



ALBANY COUNTY

LAND BANK CORPORATION

DISPOSITION OF REAL AND PERSONAL PROPERTY POLICY

SECTION 1. PURPOSE

This policy (the "Policy") sets forth guidelines for the Albany County Land Bank Corporation's (Land Bank) disposal of real and personal property in accordance with the mission and purpose of the Land Bank and all applicable laws. The Land Bank has also instituted application and enforcement requirements and processes as part of this Policy which are set forth in Appendix A and B respectively.

SECTION 2. DEFINITIONS

- a. "Land Bank" shall mean Albany County Land Bank Corporation.
- b. "Contracting Officer" shall mean the person responsible for the Land Bank's compliance with, and enforcement of, this Policy and such person shall be the Executive Director of the Land Bank.
- c. "Dispose" or "disposal" shall mean transfer of title or any other beneficial interest in personal or real property in accordance with Article 16 of the New York State Not-For Profit Corporation Law.
- d. "Property" shall mean personal property or real property regardless of value, and any other interest in property, to the extent that such interest may be conveyed to another person for any purpose, excluding an interest securing a loan or other financial obligation of another party.

SECTION 3. GENERAL DUTIES

- a. The Land Bank shall:
 - i. maintain adequate inventory controls and accountability systems for all property owned by the Land Bank and under its control;
 - ii. periodically inventory such property to determine which property may be disposed of;
 - iii. produce a written report of such in accordance with Section 3(b); and
 - iv. transfer or dispose of such property as promptly as possible in accordance with this Policy.
- b. The Land Bank shall:
 - i. maintain for public review and inspection a complete inventory of all property owned by the Land Bank. Such inventory as to real property shall include: the location of the parcel; the purchase price, if any, for each parcel owned; the current value assigned to the property for purposes of real property taxation; the amount, if any, owed to the locality for real property taxation; the identity of the transferor; and any conditions or restrictions applicable to the property. All parcels received by the Land Bank shall be listed in such inventory within one week of acquisition and shall remain in such inventory for one week prior to disposition; and;

- ii. maintain for public review and inspection a complete inventory of all real property dispositions by the Land Bank. Such inventory shall include the name of the purchaser, a complete copy of the sales contract, including all terms and conditions including, but not limited to, any form of compensation received by the Land Bank or any other party which is not included within the sale price. All real property dispositions shall be listed on the property disposition inventory within one week of disposition. Such report shall also include a list and full description of all personal property disposed of. Such records shall remain available for public inspection in the property disposition inventory indefinitely. Such report shall be delivered, no less than annually, to all agencies required by law including the Comptroller of the State of New York, the Director of the Budget of the State of New York, the Commissioner of the New York State Office of General Services, the Director of the Authority Budget Office and the New York State Legislature (via distribution to the Majority Leader of the NYS Senate and the Speaker of the Assembly).

SECTION 4. TRANSFER OR DISPOSITION OF PROPERTY

a. **Supervision and Direction** Except as otherwise provided herein, the Contracting Officer shall have supervision and direction over the disposition and sale of property of the Land Bank. The Land Bank shall have the right to dispose of its property for any valid purpose.

b. **Custody and Control** The custody and control of Land Bank property, pending its disposition, shall be performed by the Contracting Officer.

c. **Method of Disposition** Unless otherwise permitted, the Land Bank shall dispose of property by sale, exchange, or transfer, for cash, credit, or other consideration as provided for herein, with or without warranty, and upon such other terms and conditions as the Land Bank or the Contracting Officer deems proper. The Contracting Officer may execute such documents for the transfer of title or other interest in property and take such other action as is necessary or proper to dispose of such property under the provisions of this Policy.

d. **Validity of Deed, Bill of Sale, Lease, or Other Instrument** A deed, bill of sale, lease, or other instrument executed by or on behalf of the Land Bank, purporting to transfer title or any other interest in property of the Land Bank in accordance herewith shall be conclusive evidence of compliance with the provisions of this Policy and all applicable law insofar as concerns title or other interest of any bona fide grantee or transferee who has given valuable consideration for such title or other interest and has not received actual or constructive notice of lack of such compliance prior to transfer of title of such property.

SECTION 5. DISPOSITION POLICIES AND CONSIDERATIONS – ACLB property dispositions and demolitions will comply with all statutory requirements and be guided by the following general criteria:

- a. Activities benefitting neighborhoods and residents impacted by long term disinvestment and historically discriminatory policies and practices such as redlining
- b. Activities that will serve underserved populations and communities to help address disparities in housing conditions and income as a result of generations of discriminatory housing and lending practices which have been exacerbated by the COVID-19 pandemic.
- c. Activities that advance active municipal plans created with input from residents, organizations, and institutions
- d. Activities that support housing, economic and community development priorities and opportunities for residents with low to moderate incomes

- e. Activities, including but not limited to demolitions, to eradicate properties that impact the health, safety, or welfare of neighborhoods
- f. Activities that leverage public, private, not-for-profit, and philanthropic funds
- g. Activities that create or preserve quality, affordable and mixed income housing
- h. Activities that support first time homebuyers, help build wealth, increase local ownership or stabilize neighborhoods

SECTION 6. DISPOSITION METHODS AND PROGRAMS – disposition of any real or personal property must be approved by the Board of Directors

a. Negotiated Sale

1. Competitive Listing: Open market competition may be used to establish the fair market value of Land Bank property. Staff shall list properties for sale on the Land bank’s website and may list properties for sale with a licensed real estate broker to solicit such competition.
2. Listing Price: Listing price will be determined by staff based on a comparative market analysis, consideration of the extent of renovations needed and, as needed, consultation with a licensed real estate broker or agent. The Contracting Officer is empowered to negotiate a proposed purchase price with interested purchasers, taking into consideration all reasonable business and financial justifications for accepting offers above or below listing price.
3. Award of Purchase Contract: The Contracting Officer will present the Board of Directors with a summary and analysis of the offers received for a particular property, making a recommendation as to which offers are reasonable and consistent with the Land Bank’s mission and purpose.

The Board of Directors, in its sole discretion, may sell property to an Applicant for less than Fair Market Value and/or Listing Price based on a variety of factors. Properties are not required by law or other policy to be sold to the Applicant who has submitted the highest purchase offer (i.e. sell for less than fair market value). The Land Bank may sell property consistent with the Land Bank’s mission and purpose including, by way of example but not limited to, the submission of a redevelopment plan which provides for (i) a more comprehensive renovation of the property, (ii) owner occupancy, (iii) a valuable community service, or (iv) other benefits to the surrounding neighborhood(s), community, municipality, or Albany County.. The Board of Directors will also take into consideration other aspects of the Purchase Offer, including, but not limited to, the Applicant’s qualifications and experience, financial capacity, the quality and extent of their redevelopment plan, and the planned/proposed use for the property and geographic proximity, when selecting to which Applicant it will enter into a purchase contract. In addition, a number of defined discount programs are contained in this Policy which may result in a property being sold for less than fair market value.

b. Requests for Proposals A Request for Proposals (RFP) or similar instrument may be used for the disposition and redevelopment of certain properties identified by the Land Bank to solicit from a specific pool of potential buyers, to allow a greater length of time for interested buyers to develop an offer and development plan, or to solicit development proposals that meet certain criteria set forth by the Land Bank. As with negotiated sales, offers to redevelop property submitted in response to a Land Bank RFP are NOT public bids for development, but rather offers to purchase and develop properties. The Board of Directors will consider the purchase price offered, the planned use, the scope of the redevelopment plan,

the buyer's qualifications, and capacity to complete the project, and the funds available for redevelopment, in addition to the content of the response to specific criteria or questions contained within the RFP, when selecting a winning proposal.

c. Direct Sale The Board of Directors may authorize the sale of property to a buyer without first undertaking the other methods of disposition set forth herein when it determines that the sale is consistent with the Land Bank's mission and purpose and provided the buyer is qualified to purchase, develop or otherwise return the property to productive use as set forth in this Policy.

d. Discount/Preference Programs The Land Bank has adopted the following discount and/or preference programs in order to support activities which advance the Land Bank's mission and purpose:

- i. Tenant to Home Owner Program** The Land Bank may provide a preference to Applicants who are lawful tenants of at the time the Land Bank acquires a property to be disposed of pursuant to this Program. The Land Bank will encourage participants and all first-time homebuyers to take home buyer education courses and to receive other financial counseling from a provider approved by the Land Bank.
- ii. Affordable Housing Development Program** In order to realize a community benefit derived from the development of affordable housing, the Land Bank may sell certain properties, including properties with vacant buildings, at a discounted price to Applicants who plan to develop income-restricted affordable housing. In order to qualify for this discount, the development must be subject to restrictive covenants or otherwise regulated by an affordable housing funder for a defined affordability period.
- iii. Inclusive Neighborhoods Program** In order to encourage the development of permanent affordable housing and create more affordable housing opportunities for economically disadvantaged Albany County residents in the City of Albany, the Land Bank may make available certain properties located in higher opportunity neighborhoods in the City of Albany to the Albany Community Land Trust ("Land Trust") at a discount. Under this program, residential properties in eligible neighborhoods will be available for purchase by the Land Trust. The Land Trust shall renovate the property, if needed, and sell to a low-income buyer who will occupy the Land Trust home as their Principal Residence and abide by the affordability restrictions outlined in their 99-year ground lease.
- iv. Temporary Community Uses Program** The Land Bank recognizes the economic, environmental, and social value of temporary community uses (i.e. census events). Accordingly, the Land Bank may sell or lease certain unimproved residential parcels for a nominal fee to Applicants who plan to utilize such uses for temporary community uses. Any lease agreement entered into by the Land Bank and a lessee pursuant to this Temporary Community Uses Program.
- vi. Residential Side-Lot Program** The Land Bank may sell certain vacant residential lots for a discounted price to property owners who own lots which are directly adjacent to such vacant lots. Owners of adjacent, well-maintained properties are the most likely purchasers to maintain and /or improve these vacant lots, thereby enhancing the value

of the buyer's property, beautifying the surrounding neighborhood, and improving surrounding property values.

- vii. Spend a Little, Get a LOT!** The Spend a Little, Get a LOT! program is designed to create more opportunities for responsible neighborhood residents to own a vacant lot on their block. The goal of this program is to stabilize neighborhoods by increasing local property ownership. Under the program, the Land Bank will identify participating lots and make them available for purchase homeowners and qualified tenants whose primary residence is within a 500 sq ft radius of the identified property. In the event of multiple purchase applications for the same participating lot, the Land Bank shall consider factors as set forth in the Spend a Little, Get a LOT! program guidelines. Income-qualified buyers may receive discounted closing costs, as determined by the Land Bank.
- viii. Equitable Ownership Program** The Equitable Ownership Program (EOP) is a program that combines discounted buildings with education and financial resources to help create more affordable first-time home ownership opportunities for individuals and families residing or relocating to Albany County. Subject to inventory, the Land Bank will select and market certain properties under this program from time to time.
- ix. Lots for Less** The Lots for Less program is designed to help return vacant lots back to productive use and expand opportunities for residents and locally based organizations to acquire property and invest in revitalizing their community. Under the program, the Land Bank will identify participating lots and make them available for purchase by eligible buyers at a discounted purchase price. The discounted purchase price for participating lots includes standard closing costs that may include, but not be limited to, closing legal fees, basic tax searches, and county recording fees, as determined by the Land Bank. The purchase price does not include title insurance. Participating lots are selected based upon considerations that include, but are not limited to, geographic location, length of time in portfolio, level of interest, marketability, physical or other constraints. All properties sold through the program include a 5-year deed reverter. Selected buyers are responsible for ensuring that their property and intended use of the property is compliant with all laws, regulations, and ordinances. Applicants are responsible for ensuring that their intended use of the property is compliant with all laws, regulations, and ordinances. Purchasing a property from the Land Bank does not constitute an approval for your stated use. Any and all funds expended in connection with submitting a purchase application or redevelopment plan are at the sole cost and expense of the applicant.
- x. Additional Discount/Preference Programs** From time to time, the Land Bank may adopt, by Resolution of the Board of Directors, additional discount, or preference programs in furtherance of its purpose or mission.

e. Disposition of Personal Property The Land Bank may dispose of personal property in accordance with its mission, including through Negotiated Sale, Request for Proposals and Direct Sale, as well as by donation. The Land Bank may utilize contractors or professional services to dispose of personal property providing any revenue generated from such disposal is used to support the Land Bank's mission and purpose. When determining the method of disposition, the Land Bank shall utilize the method which shall permit obtaining such competition as is feasible under the circumstances and which is consistent with the

value and nature of the personal property proposed for disposition (including whether the personal property involved has qualities separate from the utilitarian purpose of such property, such as artistic quality, antiquity, historical significance, rarity, or other qualities of similar effect, that would tend to impact the value thereof), and which will be most advantageous to the Land Bank, price and other factors considered, and which shall further the interests of and be consistent with the mission and purpose of the Land Bank.

f. Leasing It may be in the best interest of the Land Bank and the furtherance of its mission to lease its real property under certain circumstances, including but not limited to, the following:

- i. **Existing Occupants.** In order to avoid displacing persons occupying real property at the time it is acquired by the Land Bank, the Land Bank may enter into lease agreements with any such persons. The Land Bank may offer occupants relocation assistance if the real property is not habitable or if the occupants are unwilling to enter into lease agreements.
- ii. **Properties Pending Sale.** The Land Bank may lease an occupied parcel of real property for which a sale is pending in order to allow the occupant to enhance the value of the real property and prevent vandalism, to which vacant properties are susceptible.

SECTION 7. LAND BANKING AND PLANNED DEVELOPMENT

In some instances, the Land Bank may acquire, assemble, and hold multiple properties in connection with redevelopment project, program, strategy or plan consistent with the mission and purpose of the Land Bank. Those plans will be developed with input from relevant stakeholders including but not limited to, a municipality, nonprofit organizations, and community organizations.

Once the plan has been developed and the properties assembled, the Land Bank may solicit partners to take control of the Properties and achieved the desired outcome. The Land Bank may issue a Request for Qualifications, Proposals or similar instrument to identify potential buyers who possess the vision, experience, capacity and financial strength to purchase, develop and manage the properties in a manner consistent with the Land Bank's goals.

Upon selection of a partner by the Land Bank's Board of Directors, the Land Bank will enter into a purchase contract with the selected partner that sets forth the timelines for implementing the plan or project and taking control of the properties, the purchase price and any related restrictions.

SECTION 8. MISCELLANEOUS

a. **Modification and Amendment; Filing** These guidelines are subject to modification and amendment at the discretion of the Land Bank and shall be filed annually with all local and state agencies as required under applicable law.

b. **Posting on the Land Bank Website** This Policy shall be posted on the Land Bank's website.

c. **Annual Review** This Policy shall be reviewed annually by the Land Bank and approved by the Board of Directors of the Land Bank.

APPENDIX A
ALBANY COUNTY LAND BANK
APPLICATION PROCESS

This appendix describes the process for obtaining property from the Albany County Land Bank including eligibility requirements and specific requirements for certain programs.

I. Buyer Qualifications (All programs)

a) All disposals of Land Bank property shall be made to Qualified Buyers. A person or entity, submitting a proposal or offer to purchase property owned by the Land Bank (an "Applicant") must meet the following requirements to be considered a "Qualified Buyer." In the case of an entity comprised of one or more individuals such as a Limited Liability Corporation, this requirement pertains to all members.

1. The Applicant's Principal Residence for the year immediately preceding the date of the Applicant's application was in Albany County or in a neighboring County, the Applicant intends to relocate to Albany County or a neighboring County and can provide satisfactory evidence thereof, or if the Applicant has agreed to engage a property manager located in Albany County to manage the property which is being disposed of pursuant to this Policy. The term "Principal Residence" means the property that the Applicant uses as his or her residence. If the Applicant uses more than one property as his or her residence, the Applicant's Principal Residence is the property in which the Applicant lives for the majority of the time during the year and not less than half of the year;
2. In the event the Land Bank requires the Applicant to complete any renovations or repairs with regard to the property being disposed of pursuant to this Policy, the Applicant has submitted satisfactory evidence that he or she has a feasible plan and adequate financing to complete the necessary renovations or repairs;
3. If requested by the Land Bank, the Applicant has completed a home-buyer education or related course from a provider approved by the Land Bank; and
4. The Applicant has completed an application in accordance with this Policy.

b) An Applicant is ineligible if:

1. At the time of the Applicant's application, there are unpaid and past due taxes with respect to any real property owned by the Applicant;
2. A property owned by the Applicant has been foreclosed upon or subject to a judgement for tax-delinquency by Albany County within the past five (5) years;
3. At the time of the Applicant's application, the Applicant owes amounts for past due bills, fines, or fees with respect to any real property owned by the Applicant;

4. There are open code violations or un-remediated citations or a history of code violations with respect to real property owned by the Applicant;
5. Multiple nuisance abatement cases or proceedings have been commenced with respect to real property owned by the Applicant; or
6. The Applicant, as an individual or entity was the owner of property at the time of tax foreclosure by Albany County. For the purposes of this policy, ineligible parties include shareholders, partners, members, officers of the entity and immediate family members of the individual owners (including, but not limited to spouse, parent, sibling, or child of the Applicant).

The Board of Directors may consider deviating from this criterion if the property in question is the Applicant's principal residence, adjacent to a property owned by the Applicant, and/or the principal source of income and the Applicant: 1) presents compelling evidence excusing their failure to redeem the property prior to its foreclosure for unpaid real property taxes; and 2) demonstrates that they have sufficient funds to pay in full (i) the real property taxes that were due at the time of foreclosure, (ii) any other liens that were extinguished by the foreclosure (or the ability to reinstate such liens), and (iii) the Land Bank's expenses associated with the acquisition and maintenance of the property, along with any related fees required by the Land Bank; and 3) makes all repairs necessary to bring the property into compliance with applicable health, building and zoning laws, rules and regulations, and; 4) demonstrates that they have sufficient income to remain tax-current if they are granted title to the property.

In addition, an Applicant may be disqualified if the Applicant and/or the Applicant's business or a business in which the Applicant has an ownership interest has one or more judgments currently filed against the Applicant or the business and/or has had at least one judgment taken and filed against the Applicant and/or the business.

7. The Applicant, as an individual or entity, was previously approved to purchase a property from the Land Bank but failed to complete the transaction without good cause.
8. The Applicant, as an individual or entity, previously purchased a property from the Land Bank and failed to satisfactorily complete or allow access for proper documentation by the Land Bank of any renovation, development or compliance monitoring requirements agreed to as a condition of purchase.
9. The Applicant does not provide a completed purchase Application, inclusive of all required materials and documentation by the property purchase deadline and/or fails to demonstrate financial resources sufficient to achieve the Applicant's proposed redevelopment plan.

II. Purchase Applications:

Land Bank staff shall develop purchase application forms which Applicants shall be required to complete, so that the Land Bank can evaluate the qualifications of Applicants pursuant to the Buyer Qualifications and select Applicants with development plans that are consistent with the Land Bank's mission and purpose. The information requested in such applications may vary depending on the type of property that the Land Bank is intending sell. The Land Bank may require Applicants to submit redevelopment plans and/or management plans as part of the application process. The Land Bank may require Applicants to submit a contract to purchase with each application.

The Land Bank offers a number of discount/preference programs. In addition to meeting the Buyer Qualification, Applicants for these programs must meet the following program-specific requirements:

a. Applications for Residential Side Lot Program

Applicants must note that they own property bordering the property and meet all the program criteria listed in the ACLB disposition policy. Applications for the Residential Side Lot Program will have the following additional requirements:

Upon submission of a complete application is submitted to the Land Bank on an eligible side lot of Land Bank staff will verify the adjacent ownership, occupancy requirements and lot eligibility to determine if the purchase application and lot may be considered under the Residential Side Lot Program. The Land Bank, at its sole discretion, may determine eligibility.

When applying for this program, Applicants may be asked to provide additional information including, but not limited to the following:

- Household income
- Property ownership information

Applicants may be required to agree to additional enforcement or restrictions (See Appendix B- Enforcement and Compliance Policy for information about the Land Bank's enforcement and compliance policies) as determined by the Board of Directors.

b. Applications for the Equitable Homeownership Purchase (EOP) Program

In addition to the Land Bank's standard application requirements, Equitable Homeownership Purchase Program applicants must meet the following criteria:

- Be a first-time homebuyer (HUD defines first time home buyer as an individual who has had no ownership in a principal residence during the 3-year period ending on the date of purchase (closing date) of the property).
- Have a household income between 50% and 80% of the Area Median Income for Albany County (as defined by the US Department Housing and Urban Development)
- Purchase a EOP participating property (as determined by the Land Bank)
- Complete first-time homebuyer and/or landlord training (if applicable)

- Preference will be given to Albany County residents who reside within Program Area.

Participating properties will be selected by the Land Bank and may include, but may not be limited to, the following attributes:

- 1-2 Family Residence (in the event of a two-family homes, the applicant must occupy as an owner occupant)
- Properties that require a low to moderate amount of rehabilitation.

When applying for this program, Applicants may be asked to provide additional information including, but not limited to the following:

- Other property owned within the 3 years prior to the application
- Total household income
- Completion of first-time home buyer and/or landlord training
- Current residence

c. Applications for the Spend a Little Get a Lot Program

When applying for this program, Applicants may be asked to provide additional information including, but not limited to the following:

- Current residence
- Length of time at current residence
- Total applicant income

Applicants may be required to agree to additional enforcement or restrictions (See Appendix B- Enforcement and Compliance Policy for information about the Land Bank's enforcement and compliance policies) as determined by the Board of Directors.

III. Acceptable Consideration for Property (All Purchases)

In accordance with the terms and conditions of the Land Bank's discount/preference programs, the Land Bank may accept monetary payments, secured financial obligations, covenants and conditions related to the present and future use of any property being disposed of pursuant to this Policy, contractual commitments of the buyer or lessee, and such other forms of consideration deemed appropriate by the Board of Directors.

APPENDIX B

ALBANY COUNTY LAND BANK

ENFORCEMENT AND COMPLIANCE POLICY

I. Purpose and Background

This policy outlines the process by which Albany County Land Bank Corporation (Land Bank) will monitor and enforce enforcement notes, deed restrictions and other related instruments employed by the Land Bank to ensure productive and successful outcomes of real estate transactions and rehabilitation projects.

The primary purpose of the Albany County Land Bank is to facilitate the process of acquiring, improving and redistributing vacant properties, eliminate the harms and liabilities caused by such properties and return properties to productive use in a manner consistent with local redevelopment and comprehensive plans. The Land Bank acquires tax-foreclosed vacant or abandoned properties from Albany County and disposes of them to responsible buyers through an application process that includes a multi-layered review and approval process. All property sales are approved by the Land Bank's Board of Directors. Properties purchased from the Land Bank typically require improvements which are the responsibility of the buyer. As part of the Land Bank's property purchase application, buyers are required to provide a scope of work, proposed budget and rehabilitation timeline.

Land Bank staff reviews these aspects of the application to ensure that the buyer has a fundamental understanding of the level of rehabilitation, timeframe and associated costs in order to increase the likelihood of a successful outcome for the Land Bank, the buyer and the surrounding neighborhood. Property sales requiring significant improvements are subject to an enforcement mortgage that secures a lien against the property. Depending on the buyer's proposal and the desired outcome of a property transaction, the Land Bank may decide to place deed restrictions and/or reverter clauses in a property sale. In some cases deed restrictions may be applied in conjunction with an enforcement note and mortgage.

II. Enforcement Tools and Definitions

- a. Enforcement Note and Mortgage** Property sales requiring significant renovation or improvement are subject to an enforcement mortgage that secures a lien against the property. The Land Bank executes a "Development Enforcement Note and Mortgage Agreement" ("Development Agreement") that sets the Land Bank's lien terms, or enforcement mortgage. As part of this Agreement, the buyer agrees to improve, develop and/or repair the property in accordance with a redevelopment plan, which addresses the scope of the renovations needed. Once the required renovations or improvements are completed to the Land Bank's satisfaction, the Land Bank will discharge the mortgage and the property is deemed to be back to productive use.

Pursuant to the Development Agreement buyers agree to complete any agreed-upon work on the property within an agreed-upon timeframe from the closing sale date ("Completion Date"). On or before the Completion Date, the buyer must provide the Land Bank with a Certificate of Occupancy

from the respective local government's Code Enforcement (or equivalent) Office showing that the property meets code requirements. Upon receipt of the Certificate, the Land Bank must inspect the property to determine if the buyer has met the terms of the Development Agreement and completed the redevelopment plan. If the agreed-upon improvements have been made, the Land Bank issues to the buyer a Certificate of Substantial Compliance and a Discharge-of-Mortgage is filed with the County Clerk. If a buyer does not achieve substantial compliance by the required Completion Date, the Land Bank may give the buyer a 10-day written notice to correct any deficiencies. If a notice is issued and insufficient action is taken by the buyer within the 10 days of the notice, the Development Agreement is considered in default and the Land Bank may exercise its right of reversion of the property and/or begin foreclosure proceedings. If the Land Bank determines, at its sole discretion, that the Land Bank must commence foreclosure proceedings, buyer waives any right to off-set for improvements already made to the property and will be required to deliver to the Land Bank, a Deed-in-Lieu of Foreclosure.

The Land Bank understands that the rehabilitation vacant and abandoned properties require can present significant known and unknown challenges that may impact the buyers' original Development Agreement. It is paramount that buyers notify the Land Bank of any events encountered by the buyer during the project that would impact the buyers' ability to satisfy the Development Agreement. In some cases buyers may be able to request an extension of time to satisfy the Development Agreement. The Land Bank is under no obligation to grant an extension of time to complete the Development Agreement.

- b. **Deed Restrictions** are private agreements that restrict the use of the real estate in some way, and are listed in the deed. Deed Restrictions may limit the use of land and may impose a duty upon the landowner. The Land Bank may place Deed Restrictions in a sale to ensure an agreed upon outcome such as merging two adjoining tax parcels or preserving open space. In some cases deed restrictions may be applied in conjunction with an enforcement note and mortgage. All deeds from the Albany County Land Bank shall have a Five Year "no-flip" clause. This clause means that the buyer may not sell the property without the express written approval of the Land Bank.
- c. **Reverter** A "Reverter" (also called a "Reversion") in the context of real property, means the return to the grantor or his/her heirs of real property after all interests in the property given to others have terminated. Generally, the Land Bank requires a Right of Reversion be granted to the Land Bank should the buyer not improve the property per the Development Agreement, or complete the redevelopment plan by the Completion Date. Reverter clauses are inserted in all Land Bank deeds along with other Deed Restrictions as they apply to each property. A Right of Reversion of the property may be released upon certain conditions being met by the buyer, such as when the buyer decides to sell the property or completes the agreed upon Development Agreement. Buyers may seek a release from the Land Bank. However, the Land Bank is under no obligation to provide a release unless all the conditions of the Reverter and Deed Restrictions have been met. All deeds from the Albany County Land Bank shall have a Five Year no-flip clause. This clause means that the buyer may not sell the property without the express written approval of the Land Bank. All vacant lots will have a reverter clause requiring all properties be brought up to code within Thirty (30) days of the Closing.

III. **Enforcement Procedures**

Adequate procedures to effectively monitor compliance with the Agreements helps to secure the buyers' completion of their redevelopment plans and help the Land Bank meet its mission to eliminate vacant and abandoned properties, lessen the burdens they pose to local governments and communities, improve

quality of life for surrounding residents and grow the local property tax base. The following measures will be taken to ensure timely and effective enforcement:

I. Monitoring

Land Bank Staff shall proactively monitor progress for each Development Agreement and Deed Restriction. Each quarter, Land Bank staff shall contact each buyer via phone and/or email to check in on progress and identify any issues/concerns that may cause an applicant to miss the Completion Date. Record of contact and outcome of engagement shall be recorded in the Land Bank's files to document the outcome of each interaction. Nonresponsive buyers will be considered in default on the terms of the enforcement note and mortgage and are subject to all further actions available to the Land Bank.

Development Agreements, Deed Restrictions, Reverters and related documents may also be subject to monitoring by the New York State Authorities Budget Office and the New York State Attorney General's Office.

II. Reporting

Each quarter, Land Bank staff shall produce a report summarizing the outcome of the quarterly monitoring. Such report shall be submitted to the Executive Director for review and direction on any additional actions as he/she may deem necessary.

III. Inspection

Under the terms of sale, the Land Bank has the right to inspect properties sold to buyers during rehabilitation. Each quarter Land Bank staff shall select, at its sole discretion, a representative sample of properties to inspect. The properties may be selected at random and/or based on concerns identified from field observations, reports from, but not limited to, residents, community groups, municipalities, or discussions with buyers during routine monitoring.

IV. Modification of Completion Dates

In some cases, Completion Dates may be modified by the Land Bank. Any request to modify a Completion Date must be submitted to the Land Bank in writing for consideration by the Executive Director. If approved, the Land Bank may grant a modification to the Completion Date at its sole discretion and issue notification of any such extension to buyer. The Land Bank is under no obligation to grant an extension of the Completion Date. All owners must submit an extension request on the proper form and pay any fees, if applicable, at least Sixty (60) days prior to the expiration of the timeline set forth in the Enforcement Note and Mortgage.

V. Project Completion

Upon the completion of an agreed upon Development Agreement and/or action governed by a deed restriction, the buyer must notify the Land Bank and provide satisfactory evidence of completion. In the event of a Development Agreement such evidence shall include the Residential Occupancy Permit, Certificate of Occupancy - or acceptable equivalent document depending on municipality or project - and schedule a walk-through inspection with Land Bank staff. Upon satisfactory outcome of walk-through,

the Land Bank will initiate the discharge of the appropriate enforcement on the subject property in timely manner. Documentation of the walk-through and evidence of project completion from buyer will be retained in the Land Bank's records. The project will be deemed complete upon discharge of the enforcement mortgage.