

# **An Integrated Approach to Fighting Blight and Poverty in Buffalo's Low-income Neighborhoods**

A Partnership for the Public Good Report

## **Introduction**

Recently released Census data confirms the City of Buffalo is now among the very poorest and most blighted large cities in the United States. The report pegs Buffalo's poverty rate at 29.9%, ranking second behind only Detroit. This news was released within days of Buffalo Mayor Byron Brown's announcement of his "5 in 5" Demolition Plan. This plan sets a goal of demolishing 5,000 houses in five years, on the road to stabilizing Buffalo's vacancy rates.

These events are distinct, but the problems that they highlight -- the urgent need to address Buffalo's extreme concentration of poverty and the need to combat the proliferation of urban blight -- are inextricably linked. Blight and poverty need to be addressed simultaneously, through a multifaceted approach. The following brief outlines this kind of framework for the revitalization of Buffalo.

## **Context**

The National Vacant Properties Campaign (NVPC), in its 2006 report, *Blueprint Buffalo*, cited the 2000 Census finding of 23,000 vacant housing units in the city. Each abandoned property imposes huge costs on the City (in operating and maintenance expenditures) as well as its most vulnerable residents (in decreased wealth from housing stock depreciation, increased nuisance crime, increased insurance premiums, etc.). Given the tendency for property abandonment to beget more property abandonment, the proliferation of these vacant houses only furthers neighborhoods' vicious spiral downward, and the tally in its wake has almost certainly increased given Buffalo's continued population losses (now containing approximately 16,500 fewer residents in 2006 than 2000). Those unable to escape this slide of disinvestment are the only residents left in some of these neighborhoods, exacerbating the debilitating effects of concentrated poverty.

An increase in demolition activity is certainly necessary given the estimated 10,000 abandoned structures in the city. To combat the blight which encourages disinvestment, the Brown Administration has recognized the need to step up the pace of demolitions in the recently announced "5 in 5" Demolition Plan, which -- consistent with the City's Comprehensive Plan -- proposes taking down 1,000 vacant homes a year for five years. To fulfill this goal, the Administration sets out an ambitious ask of more than \$75 million, mainly from state and federal sources.

It is true that Buffalo cannot solve this problem with existing resources, and, particularly given the prior State Administration's shameful record of contributing to abandonment through the MBBA scandal, it is entirely appropriate for the State to play a major role in

supporting these efforts. Federal transportation, housing, and trade policy has for decades likewise contributed to this decline, justifying their involvement as well. However, the reality of the situation on the ground confirms demolition alone will not solve the complex crisis of vacant and abandoned property throughout the City of Buffalo and, increasingly, throughout Erie County and Upstate New York. If at the end of five years, 5,000 demolitions represents the only action taken to combat vacancy and abandonment, thousands of additional properties will have been left to rot in the interim, contributing to and likely accelerating, the cycle of blight in which our neighborhoods have become trapped.

Any serious program which seeks to reverse the continuing concentration of blight and poverty in Buffalo's neighborhoods must include a coherent plan to stop the flood of abandonment, must focus on strategic neighborhoods, and must bring greater resources and legal changes to strengthen code enforcement, housing rehabilitation, foreclosure prevention, anti-flipping, and anti-predatory lending efforts.

Although offering bullet points on demolition priorities once houses have been marked for removal, the City's "5 in 5" demolition plan lacks a strategy for determining which structures should be restored, which should be deconstructed, and which must be demolished. The plan also fails to acknowledge this evaluation will vary widely depending on neighborhood and market conditions. Unfortunately, the information released regarding their grant application to Empire State Development's Restore New York follows a similar course. A more comprehensive approach to addressing Buffalo's vacant property crisis needs to be both clearly elucidated and swiftly implemented.

With respect to a systematic approach to combating physical blight, the *Blueprint Buffalo* report offers a series of guiding principles and specific steps—including the establishment of a regional Real Property Intelligence Network and the creation of a Land Bank Authority—to stem the tide of abandonment and reestablish stability in mixed- and low-income neighborhoods. Any official strategies to be employed in this plight should seriously consider the recommendations offered as a result of this year-long study of the Buffalo area conducted by national experts in the field of vacant property reclamation.

To its credit, New York State has acknowledged the need for a multifaceted approach through Empire State Development's Restore New York program. The recently let Restore New York Request for Proposals (RFP) makes clear this is much more than a State sponsored demolition program. The intent of these funds to spark neighborhood revitalization through specific and tangible projects that will increase private sector confidence and spur economic opportunity, and it seeks to do so by making available a flexible pot of funds which allows for strategic demolition, rehabilitation, and new construction that, together, weave a holistic approach to community redevelopment.

Last year, Buffalo received a \$3 million allocation of Restore New York funds from the State which was earmarked for housing demolition, and an increased allocation of Restore New York funds for housing demolition is a necessary component of Mayor

Brown's "5 in 5" Demolition Plan. PPG supports an increase in Restore New York funding for Buffalo to the maximum level for a single city of \$20 million in 2008, however, support for this increased award is predicated on a blight reduction strategy that fully employs the variety of tools allowable under the Restore New York guidelines, as single strategies are likely to perform poorly under the State's scoring guidelines. The list of properties the City publicly released in anticipation of their application does not make adequate use of these tools to rebuild our communities.

### **Recommendations for Further Action**

The Restore New York approach mirrors one component of the Living Laboratory concept recommended by *Blueprint Buffalo*, which was unanimously endorsed by the Common Council. A Living Laboratory for vacant property would help generate new ideas, concepts, and momentum by rewarding innovation and relaxing or reconfiguring regulations on state and federal resources directed to redevelopment. PPG offers the following action steps and policy suggestions as a starting point to an engaged dialogue with City, State, and Federal officials about meeting the needs of Buffalo's communities through future funding allocations and policy decisions.

#### **I. Allocate Additional Funding for Vacant Property Assessment and Strategic Planning**

Among the initial recommendations of the National Vacant Property Campaign's *Blueprint Buffalo* report, produced in coordination with LISC, the University at Buffalo's Regional Institute (UBRI) and the Amherst IDA, is the establishment of a Regional Real Property Intelligence Network. Such a tool is a vital resource for combating Buffalo's crisis of abandonment, but there is currently no reliable source of data on existing abandoned properties, or indicators of future abandonment. Without an integrated intelligence network, tracking the spread of property abandonment and enacting strategies to respond to these declining neighborhood situations before they reach crisis point has been a guessing game at best.

UBRI has indicated a willingness to house this network, which would perform a comprehensive assessment of abandoned parcels and keep up-to-date information on abandonment trends from a wide variety of data sources. Local, State, and Federal funds should be allocated to an assessment and strategic planning effort in order to produce:

- (1) A dependable, continuously updated data bank containing indicators of abandoned properties and parcels in the Buffalo region, compiled from a variety of governmental, private, non-profit data sources;
- (2) A strategic assessment of which districts should be prioritized for demolition and either redeveloped or retained as greenspace.

## **II. Integrating State Anti-Poverty Efforts With Blight Reduction Funding**

After decades of decline, Buffalo now needs a large-scale effort to reconceptualize and restore its infrastructure, building stock, and urban fabric. This must be seen as an opportunity to also bring economic opportunity into neighborhoods that have been struggling since the collapse of heavy industry and the onset of suburbanization.

### **A. Create a Flexible Funding Stream for Neighborhood Revitalization for Buffalo's Non-Profit Community**

Learning from the example established by Restore New York, New York State should create a flexible project-based funding stream for non-profits and their community partners. Currently nonprofits suffer through a maddening set of hoops for each project they wish to complete, be it a commercial building, small apartment complex, senior facility, or a single family home. Separate state agencies offer widely divergent application processes, timelines, requirements, benchmarks, eligibilities, and reporting mandates.

By offering an RFP that allows a non-profit, or coalition of non-profits, to employ a more comprehensive project-based approach to community development, the state would unleash the untapped potential and vision of Buffalo's nonprofit sector. Projects applications would contain not a single property, but a grouping of properties and projects within a defined target area that showed positive indicators for long-term revitalization. Not only would this free nonprofits from burdensome regulations, but clustered revitalization activities would actually increase the impact on communities and, thus, the effectiveness of state funds.

Eligible uses of program funds within each project could include:

#### **Housing Rehabilitation**

The program should support the rehabilitation of property in strategic investment corridors. Funds should be available for a mix of income levels, tailored to the target neighborhood, for home-ownership, traditional rental, and cooperative living units. Allowing access to such funds by qualified nonprofit organizations would ensure that monies are spent not simply to comply with the state's one-size-fits-all regulations, but to mirror the needs and opportunities the neighborhoods possess.

Buffalo's nonprofit organization also have relationships with low-income individuals in need of employment in the neighborhoods they serve, and are actively connecting housing rehabilitation with economic opportunity for these underserved populations, adding an additional anti-poverty dimension to this work.

### **Housing Deconstruction**

Program monies could support the emerging “green industry” of housing deconstruction, which substantially reduces landfill waste while capturing high-quality salvaged building materials for re-sale at affordable prices. The Mayor’s “5 in 5” references deconstruction as a viable alternative to demolition, and this program could support this effort by making deconstruction, and the reuse of building materials, a specific allowable and encouraged element of the scoring process.

### **Weatherization**

Funding weatherization, which includes insulation, weather-stripping and window replacement, is an effective means of stabilizing Buffalo’s housing stock while reducing the housing burden on the poor. Currently, as energy costs rise, utility bills comprise an ever larger portion of the low-income household budget as Buffalo’s housing stock is, in large measure, not properly weatherized.

Locally, Weatherization Assistance Programs (WAP) have long waiting lists. However, a WAP client who uses natural gas for heating saves an average of \$461 per year after weatherization. Allowing flexible funding for weatherization for owners and renters as part of an overall neighborhood revitalization strategy will help keep low-income residents in their homes, contribute to abatement of the foreclosure crisis and prevention of further abandonment.

### **Greenspace Management**

Innovative solutions to the Upstate crisis of vacancy and abandonment, should be eligible for program funding. As Buffalo’s urban population has been halved in the preceding half-century, the reality of the housing and commercial markets dictates new concepts of redevelopment, including an emphasis on both short and long-term green infrastructure, must be pursued. Several area nonprofits have proven most effective in managing reclaimed urban greenspace for a variety of purposes including food production, neighborhood beautification, and blight removal. Nonprofit greening initiatives provide stewardship over neglected and often unbuildable property, which in turn created assets from liabilities and increases neighboring property values.

## **B. Include Low-income Hiring as a Criteria for Disbursement of Community Redevelopment Funds**

With limited economic opportunity emerging in low-income communities, state sponsored housing demolition, deconstruction, rehabilitation and weatherization efforts could provide an effective avenue for viable employment for neighborhood residents. Increased levels of government

resources directed at improving infrastructure conditions in impoverished neighborhoods should mandate that all participating municipalities and nonprofits give priority in hiring to low-income city residents and pay a living wage. Buffalo community groups including Buffalo ReUse and the Urban Community Corporation are ready and willing to hire and train low-income youth for community rebuilding purposes.

### **III. Bring Existing Federal Resources to Bear on the Problems of Struggling Neighborhoods**

The federal government also has a role to play in realigning resources to combat the crisis of abandonment in older industrial cities. Major national policy changes are needed to create economic conditions in which America's older industrial cities can thrive. While rallying around these far reaching changes should be a medium to long-term goal of our community, short term actions can be employed to marshal resources for our region within the existing policy landscape.

Though Representative Slaughter has been successful in bringing targeted demolition funds to the Crescent Village redevelopment project in Broadway Fillmore, demolition resources are less prevalent coming from the national level than the state level. Representative Higgins and Senator Clinton should also be applauded for their attention to this issue through the recently introduced Neighborhood Reclamation and Revitalization Act of 2007, which would bring additional resources to cities for demolition of neglected structures and for reclamation of vacant properties beginning in 2009. In the short term, however, rather than expecting Buffalo's federal representatives will be able to wrestle small pots of discretionary spending for housing demolition, these representatives should be called on to perform a comprehensive analysis of Federal programs to determine what resources from a variety of existing sources could be tapped to bring down problem properties.

Many abandoned houses are not simply vacant, but are places of drug and/or gang activity, and several have been previous targets of arsonists but remain standing. The pending Gang Abatement and Prevention Act of 2007 may be an opportunity to tap funding for removal of gang occupied or targeted structures. The Drug Enforcement Agency may also be a source to approach for the removal of known drug houses, and stipulations could be made that seized cash could be used for abatement of structures from which it was recovered. FEMA's US Fire Administration may also have a role to play in bringing down houses that have burned but remain standing. These are just a few examples of regulatory and program flexibility that can lead the way to accomplishing established program goals while addressing the crisis of abandonment by expanding the parameters of allowable uses of existing funds.

## **Conclusion**

The multi-million dollar investments needed to address Buffalo's blight epidemic should also be used to help restore the social and economic fabric of Buffalo's challenged neighborhoods in multiple integrated ways. This task is an economic, moral, and ecological imperative. Our community is wasting huge amounts of resources and creating tremendous pollution by continuing to sprawl into the exurbs while struggling communities are neglected and their residents are becoming increasingly removed from the mainstream economy. Far from being confined to the City of Buffalo, however, the detrimental effects of governmental policies on existing communities are quickly reaching our inner-ring suburbs and rural areas. Without a commitment to making existing neighborhoods attractive and livable, we will be unable to direct new investment toward a rational growth strategy and the current problems will persist, if not worsen. An increased commitment to rehabilitating, renovating and weatherizing salvageable housing while eliminating properties that are irreparable not only aids this goal but cuts pollution and helps combat entrenched poverty.

Governor Spitzer has stated many times that real economic development for Buffalo will be a lynchpin of his administration. Indeed, tangible and measurable economic development, not just for Buffalo's downtown core, but in Buffalo's neighborhoods, should be a yardstick by which all of our government officials' performances are measured. These officials must acknowledge there can be no real economic development for Buffalo without a thorough and comprehensive approach to property abandonment prevention and remediation. Across all levels of government and sectors of the economy, we must rally behind a wide-ranging strategy for rebuilding viable neighborhoods and assisting underserved residents to benefit from increased economic opportunity.

## **About the Partnership for the Public Good**

The Partnership for the Public Good is a new project of the Coalition for Economic Justice. CEJ has joined with community groups such as Buffalo ReUse, the WNY Homeless Alliance and PUSH Buffalo to promote a community-oriented vision of a revitalized Buffalo. At the web-site <http://ppg-buffalo.wikispaces.com>, you can find more information about PPG, including a policy brief called "Achieving a Greater Buffalo" with detailed ideas about building on Buffalo's assets for a greener, fairer, more vibrant future.