Allegany County LAND BANK
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PROPERTY ACQUISITION AND DISPOSITION POLICY

Policies Governing the Acquisition of Properties

The acquisition of properties by the Allegany County Land Bank Corporation, herein referred to as 'Land Bank', shall be governed by the following basic considerations and factors:

The Land Bank shall acquire, to the extent possible, the following types of properties in the following proportions:

Type A Properties – These are properties that show promise in terms of the potential impact for reconstruction. They may be highly visible properties, properties that are identified in a plan, they may be the worst property on a block that otherwise has a decent stock, they may have an unfortunate history, they may have good "bones" (architecturally speaking), or they may have a developer who is interested in investing money into the project (an end game), but cannot afford to get into a bidding war as their future investment in the property will not make economic sense.

Type B Properties – These properties may be undesirable in their current state; however, it is envisioned that with some attention they can be brought up to a state where they are attractive to a reputable developer. It is believed that a conservative investment in cleaning up the property, installing a new roof, etc., would make the property attractive for development. These properties are worth saving based on their location and bones, but may require some attention prior to sale.

Type C Properties –These properties are the " worst of the worst. The "C" properties with structures will be demolished and it is the intent that these properties may often be granted over to an adjoining landowner or to other interests and returned to the tax roll.

In determining the requirements for Land Bank property dispositions, the following are typical considerations to be made. These practices pertain to the transfer of Land Bank properties that may be improved or unimproved:

- Proposals and requests by governmental, nonprofit and for-profit entities that identify specific properties for ultimate acquisition and redevelopment, which: a) act as catalyst for further development; b) are part of a comprehensive development plan; c) support infrastructure, public and green space development; or d) reduce blight in the community. In particular, acquisition will be prioritized where the Land Bank participation is necessary to complete the redevelopment. In the case of municipal involvement, inter-local agreements (if required for development or maintenance) must be in place prior to acquisition.
- Properties located in reinvestment areas that would support strategic neighborhood stabilization and revitalization plans.
- Properties that meet demolition criteria, and such demolition will support blight elimination and neighborhood revitalization plans (Type C Properties). This activity is contingent upon available funding for the Land Bank to facilitate demolition and any partnerships that may involve matching funding, such as HUD CDBG funding.
- Properties that would form part of a land assemblage development plan by either the land bank or partnering entities. (e.g. land banking)
- Vacant, non-conforming, or undevelopable properties that could be placed into a Side Lot Disposition Program or support a planned development (Type C Properties).
- Properties that may generate operating support for the functions of the Land Bank (Type A & B Properties).
- The Land Bank must be aware of environmental conditions, if any. Whenever adverse conditions are identified, a remediation plan with adequate secured funding must be in place prior to any consideration for Land Bank acquisition.
- Properties that would allow for the creation or expansion of green or community space and urban gardens (Type C Properties).
- Properties for which title issues are preventing the property from being developed to its highest and best use.
- Properties that have a designated end use in place prior to acquisition.
- Properties that are near schools, senior centers, or high visible areas that may pose safety issues to the community.
- Selected Properties will support the Land Bank mission.
- Properties with adverse environmental conditions will not be accepted without adequately-funded remediation plans approved in advance by the Land Bank.

Policies Governing the Disposition of Properties

The disposition of properties are typically based upon consideration of two factors: 1) The intended or planned use of the property, and 2) The nature and identity of the transferee of the property.

The disposition of any given parcel will be based upon an assessment of the most efficient and effective way to maximize the benefits of an aggregate of the identified policies and priorities. The Board and Staff of the Land Bank shall at all times retain flexibility in evaluating the appropriate balancing of the priorities for the use of the property, priorities as to the nature of the transferee of properties, priorities concerning neighborhood and community development and methods for how properties will be marketed to potential transferees.

Sample Property Uses

- Owner-occupant housing
- Mixed owner-occupant and rental housing
- Side lots for transfer to adjoining landowners
- Development of public green space (parks and gardens)
- Mixed use development
- Supportive housing
- Commercial retail
- Commercial Office
- Parking

Nature and Identification of Transferees

A. Individuals or families who can demonstrate that they will own, rehabilitate and occupy the residential property for a given period of time.
B. Reputable, experienced and qualified real estate developers, partnerships, limited liability corporations, or joint ventures comprised of private non- profit corporations and a private for-profit entity.
C. Reputable landlords or qualified real estate investors
D. Qualified nonprofits corporations that will hold title to properties on a long-term basis (primarily rental properties) or hold title to the property for purposes of subsequent re-development and re-conveyance to private third-parties for home ownership.
E. In determining the requirements for Land Bank property dispositions, the following are typical considerations to be made. These policies pertain to the transfer of Land Bank properties that may be improved or unimproved.

F. Individuals and entities that were the prior owners of property at the time of the tax foreclosure which transferred title to the County shall be ineligible to be the transferee of such property from the Land Bank.
G. The transferee must not own any real property in New York that includes any of the following: a) un-remediated citation(s) and/or identified violation(s) of any state and/or local codes, laws, and/or ordinances; b) is tax delinquent; c) was transferred to a local government by way of tax foreclosure proceedings.
H. All tax incentives and financing necessary for the development to be completed must be committed for the development prescribed in the development agreement prior to actual disposition.
I. Options to purchase real estate may be available for a specified percentage of the purchase price with a negotiated time frame to be determined by the Land Bank. This fee will be credited to the parcel price at closing. If closing does not occur, the fee is forfeited. All option agreements are subject to all policies and procedures of the Land Bank pertaining to property transfers.
J. A precise narrative description of future use of the property is required. The future use must be in-line with local development plans. The development agreement shall apply to stated use.
K. The proposed use must be consistent with current zoning requirements or a non-conforming use variance or waiver is a condition precedent to the transfer.
L. Transactions shall be structured in a manner that permits the Land Bank to enforce recorded covenants or conditions upon title pertaining to development and use of the property for a specified period of time. Such restrictions may be enforced, in certain cases, through reliance on subordinate financing held by the Land Bank.
M. Approval of any exception(s) and/or deviation to the policies governing disposition shall be at the sole discretion of the Land Bank governing body.
N. If code or ordinance violations exist with respect to the property at the time of the transfer, the development or transfer agreements shall specify a maximum period of time for elimination or correction of such violations, with the period of time be established as appropriate to the nature of the violation of the anticipated redevelopment or reuse of the property.
O. The Land Bank may consider 'Land Leasing,' without obligation, as a potential method of disposition in any transactions.

Land Bank will require potential transferees to submit written plans that must include, at a minimum, the following:

1. Project Description that includes ultimate use of property
2. Development Schedule
3. Investment Plan including purchase price of property and projected development costs
4. Experience of Transferee in undertaking similar projects
5. Three (3) References
6. Any additional information deemed necessary and appropriate in the sole discretion of the Land Bank governing body.

Brokerage of ACLBC Real Estate

Hiring of a real estate broker shall fall under the Land Bank's procurement policy as it pertains to the acquiring of services.

Pricing of ACLBC Real Estate

The Land Bank Board of Directors shall set the sale price of Land Bank owned properties that will be listed with an agent or transferred in any manner.

Policies Governing Development Agreements

In an effort to ensure that development occurs on property transferred by the Land Bank that is consistent with the agreed upon development, and on a reasonable schedule, the Land Bank will require that each property transfer be subject to a development agreement.

Each development agreement will consist at minimum of the following components:

1. Project Description
2. Development Scheduled
3. Project Budget/Financing
4. Enforcement Mechanism

Each development agreement will be drafted by the Land Bank and signed by both the Land Bank and the transferee at the time of transfer.

Side Lot Disposition Program

The Land Bank shall have a Side Lot Disposition Program that encourages the transfer of lots to the contiguous land owner or other entities that will maintain the property, put it into productive use, and pay taxes on it.

Pricing

Properties sold as a side lot to an adjacent owner shall be set at a specific price established by the Land Bank. The cost of title insurance and/or survey is not included in the sale price of the lot, and is the responsibility of the buyer if they so desire.

Additional Requirements

In the event that multiple adjacent property owners wish to acquire the same side lot, the lot shall either be transferred to the highest bidder for the property, or transferred to the property owner that the Land Bank Board feels is most capable of managing and maintaining the property.