Town of Penfield Supervisor’s Column
January 14, 2019

I am dedicating this week’s column to the Registration of Defaulted Mortgage and Vacant Property Ordinance adopted by the town board on January 2, 2019. This new legislative tool requires lending institutions to register foreclosed properties with the town of Penfield and provide specific contact information for the management of each property. It gives our town government more influence over derelict and vacant “zombie” homes located in Penfield and owned by individuals and lenders.

This Ordinance is being amended to our Town Code as Chapter 260 and it is effective immediately. It promises to benefit every neighborhood in Penfield because it establishes a process to identify, regulate, and limit the number of zombie properties caused by defaulted mortgages and other financial circumstances.

The Problem

To the frustration of many property owners and town officials, zombie houses can be found in just about any neighborhood in Penfield. As I write this column, there are 118 foreclosed properties in Penfield, and another 70 are in pre-foreclosure. As properties linger in financial uncertainty they often deteriorate, inviting crime and vandalism that result in blight and a decline in property values.

On a regular basis, residents call the town hall to complain about the impact of derelict properties in their neighborhoods. Understandably, residents want to know why zombie properties are allowed to languish with no apparent actions or consequences.

The unsatisfying answer is that historically, local governments have had little influence over the behavior of banks and lending institutions as they buy and sell mortgages at an alarming rate. While municipalities play “musical chairs” to identify responsible parties and hold them accountable for property maintenance, financial institutions are free to be vague, inconsistent, and unmotivated to maintain their assets. Such runarounds can go on for months or even years as foreclosed properties continue to decline. In fact, it takes about 1,100 days to complete the foreclosure process in New York.

In Monroe County, municipalities are left to take action and incur costs by hiring resources to perform basic maintenance like lawn mowing or window repair. Fees for that work are added directly to property tax bills. Prior to 2017, Monroe County reimbursed municipalities for those expenses. They would ultimately collect the fees from property owners with County/Town tax payments. That scenario changed in 2017 when Monroe County stopped reimbursing local governments in advance of tax collection. Now, local governments foot the bill and must wait to be reimbursed after County/Town tax bills are ultimately paid.

The Solution

What’s a town like Penfield to do? This: create a legal requirement for banks to register defaulted mortgages with the town, add fees and penalties, outsource the entire process to an organization that is dedicated to holding lenders accountable for property maintenance, and generate income in the process.

As of January 2, 2019, step one in that process is in the books with the adoption of the Registration of Defaulted Mortgage and Vacant Property Ordinance. On January 10, 2019, the town took the next step by entering into an agreement with ProCHAMPS, a service provider that specializes in identifying and tracking zombie properties, contacting responsible parties, and registering them per town code. With this agreement, there is no cost to the Town of Penfield. ProCHAMPS manages the contact process, collects registration fees, and then shares revenue and property data with us.
The Benefits

The Registration of Defaulted Mortgage and Vacant Property Ordinance gives the Town of Penfield legislative muscle to hold deed owners and financial institutions accountable for their properties. Fees and penalties for neglect will motivate lenders to act on and remedy complaints.

By working with ProCHAMPS, the town gains a new tool to fight blight and generate revenue. A dedicated ProCHAMPS team will work on behalf of the town to identify and track responsible parties and monitor property maintenance issues. Town code officers will have easy access to a web-based management tool to register complaints and communicate with all parties and ProCHAMPS.

The Penfield community will benefit because code enforcement officers can effectively act on complaints, thereby protecting property values and minimizing the risk of vandalism and crime associated with blighted homes.

With the new Ordinance and decision to partner with ProCHAMPS, the town is positioned to gain control over a chronic problem that has been frustrating and costly for all. Once this process is in place this spring we can look forward to seeing action taken at neglected properties. We will also start to see some revenue from mandatory registration fees that we will reinvest back into local code enforcement efforts.

Penfield will be joining the towns of Greece and Gates in utilizing ProCHAMPS in Monroe County to address these derelict and vacant “zombie” homes within our community.

If you have any questions please contact our Building/Zoning/Code Enforcement Office at 340-8637. Additionally, you can go to https://prochamps.com to learn more about the company and their process.

Until next week, continue to enjoy the mild weather.

Tony

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