

CITY OF NIAGARA FALLS, NEW YORK

TO: City Council
FROM: Niagara Falls Community Development
DATE: July 19, 2019
RE: **City Council Agenda Item: NYS Attorney General's Office grant acceptance**

Council Members:

The Niagara Falls Community Development Department (NFCD) has been awarded a \$350,000 competitive grant from the Office of the New York State Attorney General's Office. This is a two year grant term, terminating on June 30, 2021. It is also the second round of funds awarded to NFCD via the Attorney General's Office, with the Niagara Falls Zombie Fight Project launching in 2017 (Zombie 1.0).

The focus of Zombie 1.0 was on mortgage encumbered properties; meaning, the property is vacant, the mortgage is delinquent, and a bank holds a lien. These properties are registered with the New York State Department of Financial Services, and list the lien holding entity that is legally responsible for property upkeep. At a maximum, this list had 155 properties, and to date this list has only 30. The majority of the properties left on this list are moving through the foreclosure process, with a number of them being expedited. The minority of these properties are in foreclosure but are being slowed by issues surrounding the estates of deceased owners.

Niagara Falls was one of the first municipalities to take a legally focused approach to these zombie properties and successfully brought legal action against Citizens Bank in 2017. This legal action opened up conversations with other lien holders relative to vacant/abandoned properties in the city and encouraged compliance and expedited foreclosures. Phase 1 allowed us to implement a successful process for remediation of mortgage encumbered properties.

The focus of phase Zombie 2.0 will be on non-mortgage encumbered properties, meaning, vacant properties without a lien. These properties usually do not have an identifiable owner of record as they are a result of mortgage charge offs, death of the owner with no heirs, or are properties in which a mortgage note was satisfied and the prior owner owned the property outright. It is more difficult to remediate these properties as locating the owner is research heavy, and sometimes impossible, especially in instances of out of town ownership. NFCD plans to focus our phase two efforts on creating a successful process for remediation of these properties, which includes innovative methods of acquisition of these properties.

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With the City Council vote to approve acceptance of this grant and authorize the Mayor to execute any documents necessary to effectuate the same?

Respectfully submitted,

Paul A. Dyster, Mayor

Nicholas Melson, City Administrator

Seth A. Piccirillo
Director of Community Development