Blight Fight

Can Albany cut through the red tape and find ways to save its vacant and abandoned buildings?

by [Erin Pihlaja](#) on April 24, 2013 · [0 comments](#)

No place like home: Jenkins-Cox is loyal to West Hill. Photo by Erin Pihlaja.

Jackie Jenkins-Cox stands at the intersection of North Lake and Clinton avenues in Albany's West Hill neighborhood. She points to an empty lot on the corner and reminisces about a meat market that once stood there. Up the block toward Central Avenue was where St. Patrick's school once was. The teachers lived right there in the neighborhood, she says, so you knew you better not act up in class or your parents were sure to find out. Across the street was a market, where her parents would sometimes send her with a list. The store's owners knew the kids in the neighborhood, and looked out for them.

Jenkins-Cox, an Albany Common Council member, was "born and raised in the 5th Ward," she proclaims with a smile. She's raised three children here.

The neighborhood is different now. One by one, schools and businesses closed up or moved out (taking jobs with them), and while there are still a few businesses left, like the auto garage at this same intersection that has been owned by the same family as when Jenkins-Cox was a child, there are boarded-up buildings sprinkled so plentifully throughout these streets, that sadly, they just start to blend in.

This is what people call urban blight. It's become such a hot talking point that you aren't likely to hear a campaign speech in Albany this year that doesn't reference the phrase. Last year, a photograph of a row of seven buildings from Albany's Sheridan Avenue— windows covered with plywood—showed up on the game show *Jeopardy!* The category that corresponded with the photo clue? "Urban Blight."

While the problem isn't unique to Albany, or even upstate New York, Albany County, the tax foreclosure agent, has an estimated 800 vacant buildings, and some would even put the number higher depending on which phases of foreclosure the properties are in. At the April 3 forum sponsored by the Council of Albany Neighborhood Associations (CANA) at the Albany Public Library ("Best Outcomes for Vacant Buildings"), Albany County Executive Dan McCoy said that there are 202 foreclosed properties owned by the county in the city proper alone.

Abandoned buildings tend to be vacant, barring squatters, but aren't necessarily the same as vacant buildings. The owners of buildings labeled as "abandoned" have walked away, usually leaving behind tax and/or mortgage liens, unpaid repair bills, and neglected buildings left vulnerable to the weather and scavengers (both human and animal), and which often pose a costly safety hazard to surrounding neighbors. Some vacant buildings are owned by speculative investors, who don't tend to live in the area. These owners often buy cheap, perhaps at a county-run property auction, and sit on their investment, hoping for a boom in real estate prices. Some speculative buyers intend to rehab their properties but are ill-equipped to handle the remediation or repair costs associated with the aged housing stock. There are certainly other types of scenarios, but these tend to be the situations that impact communities the most.

Eric Dahl, a licensed real estate broker who works with Community Realty, at 255 Orange St. in Albany, has seen plenty of these types of situations in his day-to-day dealings. Although his organization typically focuses on first-time homebuyers who are looking to buy a house, he has worked in real estate in the Capital Region since 1991. He recalls a pair of Albany clients who wanted to purchase a vacant building on the same street where they owned their home. Dahl tracked down the building's owners, who lived in Brooklyn. They were happy to sell, he says, but first they needed to find out how much they owed in back taxes. "When they got back to me they found out they didn't even own the property anymore," Dahl says. "They weren't even aware of that."

Owner neglect led to the 2011 collapse of the 163-year-old architecturally-acclaimed Trinity Church, which was also registered as a historic building. Amanda Indarpaul purchased the property in 2010 at a county auction for $500, and failed to list it on the city's vacant building registry. After the building crashed to the ground, taking many historic artifacts with it, the city estimated that demolition costs would be approximately $141,000.

Although statistics vary, some industry people say that properties within 200 feet of blighted properties suffer a decrease in property value. And Michael Jacobson, executive director of Habitat for Humanity of the Capital District, says that "properties

within 1,000 feet of abandoned or boarded-up buildings see a suppression of 7 to 14 percent" of their value.

Tim Dougherty, a West Hill resident, knows that all too well. In the spring of 2012, Dougherty took over his family's home, which they had owned since the 1950s. His grandfather purchased the property after leaving the army, and raised five children there with his wife. Dougherty lived on the same block with his aunt as a child, and she lives there still. The street used to be filled with families, and Dougherty's siblings all spent some time in their grandfather's house, but as the neighborhood fell victim to blight and crime, they moved away. His brother, who held the title before Dougherty, was ready to walk away from the home. Dougherty, who had lived there while he attended the College of Saint Rose for a bachelor's degree and then the University at Albany for his doctorate, decided to step in and save it.

The houses on his street, like many in Albany, sit so closely to one another that their exterior walls touch. Dougherty's basement suffered water damage from the two neighboring houses, and he divested stocks to make some much-needed repairs.

There are multiple abandoned buildings on his block. Dougherty and another neighbor shovel the driveways of these buildings to maintain the area and to prevent vandalism—which seems to occur no matter what they do. Recently Dougherty took to parking his car in one of the empty driveways to make it look as though someone lived there, and another resident from the block took issue with it. After a brief verbal confrontation, Dougherty says the other man flashed a gun.

"I have never felt unsafe here, as either a young man or in college, before this," Dougherty says. "This is a great location, it's an asset." You'll find a lot of people like Dougherty in this neighborhood: people who have grown up here, and who put more than just a monetary value on their family homes, and people who don't want to leave, but feel like they are being pushed closer and closer to the moment when they finally do.

The idea of value is one that comes up often in the dialogue about urban blight. Jacobson, of Habitat for Humanity, says that Albany has the "oldest currently lived-in architecture in the United States." It is this unique, historic architecture that makes Albany's neighborhoods distinct, but this historic housing stock also poses expensive rehab and repair issues. Every house, says Jacobson, built prior to 1976 (unless remediated), contains toxins such as asbestos and lead. The structures also often have stability issues. The cost to remediate these buildings averages between $30,000 to $50,000. Sometimes the amount needed for investment in these buildings will exceed their current market value. "Albany also has the oldest blight contingent to the downtown core," Jacobson says. But to those who live in the community or who value preservation, it's a short-term versus long-term investment issue, and in the end, a price tag isn't always the first priority.

"There are people who see investing in these buildings as a straight-out real estate deal—it's not," says Susan Holland, executive director of the Historic Albany Foundation in Albany. "You've got to also question what is good for the community." Holland believes that there is a "huge demolition problem" in Albany, and points to Cohoes, where "they tore down a couple of things and now they're regretting it," and new investors are seeking the historic buildings.

At the April CANA meeting, someone from the crowd questioned why the number of buildings demolished far outweighed those stabilized. One official seemed to believe that money from the city's $2 million Neighborhood Stabilization bond could be used only to stabilize county-owned properties. City Treasurer Kathy Sheehan clarifies: "The city can use bonded money for a building it doesn't own." The difference between publicly owned versus privately owned is the "impact on how soon you'd have to pay it back."

Holland notes that not all buildings can be saved, but adds that only "two out of the 300 buildings that I've seen coming down were actually falling down." She does credit the city with "good information sharing" on vacant properties, and prosecuting people who violate codes. One of the problems with long-term neglect of buildings in the city is "unleashing the buildings from property owners who should never own property," Holland says.

The Albany County auction system has recently come under fire. The basic concept seems fine: sell tax delinquent or abandoned property at a discounted rate to an interested buyer who will then return viable property to the tax rolls. But the reality is that the system is "buyer-beware," and many people get in over their heads.

Mary Rozak, spokesperson for Albany County, says that, "The largest issue that complicates the county collections process is sale to bidders who fail to perform needed repairs, fail to make needed repairs, and are eventually reforeclosed for unpaid taxes."

Many have questioned why buyers are not better selected. "Bidders are not current pre-qualified," says Rozak. "The process is currently run as an open attendance event—anyone can come and bid. Resolution 80 of 2008 requires submission of a form detailing planned projects and future use when 20 percent certified funds deposits are made. All bids are then required to be approved by the legislature to authorize sale, with those forms provided for consideration. Bidders are screened by the county for delinquent taxes, by the city for outstanding codes violations prior to that legislative approval."

There is a system that differentiates between the different levels of repairs needed, and the most severe cases require interested bidders to fill out an 11-page qualifying form. Once the building is sold, the county does not follow up on maintenance. "Unfortunately, once sold, the properties are in the jurisdiction of the city in terms of compliance with codes," says Rozak. "As the delinquent tax collector and enforcing officer, the county

has no role in the code enforcement process on privately owned buildings under existing laws."

As seen on TV: This row of houses on Sheridan Avenue was a photo clue on Jeopardy! Photo by Erin Pihlaja.

Sue Kimball, at Albany's Department of General Services, says, "We only board up the first floor, because we don't have a lift or the equipment to board up the rest. The owner is required to board it up." If DGS has to do any repairs to the property, that bill, and one for the board up, goes to the owners. If they don't pay it, it is tacked on to the tax bill. If the city pays it, the county reimburses the city for the costs.

The city bears the burden of not only keeping track of theses hundreds of properties, but also trying to keep them from falling to the ground while title issues are sorted out. It takes approximately three years for the county to foreclose on a building, and officials involved tack another year on to that just to accommodate paperwork issues. A lot can happen in those four years.

There are many organizations in the area that offer development resources to communities and individuals who want to better their neighborhoods. Many work on the street level on up to the federal level in terms of funding and outreach. But many people feel that a central organization needs to be created to bring all of the entities with ideas and solutions under one umbrella.

"The issue is how to get those buildings fixed, and rehabbed now," says HAF's Holland, "and put them into the hands of someone who can do something with them." Holland

was a fan of the idea of applying for the opportunity to be designated as a New York state recognized land bank.

"The land bank was one of the tools in the solution," she says. "It had the tools to have community involvement and a place where they are working on this everyday. We [at HAF] do, but there's things we can't do."

Gov. Andrew Cuomo signed a law in July 2011, allowing 10 municipalities in the state the opportunity to create land banks once their applications were approved by New York state's Empire State Development agency. The established land banks would be not-for-profit corporations able to take control and redevelop vacant or abandoned properties. The ESD land banks are able to acquire property by way of "gift, devise, transfer, exchange, foreclosure, purchase," among other methods. This ability was seen by some as a way to cut down on the red tape that often kept properties in limbo for years while the county attempted to foreclose on them.

While no initial funding was offered by the state, language in the guidelines for ESD land banks indicated that funding may be available in the future. Financing the operation would otherwise come from grants and profits from real estate transactions, and the land banks were allowed under the guidelines to receive "fifty percent of the real property taxes collected on any specific parcel of real property identified by such municipality, school district or any taxing jurisdiction." Though not perfect, the ESD land bank cut through parts of a complicated system to dedicate a steady funding stream to fighting urban blight.

A grassroots organization formed in Albany with the hopes of getting the city's Common Council and the Albany County Legislature to agree to apply. The Common Council passed a resolution in favor of the proposal, and County Executive Dan McCoy gave the measure his support, but after a year of planning and positive community momentum, it was defeated in the county legislature. Supporters were devastated.

Albany County Legislator Chris Higgins was one of the original architects of the Albany Land Bank. "There's no harm in applying," he says. "We don't even want that opportunity? It's offensive to citizens and people who live in this city." Higgins says that the community involvement was one of the most gratifying parts of the planning process. At planning meetings he says that "there weren't enough seats for people."

Michael Guidice, a community organizer and resident of Albany's Mansion Hill neighborhood, was also deeply invested in the Albany Land Bank movement. Guidice is one of the examples that you don't hear about during Albany's heated blight conversations, even though there are plenty out there. He bought his first property at the auction when he was 19 years old. He successfully rehabbed it, doing much of the work himself. Since then, he has purchased and fixed two other abandoned properties.

"We need to stop looking at our housing stock as if it's a liability," he says. "I've always been interested in seeing Albany manage what I see as its assets—vacant buildings.

Property taxes are the way we make our money in this city; we might want to pay attention to property."

Guidice also saw the land bank as a successful tool. "The land bank is its own entity. It's not a city or county program. It's a dedicated entity."

Waiting for a plan: Higgins wants action. Photo by Erin Pihlaja.

Two spots have opened up again for the application process, and Higgins is hoping that there is a slim chance that the county will decide to try for the May deadline. If not, Higgins and Guidice hope that the counter proposal made by the Albany County Legislature Majority Leader Frank Commisso Sr. will be the answer to Albany's ever growing blight problem.

Commisso has his doubts about the success of the ESD Land Bank program. His proposal would also set up a board of directors and seek partnerships with other interested parties including developers. Currently he is in talks with Habitat for Humanity (who he says are "excited"), and the Touhey Home Ownership Foundation.

Charles Touhey, who says that "land banking is important and the only way we're going to rebuild this city," also wants to be involved but says that his organization is still "waiting and watching to see how the county wants to proceed." Touhey is also interested in the idea of urban pioneers, and programs that encourage individuals to assist in the revitalization of their neighborhoods. The idea is one being explored by others in Albany.

Susan Cotner, executive director of the Affordable Housing Partnership of the Capital Region, says her organization focuses on first-time homeowners but has also been involved in programs to revitalize area neighborhoods. A recent project aims to reinvigorate the Albany area known as Sheridan Hollow. Cotner says that rehabbing the physical properties is one part, but that "jobs are a big piece of it. We've got to bring more employment opportunities to downtown."

AHP's newest initiative is called Take Stock in Your Block. This pilot project takes a regional approach to urban blight and seeks to join forces, and resources, with other municipalities fighting the same battles. According to the plan's outline: "The program will be implemented in Albany, Schenectady, Troy, and Cohoes" and would allocate assistance to "local private owners—who have already invested in their neighborhood and therefore have the most stake in the success of their neighborhood—to rehabilitate and/or demolish (for green spaces) nearby vacant buildings that they purchase." Repair grants to leverage private financing would be available to qualifying participants.

Commisso's plan has yet to address that aspect; in fact, it seems to steer opportunities away from the hands of individuals. The spring county auction was canceled, and while it is certainly a flawed system, many are concerned that it has been eliminated forever. Commisso contends that that isn't the case, but there is no certain date for its reinstatement.

Early criticisms of Commisso's plan were that it was "vague and lacked focus." Since he unveiled it in January, it has taken a rather aggressive form.

Jacobson of Habitat for Humanity, says that he likes the plan because "Frank is thinking big." The first step is a thorough inventory of the vacant, abandoned, and problematic properties. Should Habitat become an official partner, Jacobson says that the next phase would be a pilot phase, in which the county's version of a land bank would identify two or three "census tracks" to develop. Possibly 200 to 300 properties would be involved in this initial phase.

Jacobson asks, "What does the city want? The reality of restoring these building as quickly as possible." Which he says will involve another two or three big projects similar to the pilot phase. Eventually it would not be unrealistic to assume that Commisso's land bank would seek to gain control of all of the 1,000 or so properties already in foreclosure or on the brink of it.

Those properties would be remediated (toxic substances removed) before interested buyers would have access to them. The idea would be to eliminate speculative and ill-equipped investors from acquiring the properties without improving them. Before those properties were controlled by Commisso's land bank, he says the county would be open to selling them to qualified, interested parties.

At that public meeting in April, when questioned about whether or not eminent domain would be implemented to gain control of properties, Commisso replied, "I'm not sure of that." When the question was posed again, he said, "It's not off the table."

Both Commisso and Jacobson feel that this type of approach is what will cure Albany of its urban blight for good, and there are plenty of people are desperate to hear that a solution is on the horizon. People like Dougherty of West Hill, who don't feel comfortable in their own homes. Still, it's a large undertaking, and a risky one to put on the backs of just a few entities.

Historically, the idea hasn't been entirely successful in Albany. While the project scope was different, in the mid-1980s, Albany's city historian Tony Opalka worked on a project headed by Vulcan, Inc. He was proud to be a part of that endeavor. Eighty-two foreclosed properties on Clinton Avenue and in the Ten Broeck Triangle were designated for renovation, which included historic preservations. "It was $13 million, 27 years ago," says Opalka. "That's a lot of money." Each property received an historic tax credit, and the project boasted 100 percent certified rehabs.

Opalka says that the project finished on time and he believes on track with its budget, so in some ways it was an enormous success. There were mixed-income units, and a mix of commercial and residential spaces. But after a murder associated with crack cocaine happened on Clinton Avenue, he says, many of the properties stayed empty. "It didn't work out the way we had hoped," he recalls. Eventually, some of the properties were sold to private owners, but the others went back into foreclosure. Most of the right elements of success were there, with the exception of dispersement of responsibility, and liability, to more than one company.

The greatest thing Albany has going for it, is that no matter who gets involved in the urban-blight debate, everyone wants to see the problem fixed. They want to be an active part of the solution. Because at the end of the day, there are people who live in the city, who look out of their windows and see nothing but boarded up buildings that used to house families and friends.

Jackie Jenkins-Cox is expecting to take some Albany officials on a walking tour of her neighborhood later this week. She's excited to show them around, because when she looks around the streets of West Hill, she doesn't just see graffiti or weathered gray boards where curtained-framed windows used to be. She sees yesterday's memories and tomorrow's promises. "A lot has changed here," she says. "But I still see the people; a lot of the faces are still the same."