



**To: Niagara Falls City Council**  
**From: Seth Piccirillo, Director of Community Development and Code Enforcement**  
**Date: 3/15/18**  
**Re: Settlement Agreement and Release - Citizens Bank**  
**(Niagara Falls Zombie Fight Project)**

The administration recommends Niagara Falls City Council support, by approval of this agenda item, of a "Settlement Agreement and Release" between the City of Niagara Falls and Citizens Bank, N.A. This settlement would resolve the City's pending lawsuit against Citizens Financial Group, Inc. and Citizens Bank, N.A. in the United States District Court for the Western District of New York. This lawsuit was the result of the Niagara Falls Community Development Department's Zombie Fight Project's targeted approach to vacant bank foreclosure properties.

As part of the settlement, Citizens Bank agrees to move to expedite all foreclosures on abandoned properties in the City of Niagara Falls. Citizens Bank will move for expedited entry of a judgment of foreclosure and sale within sixty (60) days after the last date of default for all defendants, assuming no defendant submits an answer or otherwise appears. Citizens Bank also agrees to directly notify the City of Niagara Falls of the sale of all of its bank foreclosure sales 30 days prior to the auction date. The City of Niagara Falls agrees to support expedited foreclosure efforts including the filing of supporting affidavits or other documents and attending expedited foreclosure motion hearings, if reasonably requested by Citizens or its foreclosure attorney(s) to do so.

At the start of the Niagara Falls Zombie Fight Project in April 2017, Citizens Bank had seven properties in the foreclosure process, classified as "zombies." Citizens has completed the foreclosure of three of those properties, and the City foreclosed on one property due to failure to pay taxes.

This settlement is a tactical victory for the Niagara Falls Zombie Fight Project and the City of Niagara Falls. Prior to this project, identifying foreclosure properties, enforcing local codes and establishing direct lines of communications with banks was difficult. The Zombie Fight Project, as illustrated by the filing of *City of Niagara Falls, New York v. Citizens Financial Group Inc. and Citizens Bank, National Association* is using the New York State Zombie Property and Foreclosure Prevention law to better enforce local building codes and create specific plans of action to address and eliminate zombie properties in this community. It is also the first time that the City of Niagara Falls has entered into a settlement agreement that sets foreclosure parameters for a banking institution doing business in the City of Niagara Falls. Niagara Falls Community Development views the agreement's language as legal tool that can be used to create agreements with other banking institutions that are out of compliance with the New York State Zombie Property and Foreclosure Prevention law as well as local ordinances.

Will the Niagara Falls City Council support this settlement by approval of this agenda item, and allow the City of Niagara Falls to execute the settlement in a form acceptable to the Corporation Counsel?

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Paul Dyster, Mayor

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Nick Melson, City Administrator

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Seth Piccirillo, Director  
Niagara Falls Community Development

Kennedy    Scott    Tompkins    Voccio    Touma