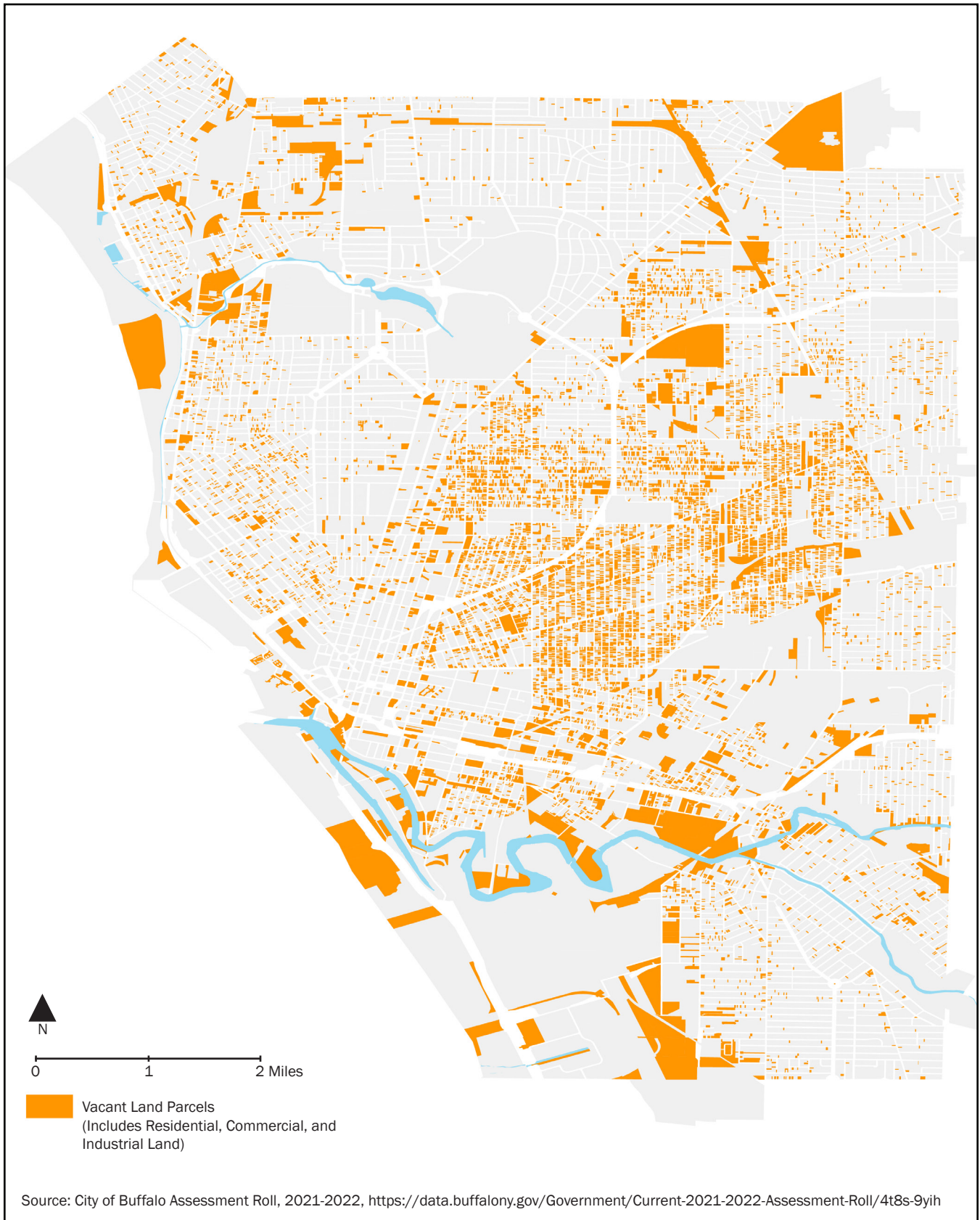
Opportunities for BENLIC acquisition in the City of Buffalo include tax delinquent properties that become available at the *In Rem* auctions each year, and more than 8,000 vacant properties held in the City of Buffalo’s inventory.

**Figure 1. Number of Tax Delinquent Properties in Erie County and the City of Buffalo, 2012-2018**



<sup>1</sup> Per a note from Buffalo Urban Renewal Agency Director of Planning, Keith Lucas, this dataset has some limitations: “Recent demolitions that created new vacant lots won’t be included, nor will lots that the city sold to homeowners for side yards. A lot of parcels also have the wrong property code, and many are actually easements or rights-of-way.” Asakura Robinson was unable to fully clean this data given allotted resources and time, so is presenting it as a map to give general context on locations of vacant property rather than a detailed accounting of the City’s inventory.

**Figure 2. Vacant Properties in the City of Buffalo, 2021**



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# 03

# BENLIC Today: Finances and Programs

## Financial Status

As of the end of 2021, BENLIC has a capital position of approximately \$4.5 million, including more than \$3.4 million in unrestricted funds. This is a strong funding profile and reflects BENLIC's success at leveraging and recycling the original source of funding for land banks provided by the New York State Attorney General's Community Revitalization Initiative.

One of BENLIC's core financial successes is its Vacant to Value program, which has generated an average of more than \$15,000 per property for BENLIC during the past three years (nearly \$500,000 net revenue in total). These resources enable BENLIC to tackle challenging projects in soft-market areas. For example, BENLIC will participate in funding the appraisal gap in a soft-market urban infill initiative in conjunction with a private lender in the City of Buffalo. BENLIC also has succeeded in leveraging its funding through sources such as the National Fuel Partnership for Urban Revitalization in WNY.

However, BENLIC cannot sustainably fulfill its

mission without new sources of funding. The Community Revitalization Initiative funds have been exhausted and are no longer a source of funding for BENLIC.

This strategic plan examines opportunities to seek additional funding from public-sector entities such as the State of New York. The Governor spearheaded a \$50 million allocation to land banks in the State's 2023 budget as part of her \$25 billion plan to create or preserve 100,000 affordable homes. While program details have not yet been determined, BENLIC should be prepared to communicate its success at producing affordable homes and promoting homeownership in Buffalo and Erie County.

At the local level, BENLIC's board members and their respective FGUs should push to resume foreclosure auctions and BENLIC acquisition processes as quickly as possible. New acquisitions can help fuel the revenue-generating Vacant to Value program that cross-subsidizes BENLIC's other programs.



## Existing Programs

BENLIC has five successful programs that serve its mission and its target markets. Figure 3 summarizes these five programs and ranks them on the basis of their future strategic importance to BENLIC, given current market conditions and funding availability.

**Figure 3. Summary of BENLIC's Existing Programs**

Program Area	Current Status	Future Importance (*-*****)
<b>Acquisition and Rehab</b>	Focused on homeownership for households at 100-120% AMI, largely in the County. Sales falling due to lack of recent property acquisitions. Current grant funding is also expiring.	****
<b>Vacant to Value</b>	Distressed properties are sold to buyers who make substantial improvements to the property, dictated by a scope of work and secured by a lien. Important to BENLIC's financial future, but sales have fallen in 2020 and 2021 due to lack of recent property acquisitions.	*****
<b>Responsible Disposition</b>	Focused on sales of properties to non-profits and municipal partners at affordable rates. For example, strong collaboration with Habitat for Humanity.	****
<b>Strategic Demolition</b>	Successful execution, but largely complete. Priority needs to shift to infill redevelopment of vacant lots and parcel assembly.	*
<b>Side Lot Program</b>	Ongoing, but limited. Helps to build relationships with local municipalities and residents.	**



Modular construction infill housing.

## Acquisition and Rehab Program

BENLIC's Acquisition and Rehab Program seeks to bring vacant properties back to productive use through in-house, BENLIC-led rehabilitation. Acquisitions and sales generated through this program have decreased during the last three years (2019-2021), primarily due to COVID-related foreclosure moratoriums. However, acquisitions are expected to quickly resume as Erie County holds its delayed *In Rem* auctions; these auctions are anticipated in Fall 2022. Most properties that BENLIC acquires through the program are single-family or single-lot residential properties located in the County, with a few exceptions.

The Acquisition and Rehab program allows BENLIC to meet area residents' demand for affordable homes. Moderate-income homes, which are priced at levels affordable to households earning 100% to 120% of the County's Area Median Income (AMI), constitute the majority of Acquisition and Rehab homeownership projects. However, BENLIC also has a substantial history of grant-funded projects that create homeownership opportunities for residents earning less than 100% AMI, and often less than 80% AMI.

**Figure 4. Acquisition and Rehab Program Results, 2019-2021**

Acquisitions By Year	Rehabs/Redevelopments and Sales by Year
<b>2019</b>	
BENLIC acquired 34 tax-delinquent and tax-foreclosed properties. <ul style="list-style-type: none"> <li>• 14 residential properties</li> <li>• 16 residential vacant lots</li> <li>• 1 vacant land parcel, 1 vacant commercial lot, 1 diner/lunchette</li> </ul>	BENLIC used grant funds to: <ul style="list-style-type: none"> <li>• Rehab and sell 13 homes</li> <li>• Construct 2 single-family homes</li> </ul>
<b>2020</b>	
BENLIC acquired 6 tax-delinquent and tax-foreclosed properties.	BENLIC used grant funds to: <ul style="list-style-type: none"> <li>• Rehab and sell 7 single-family homes</li> <li>• Construct 2 single-family homes which were sold to moderate-low income buyers as part of a pilot project for urban infill on a vacant lot</li> </ul>
<b>2021</b>	
BENLIC acquired 4 tax-delinquent and tax-foreclosed properties.	BENLIC rehabbed 4 single-family homes: <ul style="list-style-type: none"> <li>• 2 with grant funds</li> <li>• 2 with BENLIC general funds</li> </ul>

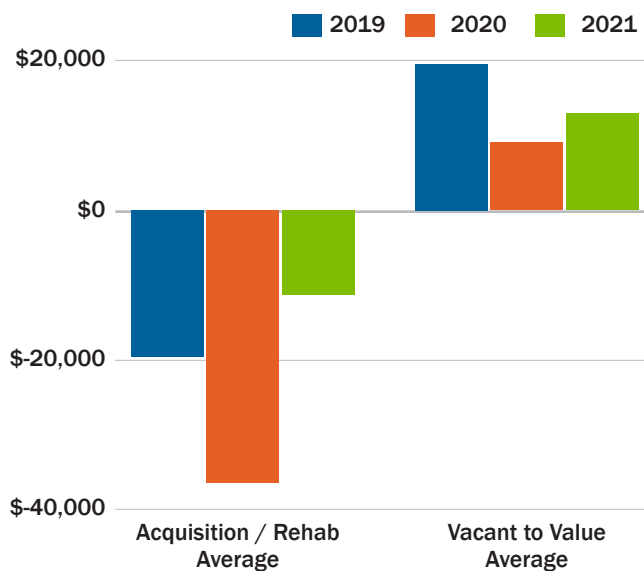
## Vacant to Value Program

The Vacant to Value program sells distressed properties to responsible buyers who commit to making substantial improvements to the property, dictated by a scope of work and secured by a lien. The program is modeled on similar successful Albany and Syracuse land bank programs.

The program is financially and operationally successful as it shifts the burden of rehab costs from BENLIC to the buyer. This leverages private investment to quickly fulfill BENLIC’s mission to return property to productive use and allows the use of saved resources to be deployed in soft market neighborhoods.

In addition to the program’s financial success for BENLIC, it has proven to successfully place properties into productive use and keep them there. Many property purchasers are going above and beyond their scopes of work, and no Vacant to Value properties have fallen out of compliance (as of BENLIC’s 2020 Annual Report).

**Figure 5. 2019-2021 Average Net Revenue per Property: Acquisition/Rehab vs. Vacant to Value Programs**



## Responsible Disposition Program

The Responsible Disposition program sells properties that BENLIC acquires at auction to non-profit and municipal partners at affordable rates to facilitate redevelopment of these properties. This program is generally revenue-neutral or slightly positive for BENLIC as it has been able to recoup its costs by selling to non-profits at a predictable flat fee of \$500 for land and \$7,500 for structures. However, as acquisitions resume, BENLIC will need to evaluate its costs to determine whether these prices remain adequate to recoup its expenses at tax sale.

Recent program successes include BENLIC completing a 2020 Not-for-profit Needs Assessment, and BENLIC has continued to maintain a strong relationship with Habitat for Humanity- Buffalo.

## Side Lot Program

The Side Lot Program is ongoing, but limited in scope. The program returns vacant lots to tax paying status by allowing neighbors to assume the taxes and maintenance; neighbors then receive more green space and can steward the lots for a higher quality of life on their blocks. This program builds neighborhood and community relationships, which are operationally helpful, particularly when BENLIC is working to improve targeted areas in the County or City. Ten lots were sold in 2019, and five were sold in 2020.



## Strategic Demolition Program

The Strategic Demolition program was successful when BENLIC started operating in Erie County, but is largely inactive due to changing market conditions and the successful demolition of many dilapidated structures in the region. BENLIC provided financial and operational assistance to municipalities for target demolitions when rehab was not a

viable option. Between 2014-2018, BENLIC assisted in the demolition of 90 structures in the City of Buffalo, 12 structures in the City of Lackawanna, and 9 in Erie County. An additional \$164,400 was appropriated for strategic demolitions in the City of Buffalo. BENLIC has not funded any demolitions since 2019.



A demolition project in progress.



## Case Study: Greater Syracuse Land Bank and Albany County Land Bank Corporation

As part of the effort to establish and compare BENLIC within the context of other New York State Land Banks, Asakura Robinson conducted a focus group with leadership from two of BENLIC's peers: the Greater Syracuse Land Bank and the Albany County Land Bank. The focus group included a discussion of the land banks' programs, communications strategies, and funding sources. There were several key takeaways for BENLIC:

- **Key Takeaway 1: BENLIC Faces a Different Acquisition Risk than Peer Land Banks.** Both Syracuse and Albany's land banks automatically acquire properties that are not redeemed at their respective tax auctions, while BENLIC seeks consent from its partner jurisdictions before acquiring any property. Syracuse and Albany's programs face significant financial risk of becoming overloaded with severely dilapidated properties that may require significant capital to rehabilitate or demolish; they also face financial risks from high long-term maintenance costs if they cannot quickly put all the properties back into productive use. While BENLIC's acquisition structure mitigates these financial risks, BENLIC faces the risk that it may not be able to acquire property at all, or not meet its target goals for acquiring property. This is a direct risk to BENLIC's mission as a land bank, because its reason for existence is to place vacant properties into productive use. It also risks BENLIC's financial health, as the organization relies on sales revenue from its Vacant to Value program.
- **Key Takeaway 2: BENLIC's Local and Federal Funding is Comparatively Limited.** Both Syracuse and Albany receive direct allocations of funding from their local jurisdictions to fund their operations. Both also use federal funding to assist in rehabilitation and redevelopment of vacant property and manage this funding internally, including sources such as CARES Act, Community Development Block Grant (CDBG), HOME, Brownfields Revitalization Act, and American Rescue Plan (ARPA) funds. Each of BENLIC's peers agreed that federal funding requires significant staffing and compliance, and that this is a potential tradeoff for its use. However, both feel that federal funding provides an essential source of subsidy, particularly when dealing with large inventories in soft-market areas. As BENLIC steps up its work in soft-market areas, particularly strategic infill and affordable housing work, it may need an additional commitment from local governments to fund this work. It also may need to use federal resources in-house, or seek partnerships with developers and community-based organizations that use federal resources.
- **Key Takeaway 3: Peer Land Banks Focus on Equity and Affordability.** Both peer land banks maintain programs that explicitly focus on equity and affordability. Albany Land Bank has an Equitable Ownership program that prioritizes funding for local residents who want to become first-time homebuyers, and who earn 50%-80% of the Area Median Income. Syracuse's Homeownership Choice program is similar.

## SWOT Analysis

Asakura Robinson conducted an evaluation of BENLIC's current Strengths, Weaknesses, Opportunities, and Threats based on board and stakeholder workshops, interviews, and a review of BENLIC's previous plans, finances, and programs. Strengths and Weaknesses

represent internal issues that are related to BENLIC's founding documents and organizational structures. Opportunities and Threats are externally-focused; issues in these categories relate to BENLIC's relationships with other organizations and broader societal trends.

Figure 6. SWOT Analysis

Strengths	Opportunities
<ul style="list-style-type: none"> <li>• <b>Staff:</b> BENLIC has strong and competent staff who excel at building partnerships, implementing flexible programs to respond to local needs, and securing resources.</li> <li>• <b>Creativity:</b> BENLIC's board remains open-minded and seeks innovation. The organization adopts staff-proposed pilot programs and best practice programs from across the country.</li> <li>• <b>Impact:</b> BENLIC has demonstrated clear success at reusing properties and fulfilling the organization's core mission.</li> <li>• <b>Selective Acquisition:</b> BENLIC can selectively acquire properties for successful disposition, which prevents the organization from having an unmanageably large inventory of vacant properties to manage and maintain; BENLIC does not acquire every tax delinquent property despite its statutory authority to do so as a New York State Land Bank, due to its intergovernmental agreement. Peer land banks that take on more foreclosed properties than BENLIC can be burdened with extensive maintenance responsibilities and perception challenges.</li> </ul>	<ul style="list-style-type: none"> <li>• <b>Acquisition:</b> BENLIC can grow acquisitions to rebuild from the COVID-related moratorium on auctions that has diminished its inventory.               <ul style="list-style-type: none"> <li>• Develop immediate acquisition opportunities such as vacant/ abandoned properties.</li> <li>• Formalize acquisition pipelines with jurisdictions that have not had formal processes for BENLIC acquisitions, e.g. City of Buffalo.</li> </ul> </li> <li>• <b>Creative Infill:</b> BENLIC can build the flexibility to address an even wider variety of urban infill strategies, including a more comprehensive ability to address revitalization of soft-market areas.               <ul style="list-style-type: none"> <li>• Continue to cross-subsidize infill development in soft markets using revenue from the Vacant to Value program.</li> <li>• Explore the use of state resources, philanthropic resources, and partnerships with federally-resourced partners, to help fill financing gaps.</li> <li>• Partner with organizations that have a focus on affordability and neighborhood revitalization. This aligns with regional and local priorities and builds residents' trust and familiarity with BENLIC.</li> </ul> </li> <li>• <b>Communication:</b> BENLIC can increase its capacity to communicate with partner jurisdictions and participate in place-based and county/citywide planning processes.</li> <li>• <b>Board Engagement:</b> <ul style="list-style-type: none"> <li>• Utilize board members' roles and expertise to serve as advocate and supporter of BENLIC's work; hold more one-on-one meetings.</li> <li>• Create a non-binding Advisory Board with local members of the real estate, affordable housing, community development, and housing finance communities.</li> </ul> </li> </ul>

Weaknesses	Threats
<ul style="list-style-type: none"> <li>• <b>Acquisition Challenges:</b> The downside of selectively acquiring property is that it can threaten the pipeline of properties coming in, and this is a particular challenge when existing inventory is small. The current halt on <i>In Rem</i> auctions and the lack of available properties in 2020-2021 highlight this issue.</li> <li>• <b>Perception of Selective Impact:</b> Some strategic plan interviewees felt that BENLIC needs to step up its work in the City of Buffalo and in soft-market areas more broadly. We heard in one interview that BENLIC is perceived as a “boutique” developer rather than an organization that truly impacts and improves communities.</li> <li>• <b>Board Turnover:</b> BENLIC faces challenges with Board turnover and Board engagement, because Board membership is based on appointed positions rather than direct interest in the land bank's activities. Some board members rarely or never attend meetings. BENLIC wishes to maintain relationships with all board members given their importance as representatives of local FGUs; engaging new board members and ensuring participation of existing members is critical.</li> <li>• <b>Community Engagement:</b> Grassroots community engagement has been difficult, especially at the scale of BENLIC’s service area.</li> </ul>	<ul style="list-style-type: none"> <li>• <b>COVID:</b> There is continuing potential that the pandemic will re-flare and continue to disrupt <i>In Rem</i> auctions. This results in threats to the organization’s mission and financial sustainability as sales and investment indicators continue to drop.</li> <li>• <b>Competitive Investment Market and Tight Supply Chains:</b> As of this strategic plan’s writing in 2022, rising construction and housing costs combined with static incomes have increased the financing gap for many households across the country. Supply chain challenges from COVID have further complicated the situation. BENLIC may face challenges securing the gap financing needed to complete projects, in finding contractors to partner with, or in maintaining project timelines if the current competitive market for investment continues.</li> </ul>

# 04

# Four Strategic Focus Areas: 2022-2026



## Focus Area 1: Ensure financial stability through acquisition growth and new funding sources.

Successful acquisition of property is essential to carrying out BENLIC's mission and maintaining the organization's financial stability. Recommendations 1-3 in this focus area seek to stabilize and grow BENLIC's acquisitions over the next five years. Recommendations 4 and 5 then examine opportunities to grow additional revenue for staffing and project subsidies by securing new sources of funding that replace the fully-expended New York State Community Revitalization Initiative funds.

### Acquisition Growth

Solving post-COVID acquisition challenges, and increasing BENLIC's property pipeline, should be an immediate priority for BENLIC's board and staff.

BENLIC has grown its capacity to deal with properties, allowing it to funnel 60-100 properties per year through its existing programs. Over the past few years, the organization's acquisitions have been lower than its capacity would dictate; BENLIC has secured approximately 20 properties since 2020. Much of this decline is due to COVID-related foreclosure moratoriums, but this also represents a general dearth of acquisitions in the City of Buffalo (particularly compared to the percentage of vacant properties in the region that are located in the City of Buffalo).

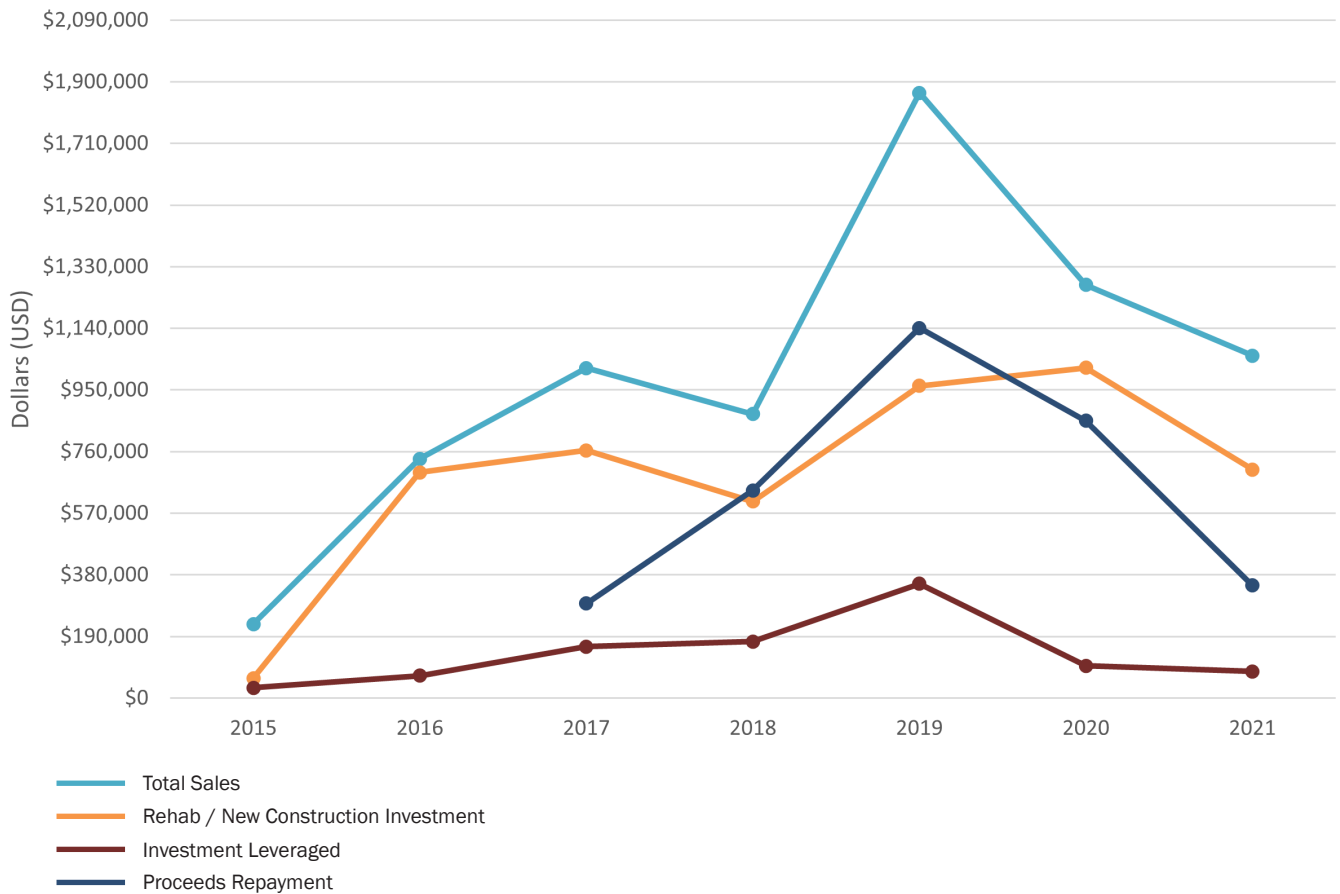
BENLIC faces significant risks when it cannot acquire enough properties. The land bank cannot conduct financially successful programs, such as the Vacant to Value program, without a pipeline of vacant structures that can be rehabbed. In addition, BENLIC cannot apply for gap financing from traditional sources such as the State of New York without having ownership or site control of the properties it seeks to improve. This limits the organization's ability to secure future grants and public-sector funding, and harms BENLIC's ability to compete for the limited funding sources for land banks in New York. Given these risks, it is urgent that all FGU representatives on BENLIC's board of directors work to ensure a clear pipeline of acquisitions.

The following graph demonstrates that as *In Rem* auctions and acquisition have stalled in 2020 and 2021, key indicators across BENLIC's program areas have fallen, including total sales and total investment in the region.

Recommendations 1-3 provide a guide to working with these partners to ensure that BENLIC's acquisition pipeline solidifies and grows in 2022-2026.

Direct partners for increasing acquisitions will include Erie County, the City of Buffalo, and the two other FGUs – the City of Tonawanda and the City of Lackawanna.

**Figure 7. BENLIC Sales and Investment Activity, 2015-Present**



## Recommendation 1:

### Develop a formal acquisition process with the City of Buffalo.

BENLIC and the City of Buffalo have no formal acquisition process. In Erie County, by contrast, BENLIC receives lists of available properties prior to *In Rem* auctions and is able to choose which properties it will exercise superbid authority on. This process enables BENLIC to clearly predict the nature of its incoming inventory from Erie County and the types of programs, funding, and resources that will best benefit the incoming properties. An annual process for City of Buffalo property acquisitions would assist BENLIC with planning its property pipeline and assist Buffalo with its vacant and abandoned properties.

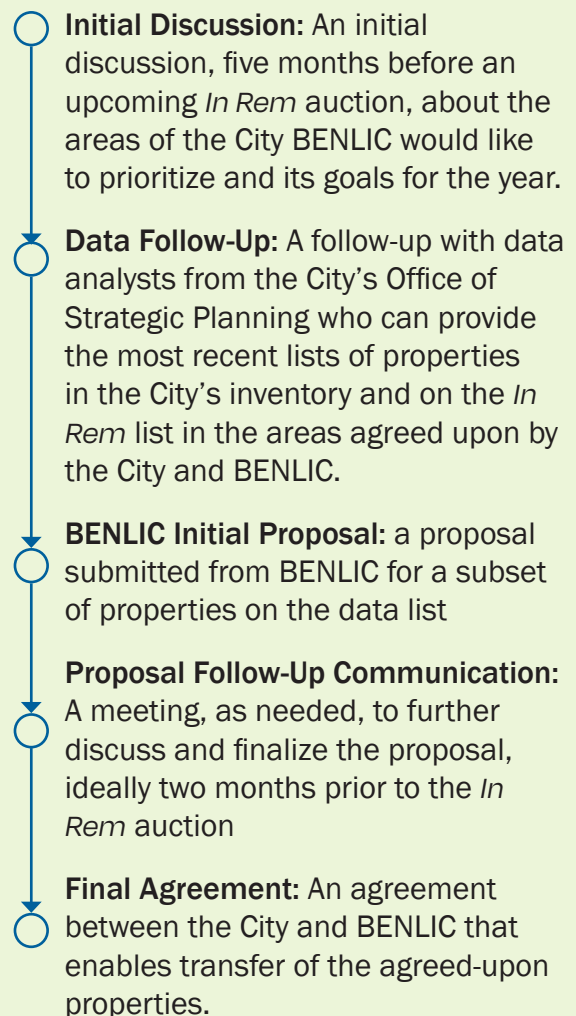
BENLIC is an underutilized tool for Buffalo to ensure positive outcomes for tax-foreclosed properties. Buffalo has the largest concentration of tax-delinquent and vacant properties in the region. Based on 2018 data, there were 17,227 tax-delinquent properties in Erie County, and 10,264 of these (60%) were in the City of Buffalo. This demonstrates that the primary issues that BENLIC (or any land bank) was formed to deal with – vacancy and tax-delinquency – are particularly concentrated in Buffalo, and BENLIC should increase its activities in the city. Since 2014, City of Buffalo activity represents just 17% (34 total properties) of BENLIC’s total disposed and active inventory.

Recommendations 1a and 1b call for a short-term and a long-term solution for formalizing the BENLIC-City of Buffalo partnership related to vacant property revitalization. BENLIC’s board members from the City of Buffalo should help advocate for and implement these recommendations.

## Recommendation 1a:

### City of Buffalo Annual Proposals.

The City and BENLIC should establish a formal timeline for BENLIC to bring a proposal to the City each year related to properties that BENLIC would like to acquire from the City’s inventory and/or the upcoming *In Rem* auction. Due to the postponement of the 2022 City of Buffalo *In Rem* until 2023, the initial proposal should focus on properties that the City already owns. The timeline for activities should include:





## Recommendation 1b:

### Formal City of Buffalo Disposition Plan.

The City of Buffalo should work to produce a formal disposition plan for the properties in its inventory, similar to the plans completed by the [Detroit Land Bank Authority](#) and the [City of Cleveland](#). This plan will align BENLIC and City of Buffalo goals and guide BENLIC to areas where it can most productively partner to revitalize vacant property. The plan would streamline disposition to community partners and allow City staff to measure success in vacancy reduction and neighborhood reinvestment. The City of Buffalo should consider BENLIC as a stakeholder and partner in City disposition that is able to:

- Assist in revitalizing stubbornly weak markets by disposing of properties in a flexible manner.
- Undertake strategic residential infill in-house or in partnership with mission-driven developers.
- Assist in bringing homeownership opportunities to neighborhoods at a variety of income levels, including through the generation of new resources that may not be available to existing neighborhood development organizations, through partnerships with existing organizations, or by investing in areas that do not currently have planned or active investments from these organizations.

## Recommendation 2:

### Prioritize acquisition of property in municipalities of focus that are selected annually.

BENLIC works with municipalities to focus on vacancy and tax delinquency challenges. Over the next five years, BENLIC will need to focus on balancing acquisition of two types of properties. First, there are properties that require low-cost interventions and are potentially profitable for BENLIC; these properties are generally rehab-worthy structures and properties that BENLIC

may be able to dispose to non-profit partners through its Strategic Disposition program.

Second, there are acquisitions that help BENLIC fulfill its mission to revitalize soft-market areas, but will require high-cost interventions and need significant subsidy from BENLIC. These properties often fall into BENLIC's Acquisition/Rehab and Strategic Infill programs.

BENLIC's board and staff should have an annual meeting focused on establishing geographic priorities for these two types of effort. BENLIC staff have successfully worked in 22 out of the 42 Erie County municipalities, but cannot work in each municipality every year due to staff and funding constraints. Board guidance on priorities is important in this context.

City of Lackawanna and City of Tonawanda board members should offer particular guidance to BENLIC on priorities and opportunities within their jurisdictions. Below are some immediate steps that each of these board members can take.

### City of Lackawanna

- Attend BENLIC board meetings to offer advice about how BENLIC can assist the City to meet its policy priorities, and to participate in governance.
- Advise on a strategy to balance costs by examining both rehab and strategic infill opportunities in Lackawanna.

### City of Tonawanda

- Encourage the City of Tonawanda to regularly hold its foreclosure auctions; the last one occurred in 2018. An auction scheduled for 2022 is likely to yield 16 properties for BENLIC.
- Work with the Mayor's Neighborhood Development Team to target neighborhoods for potential acquisition.

### **Recommendation 3:**

**Request that Erie County hold a vacant and abandoned property auction, and establish a process for holding similar auctions to respond to inventory and market conditions.**

As discussed in the Executive Summary of this report, New York State established a moratorium on foreclosures in 2020-2021. The moratorium impacted mortgage foreclosures as well as the tax foreclosures that BENLIC relies on to acquire property. BENLIC exclusively acquires vacant and/or abandoned properties, which do not meet the State's criteria for concern, as a tax foreclosure would not impact any existing residents. The land bank has

therefore requested that Erie County hold an auction that encompasses only these vacant and abandoned properties, with a particular focus on vacant structures. The County is currently working on moving such an auction forward in mid-2022. This auction should be used as a template for holding similar auctions in future years if tax foreclosure auctions become stalled again.



Vacant, dilapidated homes in BENLIC's service area.



## Revenue Growth

BENLIC should focus on five-year revenue growth from a variety of sources. The table below illustrates BENLIC's deeply negative projected revenue in 2022. This is due to the exhaustion of the Community Revitalization Initiative funds that served as seed funding for BENLIC and all land banks in New York State. While BENLIC has the financial reserves to withstand this challenge in the immediate term, the organization needs additional sources of government and grant funding to sustain its operations and programs.

## Recommendation 4:

**Increase funding from the State of New York through advocacy and agency partnerships.**

As mentioned in the "BENLIC Today" section, New York State has passed a \$50 million allocation for land banks across the state as part of a \$25 billion investment in affordable housing. No details are available on the application process for these funds or the application criteria as of the writing of this plan. However, because the investment is part of the Governor's commitment to affordable housing, BENLIC staff and board should be prepared to communicate about the organization's past successes in affordable homeownership. BENLIC's board and staff should also work with the New York State Land Bank Association

**Figure 8. Revenue Sources, Expenditures, and Net Revenue, 2021-2022**

	Projected 2021 Total	2022 Budget
<b>Revenue</b>		
Government Grants	892,250	50,000
Property Sales	957,926	1,333,000
Other	3,390	-
<b>Total Revenue</b>	<b>1,853,566</b>	<b>1,383,000</b>
Total Cost of Property Sold	1,022,032	1,367,000
Gross Profit	831,534	16,000
<b>Expenditures</b>		
Office Rent	23,271	22,344
Payroll	338,175	379,000
Professional Services	51,201	40,000
Other	60,808	56,500
<b>Total Expenditures</b>	<b>473,455</b>	<b>497,844</b>
<b>Net Revenue</b>	<b>358,079</b>	<b>(481,844)</b>

and organizations like Home Headquarters to advocate for dedicated State funding.

Other possible partnerships with New York State include the potential to use state dollars from the Office of Housing and Community Renewal and the Affordable Housing Corporation to help close project financial gaps – including the “appraisal gap” that often occurs when land banks work in soft-market contexts where construction costs exceed the appraised value of the property after completion.<sup>1</sup>

## **Recommendation 5:**

### **Leverage partner organizations that utilize federal funding.**

Utilizing federal funding for redevelopment requires significant staffing efforts devoted to compliance and documentation. BENLIC's board has been unwilling to place this burden of compliance on the organization's small staff.

**1** Funding from the Legacy Cities Grant (LCG) that is currently available through the State has been difficult for BENLIC to allocate, because the program entails BENLIC transferring its limited inventory for nominal gain to minority developers to take on difficult projects requiring much higher subsidy than if BENLIC were to take on the project itself. BENLIC and partners should work with Homes and Community Renewal to seek a more traditional gap financing program.

However, federal funding is one of the largest and most significant sources of funding for redevelopment and community development efforts, particularly in soft-market contexts where the market fails to revitalize vacant properties. Asakura Robinson recommends that BENLIC continue to evaluate emerging federal funding opportunities on a case-by-case basis to determine if the benefits outweigh the challenges of compliance.

In the meantime, the land bank should continue to partner with organizations who have access to federal funding. To successfully partner, BENLIC must bring advantages to the table that help lower development costs – namely, land that is under BENLIC's control and available at below-market-value costs or a predictable flat fee; structures that have rehabilitation potential; or additional sources of funding (e.g. State funding, local funding, other grant funding) that can help a redevelopment deal become financially feasible.



A successful BENLIC infill project.



## **Focus Area 2: Continue to unlock opportunities for productive reuse of vacant property.**

This focus area examines opportunities for growth in BENLIC's programs that will enable the organization to meet its partner jurisdictions' policy priorities over the next five years.

### **Recommendation 6:**

#### **Retain and grow successful existing programs.**

BENLIC's Vacant to Value program, Acquisition/Rehab program, and Strategic Disposition program are all candidates for growth over the next five years.

The Vacant to Value program has proven its ability to leverage private investor capital to bring vacant structures back to occupied, taxpaying status. The program is also financially successful for BENLIC; on average, from 2019-2021, the organization has netted more than \$15,000 per property. This program requires BENLIC to acquire vacant structures that offer opportunity for investors to conduct a profitable rehab project. The County outside of the City of Buffalo is likely to be the most opportune area to maintain and grow this program, since the City had a major focus on demolition in 2014-2018 that has eliminated many of the vacant structures within its jurisdiction. However, opportunities for rehab in the City of Buffalo should also be a priority where available.

The Acquisition/Rehab program is a second major focus of BENLIC's activity. This program is focused on acquiring structures that can be rehabbed and sold in-house. The program is not a revenue generator; on average, each Acquisition/Rehab project from 2019-2021 has required a net subsidy of \$23,000 from BENLIC. However, as stated in BENLIC's Business Plan, taking on projects with negative revenue is a core part of the land bank's mission to revitalize soft real estate markets and address

vacancy. The key for the next five years is to ensure that BENLIC can sustainably fund the required subsidies through grants, State of New York funding, and transfers from financially successful programs like Vacant to Value.

The Strategic Disposition program allows BENLIC to dispose of properties at below market value to non-profit and municipal partners to help these partners meet their redevelopment goals, which often include affordable housing options or commercial corridor reactivations. This enables BENLIC to act as a flexible partner to help close financing gaps and make revitalization deals happen. To date, BENLIC has disposed of properties for a flat fee of \$500 for lots and \$7,500 for structures; these fees may need upward revision in 2022-2025 to ensure BENLIC can continue to cover its costs given the rising costs of property. While Strategic Disposition is not a highly profitable program for BENLIC, in most cases the organization is able to recover its costs upon sale.

### **Recommendation 7:**

#### **Formalize a Strategic Infill program to respond to changing market conditions.**

There is a severe supply constraint of moderately-priced, right-sized single and two-family housing in Buffalo and Erie County. The inventory of homes for sale has fallen 16% since February 2021, while prices have increased 17% to a median sales price of \$205,000. Profits have pulled development toward either luxury single-family and multi-

family developments, or Low Income Housing Tax Credit-funded multi-family development.

BENLIC is a unique resource to tap for building small homes on the thousands of vacant lots that are especially prevalent in the City of Buffalo and its first-ring suburbs.

In light of these changing market conditions, BENLIC should formalize a Strategic Infill program that seeks to infill vacant lots. BENLIC has built several homes on vacant lots in 2019-2021, so this program will constitute an expansion of existing efforts rather than an entirely new effort. The number of infill projects BENLIC has completed is small, which makes it difficult to estimate average per-project costs to BENLIC; however, rising construction and labor costs will likely cause these projects to be more expensive and need deeper subsidy than BENLIC’s Acquisition/Rehab projects. Despite the potentially higher cost, a strategic infill focus will be essential to BENLIC’s mission in the coming years if the downward trend in available vacant structures continues.

## Recommendation 8:

**Formalize BENLIC’s work with residents earning less than 100% AMI as the Equitable Homeownership Program.**

The City of Buffalo and Erie County have established affordable housing and wealth equity priorities that address racial wealth gaps and help low-to-moderate income households build stability and wealth. BENLIC has already assisted more than 30 households earning less than 100% AMI to become homeowners. However, the organization is still best-known for its moderate income homeownership work for residents at 100-120% AMI. Several

of our interviewees held the perception that BENLIC was doing little to address the pressing affordable housing issues present in the region, particularly in the City of Buffalo.

Creating an official Equitable Homeownership Program will ensure BENLIC has the capacity and funding to continue working on a flexible array of homeownership and strategic infill opportunities. The program will ease communications with potential philanthropic and public funders, who often want a clear focus on equity and affordability when providing assistance to non-profit organizations. Formalizing this program will also combat the perception that BENLIC does not work in the true “affordable housing” space when it has already taken steps to assist households with affordable – and often deeply affordable – housing. Because BENLIC has already been using grant-funded programs to meet affordable housing needs for residents at 50-100% AMI, the template for this Equitable Homeownership Program already exists at the organization, and should continue to include partnerships with organizations like Habitat for Humanity and other established non-profits in the region.

**Figure 9. Grant-funded properties to households, by % AMI (2015-2022)**

AMI	Percent of Households (out of 35)
% of Households Under 100% AMI	86%
% of Households Under 80% AMI	54%
% of Households Under 60% AMI	31%



## Case Study: Albany and Syracuse Partnerships with Home Headquarters

Land banks in Albany and Syracuse have scaled up their affordable homeownership efforts with assistance from Home Headquarters, a major Community Development Financial Institution (CDFI) that offers homeownership counseling and mortgage lending tailored to rehab or new affordable housing construction projects and helps to create a pipeline of homebuyers. Home Headquarters is also able to act as the developer for new construction projects where feasible. When partnering with Home Headquarters, land banks generally provide property at cost or for a low flat fee, and help to secure gap financing that covers the appraisal gap or construction cost gap to help enable affordability. BENLIC would therefore be able to continue and scale up its programs by seeking funding from the County, the state, housing intermediaries like LISC and Enterprise Community Partners, and partnerships with organizations that use federal funding to create affordability.

The lending products and features of Home Headquarters programs that can support an expanded Equitable Homeownership program include:

- Integrated housing counseling services for low-income buyers to ensure mortgage and financial readiness
- 2% down payment requirement, reducing savings requirements for buyers
- Self-origination of loans
- Sales of loans to banks for CRA credit, with a guarantee that Home Headquarters will replace any non-performing loans with performing loans
- Acquisition-rehab loans similar to federal 203(k) programs allow for buyers to conduct rehab of structures
- Able to work throughout Erie County and the City of Buffalo



Successful infill project.





### **Focus Area 3: Add a focus on affordability and equity.**

As a land bank, BENLIC is inherently charged with revitalizing properties in areas where the market may not function well – because they are in poor condition, because the real estate market where they are located has low demand and has led to vacancy, or for other reasons that lead properties to become distressed. In its 2020 board retreat materials for BENLIC, the Center for Community Progress noted that vacancy and distressed properties tend to occur most often in areas where residents have lower incomes and in communities of color, which means that revitalization work inherently has implications for economic and racial equity. While there are many partners in the City of Buffalo and region that are working on equity and affordability issues, land banks' powers and missions enable them to make substantial contributions to affordable housing and economic development in soft-market contexts.

### **Recommendation 9:**

#### **Adopt and implement statewide and regional affordable housing and equity frameworks.**

Erie County and the City of Buffalo have each prioritized affordable housing and equity as investment priorities over the next five years. As previously stated, the State's 2023 budget dedicates \$25 billion to a comprehensive housing plan; this includes \$400 million for homeownership opportunities, with an emphasis on ownership in historically underserved markets. BENLIC can be a strong partner to local jurisdictions in implementing the statewide plan. It can also partner with local jurisdictions throughout the County that have specific affordable housing and equitable economic development goals.

In Erie County, BENLIC should attend the upcoming Live Well Erie Affordable Housing Summit that is planned for later 2022 to help define Erie County affordable housing goals. The County is actively seeking input from partners like BENLIC to help finalize their affordable housing strategy.

BENLIC should coordinate with the City of Buffalo to understand its role in the City's Equity Framework. Ideally, BENLIC will assist through strategic redevelopment of clustered properties to advance the City's goals for community revitalization, affordable housing development, and equitable growth in homeownership.



A successful BENLIC Vacant to Value property.



## Recommendation 10:

Add a specific focus on equity and/or affordability to BENLIC's stated values.

BENLIC's current mission and values are recounted in the "Where is BENLIC Today?" section of this strategic plan. Based on reviews of equity- and affordability-oriented vision and values statements from land banks across the country, we recommend slight edits to BENLIC's stated values, as shown in blue text at right. Figure 9 shows the Core Values of the Kalamazoo County, Michigan land bank, which were used as a direct precedent for these suggested revisions.

**Commitment:** "Leave each property better than we found it".

**Flexibility:** All real estate transactions are unique.

**Partnerships:** A variety of partners **and community voices** help determine the best use of a property.

**Transparency and Fiscal Responsibility:** Reporting can be found on the Corporation's website.

**Sustainability:** Building a deep understanding of how to acquire, strategically redevelop, and sell a marketable product.

**Creativity:** The Board supports pilot programs as well as implementing national best practices.

**Equity:** Make investments that further an inclusive and equitable future.

Figure 10. Core Values Precedent: Kalamazoo County, MI Land Bank



## CORE VALUES

### INTEGRITY

We embody fairness, professionalism, transparency and respect in every interaction.

### COMMUNITY

We are committed to elevating community voice and leadership in all stages of community development.

### EQUITY

The Land Bank acknowledges systemic racism and commits to forwarding an inclusive and equitable future.

### STRATEGY

We make decisions based on the careful analysis of data.

### IMPACT

We emphasize action, achievement and results.

Source: Kalamazoo County Land Bank, <https://kalamazoolandbank.org/about-us/mission-and-vision/>.



## Recommendation 11:

**Develop data and metrics to quantify and communicate BENLIC's equitable and affordable investments.**

Funders and community members will benefit from a clear accounting of how BENLIC considers equity in its work, and documentation of its affordable housing and equitable revitalization projects. Opportunities include:

- Establishing geographically-oriented metrics for equitable investment. For example, BENLIC may target a specific number of homeownership

opportunities that should be sold to buyers below 100% of the median household income, and buyers at 100-120% of the median household income, within specific municipalities or Census tracts.

- Establishing overall priorities for equitable investment throughout Erie County. For example, BENLIC could request voluntary information from homebuyers to determine how many of the new homeowners created through their programs are people of color.
- Highlighting affordability and equity impacts in BENLIC's Annual Reports.



## Focus Area 4: Build relationships strategically.

BENLIC has two core communications issues to confront over the next five years. First, the organization has a large service area with a correspondingly high number of potential municipal partners, development partners, and neighborhood residents who need to be aware of BENLIC's mission and programs. Second, BENLIC's board membership is constantly changing as new members are appointed to positions within its partner governments. BENLIC must take a strategic approach to allocating its limited staff resources to communications with its partners and its board, while seeking to build funding and capacity for communications.

## Recommendation 12:

**Prioritize strategic municipal and non-profit relationships that further BENLIC's mission.**

BENLIC's key partners include municipalities, banking partners, and development partners.

Municipal partnerships are critical to BENLIC's operations because BENLIC prioritizes consultation with municipal leaders before it acquires property in their jurisdictions. BENLIC should spend a significant amount of time building upon their relationships within the **City of Buffalo**. BENLIC staff will need to meet with board members, council members, and stakeholders as needed to define a process for disposition of City of Buffalo-owned properties and move specific projects forward. In **Erie**

**County**, BENLIC should identify two to four cities, towns, and villages per year as priority areas for acquisition and community outreach. Smaller towns and villages do not have staff capacity to identify qualifying properties for BENLIC, so BENLIC will use staff time to help identify potential properties and recommend investment approaches.

Development partnerships are essential to BENLIC's Acquisition/Rehab, Strategic Disposition, and Strategic Infill work. BENLIC can maintain and grow relationships with partners such as:

- **Habitat for Humanity-Buffalo**. Habitat will continue to serve as a valuable development partner to fulfill BENLIC's goal of creating additional low-to-moderate income ownership



opportunities for residents earning less than 100% AMI, and often less than 80% AMI. Habitat reaches households with incomes as low as 30% AMI. BENLIC's role has traditionally been supplying Habitat with properties for less-than-market value, and Habitat has used their expertise in developing the property and identifying the homeowner.

- **Home Headquarters.** This regional CDFI offers a homebuyer pipeline and tailored mortgage products that have been successful for other land banks.
- **Community-based organizations.** Community-based organizations and community development corporations can serve as development and communications partners in BENLIC's priority areas. This includes neighborhood-based and faith-based development organizations in Buffalo and Erie County.
- **Banking partners.** BENLIC has had productive partnerships with banking partners who have provided operational funding and foreclosed properties. While bank foreclosures have decreased over the last few years, banks remain a valuable source of financing and properties for BENLIC, as evidenced by its current partnership with a private lender to revitalize foreclosed properties in the City of Buffalo.

More strategic partnerships may emerge over the course of the next five years. Overall, it will be easier for BENLIC to create strategic partnerships once it has re-established a reliable pipeline of properties that it can use to foster development opportunities within the City of Buffalo and the County.

### **Recommendation 13:**

**Manage Board turnover and knowledge levels with one-on-one sessions.**

BENLIC needs an engaged and active board that not only fulfills its basic governance responsibilities, but also communicates and advocates on behalf of BENLIC at the local and state levels. However, BENLIC's board

is currently composed of members who are appointed to positions at its local government partners, which leaves the board vulnerable to frequent turnover as those positions change hands. Some board members are highly engaged, while others rarely attend meetings.

Quarterly or biannual one-on-one meetings between board members and BENLIC's Executive Director can ensure that each member understands how to support BENLIC's work. Objectives of the meetings could include improving knowledge levels of ongoing programs; discussing acquisition opportunities and constraints; brainstorming about geographic opportunities and organizational partnerships; or other items that may be relevant given a particular member's position and role.

### **Recommendation 14:**

**Provide competitive staff compensation to retain BENLIC's qualified and seasoned team.**

The "Great Resignation" has challenged organizations across the nation. 2021 holds the record for the largest number of workers to leave their jobs in a single year.

BENLIC faces significant risks if it fails to retain staff. The organization has a small, highly competent team. Each team member brings deep institutional knowledge and experience working in the specialized land bank sector. Replacing any single team member risks organizational efficiency and ability to execute its programming. However, as a small non-profit organization with staff members who take on multiple deadline-driven responsibilities, BENLIC is vulnerable to staff burnout.

BENLIC needs to compensate its staff competitively to mitigate the risk of resignation. To date, BENLIC has not developed a standard, predictable procedure for recommending salaries to the Board for consideration.

One notable success was a 2018 salary survey effort in which a professional HR consultant benchmarked BENLIC salaries against other organizations in similar sectors. The board used this salary survey to set midpoint salaries for staff. To ensure competitive compensation, BENLIC should commission a similar salary survey once every three years, starting in 2022, to standardize procedures for setting salaries in the future.

## **Recommendation 15:**

### **Secure multi-year funding for a communications and community relations position from local philanthropic organizations.**

BENLIC has a small staff that is highly focused on carrying out program operations; the organization relies on contracted communications staff to assist with public relations and communications efforts. Staff have expressed that it is difficult to prioritize engaging in planning processes and place-based communications efforts, due to the demands of day-to-day operations. Nationally, land banks are increasingly internalizing communications and public engagement efforts through dedicated staffing positions. As examples, the Greater Syracuse Land Bank (8 staff members total) has a Community Engagement Specialist on staff; the Houston Land Bank (8 staff members) is currently hiring for a Community Relations and Engagement Manager; the Tri-COG Land Bank in Allegheny County, PA (6 staff) has a Marketing and Community Relations Manager; and the Genesee County Land Bank in Flint, MI (which has a larger staff at 20 total) has both a Community Relations Manager and a Community Resource Planner.

BENLIC's ability to support a similar position is limited given budget constraints. However, a position that fosters deeper community engagement may be attractive for multi-year funding through a local philanthropic institution. BENLIC should approach these institutions to gauge the potential for a commitment. If BENLIC can secure funding, it should proceed with the hire.

The duties of such a position vary depending on the level of seniority. Given BENLIC's relatively flat organizational structure with many "collaborators" working together, this position should be a mid-to-senior level hire who is capable of leadership and relatively independent action. Duties may include leading communications strategy; speaking on behalf of the organization with policymakers and at community meetings; keeping communities updated on progress; developing regular communications methods such as newsletters that highlight successful efforts; facilitating the organization's participation at conferences; coordinating meetings between policymakers and organizational leadership; and tracking communications data and successes. The following job description recently released by the Houston Land Bank could be a precedent for BENLIC's search.

### **Duties and skills include:**

- Promotes the mission of the organization and stimulates new opportunities
- Communicates progress to stakeholders and plans; develops and implements programs to facilitate involvement.
- Provides insightful leadership, organizes events with staff and facilitates with community members, stakeholders and partners.
- Manages administrative processes for tracking communications data and develops new strategic initiatives.
- Promotes transparency and authenticity in all organizational practices and efforts.
- Leads the strategy and execution of programs related to the involvement of neighbors and respective communities.
- Skills in oral and written communication, handling multiple tasks, creative problem-solving, planning, and organization.

### **Qualifications:**

- Minimum qualifications include: Graduation with a bachelor's degree from an accredited college or university with major coursework in public relations, public administration, communications, urban planning or a closely related field plus at least three years of experience involving the development and coordination of public information or community outreach or involvement programs.
- Preferred qualifications include Master's degree from a similar program and demonstrations of an equitable experience in urban planning, Architecture, real estate development, or other initiatives in the public realm.

## **Recommendation 16:**

### **Consider creating an advisory board to increase community input.**

BENLIC should consider creating an advisory board with local members of the real estate, affordable housing, community development, and housing finance communities. This body would help provide BENLIC staff with a direct connection to local leaders in community development, including faith-based developers, financial innovators, academics, among others. It could also help BENLIC access locally-based subject-matter experts when needed. Best practices from other New York Land Banks for an advisory board structure include:

- Prevent this advisory board from becoming political by focusing on appointing subject-matter experts.
- Allow staff to nominate members for BENLIC board approval.
- Define required qualifications for prospective advisory board members, such as 5+ years of experience in a particular industry, and an overall desire for geographic representation of both the City of Buffalo and the County's municipalities.
- Define the goals and limits of the advisory board's advice. Generally, advisory board advice is non-binding and serves to help shape staff recommendations to the board on particular topics and programs.
- Do not allow the advisory board's procedures to delay the board from taking action.



# 04

## Next Steps: Building on Success

BENLIC has built a strong foundation for success, with clear operational procedures, a balanced set of programs, and a track record of returning properties to productive use. It is now time for BENLIC to move past the pandemic era and grow its impact. Solving acquisition challenges will help the organization re-establish its base of funding and meet its mission-driven goals.

Changing market conditions require the land bank to deliver new programs that meet regional needs for infill development and affordable housing. New funding sources and growth in community partnerships will bring BENLIC's expertise to additional communities that need an equitable approach to vacancy reduction.

BENLIC will work closely with its board members, stakeholders, and residents to implement the recommendations in this strategic plan, and to build a successful future for the residents of Erie County and the City of Buffalo.







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