

A RESOULTION ENACTING OFFICIAL POLICY AND GUIDELINES FOR
ACQUISITION OF REAL PROPERTY

WHEREAS, on February 14th, 2017 the Board of Directors of the Nassau County Land Bank Corporation duly convened a meeting and a quorum existed, and;

WHEREAS, the Board of Directors was requested to approve a resolution adopting official policies and guidelines for the acquisition of real property, in accordance with New York State Public Authorities Law Section 2824(e) and the Not-For-Profit Corporation Law, and;

WHEREAS, the Board of Directors affirmatively and unanimously voted to adopt the aforementioned policies and guidelines; now, therefore, be it

RESOLVED, that effective immediately the Nassau County Land Bank Corporation has adopted the Real Property Acquisition Policy attached hereto:



NASSAU COUNTY LAND BANK CORPORATION

REAL PROPERTY ACQUISITION POLICY

PURPOSE

The primary focus of Nassau County Land Bank Corporation (the “Land Bank”) operations is the acquisition of real property that is tax delinquent, tax foreclosed, vacant or abandoned within the jurisdictional boundary of Nassau County.

The Land Bank shall acquire real property in accordance with this Policy and relevant laws. Pursuant to New York State Public Authorities Law (“PAL”) Section 2824(e), the Land Bank is required to establish a written policy concerning the acquisition of real property. The Not-for-Profit Corporation Law (“N-CPL”) places statutory restrictions upon the ability of the Land Bank to acquire real property. This Policy is intended to be consistent with and shall be construed in accordance with the PAL and N-PCL. Pursuant to such law, the decision to acquire real property will be made by affirmative vote of the Directors of the Land Bank or such duly appointed Real Property Committee, in accordance with the By-Laws. The Land Bank will maintain an inventory of all acquired real property and make it available for public inspection on its website.

Section I. DEFINITIONS.

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

- a. "Board" shall mean the Board of Directors of the Nassau County Land Bank Corporation.
- b. "Acquisition" or "Acquire" shall mean the transfer to The Nassau County Land Bank 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 Land Bank will hold an acquired parcel of real property and which shall be estimated prior to the Board considering the Acquisition.
- e. "Land Bank" shall mean the Nassau County Land Bank Corporation, a Land Bank Corporation organized under Article 16 of the 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 Nassau County Land Bank Corporation whereby consideration of any kind is given to a third party transferor by the Nassau County Land Bank 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.

Section II. ACQUISITION OF PROPERTY BY THE LAND BANK

- a. Methods of Acquisitions. The Land Bank 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 Land Bank considers proper.
- b. Board Approval. Consistent with N-PCL § 509 the Land Bank shall not Acquire any interest in Real Property by Purchase unless such Purchase is authorized by the affirmative vote of the Board in accordance with the By-Laws.
- c. Geographical Area Limitation. The Land Bank shall not own any real property outside of the jurisdictional boundaries of Nassau County in compliance with N-PCL § 1608(e) unless authorized pursuant to an intergovernmental cooperation agreement with the municipality located outside of Nassau County.

- d. Property Type. Pursuant to N-PCL § 1608(g) the acquisition of real property by the Land Bank from entities other than the County of Nassau, shall be limited to real property that is tax delinquent, tax foreclosed, vacant or abandoned or property acquired from any municipality pursuant to N-PCL § 1608(f); provided however that the Land Bank may purchase other real property consistent with an approved redevelopment plan.
- e. Determination of Fair Market Value. Prior to acquiring a parcel of real property, the Land Bank shall determine the Fair Market Value of said real property by appraisal or broker price opinion. Side lot acquisitions may be exempt from this determination upon approval of the Board.
- f. Maintenance Consideration Factors. Prior to authorizing the acquisition of a parcel of real property, the Board when feasible, consider the following maintenance consideration factors:
- *Taxes*: any taxes, special assessments or ad valorem levies remaining unpaid for the current tax status year that will be required to be paid, or projected taxes, special assessments or ad valorem levies during the holding period.
 - *Utilities*: any projected utility charges during the holding period.
 - *Routine Land Maintenance*: projected costs during the holding period for mowing, tree maintenance, and snow removal.
 - *Trash Removal*: estimated trash removal costs for properties in immediate need, as well as projected costs during the holding period.
 - *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 Land Bank (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.
 - *Legal Costs*: projected to be expended by the Land Bank 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 Land Bank during the holding period.
 - *Marketing*: any normal or special projected, estimated or anticipated costs associated with the marketing of the property for resale during the holding period.
 - *Appraisal*: a reasonable estimate of the appraisal or broker price opinion cost associated with the resale of the property taking into consideration the character of the property and the price normally paid for such services.
 - *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.

- The maintenance requirements imposed by N-PCL § 1608(d) or any State or local laws regarding abandoned or vacant property maintenance.

Section III. ACQUISITION CRITERIA

In considering the Acquisition Criteria each Board member may assign their own weight to any factor, and may consider and weigh other factors not listed herein. When contemplating an acquisition of a parcel of real property the Board shall consider the following Acquisition Criteria where applicable:

- 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.
- The estimated or appraised value of the real property.
- A list of any known financial liabilities 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.
- 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.
- Real Properties where the participation of the Land Bank is necessary to complete the development because of title issues or other failures in the marketplace.
- Real Properties that are occupied or are available for immediate occupancy without the need for substantial rehabilitation.
- Properties that when acquired would support the strategic neighborhood stabilization and revitalization plans of the Land Bank, Nassau County, or the town or village in which the property is located.
- Real properties that would form part of a land assemblage plan developed or approved by the Land Bank.
- 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.
- Real properties that would generate income to support the mission, purpose and operations of the Land Bank.
- The maintenance consideration factors for the parcel of real property and the availability of funds for maintenance of the parcel of real property.
- Real properties that have a designated end use in place prior to acquisition.
- The financial resources available for acquisition.
- The operational and financial capacity of the Land Bank at the time of the proposed acquisition.

- The estimated time for which the real property will be held by the Land Bank.
- Any storm-hardening costs associated with the property as required by State or local law
- 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.

The Land Bank retains the right to modify this Policy at any time, including as necessary to comply with changes in law or new policies and programs of the Land Bank.