SECTION 1. PURPOSE. This policy (the "Policy") sets forth guidelines for the Troy Community 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 law.

SECTION 2. DEFINITIONS.
   a. "Land Bank" shall mean the Troy Community 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 Section 2897 of the New York Public Authorities Law.
   d. "Property" shall mean personal property in excess of five thousand dollars ($5,000) in value, 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. publish, not less frequently than annually, a report listing all real property owned by the Land Bank. Such report shall consist of a list and full description of all real and personal property disposed of during such period. The report shall contain the price received by the Land Bank and the name of the purchaser for all such property sold by the Land Bank during such period; and
ii. deliver copies of such report to all agencies required by law including the Comptroller of the State of New York, the Director of the Budget of 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 senate and the speaker of the assembly).

iii. maintain and make available for public review and inspection a complete inventory of all real property dispositions by the Land Bank. Such inventory shall include 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 property dispositions shall be listed on the property disposition inventory established pursuant to this subsection (iii) of this Section 3(b) within one week of disposition. Such records shall remain available for public inspection in the property disposition inventory indefinitely.

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 for not less than its fair market value 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 section. Provided, however, except in compliance with all applicable law, no disposition of real property, or any interest in real property shall be made unless an appraisal of the value of such property has been made by an independent appraiser and included in the record of the transaction, and, provided further, that no disposition of any other property, which because of its unique nature or the unique circumstances of the proposed transaction is not readily valued by reference to an active market for similar property shall be made without a similar appraisal.

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.

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h. **Board Approval for Disposition of Property.** The Land Bank shall not sell, lease, encumber, or alienate real property, improvements, or personal property unless authorized by a majority vote of the Board of Directors.

**SECTION 5. BUYER QUALIFICATIONS; APPLICATION; CONSIDERATION; DISCOUNT/PREFERENCE PROGRAMS; ENFORCEMENT; LEASING.**

a. **Buyer Qualifications.**

i. All disposals of Land Bank property shall be made to qualified buyers. A person 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":

1. The Applicant's Principal Residence for the year immediately preceding the date of the Applicant's application was in the City of Troy or Rensselaer County, or the Applicant has agreed to engage a property manager located in the City of Troy or Rensselaer 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 course;

4. The Applicant is not disqualified pursuant to subsection (ii) of Section 5(a); and

5. The Applicant has completed an application pursuant to Section 5(b).
ii. An Applicant is disqualified 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 which is located in the City of Troy, New York;

2. A property owned by the applicant has been foreclosed upon for tax-delinquency by the City of Troy or County of Rensselaer;

3. At the time of the Applicant's application, the Applicant owes the City of Troy or Rensselaer County amounts for past due bills, fines, or fees;

4. There are open code violations 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, or any spouse, parent, sibling or child of the Applicant, possessed an interest in the property for which the Applicant is applying to purchase at the time such property was foreclosed upon by the City of Troy or the County of Rensselaer for tax delinquency.

b. **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 and select Applicants with development plans that are consistent with the Land Bank's mission and purpose and the comprehensive plans of the municipalities in which the Land Bank's real property is located. The information requested in such applications may vary depending on the type of property that the Land Bank is intending to sell. The Land Bank may require Applicants to submit redevelopment plans and/or management plans as part of the application process. The Land Bank shall require Applicants to submit a contract to purchase with each application. In addition, the Land Bank shall require Applicants to submit a $500 good faith deposit ($25 of which shall be nonrefundable) with each application, except that applications to purchase residential side-lots or community garden properties will require only a $25 application fee.

c. **Consideration.** 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.
d. **Discount/Preference Programs.** The Land Bank has adopted the following discount and/or preference programs in order to support, through the sale of land bank property, private development activities which further the Land Bank's mission and purpose:

i. **Community Garden/Green Space Program.** The Land Bank recognizes the economic, environmental, and social value of community gardens and green space. Accordingly, the Land Bank may sell or lease certain unimproved residential parcels for a nominal fee to Applicants who plan to develop such parcels into community gardens or green spaces. Any lease agreement entered into by the Land Bank and a lessee pursuant to this Community Garden/Green Space Program will require the lessee to be responsible for all property maintenance and upkeep; obtain any required permits for use or development; comply with all local building, zoning, and property maintenance ordinances; obtain approval from the Land Bank prior to installing improvements exceeding $1,000 in value or placing any signs on the property; and furnish the Land Bank with liability waivers signed by each gardener who will have the right to use the property.

ii. **Residential Side-Lot Program.**

Certain vacant residential lots acquired by the Land Bank may not be readily marketable because of their size, location, or other characteristics. 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 take care of these vacant lots in many instances, thereby enhancing the value of the buyer's property, beautifying the surrounding neighborhood, and improving surrounding property values.

Generally, single vacant lost can enhance the values of adjacent residential property.

1.) **Definition:** A side lot sale is defined as the sale of a single vacant lot (bound by buildings or vacant land owned by others) to the adjacent property owner. Eligible lots must be in an Land Bank focus neighborhood. This includes; West Hill, Arbor Hill, Sheridan Hollow and the South End.

2.) **Buyer Eligibility:** Homeowners of property that is adjacent to (has a shared property line), who occupy their home and live in a focus neighborhood are eligible for the side lot program. If multiple adjacent owner-occupied applicants apply for the same property it is at the sole discretion of the Land Bank Board of Directors to determine the chosen buyer.
3.) Application: At any time that a complete application is submitted to the Land Bank on an available side lot and that the applicant requests review as a side-lot sale, staff will verify the adjacent ownership, occupancy requirements and lot eligibility to determine if the application and lot may be considered under this policy. The Land Bank at its sole discretion may determine that the lot is not eligible due to it being held for site assembly or a higher use as determined by the Land Bank’s property disposition policy.

4.) Price: The sales price for applicants whom meet all of the above requirements and are approved by the Land Bank Board of Directors’ will be $500 plus closing costs. A discounted price of $100 plus closing costs will be available to those who provide documentation showing that they are at 50% or less than the AMI for the Albany-Schenectady-Troy region as defined by HUD. Note that the Board of Directors at its sole discretion may make a sale contingent upon fulling certain requirements. An example of this might be the requirement to merge the side lot with their existing property.

iii. **Affordable Housing Development Program.** Due to the 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.

iv. vi. **Home Owner Choice Program.** The Land Bank may list certain properties as only available for sale to Applicants who plan to occupy the property as their Principal Residence or who will renovate the property and sell to a buyer who will occupy the property as their Principal Residence. This program may be applied to properties being disposed of pursuant to this Policy which are move-in ready or require only minimal renovation. Such promise to occupy as a Principal Residence shall be secured by a second mortgage on the property in the amount of $5,000 which will provide that amount shall be repayable in full should the Applicant or subsequent buyer move or sell the property within 5 years of taking ownership.

v. **Tenant to Home Owner Program.** The Land Bank may provide a preference to Applicants who occupy a property being disposed of pursuant to this Policy as tenants at the time the Land Bank acquires such property. The Land Bank will encourage all first time homebuyers to take home owner education courses and to receive other financial counseling.

vi. **Geographically Targeted Revitalization Programs.** From time to time, the Land Bank may reduce the sales price of properties in a clearly defined geographic area in order to attract multiple private investors, such that the
investors might leverage one another’s investments. These targeted programs will be created by resolution of the Board of Directors. The resolution will define the geographic boundaries of the program, whether it is limited to a certain category of real property, the percentage by which the sales price is to be discounted, and the duration of the program. These programs will be advertised on the Land Bank’s website and in other promotional materials during the course of the program, and the justification for discounting the sales price will be stated in the resolution disposing of each property.

vii. **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. **Enforcement**.

**Enforcement**: Real Estate Disposition Monitoring and Enforcement Policy

i. **PURPOSE AND BACKGROUND**. This policy outlines the process by which 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 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 the City of Troy 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 or rehabilitation which is 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 renovation or improvement 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

1.) 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 considered to 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.

2.) DEED RESTRICTIONS  “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 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
3. **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 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.

4. **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:

5. **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 are subject to monitoring by the New York State Authorities Budget Office and the New York State Attorney General’s Office.

iii. **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.

iv. **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 local residents, Community Advisory Committee members or discussions with buyers during routine monitoring.

v. **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.

**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 Certificate (or 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 enforcement mortgage 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.

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 circumstances:

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 6. LAND BANKING AND PLANNED DEVELOPMENT**

In some instances the Land Bank will acquire a dense concentration of properties in a geographic area and may “land bank” those properties for a period of time prior to advertising them for sale until a coordinated redevelopment plan can be developed. Such plan will include input from relevant stakeholders such as the municipality, community development corporations and neighborhood associations. Once a plan has been developed, certain properties may be appropriate for the Land Bank to hold for a longer period of time until necessary funds have been raised for their redevelopment pursuant to the plan, until the Land Bank has acquired other strategic properties nearby, assembled larger parcels, certain development approvals have been granted, or other necessary conditions to effectuate the plan are met.

Properties identified as appropriate for affordable housing development (see definition of Affordable Housing in 5.d.iii. of this Policy) through such a planning effort will be advertised as available only for redevelopment that accomplishes the objectives stated in the plan. These objectives may include certain income-restrictions/affordability thresholds, restriction to rental or

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owner-occupancy, and minimum standards for the quality of renovation or new construction. Other properties in the plan may be deemed appropriate for sale to private developers or individuals using standard methods to advertise properties for negotiated sale. Particular terms of sale (such as design standards or minimum renovation standards) and/or a hierarchy of preferred redevelopment plans may be adopted by the Board of Directors specific to this geographic area as allowable under 5.d.ix. of this Policy.

In other instances the Land Bank acquires a scattered assortment of properties and moves to list them for sale soliciting competing offers. In both instances the Land Bank will take into consideration that funds may not yet have been awarded for subsidized projects and that the Applicant may not yet be able to demonstrate proof of funds awarded, and the Land Bank may approve the sale with a closing date to occur once proof of funds is obtained and when the applicant is ready to take title and begin work (i.e. land banking it for the project in order to minimize the buyer’s total carrying costs in light of the community benefits these projects provide).

SECTION 7. 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.