

THE SUFFOLK COUNTY LANDBANK CORP
REAL PROPERTY ACQUISITION POLICY

A. DEFINITIONS.

As used herein, the following terms shall have the meaning set forth below.

- a. "Board" shall mean the Board of the Suffolk County Landbank Corporation.
- b. "Acquisition" or "Acquire" shall mean the transfer to The Suffolk County Landbank Corporation of title, tax lien or any other beneficial interest in real property in accordance with this Policy, and the Laws of the State of New York.
- c. "Policy" shall mean this Policy, as amended from time to time by resolution of the Board.
- d. "Holding Period" shall mean the estimated time period that the SCLBC will hold an acquired parcel of real property and which shall be estimated prior to the Board considering the Acquisition.
- e. "SCLBC" shall mean The Suffolk County Landbank Corporation, a Land Bank Corporation organized under New York State Not-For-Profit Corporation Law.
- f. "N-PCL" shall mean the New York Not-For-Profit Corporation Law as amended from time to time.
- g. "PAL" shall mean the New York Public Authorities Law, as amended from time to time.
- h. "Purchase" shall mean that process of Acquisition of Real property by the Suffolk County Landbank Corporation whereby consideration of any kind is given to a third party transferor by the Suffolk County Landbank Corporation for the compensation of the third party transferor in reference to the Real property Acquired, except that "Purchase" shall not include acquisition of property or tax liens for nominal consideration.
- i. "Real Property" shall mean lands, lands under water, structures and any and all easements, air rights, franchises and incorporeal hereditaments and every estate and right therein, legal and equitable, including terms for years and liens by

way of judgment, mortgage or otherwise, and any and all fixtures and improvements located thereon.

- j. “Fair Market Value” shall mean the amount for which property would sell on the open market if put up for sale, taking into consideration comparable sales of similar property in the area to determine market value, adding or deducting amounts based on differences in quality and size of the property. Fair Market Value shall also include, but not be limited to the potential cost of rehabilitation and/or environmental remediation.
- k. “Real Property Committee” shall mean a committee consisting of the SCLB Treasurer and Executive Director formed pursuant to Resolution SCLB 2015-09 in order to facilitate the expeditious acquisition of vacant, bank foreclosed homes through the National Community Stabilization Trust (“NCST”) First Look Program.
- l. “Eligible Townships” shall mean the Towns of Townships of Babylon, Brookhaven and Islip.
- m. “Cost and Feasibility Estimate” shall mean an estimate from a non-profit community housing provider contracted by the SCLB that includes the following information:
 - 1. Estimated costs of rehabilitation in conformity with municipal codes;
 - 2. Estimated time for completion of construction;
 - 3. Whether potential rehabilitation work would require municipal building permits;
 - 4. An assessment of estimated after-construction sales price based on area comparables;
 - 5. An assessment of estimated sales price to a buyer at 120% of the HUD area median income (HUD AMI), 100% HUD AMI, and 80% HUD AMI.

B. CONTROLLING LEGISLATION.

- a. PAL §2824(e) requires the SCLBC to establish a written policy concerning the acquisition of real property by the SCLBC. The N-PCL places statutory restrictions upon the ability of the SCLBC to acquire real property.

- b. This Policy is intended to be consistent with and shall be construed in accordance with the PAL and N-PCL. The SCLBC shall acquire real property in accordance with this Policy, the PAL and the N-PCL.

C. ACQUISITION OF PROPERTY BY THE SCLBC

- a. **Methods of Acquisitions.** The SCLBC may acquire real property or any interest in real property by gift, devise, transfer, exchange, foreclosure, purchase or otherwise on terms and conditions that the SCLBC considers proper.
- b. **Board Approval.** The SCLBC shall not acquire any interest in any real property by purchase unless such purchase is authorized by a vote of two-thirds of the board as required pursuant to N-PCL § 509. Acquisition of real property for nominal consideration, or by other than purchase shall require a simple majority vote of the board. Notwithstanding the foregoing, as authorized by N-PCL § 509(c) and Resolution SCLB 2015-09, the Real Property Committee may acquire by unanimous vote, vacant, bank foreclosed homes through the National Community Stabilization Trust (“NCST”) First Look Program within Eligible at a purchase price not to exceed \$250,000 per house. Provided, however, the Real Property Committee shall provide each SCLB board member a completed Residential Acquisition and Rehabilitation Program NCST Property Checklist for each property which the Committee votes affirmatively to acquire within 24 hours of such vote.
- c. **Geographical Area Limitation.** The SCLBC shall not own any real property outside of the jurisdictional boundaries of Suffolk County in compliance with N-PCL § 1608(e).
- d. **Character of the Property.** Pursuant to N-PCL § 1608(g) the acquisition of real property by the SCLBC from entities other than the County of Suffolk, shall be limited to real property that is tax delinquent, tax foreclosed, vacant or abandoned; provided however that the SCLBC may purchase other real property consistent with an approved redevelopment plan.
- e. **Inventory List.** Pursuant to N-PCL §§ 1608(h) and 1608(i) within one week of the acquisition of any parcel of real property, the SCLBC shall inventory the acquired parcel in a publicly available inventory list. The list shall include the

following details regarding every parcel of real property so acquired i) the location; ii) the purchase price; iii) the current assessed value; iv) any amount owed to a locality for real property taxation; iv) the identity of the transferor; and, v) any conditions or restrictions applicable to the property. Every parcel of real property acquired by the SCLBC shall remain on the inventory list at least one week prior to any disposal of any interest in said real property. Failure to comply with the provisions of this section (C.e) shall, with regards to any individual parcel of real property, cause the acquisition of that parcel to be null and void as required by N-PCL § 1608(j).

- f. Appraisal. Prior to acquiring a parcel of real property, the SCLBC shall perform an appraisal, either internal or independent, of the fair market value of said real property.
- g. Maintenance Consideration Factors. Prior to authorizing the acquisition of a parcel of real property, the board or the Real Property Committee, as the case may be, should, when feasible, consider the following maintenance consideration factors:
 - i. Taxes- any taxes remaining unpaid for the current tax status year that will be required to be paid, current special assessments and projected special assessments for the holding period.
 - ii. Utilities- any projected utility charges during the holding period.
 - iii. Routine Land Maintenance- projected costs during the holding period for mowing, tree maintenance, and snow removal.
 - iv. Trash Removal- estimated trash removal costs for properties in immediate need, as well as projected costs during the holding period.
 - v. Property Structure Maintenance- projected costs during the holding period for: i) repair or remediation of immediate dangers (demolitions, partial demolitions, structural repairs); ii) repairs required to maintain the habitability of occupied structures; iii) repairs necessary to protect the investment of the SCLBC (roofs, siding, painting, pointing, board ups of windows and doors); iv) discretionary repairs to comply with codes, or to improve marketability, and v) removal of trash, debris and

abandoned property from abandoned or vacated structures intended to be marketed for resale.

- vi. Legal Costs- projected to be expended by the SCLBC for the property including potential evictions, leases, tenant or prior owner workouts, clearing of title, representation for acquisition, representation for disposition, and any other foreseeable legal costs to be incurred by the SCLBC during the holding period.
- vii. Marketing- any normal or special projected, estimated or anticipated costs associated with the marketing of the property for resale during the holding period.
- viii. Appraisal- a reasonable estimate of the appraisal cost associated with the resale of the property taking into consideration the character of the property and the price normally paid for such services.
- ix. Environmental costs- estimated environmental costs associated with acquiring and holding the property during the holding period, required prior to disposing of the property, and potential future claims for environmental remediation; including but not limited to asbestos removal, lead paint remediation, removal and disposal of hazardous substances accumulated on the property and any remediation related to potential contamination of the earth and/or ground water.
- x. The maintenance requirements imposed by N-PCL § 1608(d).

D. FACTORS TO BE CONSIDERED PRIOR TO ACQUISITION

- a. When contemplating an acquisition of a parcel of real property the board or Real Property Committee, as the case may be, shall consider the following factors when applicable:
 - i. Any environmental contamination that is known to be present on the real property, or may be present on the real property due to prior known past uses historically associated with environmental contamination.
 - ii. The estimated or appraised value of the real property.

- iii. A list of any known liens on the real property which includes the name of the lienholder and the amount of the lien, when how and where recorded and any available defenses to the lien.
- iv. Proposals and requests from individuals or entities that identify a specific parcel or parcels of real properties for acquisition and redevelopment which a) act as a catalyst for further development; b) are part of a comprehensive development plan; c) support infrastructure, public and green space development, community space, and urban gardens; or d) reduce blight in the community.
- v. Real Properties where the participation of the SCLBC is necessary to complete the development because of title issues or other failures in the marketplace.
- vi. Real Properties that are occupied or are available for immediate occupancy without the need for substantial rehabilitation.
- vii. Properties that when acquired would support the strategic neighborhood stabilization and revitalization plans of the SCLBC, Suffolk County, or the town or village in which the property is located.
- viii. Real properties that would form part of a land assemblage plan developed or approved by the SCLBC.
- ix. Vacant land including non-conforming and undevelopable parcels of real property which could be placed in a side lot disposition program or support a planned development.
- x. Real properties that would generate income to support the mission, purpose and operations of the SCLBC.
- xi. The maintenance consideration factors for the parcel of real property and the availability of funds for maintenance of the parcel of real property.
- xii. Real properties that have a designated end use in place prior to acquisition.
- xiii. The financial resources available for acquisition.

- xiv. The operational and financial capacity of the SCLBC at the time of the proposed acquisition.
 - xv. The estimated time for which the real property will be held by the SCLBC.
 - xvi. Any contractual obligations which would compel the acquisition or which would be effected, or impaired by the acquisition of or the failure to acquire the real property.
- b. With respect to real property acquisitions by the Real Property Committee, the following criteria shall also be considered by the Committee:
- i. Length and cause of the property's vacancy;
 - ii. History of criminal and/or municipal complaints recorded against property;
 - iii. Existing local revitalization efforts;
 - iv. Information provided by a Cost and Feasibility Estimate;
 - v. Limiting the number of acquisitions in any Eligible Township to no more than four houses and acquiring at least one house located in one of the five zip codes within such Eligible Townships as identified by the Empire Justice Center as having the greatest foreclosure impact.
- c. Consideration of Factors. In considering the factors outlined in Section (D-a) each board member or Real Property Committee member, as the case may be, may assign their own weight to any factor, and may consider and weigh other factors not listed therein.