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Press Release

Mayor Gary R. McCarthy Joins Assemblymen Angelo Santabarbara and Phil Steck in Support of Schneiderman Bill to Address Zombie Properties

SCHENECTADY – Mayor Gary R. McCarthy today was joined by Assemblymen Phil Steck and Angelo Santabarbara and other local public safety officials and community leaders to express support for Attorney General Eric T. Schneiderman’s Abandoned Property Neighborhood Relief Act.

“We are making significant investments in our neighborhoods; removing blight, assisting in renovations, and promoting home ownership, but a critical part to the continued success of these efforts here in Schenectady and across the state is dealing with the zombie property issue,” said **Mayor Gary McCarthy**. “I thank the Attorney General for his leadership on this important issue and Assemblymen Santabarbara and Steck for supporting this needed legislation in the State Legislature.”

Officials stood in front of 1575 Santa Fe, Schenectady, a property in the limbo “Zombie” state after the mortgage company began a foreclosure in 2011 and the homeowners abandoned the property. The foreclosure was never completed and neither party has maintained the property. Zombie status has become increasingly prevalent in communities across the state. According to Realty Trac, the Capital Region (Schenectady, Albany, Rensselaer, Greene, Columbia, Saratoga, Warren and Washington) has 1,528 zombies—which is a 50% increase from last year. This follows the pattern seen state-wide as zombie property foreclosures increased by 50% from 2013 to 2014, bringing the total number of zombie properties in NYS to 16,701 according to data analyzed by the Office of the Attorney General (OAG). These vacant houses often fall into disrepair and harm local quality of life through attracting crime and becoming a drag on neighborhood investment and home values.

“New York will never be able to fully recover from the devastation of the financial crisis until we seriously reckon with the crisis of zombies,” said **Attorney General Eric Schneiderman**. “The Abandoned Property Neighborhood Relief Act, which enjoys the support of local elected officials, law enforcement, and fair housing advocates all across New York, will equip our local communities with the resources they need to halt the spread of abandoned and vacant homes. Albany can finally alleviate the burden that these blighted properties impose on our towns and cities by passing the Abandoned Property Neighborhood Relief Act during this legislative session.”

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The legislation would address the issue of abandoned property through several critical measures. It would require that homeowners be provided with early notice that they are legally entitled to remain in their homes until ordered to leave by a court. In the event that homeowners do leave their property before the foreclosure is complete, the bill would require mortgage lenders and their servicers to take responsibility for properties soon after they have been vacated. To help municipalities secure zombie properties, the bill would require mortgagees or their agents to electronically register these properties with a newly-created statewide Vacant and Abandoned Property Registry to be established and maintained by the OAG. One of the new provisions of this year's Abandoned Property Neighborhood Relief Act would direct penalties for noncompliance into a fund for local municipalities to support code enforcement within the municipality where the violations occurred. Another new provision would create an expedited foreclosure process for properties that are confirmed to be vacant.

"I'm proud to be a sponsor of legislation that will help families stay in their homes, revitalize our neighborhoods and strengthen local communities. The restoration of vacant properties is a key part of the comeback in upstate cities, like Schenectady, and I will continue to support this effort," said **Assemblyman Angelo Santabarbara**.

"This legislation will not only benefit Schenectady, but will help every municipality in New York address urban blight. As a member of the New York State Assembly's Judiciary Committee, I look forward moving the bill out of committee and to the floor for a vote by the entire Assembly. I urge the New York State Senate to work with us in the Assembly to pass this common sense legislation and deliver bill A6932 to the governor's desk before the Legislature adjourns this year," said **Assemblyman Phil Steck**.

"The foreclosure crisis left neighborhoods scarred by vacant and abandoned properties. The introduction of the Abandoned Property Neighborhood Relief Act brings New York State a step closer to curing the blight these properties bring to neighborhoods by holding banks accountable for their upkeep," said **New York State Senator Jeff Klein**, Senate Coalition Co-Chair and sponsor of S.4781. "We expect banks to maintain properties and we will keep a list of empty homes. We want to support towns and counties who have been dealing with the blight of zombie properties for too long. With the support of Attorney General Eric Schneiderman, my colleagues in the Senate and the Assembly, I hope we can pass this crucial package of legislation for New Yorkers."

"In too many neighborhoods in the city and across the State, mortgage lenders have permitted vacant and abandoned residential properties to fall into disrepair," said **Assemblywoman Helene E. Weinstein**, Assembly Judiciary Committee Chair. "These properties are a blight on neighborhoods and bring down neighboring homeowners' property values. I commend Attorney General Eric Schneiderman for proposing this bill that I am proud to sponsor with Senator Klein. I look forward to working with the Attorney General and Senator Klein to help protect our neighborhoods by identifying and ensuring maintenance of properties early on."

The Abandoned Property Neighborhood Relief has strong support in the Schenectady community. The Schenectady City Council is expected to unanimously adopt a resolution in support Monday evening. The Capital Region Land Bank board has already adopted a resolution in support of bill. Robert Harvey, President of Schenectady United Neighborhoods, attended the press conference to express his support on behalf of the Schenectady neighborhood organizations. Other local non-profits also sent representatives.

The Abandoned Property Neighborhood Relief further builds upon Schenectady's efforts to revitalize neighborhoods. The Capital Region Land Bank received \$3 million through Attorney General Schneiderman's Community Revitalization Initiative (CRI) to complete demolition and renovation projects in Schenectady and its other partner communities. Combined with Schenectady's US Department of Housing and Urban Development (HUD) Lead Grant and the HUD 108 Loan Guarantee Program funds, Schenectady is investing over \$10 million into neighborhood revitalization in the next few years.

This legislation will also build upon Schenectady's recent efforts to improve code enforcement and information sharing. In 2014, Schenectady conducted a partnership study with the Center for Technology in Government and found that a single property slated for demolition can, on average, generate expenses for a municipality in excess of \$65,000. Further, these properties tend to follow a predictable and costly seven year cycle, moving from mildly distressed to blighted or vacant and some ultimately in need of demolition. Breaking that cycle is key to neighborhood revitalization efforts. Schenectady ended 2014 as the lead awardee of a \$558,002 New York State Department of State Local Government Efficiency Grant to partner with Amsterdam, Troy and Gloversville in a pilot program to combat blight and better manage distressed properties through an innovative information sharing initiative.

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1575 Santa Fe – Foreclosure began in 2011 and 2014. The property was abandoned in 2011.



5 Jefferson St - Foreclosure began in 2011. The City Law Department is currently beginning legal action regarding the property due to the collapsing rear façade.



822 State St – A zombie property adjacent to a youth center. The property was destroyed by fire on May 12, 2014. The property was the subject of 108 public safety calls from 2007-2014.