



# Annual Report

**Fiscal Year**

# 2014

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Rochester Land Bank Corporation  
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Rochester, NY 14614  
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[www.cityofrochester.gov/landbank](http://www.cityofrochester.gov/landbank)  
Katherine Sheets, Executive Director

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## **Board of Directors**

- Carol Wheeler, Board Chair
- Kate Washington, Board Vice-Chair
- George Parker, Board Secretary
- Kim Jones, Board Treasurer
- Andrea Guzzetta
- Gary Kirkmire
- Dana Miller

## **Corporation Executive Staff**

- Executive Director – Kathy Sheets
- Legal Counsel – Scott Smith, Tom Warth
- Corporation Auditor – Freed Maxick CPAs, PC

## **2014 Board Committees & Membership**

### **Audit**

- Gary Kirkmire, Chair
- Andrea Guzzetta
- George Parker
- Dana Miller

### **Finance**

- Kim Jones, Chair
- Kate Washington

### **Governance**

- Andrea Guzzetta, Chair
- Dana Miller
- George Parker

## **Fiscal Year 2014 Meeting Attendance**

### **July 17, 2014**

Board Members Present:

Andrea Guzzetta, Kim Jones, Gary Kirkmire, Dana Miller, Kate Washington, Carol Wheeler

Board Member Absent: George Parker

**August 21, 2014**

Board Members Present: Andrea Guzzetta, Kim Jones, Gary Kirkmire, Dana Miller, George Parker, Kate Washington, Carol Wheeler

**September 18, 2014 – Annual Meeting**

Board Members Present: Andrea Guzzetta, Kim Jones, Gary Kirkmire, Dana Miller, George Parker, Kate Washington, Carol Wheeler

**October 16, 2014**

Board Members Present: Andrea Guzzetta, Kim Jones, Dana Miller, George Parker, Kate Washington, Carol Wheeler

Board Member Absent: Gary Kirkmire

**November 20, 2014**

Board Members Present: Andrea Guzzetta, Kim Jones, Gary Kirkmire, Dana Miller, George Parker, Kate Washington, Carol Wheeler

**December 18, 2014**

Board Members Present: Andrea Guzzetta, Kim Jones, Gary Kirkmire, George Parker, Kate Washington

Board Members Absent: Dana Miller, Carol Wheeler

**January 15, 2015**

Board Members Present: Andrea Guzzetta, Kim Jones, Gary Kirkmire, Dana Miller, George Parker, Kate Washington, Carol Wheeler

**February 19, 2015**

Board Members Present: Andrea Guzzetta, Kim Jones, Gary Kirkmire, George Parker, Carol Wheeler

Board Members Absent: Dana Miller, Kate Washington

**March 19, 2015**

Board Members Present: Andrea Guzzetta, Kim Jones, Gary Kirkmire, Dana Miller, Kate Washington, Carol Wheeler

Board Member Absent: George Parker

**April 16, 2015**

Board Members Present: Andrea Guzzetta, Kim Jones, Gary Kirkmire, Dana Miller, Kate Washington, Carol Wheeler

Board Member Absent: George Parker

**May 28, 2015**

Board Members Present: Andrea Guzzetta, Kim Jones, Gary Kirkmire, Dana Miller, George Parker

Board Members Absent: Kate Washington, Carol Wheeler

**June 18, 2015**

Board Members Present: Andrea Guzzetta, Kim Jones, Dana Miller, George Parker, Kate Washington, Carol Wheeler

Board Member Absent: Gary Kirkmire

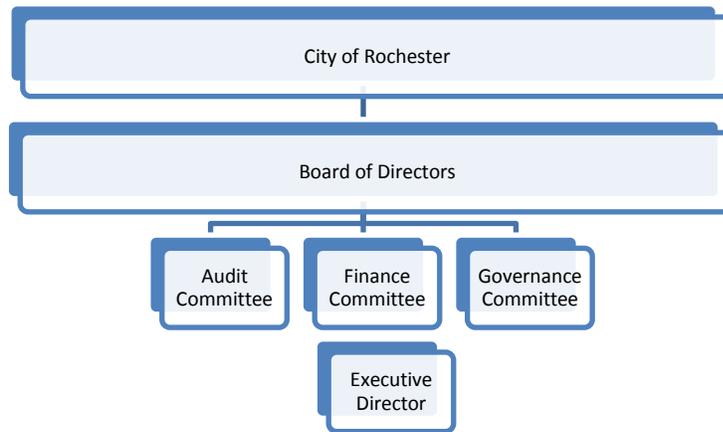
**Compensation Schedule**

There were no managerial employees employed by the Corporation who were compensated in excess of one-hundred thousand dollars (\$100,000.00) in fiscal year 2014.

**Board Members Evaluation**

Appendix A

**Corporation Organizational Chart**



**Reporting to the City of Rochester**

The Rochester Land Bank Corporation was created by the City under the New York State Land Bank Act, and makes its required annual report, as required by that law, to the Rochester City Council. All directors of the Corporation are ex officio members who are officers or appointees of the City of Rochester, or direct appointments to the board by the Mayor and the President of City Council. A

Shared Services Agreement whereby the City of Rochester provides essentially all of the operating support necessary to the Land Bank, including legal and financial services, property maintenance activities, office space and equipment, and all management and staff, is currently in place for a term of five years. Grant funding awarded to the Land Bank has allowed for partial reimbursement to the City for staffing costs, so the hours City staff devote to Land Bank activities are reported. The Land Bank is a component unit of the City of Rochester.

## **Mission Statement and Measurement Report**

The Rochester Land Bank Corporation will return underutilized property to productive use, preserve and create quality housing, enhance the quality of life within neighborhoods, and encourage economic opportunities.

Adopted: October 17, 2013; Reapproved: September 21, 2015

See Appendix B for Measurement Report

## **Corporate Purpose**

“The purpose of the Corporation shall be to acquire and dispose of real property in the City of Rochester that is tax delinquent, tax foreclosed, vacant, or abandoned pursuant to the powers granted to land banks under Article 16 of the Not-for-Profit Corporation Law, and to return vacant, abandoned, or underutilized property to productive use, or to hold such property for strategic uses to promote neighborhood and community revitalization, and to eliminate the harms and liabilities caused by such vacant, abandoned or underutilized property. Provided, further, however, that the Corporation shall have the authority to enter into agreements to purchase other real property consistent with an approved development plan.”

*- Rochester Land Bank Corporation Certificate of Incorporation, August 9, 2013.*

## **Legislation that Forms the Statutory Basis of the Corporation**

### **Section 1600 of the NY Not-for-profit Corporation Law (known as the “Land Bank Act”)**

Appendix C

### **City of Rochester Ordinance No. 2012-416**

Appendix D

### **Bylaws**

Appendix E

## Code of Ethics

Appendix F

## Units or Subsidiaries of the Corporation

The Corporation had no units or subsidiaries in fiscal year 2014.

## Operations Summary

There are seven (7) members of the Board of Directors, five (5) ex officio members, and two (2) appointed members to serve a three year terms.

- Ex Officio Members, officers and appointees of the City of Rochester:
  - City Treasurer
  - Director of Development Services
  - Manager of Housing
  - Director of Inspection and Compliance Services
  - Chief of Staff, City Council
- Appointed Members to serve three-year terms:
  - Appointee of the Mayor of the City of Rochester
  - Appointee of the Council President of the City Council of the City of Rochester

The Executive Director of the Corporation is the Director of Real Estate of the City of Rochester. The Corporation Counsel of the City of Rochester serves as Counsel to the Corporation and has assigned municipal attorneys to advise and represent the Corporation. The City of Rochester provides staff support as an in-kind contribution and grant funding awarded to the Land Bank by the NYS Office of the Attorney General reimburses the City for a full-time Senior Real Estate Specialist. The Land Bank engaged an independent auditor in July 2015. The cost for auditor services will be paid by the City of Rochester under the Shared Services Agreement. The audited financial statements for fiscal year 2014 will be available after September 25, 2015 on the Corporation's website at <http://www.cityofrochester.gov/landbank>.

In the 2014-2015 fiscal year, the Land Bank acquired twenty (20) tax delinquent, tax foreclosed, vacant, or abandoned properties: two (2) were donated and one (1) was purchased from the City of Rochester's bulk tax lien purchaser, two (2) were obtained using the Trump Bid at the City of Rochester Tax Foreclosure Auction, five (5) were purchased from the City of Rochester, and ten (10) were bank-owned donations. The Corporation conveyed seven (7) of those properties for redevelopment projects that will provide quality affordable housing, five (5) for resale to prequalified bidders through established City of Rochester sales programs, and seven (7) for blight removal through demolition.

There were twelve (12) regular public meetings of the Board of Directors of the Corporation in fiscal year 2014. The Land Bank also conducted a Visioning meeting with its Community Advisory Group to discuss community priorities and next steps.

## **2014 Accomplishments**

### **Community Revitalization Initiative (CRI) Grant Program – Round 2**

An application for a second round of funding through the Community Revitalization Initiative grant offered by the New York State Office of the Attorney General was submitted by the Corporation on September 19, 2014, and approved October 10, 2014. The OAG awarded the Land Bank an additional \$1.86 Million: \$540,000 to continue rehabilitation of distressed, tax delinquent properties through the HOME Rochester program; \$300,000 to construct six (6) new single-family homes for owner-occupancy through the Neighborhood Builders program; \$655,500 for a new strategic blight removal program - \$260,500 for acquisitions and \$395,000 for demolitions – to impact vacant structures in areas in proximity to HOME Rochester properties or City of Rochester designated project areas; and an additional \$330,262 for reimbursement to City of Rochester for staff costs. Program funds will be used to rehabilitate a total of sixty-five (65) properties, construct six new in-fill properties around Rochester and to reduce the blighting influence of vacant and abandoned structures in areas of significant public and private investment. Staffing costs are applied as follows: a total of 25% each for the Executive Director, Corporation Counsel Designee, and Administrative Support Staff; 20% for the Land Bank's Legal Advisor; and 100% for the full-time Senior Real Estate Specialist. The term of the grant began January 1, 2014 and has been extended through December 31, 2016. At the end of the Corporation's 2014/2015 fiscal year grant progress was as follows: Thirty-nine (39) properties had been acquired; forty-five (45) properties underwent environmental testing and remediation; and thirty-nine (39) properties had been rehabilitated. The Land Bank also purchased a property through the blight removal program that will be demolished and the building site ultimately used to construct a new home through the Neighborhood Builders Program.

### **Assistance with City of Rochester Initiatives**

By use of the trump bid at Tax Foreclosure Auction, the Land Bank acquired a property that was targeted by Rochester-Genesee Regional Transit Authority for use in the Transit Authority expansion project. RGRTA purchased the vacant property at appraised value in January 2015, eliminating the expense and delay that condemnation procedures would have caused them.

The Land Bank negotiated with Wells Fargo for the acceptance of donations of vacant mortgage-foreclosed structures for the purpose of blight removal, transfer to productive use and for use implementing the City's redevelopment initiatives. To date, ten properties have been accepted and conveyed to the City at no cost for future development projects, resale to eligible purchasers, or for necessary demolition.

## Administrative Activities

At the first annual meeting on September 18, 2014, the following reports were presented to, and approved by the Board:

- Annual Report and constituent reports contained within it:
  - Investment Report
  - Procurement Report
  - Mission Statement & Performance Measures Report
  - Operations & Accomplishments Report
  - Board Member Self-Evaluation Report
- Obtained Audited Financial Statements from FreedMaxick CPAs, P.C. The statements were presented to, and approved by, the Board on September 18, 2014.

In November of 2014, the board reorganized its committee memberships and created formed a Risk Mitigation Strategies working group as an outgrowth of it FY 2013 board member self evaluation. The Land Bank amended its Procurement Policy in December 2014 to include provisions of section 139-j of the State Finance Law, “The Procurement Lobbying Act.”

Also in December, the board voted to become a dues-paying member of the New York State Land Bank Association. NYLBA has decided to apply for 501(c)4 status, which is the not-for-profit corporation status that permits lobbying. The Association has identified the following purposes for itself: to share experiences and make consensus decisions through future Summits, share legal expertise among Land Banks, production of brochures and other marketing tools, providing a statewide and nationwide perspective. The board also resolved to amend the shared services agreement with the City to include demolition services and authorize demolition of blighted properties.

On February 26, 2015, the Corporation’s Chair made the Land Bank’s annual report to the municipality. The Land Bank submitted its application for 501(c)3 tax-exempt Status to the IRS in February 2015. On April 16, 2015 the Land Bank Board adopted a 2015 – 2019 budget and financial plan. The Land Bank’s first tax return was submitted in May 2015.

## Assessment of the Effectiveness of Internal Control Structure and Procedures

This statement certifies that management has documented and assessed the internal control structure and procedures of the Rochester Land Bank Corporation for the fiscal year ending June 30, 2015. This assessment found the corporation’s internal controls to be adequate, and to the extent that deficiencies were identified, the authority has developed corrective action plans to reduce any corresponding risk.

## Fiscal Year 2014 Financial Report

The Public Authority Accountability act of 2005 (PAAA) as amended in 2009 is designed to ensure greater efficiency and accountability for New York’s public authorities, including Industrial Development Agencies. Among the requirements of the PAAA is the preparation of an annual report that is to contain

specified information. This section of the Agency Annual report summarized the financial information required by the PAAA.

## Audited Financials

### Revenue & Expense Summary

OPERATING REVENUES	
NYS Grants	\$ 735,823
Sale of Real Estate	<u>149,392</u>
Total Revenues	885,215
OPERATING EXPENSES	
Acquisition Costs	44,310
Renovation and Construction	600,810
Salary & Benefits	283,539
Other	<u>14,778</u>
Total Expenses	943,437
Change in Net Position	(58,220)
Net Position - Beginning of Year	<u>560,884</u>
Net Position – End of Year	<u>\$ 502,642</u>

### Assets and Liabilities Summary

ASSETS	
Cash & cash equivalents	\$ 614,809
Accounts receivable	--
Due from other governments	<u>--</u>
Total Assets	\$ 614,809
LIABILITIES	
Accounts Payable	43,579
Due to the City of Rochester	<u>68,588</u>
Total Liabilities	\$ 112,167
Net Position	
Unrestricted	<u>\$ 502,642</u>

## Financial Plan

Appendix G

### Bonds

The Corporation has issued no bonds.

### Grants and Subsidy Programs

The Corporation has grant or subsidy programs.

## **Operating and Financial Risks**

The Corporation currently has no operating or financial risks.

## **Long Term Liabilities**

The Corporation currently has no long term liabilities.

## **Real Property Schedule**

As noted on the Annual Real Property Report, Appendix H, the Corporation disposed of six (6) properties with a market value in excess of \$15,000 in the 2014 fiscal year.

## **Description of Pending Litigation**

The Corporation was not involved as a party to any litigation in fiscal year 2014.

## **Description of the total amounts of assets, services, or both assets and services bought or sold without competitive bidding**

The Corporation did not purchase or sell of any assets or services in fiscal year 2014. See Appendix I - Procurement Report.

## **Investment Report**

Appendix J



# Appendix A

## Summary Results of Confidential Evaluation of Board Performance

Criteria	Agree	Somewhat Agree	Somewhat Disagree	Disagree
	#	#	#	#
Board members have a shared understanding of the mission and purpose of the Rochester Land Bank Corp.	7			
The policies, practices and decisions of the Board are always consistent with this mission.	7			
Board members comprehend their role and fiduciary responsibilities and hold themselves and each other to these principles.	7			
The Board has adopted policies, by-laws, and practices for the effective governance, management and operations of the Land Bank and reviews these annually.	7			
The Board sets clear and measurable performance goals for the Land Bank that contribute to accomplishing its mission.	6	1		
The decisions made by Board members are arrived at through independent judgment and deliberation, free of political influence or self-interest.	7			
Individual Board members communicate effectively with Executive Director so as to be well informed on the status of all important issues.	7			
Board members are knowledgeable about the Land Bank's programs, financial statements, reporting requirements, and other transactions.	7			
The Board meets to review and approve all documents and reports prior to public release and is confident that the information being presented is accurate and complete.	6	1		



Criteria	Agree	Somewhat Agree	Somewhat Disagree	Disagree
The Board knows the statutory obligations of the Land Bank and if it is in compliance with state law.	7			
Board and committee meetings facilitate open, deliberate and thorough discussion, and the active participation of members.	7			
Board members have sufficient opportunity to research, discuss, question and prepare before decisions are made and votes taken.	7			
Individual Board members feel empowered to delay votes, defer agenda items, or table actions if they feel additional information or discussion is required.	7			
The Board exercises appropriate oversight of the Executive Director and other staff, including setting performance expectations and reviewing performance annually.	7			
The Board has identified the areas of most risk to the Land Bank and works with Executive Director to implement risk mitigation strategies before problems occur.	5	2		
Board members demonstrate leadership and vision and work respectfully with each other.	7			

Name of Authority: \_\_\_\_\_ Rochester Land Bank Corp. \_\_\_\_\_

Date Completed: \_\_\_\_\_ September 21, 2015 \_\_\_\_\_



## Appendix B

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### Performance Measurement Report FY 2014

**The Rochester Land Bank Corporation will return underutilized property to productive use, preserve and create quality housing, enhance the quality of life within neighborhoods, and encourage economic opportunities.**

Mission Statement, Adopted October 17, 2013; Readopted September 21, 2015

➤ ***Return underutilized property to productive use***

- Through the Community Revitalization Initiative (CRI) grant awarded to the Land Bank by the New York State Office of the Attorney General, fifteen formerly vacant houses were rehabilitated and sold for fair market value in the 2014 fiscal year to first-time homeowners. In addition, the Land Bank negotiated with the City of Rochester's bulk lien purchaser, American Tax Funding Services, to acquire three vacant, tax-foreclosed properties— two donations and one purchase – that will be ultimately become single-family homes sold to owner-occupants through affordable housing programs funded by the CRI grant.
- Five vacant, bank-foreclosed properties donated to the Land Bank throughout the 2014 fiscal year have been conveyed to the City of Rochester for sale to prequalified purchasers through the City's established Real Estate sales programs. Prospective bidders with delinquent taxes or open code violations are prohibited from purchasing properties from the City and owners are required to make the necessary repairs to obtain a Certificate of Occupancy within one year of purchase.

➤ ***Preserve and create quality housing***

- In fiscal year 2014, rehabilitation of thirty single family homes was completed through HOME Rochester , an acquisition/rehab/resale program that uses a Green Specification and meets New York State's Green Building Criteria Checklist standards, then sells to income-qualified (most are at or below 80% of the AMI) homebuyers who do not currently own residential property.
- Also using CRI grant funding, the Land Bank purchased five properties from the City of Rochester that had been vacant and tax-foreclosed, but had not sold at the public auction. These properties were placed in the CRI grant program for rehabilitation and sale to owner occupants through HOME Rochester.



## Performance Measurement Report FY 2014 (cont'd)

### ➤ ***Enhance the quality of life within neighborhoods***

- In October 2014, the Land Bank was awarded a second round of funding by the Office of the Attorney General that, in addition to extending participation in HOME Rochester, will fund the following additional activities: participation in Neighborhood Builders – an affordable housing program that is helping to refresh Rochester’s housing stock by erecting six newly constructed infill houses on vacant City lots that will be sold to income-qualified owner occupants; acquisition and/or demolition of 20-30 vacant, blighted structures in neighborhoods where redevelopment plans or strategies are underway.
- A total of ten vacant, mortgage-foreclosed properties were donated to the Land Bank in the 2014 fiscal year by foreclosing banks. While half were deemed salvageable and will be offered for sale, the five remaining properties could not be rehabilitated in a cost-effective manner – even with public subsidy. The Land Bank was able to convey to the City of Rochester, expediting the demolition process and, thereby, the removal of their blighting influence in their neighborhoods.

### ➤ ***Encourage economic opportunities***

- With the additional funding by Round 2 of the State Attorney General’s Community Revitalization Initiative, the Land Bank now provides funding to two affordable homeownership programs making homeownership, the foundation on which personal wealth is built, reachable to low-income households.
- The CRI grant program is supplying a refreshed source of homes to be rehabilitated through HOME Rochester. This means more business for HOME Rochester contractors – all of whom are based in Monroe County and 47% of whom are Minority or Women Owned Business Enterprises.



## Performance Measurement Report FY 2014 (cont'd)

### ➤ **Build organizational capacity**

- Land Bank Staff and Attorneys attended New York State Land Bank Association Summit. Highlights included workshops with the following topics:
  - The interplay between the Land Bank Act, Not-for-Profit Corporation Law and Public Authority Law presented legal advisors to Rochester's Land Bank
  - Incorporating SEQR into board decisions regarding activities related to real property
  - Investigating Land Bank responsibilities under CERCLA ( aka – the Superfund)

Land Bank staff and attorneys also participate in monthly conference calls of the NYLBA where experience and expertise are shared and collective action is organized.

- The Land Bank entered into an amended agreement with the NYS OAG both extending the term of the Community Revitalization Initiative and increasing the percentage of salary reimbursement for Land Bank staff, including funding an additional legal advisor.
- On May 11, 2015, the Land Bank conducted a Visioning Meeting with its Community Advisory Group to brainstorm answers to the question, "How can the Land Bank make an impact in Rochester Neighborhoods in the next one, two or three years?" The group made recommendations for community engagement and expanded partnerships that the Land Bank began to act on during the 2014 fiscal year and will continue to use as guidance.
- Three board members, three staff members attended the Reclaiming Vacant Properties Conference sponsored by the Center for Community Progress and held in Detroit. The conference included participants and workshop leaders from a variety of communities from New England to New Orleans. In addition to land banks, community development organizations, municipalities, and representatives of federal programs that support community development shared experience and expertise sparking fresh ideas for future Land Bank activities.



# Appendix C

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## Not-For-Profit Corporation

### ARTICLE 16 LAND BANKS

- Section 1600. Short title.
- 1601. Legislative intent.
- 1602. Definitions.
- 1603. Creation and existence.
- 1604. Applicability of New York law.
- 1605. Board of directors.
- 1606. Staff.
- 1607. Powers.
- 1608. Acquisition of property.
- 1609. Disposition of property.
- 1610. Financing of land bank operations.
- 1611. Borrowing and issuance of bonds.
- 1612. Public records and public meetings.
- 1613. Dissolution of land bank.
- 1614. Conflicts of interest.
- 1615. Construction, intent and scope.
- 1616. Delinquent property tax enforcement.
- 1617. Contracts.

#### § 1600. Short title.

This article shall be known and may be cited as the "land bank act".

#### § 1601. Legislative intent.

The legislature finds and declares that New York's communities are important to the social and economic vitality of the state. Whether urban, suburban, or rural, many communities are struggling to cope with vacant, abandoned, and tax-delinquent properties.

There exists a crisis in many cities and their metro areas caused by disinvestment in real property and resulting in a significant amount of vacant and abandoned property. For example, Cornell Cooperative Extension Association of Erie county estimates that the city of Buffalo has thirteen thousand vacant parcels, four thousand vacant structures and an estimated twenty-two thousand two hundred ninety vacant residential units. This condition of vacant and abandoned property represents lost revenue to local governments and large costs ranging from demolition, effects of safety hazards and spreading deterioration of neighborhoods including resulting mortgage foreclosures.

The need exists to strengthen and revitalize the economy of the state and its local units of government by solving the problems of vacant and abandoned property in a coordinated manner and to foster the development of such property and promote economic growth. Such problems may include



multiple taxing jurisdictions lacking common policies, ineffective property inspection, code enforcement and property rehabilitation support, lengthy and/or inadequate foreclosure proceedings and lack of coordination and resources to support economic revitalization.

There is an overriding public need to confront the problems caused by vacant, abandoned and tax-delinquent properties through the creation of new tools to be available to communities throughout New York enabling them to turn vacant spaces into vibrant places.

Land banks are one of the tools that can be utilized by communities to facilitate the return of vacant, abandoned, and tax-delinquent properties to productive use. The primary focus of land bank operations is the acquisition of real property that is tax delinquent, tax foreclosed, vacant, abandoned, and the use of tools authorized in this article to eliminate the harms and liabilities caused by such properties.

#### § 1602. Definitions.

The following words and phrases when used in this article shall have the meanings given to them in this section unless the context clearly indicates otherwise:

(a) "board of directors" or "board" shall mean the board of directors of a land bank;

(b) "land bank" shall mean a land bank established as a type C not-for-profit corporation under this chapter and in accordance with the provisions of this article and pursuant to this article;

(c) "foreclosing governmental unit" shall mean "tax district" as defined in subdivision six of section eleven hundred two of the real property tax law;

(d) "municipality" shall mean a city, village, town or county other than a county located wholly within a city;

(e) "school district" shall mean a school district as defined under the education law; and

(f) "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.

#### § 1603. Creation and existence.

(a) Any foreclosing governmental unit may create a land bank by the adoption of a local law, ordinance, or resolution as appropriate to such foreclosing governmental unit which action specifies the following:

(1) the name of the land bank;

(2) the number of members of the board of directors, which shall consist of an odd number of members, and shall be not less than five members nor more than eleven members;

(3) the initial individuals to serve as members of the board of directors, and the length of terms for which they are to serve;

(4) the qualifications, manner of selection or appointment, and terms of office of members of the board; and

(5) the articles of incorporation for the land bank, which shall be



filed with the secretary of state in accordance with the procedures set forth in this chapter.

(b) Two or more foreclosing governmental units may enter into an intergovernmental cooperation agreement which creates a single land bank to act on behalf of such foreclosing governmental units, which agreement shall be authorized by and be in accordance with the provisions of paragraph (a) of this section. Such intergovernmental agreement shall include provisions for dissolution of such land bank.

(c) Any foreclosing governmental units and any municipality may enter into an intergovernmental cooperation agreement which creates a single land bank to act on behalf of such foreclosing governmental unit or units and municipality, which agreement shall be authorized by and be in accordance with the provisions of paragraph (a) of this section. Such intergovernmental agreement shall include provisions for dissolution of such land bank.

(d) Except when a land bank is created pursuant to paragraph (b) or (c) of this section, in the event a county creates a land bank, such land bank shall have the power to acquire real property only in those portions of such county located outside of the geographical boundaries of any other land bank created by any other foreclosing governmental unit located partially or entirely within such county.

(e) A school district may participate in a land bank pursuant to an intergovernmental cooperation agreement with the foreclosing governmental unit or units that create the land bank, which agreement shall specify the membership, if any, of such school district on the board of directors of the land bank, or the actions of the land bank which are subject to approval by the school district.

(f) Each land bank created pursuant to this act shall be a type C not-for-profit corporation, and shall have permanent and perpetual duration until terminated and dissolved in accordance with the provisions of section sixteen hundred thirteen of this article.

(g) Nothing in this article shall be construed to authorize the existence of more than ten land banks located in the state at one time, provided further that each foreclosing governmental unit or units proposing to create a land bank shall submit such local law, ordinance or resolution as required by paragraph (a) of this section, to the urban development corporation, for its review and approval. The creation of a land bank shall be conditioned upon approval of the urban development corporation.

(h) The office of the state comptroller shall have the authority to audit any land bank pursuant to this article.

§ 1604. Applicability of New York law.

This article shall apply only to land banks created pursuant to this article.

§ 1605. Board of directors.

(a) (1) The initial size of the board shall be determined in accordance with section sixteen hundred three of this article. Unless restricted by the actions or agreements specified in section sixteen hundred three of this article, the provisions of this section shall



apply.

(2) The size of the board may be adjusted in accordance with by-laws of the land bank.

(b) In the event that a land bank is created pursuant to an intergovernmental agreement in accordance with section sixteen hundred three of this article, such intergovernmental cooperation agreement shall specify matters identified in paragraph (a) of section sixteen hundred three of this article; provided, however, that each foreclosing governmental unit shall have at least one appointment to the board.

(c) Any public officer shall be eligible to serve as a board member and the acceptance of the appointment shall neither terminate nor impair such public office. For purposes of this section, "public officer" shall mean a person who is elected to a municipal office. Any municipal employee or appointed officer shall be eligible to serve as a board member.

(d) The members of the board of directors shall select annually from among themselves a chairman, a vice-chairman, a treasurer, and such other officers as the board may determine, and shall establish their duties as may be regulated by rules adopted by the board.

(e) The board shall establish rules and requirements relative to the attendance and participation of members in its meetings, regular or special. Such rules and regulations may prescribe a procedure whereby, should any member fail to comply with such rules and regulations, such member may be disqualified and removed automatically from office by no less than a majority vote of the remaining members of the board, and that member's position shall be vacant as of the first day of the next calendar month. Any person removed under the provisions of this paragraph shall be ineligible for reappointment to the board, unless such reappointment is confirmed unanimously by the board.

(f) A vacancy on the board shall be filled in the same manner as the original appointment.

(g) Board members shall serve without compensation, shall have the power to organize and reorganize the executive, administrative, clerical, and other departments of the land bank and to fix the duties, powers, and compensation of all employees, agents, and consultants of the land bank. The board may reimburse any member for expenses actually incurred in the performance of duties on behalf of the land bank.

(h) The board shall meet in regular session according to a schedule adopted by the board, and also shall meet in special session as convened by the chairman or upon written notice signed by a majority of the members.

(i) A majority of the members of the board, not including vacancies, shall constitute a quorum for the conduct of business. All actions of the board shall be approved by the affirmative vote of a majority of the members of that board present and voting; provided, however, no action of the board shall be authorized on the following matters unless approved by a majority of the total board membership:

(1) adoption of by-laws and other rules and regulations for conduct of the land bank's business;

(2) hiring or firing of any employee or contractor of the land bank. This function may, by majority vote of the total board membership, be delegated to a specified officer or committee of the land bank, under such terms and conditions, and to the extent, that the board may



specify;

- (3) the incurring of debt;
- (4) adoption or amendment of the annual budget; and
- (5) sale, lease, encumbrance, or alienation of real property, improvements, or personal property.

(j) Members of a board shall not be liable personally on the bonds or other obligations of the land bank, and the rights of creditors shall be solely against such land bank.

(k) Vote by proxy shall not be permitted. Any member may request a recorded vote on any resolution or action of the land bank.

(l) Each director, officer and employee shall be a state officer or employee for the purposes of sections seventy-three and seventy-four of the public officers law.

#### § 1606. Staff.

A land bank may employ a secretary, an executive director, its own counsel and legal staff, and such technical experts, and such other agents and employees, permanent or temporary, as it may require, and may determine the qualifications and fix the compensation and benefits of such persons. A land bank may also enter into contracts and agreements with municipalities for staffing services to be provided to the land bank by municipalities or agencies or departments thereof, or for a land bank to provide such staffing services to municipalities or agencies or departments thereof.

#### § 1607. Powers.

(a) A land bank shall constitute a type C not-for-profit corporation under New York law, which powers shall include all powers necessary to carry out and effectuate the purposes and provisions of this article, including the following powers in addition to those herein otherwise granted:

- (1) adopt, amend, and repeal bylaws for the regulation of its affairs and the conduct of its business;
- (2) sue and be sued in its own name and plead and be impleaded in all civil actions, including, but not limited to, actions to clear title to property of the land bank;
- (3) to adopt a seal and to alter the same at pleasure;
- (4) to make contracts, give guarantees and incur liabilities, borrow money at such rates of interest as the land bank may determine;
- (5) to issue negotiable revenue bonds and notes according to the provisions of this article;
- (6) to procure insurance or guarantees from the state of New York or federal government of the payments of any debts or parts thereof incurred by the land bank, and to pay premiums in connection therewith;
- (7) to enter into contracts and other instruments necessary to the performance of its duties and the exercise of its powers, including, but not limited to, intergovernmental agreements under section one hundred nineteen-o of the general municipal law for the joint exercise of powers



under this article;

(8) to enter into contracts and other instruments necessary to the performance of functions by the land bank on behalf of municipalities or agencies or departments of municipalities, or the performance by municipalities or agencies or departments of municipalities of functions on behalf of the land bank;

(9) to make and execute contracts and other instruments necessary to the exercise of the powers of the land bank; and any contract or instrument when signed by the chairman or vice-chairman of the land bank, or by an authorized use of their facsimile signatures, and by the secretary or assistant secretary, or, treasurer or assistant treasurer of the land bank, or by an authorized use of their facsimile signatures, shall be held to have been properly executed for and on its behalf;

(10) to procure insurance against losses in connection with the real property, assets, or activities of the land bank;

(11) to invest money of the land bank, at the discretion of the board of directors, in instruments, obligations, securities, or property determined proper by the board of directors, and name and use depositories for its money;

(12) to enter into contracts for the management of, the collection of rent from, or the sale of real property of the land bank;

(13) to design, develop, construct, demolish, reconstruct, rehabilitate, renovate, relocate, and otherwise improve real property or rights or interests in real property;

(14) to fix, charge, and collect rents, fees and charges for the use of real property of the land bank and for services provided by the land bank;

(15) to grant or acquire a license, easement, lease (as lessor and as lessee), or option with respect to real property of the land bank;

(16) to enter into partnership, joint ventures, and other collaborative relationships with municipalities and other public and private entities for the ownership, management, development, and disposition of real property;

(17) to inventory vacant, abandoned and tax foreclosed properties;

(18) to develop a redevelopment plan to be approved by the foreclosing governmental unit or units;

(19) to be subject to municipal building codes and zoning laws;

(20) to enter in agreements with a foreclosing governmental unit for the distribution of revenues to the foreclosing governmental unit and school district; and

(21) to do all other things necessary to achieve the objectives and purposes of the land bank or other laws that relate to the purposes and responsibility of the land bank.

(b) A land bank shall neither possess nor exercise the power of eminent domain.

#### § 1608. Acquisition of property.

(a) The real property of a land bank and its income and operations are exempt from all taxation by the state of New York and by any of its political subdivisions.

(b) The land bank may acquire real property or interests in real property by gift, devise, transfer, exchange, foreclosure, purchase, or



otherwise on terms and conditions and in a manner the land bank considers proper.

(c) The land bank may acquire real property by purchase contracts, lease purchase agreements, installment sales contracts, land contracts, and may accept transfers from municipalities upon such terms and conditions as agreed to by the land bank and the municipality. Notwithstanding any other law to the contrary, any municipality may transfer to the land bank real property and interests in real property of the municipality on such terms and conditions and according to such procedures as determined by the municipality.

(d) The land bank shall maintain all of its real property in accordance with the laws and ordinances of the jurisdiction in which the real property is located.

(e) The land bank shall not own or hold real property located outside the jurisdictional boundaries of the foreclosing governmental unit or units which created the land bank; provided, however, that a land bank may be granted authority pursuant to an intergovernmental cooperation agreement with another municipality to manage and maintain real property located within the jurisdiction of such other municipality.

(f) Notwithstanding any other provision of law to the contrary, any municipality may convey to a land bank real property and interests in real property on such terms and conditions, form and substance of consideration, and procedures, all as determined by the transferring municipality in its discretion.

(g) The acquisition of real property by a land bank pursuant to the provisions of this article, from entities other than political subdivisions, shall be limited to real property that is tax delinquent, tax foreclosed, vacant or abandoned; provided, however, that a land bank shall have authority to enter into agreements to purchase other real property consistent with an approved redevelopment plan.

(h) The land bank shall maintain and make available for public review and inspection a complete inventory of all property received by the land bank. Such inventory shall include: the location of the parcel; the purchase price, if any, for each parcel received; 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.

(i) All parcels received by the land bank shall be listed on the received inventory established pursuant to paragraph (h) of this section within one week of acquisition and shall remain in such inventory for one week prior to disposition.

(j) Failure to comply with the requirements in paragraphs (h) and (i) of this section with regard to any particular parcel shall cause such acquisition by the land bank to be null and void.

#### § 1609. Disposition of property.

(a) The land bank shall hold in its own name all real property acquired by the land bank irrespective of the identity of the transferor of such property.

(b) The land bank shall 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.

(c) The land bank shall determine and set forth in policies and procedures of the board of directors the general terms and conditions for consideration to be received by the land bank for the transfer of real property and interests in real property, which consideration may take the form of monetary payments and secured financial obligations, covenants and conditions related to the present and future use of the property, contractual commitments of the transferee, and such other forms of consideration as are consistent with state and local law.

(d) The land bank may convey, exchange, sell, transfer, lease as lessor, grant, release and demise, pledge any and all interests in, upon or to real property of the land bank.

(e) A foreclosing governmental unit may, in its local law, resolution or ordinance creating a land bank, or, in the case of multiple foreclosing governmental units creating a single land bank in the applicable intergovernmental cooperation agreement, establish a hierarchical ranking of priorities for the use of real property conveyed by a land bank including but not limited to:

- (1) use for purely public spaces and places;
- (2) use for affordable housing;
- (3) use for retail, commercial and industrial activities;
- (4) use as wildlife conservation areas; and
- (5) such other uses and in such hierarchical order as determined by the foreclosing governmental unit or units.

(f) A foreclosing governmental unit may, in its local law, resolution or ordinance creating a land bank, or, in the case of multiple foreclosing governmental units creating a single land bank in the applicable intergovernmental cooperation agreement, require that any particular form of disposition of real property, or any disposition of real property located within specified jurisdictions, be subject to specified voting and approval requirements of the board of directors. Except and unless restricted or constrained in this manner, the board of directors may delegate to officers and employees the authority to enter into and execute agreements, instruments of conveyance and all other related documents pertaining to the conveyance of real property by the land bank.

(g) All property dispositions shall be listed on the property disposition inventory established pursuant to paragraph (b) of this section within one week of disposition. Such records shall remain available for public inspection in the property disposition inventory indefinitely.

(h) Failure to comply with the requirements in paragraph (g) of this section shall subject the land bank to a civil penalty of one hundred dollars per violation up to a maximum of ten thousand dollars for each parcel, recoverable in an action brought by the attorney general or district attorney. The attorney general or district attorney may also seek rescission of the real property transaction.

§ 1610. Financing of land bank operations.



(a) A land bank may receive funding through grants and loans from the foreclosing governmental unit or units which created the land bank, from other municipalities, from the state of New York, from the federal government, and from other public and private sources.

(b) A land bank may receive and retain payments for services rendered, for rents and leasehold payments received, for consideration for disposition of real and personal property, for proceeds of insurance coverage for losses incurred, for income from investments, and for any other asset and activity lawfully permitted to a land bank under this article.

(c) Upon the adoption of a local law, ordinance, or resolution by municipality, school district or any taxing district, fifty percent of the real property taxes collected on any specific parcel of real property identified by such municipality, school district or any taxing jurisdiction may be remitted to the land bank, in accordance with procedures established by regulations promulgated by the department of taxation and finance. Such allocation of real property tax revenues shall commence with the first taxable year following the date of conveyance and shall continue for a period of five years.

#### § 1611. Borrowing and issuance of bonds.

(a) A land bank shall have power to issue bonds for any of its corporate purposes, the principal and interest of which are payable from its revenues generally. Any of such bonds may be secured by a pledge of any revenues, including grants or contributions from the state of New York, the federal government, or any agency, and instrumentality thereof, or by a mortgage of any property of the land bank.

(b) The bonds issued by a land bank are hereby declared to have all the qualities of negotiable instruments under New York state law.

(c) The bonds of a land bank created under the provisions of this article and the income therefrom shall at all times be free from taxation for the state of New York or local purposes under any provision of New York law.

(d) Bonds issued by the land bank shall be authorized by resolution of the board and shall be limited obligations of the land bank; the principal and interest, costs of issuance, and other costs incidental thereto shall be payable solely from the income and revenue derived from the sale, lease, or other disposition of the assets of the land bank. In the discretion of the land bank, the bonds may be additionally secured by mortgage or other security device covering all or part of the project from which the revenues so pledged may be derived. Any refunding bonds issued shall be payable from any source described above or from the investment of any of the proceeds of the refunding bonds and shall not constitute an indebtedness or pledge of the general credit of any foreclosing governmental unit or municipality within the meaning of any constitutional or statutory limitation of indebtedness and shall contain a recital to that effect. Bonds of the land bank shall be issued in such form, shall be in such denominations, shall bear interest, shall mature in such manner, and be executed by one or more members of the board as provided in the resolution authorizing the issuance thereof. Such bonds may be subject to redemption at the option of and in the manner determined by the board in the resolution authorizing the issuance



thereof.

(e) Bonds issued by the land bank shall be issued, sold, and delivered in accordance with the terms and provisions of a resolution adopted by the board. The board may sell such bonds in such manner, either at public or at private sale, and for such price as it may determine to be in the best interests of the land bank. The resolution issuing bonds shall be published in a newspaper of general circulation within the jurisdiction of the land bank.

(f) Neither the members of a land bank nor any person executing the bonds shall be liable personally on any such bonds by reason of the issuance thereof. Such bonds or other obligations of a land bank shall not be a debt of any municipality or of the state of New York, and shall so state on their face, nor shall any municipality or the state of New York nor any revenues or any property of any municipality or of the state of New York be liable therefor.

#### § 1612. Public records and public meetings.

(a) The board shall cause minutes and a record to be kept of all its proceedings. Except as otherwise provided in this section, the land bank shall be subject to the open meetings law and the freedom of information law.

(b) A land bank shall hold a public hearing prior to financing or issuance of bonds. The land bank shall schedule and hold a public hearing and solicit public comment. After the conclusion of the public hearing and comments, the land bank shall consider the results of the public hearing and comments with respect to the proposed actions. Such consideration by the land bank shall include the accommodation of the public interest with respect to such actions; if such accommodation is deemed in the best interest of the community proposed actions shall include such accommodation.

(c) In addition to any other report required by this chapter, the land bank, through its chairperson, shall annually deliver, in oral and written form, a report to the municipality. Such report shall be presented by March fifteenth of each year to the governing body or board of the municipality. The report shall describe in detail the projects undertaken by the land bank during the past year, the monies expended by the land bank during the past year, and the administrative activities of the land bank during the past year. At the conclusion of the report, the chairperson of the land bank shall be prepared to answer the questions of the municipality with respect to the projects undertaken by the authority during the past year, the monies expended by the municipality during the past year, and the administrative activities of the municipality during the past year.

#### § 1613. Dissolution of land bank.

A land bank may be dissolved as a type C not-for-profit corporation sixty calendar days after an affirmative resolution approved by two-thirds of the membership of the board of directors. Sixty calendar days advance written notice of consideration of a resolution of dissolution shall be given to the foreclosing governmental unit or units that created the land bank, shall be published in a local newspaper of



general circulation, and shall be sent certified mail to the trustee of any outstanding bonds of the land bank. Upon dissolution of the land bank all real property, personal property and other assets of the land bank shall become the assets of the foreclosing governmental unit or units that created the land bank. In the event that two or more foreclosing governmental units create a land bank in accordance with section sixteen hundred three of this article, the withdrawal of one or more foreclosing governmental units shall not result in the dissolution of the land bank unless the intergovernmental agreement so provides, and there is no foreclosing governmental unit that desires to continue the existence of the land bank.

§ 1614. Conflicts of interest.

No member of the board or employee of a land bank shall acquire any interest, direct or indirect, in real property of the land bank, in any real property to be acquired by the land bank, or in any real property to be acquired from the land bank. No member of the board or employee of a land bank shall have any interest, direct or indirect, in any contract or proposed contract for materials or services to be furnished or used by a land bank. The board may adopt supplemental rules and regulations addressing potential conflicts of interest and ethical guidelines for members of the board and land bank employees.

§ 1615. Construction, intent and scope.

The provisions of this article shall be construed liberally to effectuate the legislative intent and the purposes as complete and independent authorization for the performance of each and every act and thing authorized by this article, and all powers granted shall be broadly interpreted to effectuate the intent and purposes and not as a limitation of powers. Except as otherwise expressly set forth in this article, in the exercise of its powers and duties under this article and its powers relating to property held by the land bank, the land bank shall have complete control as fully and completely as if it represented a private property owner and shall not be subject to restrictions imposed by the charter, ordinances, or resolutions of a local unit of government.

§ 1616. Delinquent property tax enforcement.

The municipality may enter into a contract to sell some or all of the delinquent tax liens held by it to a land bank, subject to the following conditions:

(a) The consideration to be paid may be more or less than the face amount of the tax liens sold.

(b) Property owners shall be given at least thirty days advance notice of such sale in the same form and manner as is provided by subdivision two of section eleven hundred ninety of the real property tax law. Failure to provide such notice or the failure of the addressee to receive the same shall not in any way affect the validity of any sale of a tax lien or tax liens or the validity of the taxes or interest



prescribed by law with respect thereto.

(c) The municipality shall set the terms and conditions of the contract of sale.

(d) The land bank must thirty days prior to the commencement of any foreclosure action provide to the municipality a list of liens to be foreclosed. The municipality may, at its sole option and discretion, repurchase a lien or liens on the foreclosure list from the land bank. The repurchase price shall be the amount of the lien or liens plus any accrued interest and collection fees incurred by the land bank. The land bank shall provide the foreclosure list to the municipality, along with the applicable repurchase price of each lien, by certified mail, and the municipality shall have thirty days from receipt to notify the land bank of its option to purchase one or more of the liens. If the municipality opts to purchase the lien, it shall provide payment within thirty days of receipt of the repurchase price of said lien or liens. If the municipality shall fail to opt to repurchase the lien or liens the land bank shall have the right to commence a foreclosure action immediately.

(e) The sale of a tax lien pursuant to this article shall not operate to shorten the otherwise applicable redemption period or change the otherwise applicable interest rate.

(f) Upon the expiration of the redemption period prescribed by law, the purchaser of a delinquent tax lien, or its successors or assigns, may foreclose the lien as in an action to foreclose a mortgage as provided in section eleven hundred ninety-four of the real property tax law. The procedure in such action shall be the procedure prescribed by article thirteen of the real property actions and proceedings law for the foreclosure of mortgages. At any time following the commencement of an action to foreclose a lien, the amount required to redeem the lien, or the amount received upon sale of a property, shall include reasonable and necessary collection costs, attorneys' fees, legal costs, allowances, and disbursements.

(g) The provisions of title five of article eleven of the real property tax law shall apply so far as is practicable to a contract for the sale of tax liens pursuant to this article.

(h) If the court orders a public sale pursuant to section eleven hundred thirty-six of the real property tax law, and the purchaser of the property is the land bank, then the form, substance, and timing of the land bank's payment of the sales price may be according to such agreement as is mutually acceptable to the plaintiff and the land bank. The obligation of the land bank to perform in accordance with such agreement shall be deemed to be in full satisfaction of the tax claim which was the basis for the judgment.

(i) Notwithstanding any other provision of law to the contrary, in the event that no municipality elects to tender a bid at a public sale pursuant to the provisions of section eleven hundred sixty-six of the real property tax law or sale pursuant to the provisions of a county charter, city charter, administrative code, or special law when applicable under section eleven hundred four of the real property tax law, the land bank may tender a bid at such sale in an amount equal to the total amount of all municipal claims and liens which were the basis for the judgment. In the event of such tender by the land bank the property shall be deemed sold to the land bank regardless of any bids by any other third parties. The bid of the land bank shall be paid as to



its form, substance, and timing according to such agreement as is mutually acceptable to the plaintiff and the land bank. The obligation of the land bank to perform in accordance with such agreement shall be deemed to be in full satisfaction of the municipal claim which was the basis for the judgment. The land bank, as purchaser at such public sale or sale pursuant to the provisions of a county charter, city charter, administrative code, or special law when applicable under section eleven hundred four of the real property tax law, shall take and forever thereafter have, an absolute title to the property sold, free and discharged of all tax and municipal claims, liens, mortgages, charges and estates of whatsoever kind. The deed to the land bank shall be executed, acknowledged and delivered within thirty days of the sale. All land bank acquisitions pursuant to this paragraph shall comply with section sixteen hundred eight of this article and all dispositions of property acquired pursuant to this paragraph shall comply with section sixteen hundred nine of this article.

§ 1617. Contracts.

(a) The land bank may, in its discretion, assign contracts for supervision and coordination to the successful bidder for any subdivision of work for which the land bank receives bids. Any construction, demolition, renovation and reconstruction contract awarded by the land bank shall contain such other terms and conditions as the land bank may deem desirable. The land bank shall not award any construction, demolition, renovation and reconstruction contract greater than ten thousand dollars except to the lowest bidder who, in its opinion, is qualified to perform the work required and who is responsible and reliable. The land bank may, however, reject any or all bids or waive any informality in a bid if it believes that the public interest will be promoted thereby. The land bank may reject any bid, if, in its judgment, the business and technical organization, plant, resources, financial standing, or experience of the bidder justifies such rejection in view of the work to be performed.

(b) For the purposes of article fifteen-A of the executive law only, the land bank shall be deemed a state agency as that term is used in such article, and all contracts for procurement, design, construction, services and materials shall be deemed state contracts within the meaning of that term as set forth in such article.



## Appendix D

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**City of Rochester**  
**City Clerks Office**  
**Certified Ordinance**

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**Rochester, N.Y.,** \_\_\_\_\_

**TO WHOM IT MAY CONCERN:**

I hereby certify that the following is a true copy of an ordinance which was duly passed by the Council of the City of Rochester on November 18, 2012 and Approved by the Mayor of the City of Rochester, and was deemed duly adopted on November 14, 2012 in accordance with the applicable provisions of law.

**Ordinance No. 2012-418**

**Approving The Formation Of The Rochester Land Bank Corporation**

**BE IT ORDAINED, by the Council of the City of Rochester as follows:**

**Section 1. The Council hereby approves the formation of the Rochester Land Bank Corporation under Article 16 of the Not-For-Profit Corporation Law and approves the Certificate of Incorporation submitted by the Mayor. The Rochester Land Bank Corporation shall have all of the powers enumerated in said Article 16. The Council further authorizes the Mayor to submit an application to the Empire State Development Corporation for approval of the Rochester Land Bank Corporation. There shall be seven members of the Board of Directors, as follows:**

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**Ex-officio members:**

**City Treasurer  
Director of Development Services  
Manager of Housing  
Director of Inspection & Compliance Services  
Chief of Staff, City Council**

**Charles Banincasa  
Bret Garwood  
Carol Wheeler  
Gary Kirkmire  
Andrea Guzzetta**

**Appointed members, to serve three-year terms:**

**Mayor's appointee  
Council President's appointee**

**George Parker, Esq.  
Dana Miller**



**The Executive Director of the Rochester Land Bank Corporation shall be the Director of Real Estate.**

**Section 2. This ordinance shall take effect immediately.**

**Passed by the following vote:**

**Ayes - President Warren, Councilmembers Conkda, Heng, McFadden, Miller, Ortiz, Palumbo, Scott, Spaul - 9.**

**Nays - None - 0.**

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**Attest**  **City Clerk**



# Appendix E

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## BY-LAWS

of the

### ROCHESTER LAND BANK CORPORATION

#### ARTICLE I – THE CORPORATION

**Section 1. Name.** The name of the Corporation shall be as provided in its Certificate of Incorporation and is currently the **Rochester Land Bank Corporation**.

**Section 2. Office.** The office of the Corporation shall be located at 30 Church Street, Rochester, New York or such other address as the Corporation may designate from time to time by resolution.

**Section 3. Purpose.** The Purposes of the Corporation shall be set forth in the Certificate of Incorporation. The Corporation shall have all of the powers and shall be subject to all of the duties provided by the Land Bank Act (Article 16 of the New York Not-for-Profit Corporation Law).

**Section 4. Dissolution.** The Corporation may be dissolved in accordance with the New York State Land Bank Act as provided for in Section 1613 of the NYS Not-For-Profit Corporation Law. Upon dissolution, all real property, personal property and other assets of the Corporation shall become the assets of the City of Rochester.

#### ARTICLE II – THE BOARD

**Section 1. Powers of the Board.** The Corporation shall be overseen and governed by its Board of Directors. The Board shall have all of the powers conferred in the Land Bank Act and any other law that is applicable to the Corporation.

**Section 2. Board Composition.** There shall be seven (7) members of the Board of Directors, five (5) ex officio members, and two (2) appointed members to serve a three year terms. The directors of the Board shall be as follows:

A) **Ex Officio Members, officers and appointees of the City of Rochester:**

- 1) City Treasurer
- 2) Director of Development Services
- 3) Manager of Housing
- 4) Director of Inspection and Compliance Services
- 5) Chief of Staff, City Council

B) **Appointed Members to serve three-year terms:**

- 1) Appointee of the Mayor of the City of Rochester
- 2) Appointee of the Council President of the City Council of the City of Rochester

**Section 3. Initial Members.** The initial members of the Board of Directors shall be:



- A) Ex Officio Members
- |   |                   |
|---|-------------------|
| 1) City Treasurer                               | Charles Benincasa |
| 2) Director of Development Services             | Bret Garwood      |
| 3) Manager of Housing                           | Carol Wheeler     |
| 4) Director of Inspection & Compliance Services | Gary Kirkmire     |
| 5) Chief of Staff, City Council                 | Andrea Guzzetta   |
- B) Appointed Members to serve three-year terms:
- |                                  |                     |
|----------------------------------|---------------------|
| 1) Mayor's appointee             | George Parker, Esq. |
| 2) Council President's appointee | Dana Miller         |

Section 4. Public Officers and Municipal Employees as Directors. Any public officer shall be eligible to serve as a board member and the acceptance of the appointment shall neither terminate nor impair such public office. Any municipal employee or appointed officer shall be eligible to serve as a board member.

Section 5. Compensation. Directors shall serve without compensation but may be reimbursed for expenses reasonably incurred by them in the performance of their duties.

Section 6. Removal. The Board shall establish rules and requirements relative to the attendance and participation of members in its meetings. Should any director fail to comply with such rules and regulations, such director may be disqualified and removed from office by no less than a majority vote of the remaining directors of the board.

Section 7. Vacancies. A vacancy on the Board shall be filled in the same manner as the original appointment.

Section 8. Quorum. A majority of the entire Board shall constitute a quorum for the transaction of business.

Section 9. Action by the Board. Except as otherwise expressly provided by these By-Laws in respect to the appointment of Directors, a majority of the Members must be present in person to constitute a quorum for the transaction of any business. Except as otherwise provided by law or in these By-Laws, the act of the Board means action taken at a meeting of the Board by a vote of a majority of the Members present at the time of the vote in person or by written consent if a quorum is present at such time, except as provided in Section 1605 (i) of the Not-for Profit Corporation Law. Action may be taken by the Members without a meeting on written consent, setting forth the action so taken, signed by all of the members entitled to vote thereon. Each such consent shall be filed with the minutes of the Corporation.

Section 10. Meetings. The Board shall meet in regular session according to a schedule adopted by the board and also shall meet in special session as convened by the chair or upon written notice to all board members.

Section 11. Majority of Board Membership Required for Action. No action of the Board shall be authorized on the following matters unless approved by a majority of the total Board membership:

- (1) Adoption of by-laws and other rules and regulations for conduct of the Corporation's business;



- (2) Hiring or firing of any employee or contractor of the Corporation. This function may, by majority vote of the total Board membership, be delegated to a specified officer or committee of the Corporation, under such terms and conditions, and to the extent, that the Board may specify;
- (3) The incurring of debt;
- (4) Adoption or amendment of the annual budget; and
- (5) Acquisition, sale, lease, encumbrance, or alienation of real property, improvements, or personal property.

**Section 12. Participation.** Any one or more members of the Board or any committee thereof may participate in a meeting of such Board or committee by means of a conference telephone or similar communications equipment allowing all persons participating in the meeting to hear each other at the same time. Participation by such means shall constitute presence in person at a meeting.

**Section 13. Compliance with Open Meetings Law and Freedom of Information Law.** The Board and the Corporation shall comply with the provisions of the New York Open Meetings Law and the New York Freedom of Information Law.

**Section 14. Review of Policies.** The Board shall review all of its adopted policies regularly and no less frequently than every twelve (12) months. Upon completing the review for each policy, the Board shall adopt a resolution that either approves the policy as is, adopts the policy with amendments, or revokes the policy.

#### ARTICLE III – OFFICERS AND STAFF

**Section 1. Officers.** The board of directors shall select annually from among themselves a chair, a vice-chair, a secretary and such other officers as the Board may determine, and shall establish their duties as may be regulated by the Board.

**Section 2. Executive Director.** The Executive Director of the Corporation shall be the Director of Real Estate of the City of Rochester.

**Section 3. Staff.** The board shall have the power to organize and reorganize the executive, administrative and clerical staff, and to set the compensation of all employees, agents, and consultants of the Corporation. The personnel functions of the Corporation may, by majority vote of the total Board membership, be delegated to a specific officer or committee of the Corporation.

**Section 4. Counsel.** The Corporation Counsel of the City of Rochester shall serve as Counsel to the Corporation and may assign municipal attorneys to advise and represent the Corporation.

#### ARTICLE IV- CONTRACTS, CHECKS, DRAFTS AND BANK ACCOUNTS

**Section 1. Execution of Contracts.** The Board, except as these By-Laws and Article 16 of N-PCL may otherwise provide, may authorize any officer or officers, agent or agents, in



the name of and on behalf of the Corporation to enter into any contract or execute and deliver any instrument, and such authority may be general or confined to specific instances; but, unless so authorized by the Board, or expressly authorized by these By-Laws, no officers, agent or employee shall have any power or authority to bind the Corporation by any contract or engagement or to pledge its credit or to render it liable pecuniarily in any amount for any purpose.

**Section 2. Loans.** No loans shall be contracted on behalf of the Corporation unless specifically authorized by the Board.

**Section 3. Checks, Drafts, Etc.** All checks, drafts and other orders for the payment of money out of the funds of the Corporation, and all notes or other evidences of indebtedness of the Corporation, shall be signed on behalf of the Corporation in such manner as shall from time to time be determined by these By-Laws or by resolution of the Board.

**Section 4. Deposits.** All funds of the Corporation not otherwise employed shall be deposited from time to time to the credit of the Corporation in such banks, trust companies or other depositories as the Board may select.

#### ARTICLE V -POLICIES FOR ACOUISITION, USE AND DISPOSITIONOF PROPERTY

**Section 1. Compliance with Land Bank Act.** In its acquisition and disposition of property, the Corporation shall be subject to Article 16 of the Not-for-Profit Corporation Law (the Land Bank Act).

**Section 2. Compliance with Municipal Building Codes, Zoning Laws, and Land Use Controls and Intergovernmental Agreements.** The Corporation shall be subject to all applicable Federal, State and local laws, and all City building codes and zoning laws with respect to real property owned by the Corporation, and to the terms and conditions of any applicable Intergovernmental Cooperation Agreement(s).

#### ARTICLE VI – INDEMNIFICATION

**Section 1. Indemnification.** The Corporation shall indemnify any person made, or threatened to be made, a party to an action or proceeding by reason of the fact that such person or his testator or intestate is or was a director or officer of the Corporation, or (to the extent not indemnified thereby) served any other corporation, partnership, joint venture, trust, employee benefit plan or other enterprise at the request of the Corporation in the capacity of officer or director in the case of actions in the right of the Corporation and in any capacity in the case of all other actions, against judgments, fines, amounts paid in settlement, and reasonable expenses, including attorney' fees, in the manner and to the full extent allowed by the Not-for-Profit Corporation Law, provided that no such indemnification shall be required with respect to any settlement or other non-adjudicated disposition of any threatened or pending action or proceeding unless the Corporation has given its prior consent to such settlement or other disposition. The Corporation is authorized to the full extent allowed by the Not-for-Profit Corporation Law to purchase and maintain insurance to indemnify the Corporation for any obligation which it incurs as a result of the indemnification of directors and officers under the provisions of the Not-for-Profit Corporation Law, to indemnify directors and officers in instances in which they may be indemnified by the Corporation under the provisions of



## Appendix F

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### ROCHESTER LAND BANK CORPORATION CODE OF ETHICS/CONFLICT OF INTEREST POLICY

**A. Preamble.** Officers and employees of the Land Bank shall hold their positions to serve and benefit the public and not for personal gain or advantage. The Board of Directors recognizes that in order to implement this fundamental principle there is a need for clear and reasonable standards of ethical conduct. This Code of Ethics/Conflict of Interest Policy establishes such standards by defining and prohibiting acts incompatible with the public interest.

**B. Definitions.** When used in this code/policy, the following words and phrases shall have the following meanings:

(1) **FAMILY** — The parent, sibling, spouse or child of a person or any members of a person's immediate household.

(2) **OFFICER or EMPLOYEE** — Any person appointed or hired to serve the Land Bank in any capacity, whether paid or unpaid, or for a term fixed or not fixed, including, without limit, persons serving on a temporary, part-time or seasonal basis. Officer includes the Executive Director, any other designated officer, and any member of the Board of Directors.

(3) **AN INTEREST** — A benefit or advantage of an economic or tangible nature that a person or a member of his or her family would gain or lose as a result of any decision or action, or omission to decide or act, on the part of the Board of Directors of the Land Bank or any of its officers and employees.

**C. Ethical standards.**

(1) No Land Bank officer or employee shall have any employment, or engage in any business or commercial transaction, or engage in any professional activity, or incur any obligation, as a result of which, directly or indirectly, he



or she would have an interest that would impair his or her independence of judgment or action in the performance of his or her official duties or that would be in conflict with the performance of his or her official duties.

**(2)** No officer or employee of the Land Bank shall acquire any interest, direct or indirect, in real property of the Land Bank, in any real property to be acquired by the Land Bank, or in any real property to be acquired from the Land Bank.

**(3)** No Land Bank officer or employee shall have any interest, direct or indirect, in any contract or proposed contract for materials or services to be furnished or used by a Land Bank.

**(4)** No Land Bank officer or employee shall have or enter into any contract with a third party who has or enters into a contract with the Land Bank unless:

**(a)** The third party contract to which the Land Bank is a party is with the City of Rochester.

**(b)** The third party contract is awarded pursuant to the competitive bidding procedures of the General Municipal Law; or

**(c)** The third party contract is one with respect to which the Land Bank officer or employee:

**[1]** Has no interest;

**[2]** Has no duties or responsibilities, or, if the contract with the person is one which the Land Bank officer or employee entered into prior to becoming a Land Bank officer or employee, he or she abstains from any performance of duties or responsibilities; and

**[3]** Exercises or attempts to exercise no influence.



**(d)** No prohibited conflict of interest shall be found involving a contract with a person, firm, corporation or association in which a Land Bank officer or employee has an interest which is prohibited solely by reason of employment as an officer or employee thereof, if the remuneration of such employment will not be directly affected as a result of such contract and the duties of such employment do not directly involve the procurement, preparation or performance of any part of such contract.

**(5)** No Land Bank officer or employee shall discuss, vote on, decide or take part in, formally or informally, any matter proposed or pending in which he or she has an interest. This provision shall not apply to any Land Bank officer or employee whose interest in the proposed or pending matter is *de minimis*, provided that these procedures are followed strictly:

**(a)** The Land Bank officer or employee shall identify his or her interest, i.e., the benefit or advantage that would be gained or lost if the Land Bank acted on the matter in various ways, and the underlying basis of such interest, such as ownership, investment, contract, claim, employment, or relationship.

**(b)** The Land Bank officer or employee shall completely and specifically describe and disclose his or her interest and its underlying basis, if any, in writing, to the Board of Directors in advance of his or her participation in the matter.

**(c)** If either the Land Bank officer or employee, or the Executive Director or the Chair of the Board of Directors believes that the disclosure reasonably raises a question whether the interest is *de minimis*, such question shall be submitted to the Land Bank's Counsel for an opinion, prior to which the officer or employee shall not participate in the matter. Failure to disclose properly or abide by the opinion of the Board shall make any participation of the officer or employee in the matter null and void.

**(6)** No Land Bank officer or employee should accept employment or engage in any business or professional activity which will require him or her to disclose confidential information which he or she has gained by reason of his or her official position or authority.



**(7)** No Land Bank officer or employee should disclose confidential information acquired by him or her in the course of his or her official duties nor use such information to further his or her personal interests.

**(8)** No Land Bank officer or employee should use or attempt to use his or her official position to secure unwarranted privileges or exemptions for himself or herself or others, including but not limited to, the misappropriation to himself, herself or to others of the property, services or other resources of the Land Bank for private business purposes.

**(9)** No Land Bank officer or employee should engage in any transaction as representative or agent of the Land Bank with any business entity in which he or she has a direct or indirect interest that might reasonably tend to conflict with the proper discharge of his or her official duties.

**(10)** A Land Bank officer or employee should not by his or her conduct give reasonable basis for the impression that any person can improperly influence him or unduly enjoy his favor in the performance of his official duties, or that he is affected by the kinship, rank, position or influence of any party or person.

**(11)** A Land Bank officer or employee should abstain from making personal investments in enterprises which he or she has reason to believe may be directly involved in decisions to be made by him or her or which will otherwise create substantial conflict between his or her private interest and duty to the public interest.

**(12)** A Land Bank officer or employee should endeavor to pursue a course of conduct which will not raise suspicion among the public that he is likely to be engaged in acts that are in violation of his or her trust.

**(13)** No Land Bank officer or employee shall use or permit the use of Land Bank owned vehicles, equipment, materials or property for the convenience or profit of himself or herself or any family member.

**(14)** No Land Bank officer or employee shall solicit any gift, nor shall any Land Bank officer or employee accept or receive any gift having a value of \$25 or more, regardless of the form of the gift, from any person who has an



interest in any matter proposed or pending before the Land Bank. The provisions of this subsection shall not apply to contributions solicited or received in accordance with the Election Law of the State of New York.

**(15)** A Land Bank contract with a corporation in which a Land Bank officer or employee has an interest shall not be deemed to create a prohibited conflict of interest under this code/policy based solely on such officer or employee's ownership or control, direct or indirect, of less than five (5) percent of the corporation's outstanding shares of stock.

**(16)** While disclosure and recusal shall be required, the interest of a Land Bank officer or employee who is a member of the board of a not-for-profit corporation or association which has a contract with the Land Bank shall not be prohibited where the remuneration of such Land Bank officer or employee will not be directly affected as a result of such contract.

**C. Discipline and Removal.** The doing of any act prohibited or the failure to do any act required by this Code of Ethics/Conflict of Interest Policy shall constitute grounds for disciplinary action, including removal, and any Land Bank officer or employee who violates a provision of this Code of Ethics/Conflict of Interest Policy may be subject to removal, in the discretion of the Board of Directors, in the manner provided by law.

**D. Annual Disclosure Statements.** All Board members and officers, as well as all employees who hold policy-making positions, of the Land Bank shall file annual financial disclosure statements with the City of Rochester Board of Ethics pursuant to article eighteen of the General Municipal Law.

Section 2. This resolution shall take effect immediately.



# Appendix G



**Budget Report for Rochester Land Bank Corporation**

Run Date: 04/30/2015

Fiscal Year Ending 06/30/2016

Status: CERTIFIED

Budget & Financial Plan:	Budgeted Revenues, Expenditures, And Changes In Current Net Assets					
	Last Year (Actual) 2014	Current Year (Estimated) 2015	Next Year (Adopted) 2016	Proposed 2017	Proposed 2018	Proposed 2019
<b>REVENUE &amp; FINANCIAL SOURCES</b>						
<b>Operating Revenues</b>						
Charges for services	\$0	\$0	\$0	\$0	\$0	\$0
Rentals & Financing Income	\$0	\$0	\$0	\$0	\$0	\$0
Other Operating Revenues	\$57,707	\$29,810	\$0	\$0	\$0	\$0
<b>Nonoperating Revenues</b>						
Investment earnings	\$0	\$0	\$0	\$0	\$0	\$0
State subsidies / grants	\$622,529	\$1,395,677	\$1,791,652	\$835,934	\$0	\$0
Federal subsidies / grants	\$0	\$0	\$0	\$0	\$0	\$0
Municipal subsidies / grants	\$300,000	\$0	\$0	\$0	\$100,000	\$100,000
Public authority subsidies	\$0	\$0	\$0	\$0	\$0	\$0
Other Non-Operating Revenues	\$0	\$124,500	\$0	\$0	\$0	\$0
Proceeds from the issuance of debt	\$0	\$0	\$0	\$0	\$0	\$0
<b>Total Revenues &amp; Financing Sources</b>	<b>\$980,236</b>	<b>\$1,549,987</b>	<b>\$1,791,652</b>	<b>\$835,934</b>	<b>\$100,000</b>	<b>\$100,000</b>
<b>EXPENDITURES</b>						
<b>Operating Expenditures</b>						
Salaries and Wages	\$0	\$264,347	\$236,389	\$109,556	\$0	\$0
Other Employee Benefits	\$0	\$0	\$0	\$0	\$0	\$0
Professional Services Contracts	\$0	\$0	\$0	\$0	\$0	\$0
Supplies and Materials	\$0	\$0	\$0	\$0	\$0	\$0
Other Operating Expenditures	\$931,833	\$1,118,830	\$1,535,263	\$718,878	\$100,000	\$100,000
<b>Nonoperating Expenditures</b>						
Payment of principal on bonds and financing arrangements	\$0	\$0	\$0	\$0	\$0	\$0
Interest and other financing charges	\$0	\$0	\$0	\$0	\$0	\$0
Subsidies to other public authorities	\$0	\$0	\$0	\$0	\$0	\$0
Capital asset outlay	\$0	\$0	\$0	\$0	\$0	\$0
Grants and Donations	\$0	\$0	\$0	\$0	\$0	\$0
Other Non-Operating Expenditures	\$0	\$12,500	\$20,000	\$7,500	\$0	\$0
<b>Total Expenditures</b>	<b>\$931,833</b>	<b>\$1,395,677</b>	<b>\$1,791,652</b>	<b>\$835,934</b>	<b>\$100,000</b>	<b>\$100,000</b>
Capital Contributions	\$0	\$0	\$0	\$0	\$0	\$0
<b>Excess (deficiency) of revenues and capital contributions over expenditures</b>	<b>\$48,403</b>	<b>\$154,310</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

The authority's budget, as presented to the Board of Directors, is posted on the following website: <http://www.cityofrochester.gov/landbank>



# Appendix H

## REAL PROPERTY REPORT ACQUISITION/DISPOSAL Fiscal Year ending June 30, 2015

	<u>Date Acquired</u>	<u>Address</u>	<u>Property Description</u>	<u>Purchase Price</u>	<u>Fair Market Value*</u>	<u>Disposal Date</u>	<u>Sale Price</u>	<u>Competitive Bid?</u>
1	5/24/2014	62 CHAMBERLAIN ST	Residential Structure	\$4,121	\$22,000	1/12/2015	\$22,000	No***** *
2	5/27/2014	423-425 JAY ST	Converted Residence	\$6,013	\$27,000	9/19/2014	\$6,013	No***
3	5/27/2014	59 HORTENSE ST	Residential Structure	\$3,106	\$30,000	9/19/2014	\$3,106	No***
4	6/2/2014	44 ALDINE ST	Residential Structure	\$3,053	\$34,000	7/18/2014	\$1	No**
5	8/7/2014	27 CHAPIN ST	Residential Structure	\$1	\$4,000	10/16/2014	\$1	No***
6	8/7/2014	31 CLAIRMOUNT	Residential Structure	\$1	\$7,000	10/16/2014	\$1	No***
7	8/14/2014	172 DRIVING PARK AVE	Residential Structure	\$3,175	\$4,000	9/19/2014	\$3,175	No***
8	8/14/2014	121 NORTHVIEW TER	Residential Structure	\$4,266	\$7,000	9/19/2014	\$4,266	No***
9	9/19/2014	21 STRAUB ST	Residential Structure	\$12,000	\$12,000			No*****
10	9/19/2014	48 NORTHVIEW TER	Residential Structure	\$7,000	\$7,000	10/16/2014	\$1	No****
11	9/19/2014	16 MARLOW ST	Residential Structure	\$3,839	\$5,000	10/16/2014	\$1	No****
12	9/19/2014	36 CUTLER ST	Residential Structure	\$3,687	\$11,000	10/16/2014	\$1	No****
13	9/19/2014	112 JACKSON ST	Residential Structure	\$3,345	\$10,000	10/16/2014	\$1	No****
14	9/19/2014	347 RANDOLPH ST	Residential Structure	\$3,190	\$20,000	10/16/2014	\$1	No****
15	10/31/2014	19 WOODWARD ST	Residential Structure	\$1	\$15,000	12/15/2014	\$1	No*****
16	12/3/2014	75 HAZELWOOD TER	Residential Structure	\$1	\$8,000	12/15/2014	\$1	No*****
17	12/3/2014	563 MAPLE ST	Residential Structure	\$1	\$15,000	12/15/2014	\$1	No*****
18	12/3/2014	133 MASON ST	Residential Structure	\$1	\$8,000	2/4/2015	\$1	No*****
19	with	129 MASON ST	Improved Lot					



20	12/3/2014	24-26 MAZDA TER	Residential Structure	\$1	\$15,000	12/15/2014	\$1	No*****
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	<u>Date Acquired</u>	<u>Address</u>	<u>Property Description</u>	<u>Purchase Price</u>	<u>Fair Market Value*</u>	<u>Disposal Date</u>	<u>Sale Price</u>	<u>Competitive Bid?</u>
21	3/6/2015	204 FLINT ST	Residential Structure	\$1	\$13,000	3/13/2015	\$1	No*****
22	3/6/2015	600 THURSTON RD	Residential Structure	\$1	\$23,000	3/13/2015	\$1	No*****
23	3/6/2015	37 WOODWARD ST	Residential Structure	\$1	\$8,000	3/13/2015	\$1	No*****
24	4/13/2015	78 GLENDALE PK	Residential Structure	\$1	\$2,000	4/21/2015	\$1	No*****

- \* Fair Market Value has been determined by Broker Price Opinion, appraisal or Comparative Market Analysis performed by Land Bank Staff or qualified real estate professional.
- \*\* See attached Explanatory Statement - Exhibit A
- \*\*\* See attached Explanatory Statement - Exhibit B
- \*\*\*\* See attached Explanatory Statement - Exhibit C
- \*\*\*\*\* See attached Explanatory Statement - Exhibit D
- \*\*\*\*\* See attached Explanatory Statement - Exhibit E

\*\*\*\*\* Properties were donated at no cost to the RLBC and suitable for its CRI Blight Removal program where properties are conveyed at no cost to the City of Rochester for demolition or further sale with a rehabilitation covenant included in the deed. Property was located in the area to be acquired by eminent domain for expanding a public transit dispatch and maintenance facility.



*Appendix H - Exhibit A*

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WHEREAS, Rochester Land Bank Corporation (“ the Land Bank”) has entered into a contract with the New York State Office of the Attorney General to carry out community revitalization activities in Rochester as described in the application for Community Revitalization Initiative (“CRI”) Funds,

WHEREAS, the Land Bank in its application for CRI funds expressed its intention to immediately transfer properties purchased at the City Tax Foreclosure Auction by use of the Trump Bid to the Rochester Housing Development Fund Corporation (“the RHDFC”),

WHEREAS, the funds expended for the purchase of properties for use in the CRI program are fully reimbursable under the grant agreement,

NOW THEREFORE, in order to facilitate timely and cost effective environmental remediation and structural rehabilitation, the Land Bank hereby provides the authority board and the public the following information in explanation of its below market value asset transfer:

I. A full description of the asset.

The properties in question are vacant/abandoned single family structures located in the City of Rochester, County of Monroe, State of New York:

	<b>Address</b>	<b>SBL #</b>
1	0044 ALDINE ST	120.66-3-48
2	0204 BIDWELL TER	090.72-2-31
3	0478 CHILI AV	120.56-1-32
4	0023 CUTLER ST	091.69-1-68
5	0064 CUTLER ST	091.69-1-57
6	0092 DORBETH RD	091.69-3-52
7	0246 ELECTRIC AV	090.49-2-43
8	0066 FILLMORE ST	120.48-2-42
9	0050 FURLONG ST	091.67-3-45
10	0057 LEIGHTON AV	107.78-1-70
11	0104 MITCHELL ST	091.67-3-58
12	0248 NICHOLS ST	091.84-2-41
13	0141 NORMANDY AV	120.57-1-27
14	0397 PARSELLS AV	107.62-1-30
15	0675 POST AV	135.32-3-45
16	0425 SELYE TER	090.81-2-5
17	0041 VAN OLINDA ST	091.50-1-52



18	0024 WAKEFIELD ST	091.64-1-75
19	0030 WOLFF ST	105.57-1-44

II. An appraisal of the fair market value of the asset and any other information establishing the fair market value sought by the board.

The fair market value of the properties was established by appraisals as described below:

	<u>Address</u>	<u>Appraisal Date</u>	<u>Appraised Value</u>	<u>Appraiser</u>
1	0044 ALDINE ST	2/22/2014	\$34,000.00	Metro Appraisal Associates
2	0204 BIDWELL TER	2/27/2014	\$18,000.00	Metro Appraisal Associates
3	0478 CHILI AV	2/22/2014	\$11,000.00	Metro Appraisal Associates
4	0023 CUTLER ST	3/17/2014	\$8,000.00	Pogel, Schubmehl & Ferrara, LLC
5	0064 CUTLER ST	3/17/2014	\$11,000.00	Pogel, Schubmehl & Ferrara, LLC
6	0092 DORBETH RD	3/17/2014	\$12,000.00	Pogel, Schubmehl & Ferrara, LLC
7	0246 ELECTRIC AV	2/27/2014	\$5,000.00	Metro Appraisal Associates
8	0066 FILLMORE ST	3/2/2014	\$16,000.00	Metro Appraisal Associates
9	0050 FURLONG ST	3/3/2014	\$13,000.00	Pogel, Schubmehl & Ferrara, LLC
10	0057 LEIGHTON AV	3/3/2014	\$7,000.00	Pogel, Schubmehl & Ferrara, LLC
11	0104 MITCHELL ST	3/3/2014	\$14,000.00	Pogel, Schubmehl & Ferrara, LLC
12	0248 NICHOLS ST	3/3/2014	\$10,000.00	Pogel, Schubmehl & Ferrara, LLC
13	0141 NORMANDY AV	3/2/2014	\$23,000.00	Metro Appraisal Associates
14	0397 PARSELLS AV	3/3/2014	\$10,000.00	Pogel, Schubmehl & Ferrara, LLC
15	0675 POST AV	3/2/2014	\$6,000.00	Metro Appraisal Associates
16	0425 SELYE TER	2/27/2014	\$21,000.00	Metro Appraisal Associates
17	0041 VAN OLINDA ST	3/3/2014	\$22,000.00	Pogel, Schubmehl & Ferrara, LLC
18	0024 WAKEFIELD ST	3/3/2014	\$22,000.00	Pogel, Schubmehl & Ferrara, LLC
19	0030 WOLFF ST	2/26/2014	\$14,000.00	Metro Appraisal Associates

III. A description of the purpose of the transfer, and a reasonable statement of the kind and amount of the benefit to the public resulting from the transfer, including but not limited to the kind, number, location, wages or salaries of jobs created or preserved as required by the transfer, and the benefits, if any, to the communities in which the asset is situated as are required by the transfer.

The properties were purchased by the Land Bank exclusively for use in the CRI program as funded by a grant awarded by the NYS OAG. The grant parameters provide for the Land Bank to purchase or to reimburse the RHDFC for the purchase



of properties for environmental remediation, structural rehabilitation, and ultimately sale to first-time homeowners in the HOME Rochester program. In addition to the benefit to the owner-occupants, an analysis performed by I Squared Community Development showed that the property value of homes within 100-foot radius of a HOME Rochester property increase by an average of more than \$15,000, which is about 23% of the average home value in the City of Rochester. Forty-one percent of the 22 contractors who perform rehabilitation for the HOME Rochester program are MWBE firms. Ultimately, this transaction will benefit all City residents by returning blighted, tax-delinquent properties to the City's tax rolls and providing a stabilizing influence in its neighborhoods.

IV. A statement of the value to be received compared to the fair market value.

The appraised value of the properties is listed above. While the monetary consideration received by the Land Bank will be negligible (\$1.00), the transaction has been structured in this way to allow for the most judicious use of the grant funding awarded to the Land Bank explicitly for this purpose – preserving the bulk of the funding to subsidize environmental remediation and rehabilitation of blighted properties, the most expensive and unique part of the HOME Rochester program. Moreover, the expense incurred by the Land Bank for acquisition of these properties is reimbursable with the grant funding for the CRI program.

V. The names of any private parties participating in the transfer, and if different than the statement required by subparagraph IV above, a statement of the value to the private party.

The property will be acquired by Rochester Housing Development Fund Corporation. The Rochester Housing Development Fund Corporation (RHDFC) was created by the City of Rochester, Enterprise Community Partners and Greater Rochester Housing Partnership to house the HOME Rochester program. RHDFC was created under Section 11 of the New York State Housing Finance Law.

VI. The names of other private parties who have made an offer for such asset, the value offered, and the purpose for which the asset was sought to be used.

No other private party has made an offer for the properties. As the Land Bank purchased the properties with funds awarded by the OAG expressly for the purpose of carrying out the CRI grant program, no other party is an eligible purchaser.

The board of directors of the Land Bank has considered the information above and determined that:

- The property was purchased using grant funding awarded to carry out the CRI grant program.
- The RHDFC is the only eligible transferee for properties purchased using grant funding.



- The grant is structured such that any money spent by the RHDFC for acquisition of properties for the purposes of the CRI grant is fully reimbursable by the Land Bank.

There is, therefore, no reasonable alternative to the proposed below market transfer that would achieve the same purchase of such transfer.



*Appendix H - Exhibit B*

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WHEREAS, Rochester Land Bank Corporation (“the Land Bank”) has entered into a Professional Services Agreement with the City of Rochester to assist it in acquiring properties located in future development areas,

WHEREAS, the Land Bank published its intent to purchase any or all of four (4) such designated properties by use of the Trump Bid at the City Tax Foreclosure Auction,

WHEREAS, the funds expended for the purchase of these properties are fully reimbursable under the above referenced Professional Services agreement,

NOW THEREFORE, in order to assist in the development initiatives of the foreclosing government unit under which it is organized, the Land Bank hereby provides the following information in explanation of its below market value asset transfer:

I. A full description of the asset.

The properties in question are vacant/abandoned structures located in the City of Rochester, County of Monroe, State of New York. 59 Hortense Street, 172 Driving Park Avenue and 121 Northview Terrace are single family structures and 423-425 Jay Street is a parcel with its current use identified as a converted residence, consisting of two structures containing three residential units and one commercial store front:

<u>Address</u>	<u>SBL#</u>
59 Hortense St	120.42-1-74
423-425 Jay St	105.83-3-4
172 Driving Park Ave	090.83-1-29
121 Northview Ter	091.69-3-13

II. An appraisal of the fair market value of the asset and any other information establishing the fair market value sought by the board.

The fair market value of 59 Hortense Street is \$30,000 and the fair market value of 423-425 Jay Street is \$27,000, as established by broker’s price opinion submitted by Real Estate Broker, Maritza Mejias, on April 8, 2014. Pogel, Shubmehl & Ferrara, LLC appraised 121 Northview Terrace at a value of \$7,000, on March 7, 2014; Metro Appraisal Associates appraised 172 Driving Park Av at a value of \$4,000, on February 27, 2014



III. A description of the purpose of the transfer, and a reasonable statement of the kind and amount of the benefit to the public resulting from the transfer, including but not limited to the kind, number, location, wages or salaries of jobs created or preserved as required by the transfer, and the benefits, if any, to the communities in which the asset is situated as are required by the transfer.

Transfer of the properties will contribute to two future City development projects:

59 Hortense Street is a vacant, blighted single family structure in the Bull's Head neighborhood. It was selected because of the neighborhood's concentration of vacant and/or underutilized properties. In recent years the City of Rochester has undertaken efforts to revitalize and redevelop the Bull's Head commercial district by leveraging its historic significance and proximity to adjacent neighborhoods. As a western gateway into the City of Rochester, the Bull's Head neighborhood can once again become a thriving, prosperous commercial corridor that serves as a major crossroads that strengthens adjacent development areas such as the Jefferson Avenue Focus Investment Area.

423-425 Jay Street is in the City's JOSANA neighborhood. The JOSANA neighborhood was one of the most distressed areas in the troubled "crescent" to the north and west of downtown Rochester. Significant investment by both the City and community-based organizations has begun to transform the neighborhood in recent years. There is an ongoing affordable home ownership project developed by Flower City Habitat for Humanity and a multiple quality, affordable rental developments made possible through the City's strategic land assembly. The newest project, Stadium Estates, includes a site directly across from this blighted mixed use structure.

The transfer of these two properties to the City of Rochester for demolition benefits the surrounding neighborhoods by removing blight and providing future development sites in areas where there is already investment momentum.

172 Driving Park Av is a vacant, blighted single family structure in the Dewey/Driving Park Focused Investment Strategy (FIS) area. The City has designated four FIS areas, one within each quadrant. The Dewey/Driving Park FIS located in the Northwest has seen a significant investment in both newly constructed and renovated affordable housing development, as well as matching grants for façade updates. Located at the eastern entry point to this neighborhood on one of the main thoroughfares, removal of this fire-damaged structure will benefit neighbors and enhance the City's investment.

121 Northview Terrace is a vacant, blighted single family structure in the densely populated Northeast quadrant of the City. Parcels on this street are of a size that would, under the current Zoning code, be considered inadequate to support a single family structure. The crumbling foundation and resulting structural shifts make the house a potential danger to neighbors, particularly given the lack of land area assigned to each parcel. A recent study performed in Rochester by I Squared Community Development Consulting found that being within 100 feet of a vacant home lowers property values by nearly \$10,000. Demolition of this structure will make this entire street safer, benefit the property values, and allow immediate neighbors the opportunity to add more value and comfort to their homes by increasing their lot size.

IV. A statement of the value to be received compared to the fair market value.



The appraised value of the properties is listed above. Under the Professional Services Agreement, the City of Rochester provided the Land Bank with the funds for the total acquisition costs for both properties.

V. The names of any private parties participating in the transfer, and if different than the statement required by subparagraph IV above, a statement of the value to the private party.

The properties will be acquired by the City of Rochester. No private parties are involved in the transfer.

VI. The names of other private parties who have made an offer for such asset, the value offered, and the purpose for which the asset was sought to be used.

No other private party has made an offer for the properties. As the Land Bank purchased the properties with funds provided by the City expressly for the purpose of fulfilling its contract with the City of Rochester, no other party is an eligible purchaser.



*Appendix H - Exhibit C*

The below market value disposition to the RHDFC of each one of the six (6) real estate parcels that is determined to be suitable for the HOME Rochester program (“Suitable Properties”) is intended to facilitate the timely and cost effective environmental remediation and structural rehabilitation of vacant properties into affordable, owner-occupied single-family residences using the OAG’s CRI grant. This Statement evaluates the proposed transfer in accordance with six factors set forth in Section 2897(7) of the Public Authorities Law.

- I. A full description of the asset.
- II. An appraisal of the fair market value of the asset and any other information establishing the fair market value sought by the board.

The Suitable Properties in question consist of some or all of the vacant/abandoned residential structures listed below, each of which is located in the City of Rochester, County of Monroe, State of New York. The Land Bank’s purchase price from the City (if the property is determined to be Suitable) and the fair market value of each Suitable Property prospect are as described below:

	<b>Address</b>	<b>SBL#</b>	<b>Appraisal Date</b>	<b>Appraisal Value</b>	<b>Land Bank Purchase Price</b>	<b>Appraiser</b>
1	36 Cutler St	091.69-1-50	7/22/14	\$11,000	\$3,687.16	POGEL, SCHUBMEHL AND FERRARA, LLC
2	112 Jackson St	091.68-3-29	3/3/14	\$10,000	\$3,344.69	POGEL, SCHUBMEHL AND FERRARA, LLC
3	16 Marlow St	105.80-1-68	6/30/14	\$5,000	\$3,839.12	POGEL, SCHUBMEHL AND FERRARA, LLC
4	48 Northview Ter	090.76-1-16	3/17/14	\$7,000	\$7,000.00	POGEL, SCHUBMEHL AND FERRARA, LLC
5	347 Randolph St	092.77-1-08	7/10/14	\$20,000	\$3,190.14	POGEL, SCHUBMEHL AND FERRARA, LLC
6	37 Wendell St	107.45-3-15	6/30/14	\$7,000	\$4,950.45	POGEL, SCHUBMEHL AND FERRARA, LLC

- III. A description of the purpose of the transfer, and a reasonable statement of the kind and amount of the benefit to the public resulting from the transfer, including but not limited to the kind, number, location, wages or salaries of jobs created or preserved as required by the transfer, and the benefits, if any, to the communities in which the asset is situated as are required by the transfer.



The Suitable Properties purchased from the City of Rochester will be exclusively for use in the CRI program as funded by a grant awarded by the NYS OAG. Time is of the essence because fifty (50) properties must be acquired and rehabilitated by no later than December 31, 2015 in order to qualify for funding under the CRI grant. The Land Bank's purchase price for each property will be the lesser of the foreclosure auction trump bid price or the appraised value. The CRI grant parameters provide for the Land Bank to purchase or to reimburse the RHDFC for the purchase of properties for environmental remediation, structural rehabilitation, and ultimately sale to first-time homeowners in the HOME Rochester program. In addition to the benefit to the owner-occupants, an analysis performed by I Squared Community Development showed that the property value of homes within 100-foot radius of a HOME Rochester property increase by an average of more than \$15,000, which is about 23% of the average home value in the City of Rochester. Forty-one percent of the 22 contractors who perform rehabilitation for the HOME Rochester program are Minority and Women-Owned Business Enterprise firms.

The Suitable Properties are part of the surplus property inventory that the City of Rochester acquired by default due to a lack of interest from the public at the City's tax foreclosure auction. Sale of these properties to the RHDFC will reduce property carrying costs and allow for their return to productive use more rapidly in order to qualify for funding under the two-year CRI grant. Ultimately, this transaction will benefit all City residents by cost-effectively and promptly returning blighted, tax-delinquent properties to the City's tax rolls and providing a stabilizing influence in its neighborhoods.

IV. A statement of the value to be received compared to the fair market value.

The appraised value of the properties is listed above. While the monetary consideration for Suitable Properties received by the Land Bank will be negligible (\$1.00), the transaction has been structured in this way to allow for the most judicious use of the OAG's CRI grant for this purpose – limiting acquisition costs in order to preserve the bulk of the funding to subsidize environmental remediation and rehabilitation of blighted properties, the most expensive and unique part of the HOME Rochester program. Moreover, the expense incurred by the Land Bank for acquisition of Suitable Properties is also reimbursable from the CRI grant.

V. The names of any private parties participating in the transfer, and if different than the statement required by subparagraph IV above, a statement of the value to the private party.

The Suitable Properties will be acquired by Rochester Housing Development Fund Corporation. The Rochester Housing Development Fund Corporation (RHDFC) is a not-for-profit created by the City of Rochester, Enterprise Community Partners and Greater Rochester Housing Partnership to house the HOME Rochester program. RHDFC was created under Article 11 of the New York State Private Housing Finance Law.



VI. The names of other private parties who have made an offer for such asset, the value offered, and the purpose for which the asset was sought to be used.

No other private party has made an offer for the properties. As the Land Bank's purchase of Suitable Properties will be with funds awarded by the OAG expressly for the purpose of carrying out the CRI grant program, no other party is or will be an eligible purchaser.

The Board of the Land Bank has considered the information above and determined that:

- The Suitable Properties will be purchased using OAG grant funding awarded to carry out the CRI grant program.
- The grant program requires acquisition and rehabilitation of fifty homes to be completed cost-effectively and within two years.
- The RHDFC is the only eligible transferee for Suitable Properties to be acquired and rehabilitated using the CRI grant funding.
- The grant is structured such that any money spent by the RHDFC for acquisition of properties for the purposes of the CRI grant is fully reimbursable by the Land Bank.

There is, therefore, no reasonable alternative to the proposed below market price transfer of Suitable Properties to RHDFC that would achieve the Land Bank's purpose to utilize the CRI grant to convert the maximum number of abandoned and blighted houses into affordable single-family owner-occupied homes .

The board of directors of the Land Bank has considered the information above and determined that:

- The property was purchased at the City's Tax Foreclosure Auction for the amount of the Trump Bid, a price well below the established fair market value using funding received from the City of Rochester.
- The City of Rochester is the only eligible transferee for these properties under the Professional Services Agreement that prompted their purchase.
- All funds expended by the Land Bank for acquisition of the properties are fully reimbursable by the City of Rochester.

There is, therefore, no reasonable alternative to the proposed below market transfer that would achieve the same outcome.



## Explanatory Statement

The below market value disposition of a real estate parcels to the GRHP is intended to facilitate the timely and cost effective construction of an affordable, owner-occupied single-family residence using the OAG's CRI grant. The following information has been considered in the evaluation of the below market value disposition of real property:

- I. A full description of the asset. and
- II. An appraisal of the fair market value of the asset and any other information establishing the fair market value sought by the board.

The property in question is 21 Straub Street, SBL #090.82-2-27. It is a vacant/abandoned single family structures located in the City of Rochester, County of Monroe, State of New York. Prior to conveyance to the GRHP, the structure will be demolished. The fair market value of the structured property as established by an appraisal dated July 14, 2014 by Pogel, Schubmehl & Ferrara, LLC is \$12,000.

- III. A description of the purpose of the transfer, and a reasonable statement of the kind and amount of the benefit to the public resulting from the transfer, including but not limited to the kind, number, location, wages or salaries of jobs created or preserved as required by the transfer, and the benefits, if any, to the communities in which the asset is situated as are required by the transfer.

The property was acquired by the Land Bank exclusively for use in the CRI program as funded by a grant awarded by the OAG. The grant parameters provided for the Land Bank to acquire or to reimburse the RHDFC for the acquisition of vacant properties suitable for in-fill construction and ultimately sale to first-time homeowners in the Neighborhood Builders program. Ultimately, this transaction will benefit all City residents by replacing blighted, tax-delinquent properties with refreshed housing stock that will augment the City's tax rolls and provide a stabilizing influence in its neighborhoods.

- IV. A statement of the value to be received compared to the fair market value.

The appraised value of the properties is listed above, however as the property will be demolished prior to conveyance, it is likely that the value will be significantly less. While the monetary consideration received by the Land Bank will be negligible (\$1.00), the transaction has been structured in this way to allow for the most judicious use of the OAG's CRI grant for this purpose – limiting acquisition costs in order to preserve the bulk of the funding to subsidize the cost of



new construction. Moreover, the expense incurred by the Land Bank for acquisition of this property is also reimbursable from the CRI grant.

V. The names of any private parties participating in the transfer, and if different than the statement required by subparagraph IV above, a statement of the value to the private party.

The property will be acquired by the Greater Rochester Housing Partnership (GRHP), The Greater Rochester Housing Partnership operates single-family housing programs that strengthen neighborhoods and stabilize property values while providing affordable opportunities for home ownership.

VI. The names of other private parties who have made an offer for such asset, the value offered, and the purpose for which the asset was sought to be used.

No other private party has made an offer for the property. No other party is or was an eligible recipient of the property because it was acquired by the Land Bank for the sole purpose of carrying out the CRI grant.

The Board of the Land Bank has considered the information above and determined that:

- The Land Bank acquired the property for use in a CRI grant program.
- The named grant program, Neighborhood Builders, requires six single family homes to be constructed cost-effectively and within two years.
- The GRHP is the only eligible transferee for properties intended for use in the Neighborhood Builders program as funded CRI grant program.
- The grant is structured such that any money spent by the GRHP for acquisition of properties for the purposes of the CRI grant is fully reimbursable by the Land Bank.

There is, therefore, no reasonable alternative to the proposed below market transfer to GRHP that would achieve the Land Bank's purpose to utilize the CRI grant to convert the maximum number of abandoned and blighted houses into affordable single-family owner-occupied homes .



## Explanatory Statement

The below market value disposition of five (5) real estate parcels to the City of Rochester (“City”) is intended to return vacant, abandoned, or underutilized properties to productive use or hold them for strategic uses consistent with the development strategies and policies created by the City of Rochester (“City”). The following information has been considered in the evaluation of the below market value disposition of real property:

- I. A full description of the asset.
- II. An appraisal of the fair market value of the asset and any other information establishing the fair market value sought by the board.

The real property parcels listed below (“Donated Parcels”) are vacant/abandoned residential properties located in the City of Rochester, County of Monroe, State of New York. The first four parcels listed contain vacant houses. The last one is a vacant lot zoned residential and located in a residential neighborhood. The fair market value of the properties was established by independent appraisals as described below:

Address	SBL #	Appraisal Date	Appraised Value
204 Flint St	120-76-2-84	12/31/14	\$13,000
(133 &) 129 Mason St	090.82-3-83	12/31/14	\$8,000
600 Thurston Rd	090.82-3-82	12/31/14	\$23,000
37 Woodward St	106.64-3-15.1	12/31/14	\$8000
78 Glendale Pk	105.34-1-31	12/31/14	\$2,000

- III. A description of the purpose of the transfer, and a reasonable statement of the kind and amount of the benefit to the public resulting from the transfer, including but not limited to the kind, number, location, wages or salaries of jobs created or preserved as required by the transfer, and the benefits, if any, to the communities in which the asset is situated as are required by the transfer.

The Donated Parcels were donated to the Land Bank by their respective mortgagees. Each one is located in an area targeted by the City for community revitalization. Based on the City’s evaluation of the properties, it is anticipated that the first four listed properties are suitable for rehabilitation as residential structures. They will be offered for sale to pre-qualified bidders via City Surplus Auction(s). The last-listed property is vacant land. The City intends to hold it for strategic use as part of an anticipated future redevelopment plan for the Edgerton neighborhood. Rehabilitation of the first four properties will entail the employment of carpenters and other personnel. Ultimately, this transaction will



benefit City residents by returning blighted, vacant properties to productive, residential use and provide a stabilizing influence in their respective neighborhoods.

IV. A statement of the value to be received compared to the fair market value.

The appraised value of the properties is listed above, however as the properties were donations, the Land Bank incurred negligible acquisition expense. While the monetary consideration received by the Land Bank will be negligible (\$1.00), the transaction has been structured in this way to provide for most expeditious and least costly way to place the Donated Parcels either in the hands of private developers who will restore them to residential use or to be held by the City temporarily for strategic purposes until it can be used in one of the City's future neighborhood redevelopment initiatives.

V. The names of any private parties participating in the transfer, and if different than the statement required by subparagraph IV above, a statement of the value to the private party.

Private parties will be provided with the opportunity to acquire some of the Donated Parcels by submitting the highest qualifying bid at public auction.

VI. The names of other private parties who have made an offer for such asset, the value offered, and the purpose for which the asset was sought to be used.

No other private party has made an offer for the properties. As the Land Bank accepted donation of the properties expressly for the purpose of carrying out the CRI grant program, no other party is or was an eligible purchaser.

The Board of the Land Bank has considered the information above and determined that:

- The Land Bank accepted donation of the properties for uses consistent with its corporate mission.
- The conveyance of the properties to the City for either public auction to private parties who will rehabilitate them to residential use or for use in the City's future redevelopment initiatives is consistent with the Land Bank's mission.



- The Land Bank is not capable of conducting a public auction of the suitable donated properties as promptly or as efficiently as the City could.

There is, therefore, no reasonable alternative to the proposed below market transfer of the five Donated Parcels to the City of Rochester.



# Appendix I

## Procurement Report FY 2014



Procurement Report for Rochester Land Bank Corporation  
 Fiscal Year Ending: 06/30/2015  
 Run Date: 09/24/2015  
 Status: **CERTIFIED**

Procurement-Information:

Question	Response	URL (if applicable)
1. Does the Authority have procurement guidelines?	Yes	http://www.cityofrochester.gov/landbank
2. Are the procurement guidelines reviewed annually, amended if needed, and approved by the Board?	Yes	
3. Does the Authority allow for exceptions to the procurement guidelines?	Yes	
4. Does the Authority assign credit cards to employees for travel and/or business purchases?	No	
5. Does the Authority require prospective bidders to sign a non-collusion agreement?	Yes	
6. Does the Authority incorporate a summary of its procurement policies and prohibitions in its solicitation of proposals, and documents or specifications for procurement contracts?	Yes	
7. Did the Authority designate a person or persons to serve as the authorized contact on a specific procurement, in accordance with Section 139-121.21 of the State Finance Law, "The Procurement Lobbying Act"?	Yes	
8. Did the Authority determine that a vendor had impermissible contact during a procurement or attempted to influence the procurement during the reporting period, in accordance with Section 139-110.1 of the State Finance Law?	No	
9. Does the Authority have a process to review and investigate allegations of impermissible conduct during a procurement, and to impose sanctions in instances where violations have occurred, in accordance with Section 139-112 of the State Finance Law?	Yes	



Procurement Report for Rochester Land Bank Corporation

Max Date: 09/24/2015

Statut: CERTIFIED

Fiscal Year Ending: 06/30/2015

Procurement Transactions Listing

This Authority has indicated that it has no Procurement Transactions for the reporting period.



**Procurement Report for Rochester Land Bank Corporation**

**Run Date: 09/24/2015**

**Fiscal Year Ending: 06/30/2015**

**Status: CERTIFIED**

Procurement Transactions Listing

Additional Comments:



# Appendix J

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## Investment Report

### FY 2014

Following are the investment guidelines approved by the Board of Directors on September 21, 2015:

- I. *Permitted Investments* – Pursuant to Section 512 of the Not-For-Profit Corporation Law (“NPCL”), the Corporation may invest monies not required for immediate expenditure for terms not to exceed its projected cash flow needs in the following investments:
  - A. Special time deposit accounts;\*
  - B. Certificates of deposit;\*
  - C. Obligations of the United States of America;\*\*
  - D. Obligations guaranteed by agencies of the United States of America where payment of principal and interest are guaranteed by the United States of America;\*\*
  - E. Obligations of the State of New York;\*

Schedule of Eligible Securities is included as Exhibit A of this report.

\* Special time deposit accounts and certificates of deposit are permitted investments provided that (1) they shall be payable within such time as the proceeds shall be needed to meet expenditures for which the monies were obtained, and (2) they are collateralized as set forth in Section C below for deposits of public funds.

\*\* All investment obligations shall be payable or redeemable at the option of the Corporation within such times as the proceeds will be needed to meet expenditures for purposes for which monies were provided and, in the case of obligations purchased with the proceeds of bonds or notes, shall be payable or redeemable at the option of the Corporation within two years.

- II. Security Procedures and Provisions



A. *Collateralization of Deposits* – All deposits of the Corporation, including certificates of deposit and special time deposits, over the amount insured under the Federal Deposit Insurance Act shall be secured:

1. By pledge of “eligible securities” with an aggregate “market value” as provided by the NPCL, equal to the aggregate deposits from the categories designated in Exhibit A attached hereto.
2. By an eligible “irrevocable letter of credit” issued by a qualified bank other than the bank with the deposits in favor of the Corporation for a term not to exceed 90 days with an aggregate value equal to 140% of the aggregate deposits and the agreed upon interest, if any. A qualified bank is one whose commercial paper and other unsecured short-term debt obligations are rated in one of the three highest rating categories by at least one nationally recognized statistical rating organization or by a bank in compliance with applicable federal minimum risk-based capital requirements.
3. By an eligible surety bond payable to the Corporation for an amount at least equal to 100% of the aggregate deposits and the agreed upon interest executed by an insurance company authorized to do business in New York State, whose claims-paying ability is rated in the highest rating category by at least two nationally recognized statistical rating organizations. The terms and conditions of any eligible surety shall be approved by the governing board.

B. *Safekeeping and Collateralization* – Eligible securities used for collateralizing deposits shall be held by the depository bank or trust company subject to security and custodial agreements.

The security agreement shall provide that eligible securities are being pledged to secure the Corporation deposits together with agreed upon interest, if any, and any costs or expenses arising out of the collection of such deposits upon default. It shall also provide the conditions under which the securities may be sold, presented for payment, substituted or released and the events, which will enable the local government to exercise its rights against the pledged securities. If the securities are not registered or inscribed in the name of the local government, such securities shall be delivered in a form suitable for transfer or with an assignment in blank to the Corporation or its bank.

The custodial agreement shall provide that securities held by the bank or trust company, or agent of and custodian for, the Corporation, will be kept separate and apart from the general assets of the custodial bank or trust company and will not, in any circumstances, be commingled with or become part of backing for any other deposit or other liabilities. The agreement should also describe that the custodian shall confirm the receipt, substitution or release of the securities. The agreement shall provide for the frequency of revaluation of eligible securities and for the substitution of securities



when a change in the rating of a security may cause ineligibility. Such agreement shall include all provisions necessary to provide the Corporation a perfected interest in the securities.

### III. Written Contracts

The Corporation shall enter into written contracts pursuant to which investments are made, unless the Corporation shall by resolution determine that a written contract is not practical or that there is not a regular business practice of written contracts with respect to a specific investment or transaction, in which case the corporation shall adopt procedures covering such investment or transaction. Such contracts and procedures shall include provisions:

- A. Deemed necessary and sufficient to secure in a satisfactory manner the corporation's financial interest in each investment;
- B. Covering the use, type and amount of collateral or insurance for each investment;
- C. Establishing a method for valuation of collateral, and procedures for monitoring the valuation of such collateral on a regular basis;
- D. For the monitoring, control, deposit and retention of investments and collateral which shall include, in the case of a repurchase agreement, a requirement that the obligations purchased be physically delivered for retention to the corporation or its agent (which shall not be an agent of the party with whom the corporation enters into such repurchase agreement), unless such obligations are issued in book-entry form, in which case the corporation shall take such other action as may be necessary to obtain title to or a perfected security interest in such obligations.

### IV. Diversification

It is the policy of the Corporation to diversify its deposits and investments by financial institution, by investment instrument, and by maturity scheduling. The following are designated as depositories of the City's money, and the City Treasurer may deposit moneys received by the City in such depositories up to the specified maximum amounts:

<b>Depository Name</b>	<b>Maximum Amount</b>
JP Morgan Chase Bank, N.A.	\$250,000,000
HSBC Bank, USA	\$225,000,000
Bank of America	\$175,000,000
Manufacturers & Traders Trust Company	\$150,000,000



Depository Name	Maximum Amount
Key Bank	\$150,000,000
Citizens Bank	\$150,000,000
First Niagara Bank	\$150,000,000

V. Qualifications of Investment Agents and Advisors

A. *Authorized Financial Institutions and Dealers* – The Corporation shall maintain a list of financial institutions and dealers, approved for investment and establish appropriate limits to the investments which can be made with each financial institution or dealer. All financial institutions with which the Corporation conducts business must be credit worthy. Banks shall provide their most recent Consolidated Report of Condition (Call Report) at the request of the Corporation. Security dealers not affiliated with a bank shall be required to be classified as reporting dealers affiliated with the New York Federal Reserve Bank, as primary dealers. The Executive Director or Treasurer shall evaluate the financial position and maintain a list of proposed depositories, trading partners and custodians. Such listing shall be evaluated at least annually.

B. Pursuant to Section 8-3 of the Code of the City of Rochester, it is hereby declared to be impracticable to obtain by competitive contract the services of a financial and transfer agent for the City of Rochester in the City of New York, and the Purchasing Agent is hereby authorized to obtain without competitive bidding the services of the Manufacturer's Hanover Trust Company of New York, and its successors, heretofore designated as transfer agent by the Council, to render services as the City's financial and transfer agent at a cost not to exceed \$6,500 a year.

VI. Reporting and Audit.

A. The corporation shall make provisions for an annual independent audit of all investments, the results of which shall be available to the board at the time the annual review and approval of investment guidelines is conducted by the corporation.

B. The corporation shall annually prepare and approve an investment report which shall include the investment guidelines, as specified in subdivision three of Section 2925 of the Public Authorities Law; amendments to such guidelines since the last investment report; an explanation of the investment guidelines and amendments; the results of the annual independent audit; the investment income record of the corporation and a list of the total fees, commissions or other charges paid to each investment banker, broker, agent, dealer and adviser rendering investment associated services to the corporation since the last investment report. Such investment report may be a part of any other annual report that the corporation is required to make.



Rochester Land Bank Corporation made no investments during the 2014 fiscal year.

The Fiscal Year 2014 Audit Report of the Rochester Land Bank Corporation, prepared by Freed Maxick CPAs, P.C. and approved by the Board of Directors on September 21, 2015, is included at Exhibit B of this document.



**Exhibit A**  
**SCHEDULE OF ELIGIBLE SECURITIES**

- (1) Obligations issued, or fully insured or guaranteed as to the payment of principal and interest by the United States of America, an Agency thereof or a United States government sponsored corporation.
- (2) Obligations issued or fully guaranteed by the International Bank for Reconstruction and Development, the Inter-American Development Bank, the Asian Development Bank and the African Development Bank.
- (3) Obligations partially insured or guaranteed by the State of New York, obligations issued by a municipal corporation, school district or district corporation or such State or obligations of any public benefit corporation which under a specific State statute may be accepted as security for deposit of public monies.
- (4) Obligations issued or fully insured or guaranteed by the State of New York, obligations issued by a municipal corporation, school district, or district corporation or such State obligations of any public benefit corporation which under a specific State statute may be accepted as security for deposit of public monies.
- (5) Obligations issued by states (other than the State of New York) of the United States rated in one of the three highest rating categories by at least one nationally recognized statistical rating organization.
- (6) Obligations of Puerto Rico rated in one of the three highest rating categories by at least one nationally recognized statistical rating organization.
- (7) Obligations of countries, cities and other governmental entities of a state other than the State of New York having the power to levy taxes backed by the full faith and credit of such governmental entity and rated in one of the three highest categories by at least one nationally recognized statistical rating organization.
- (8) Obligations of domestic corporations rated one of the two highest rating categories by at least one nationally recognized statistical rating organization.
- (9) Any mortgage-related securities, as defined in the Securities Exchange Act of 1934, as amended, which may be purchased by banks under the limitations established by bank regulatory agencies.
- (10) Commercial paper and bankers' acceptances issued by a bank, other than the Bank, rated in the highest short-term category by at least one nationally recognized statistical rating organization and having maturities of not longer than 60 days from the date they are pledged.
- (11) Zero Coupon obligations of the United States government marketed as "Treasury strips".



**Exhibit B**

**AUDITED  
BASIC FINANCIAL STATEMENTS**

**ROCHESTER LAND BANK CORPORATION**

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**JUNE 30, 2015**



ROCHESTER LAND BANK CORPORATION

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#### INDEPENDENT AUDITOR'S REPORT

The Board of Directors of the  
Rochester Land Bank Corporation  
Rochester, New York

#### Report on the Financial Statements

We have audited the accompanying financial statements of the Rochester Land Bank Corporation, (the Corporation), a component unit of the City of Rochester, New York, as of and for the year ended June 30, 2015 and 2014, and the related notes to the financial statements, which collectively comprise the Corporation's basic financial statements as listed in the table of contents.

#### Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

#### Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Corporation's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.



**Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Corporation, as of June 30, 2015 and 2014, and the changes in financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

**Other Matters**

**Required Supplementary Information**

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3-5 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated September 14, 2015 on our consideration of the Corporation's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Corporation's internal control over financial reporting and compliance.

*Freed Maxick CPAs, P.C.*

Rochester, New York  
September 14, 2015



**SECTION A  
FINANCIAL SECTION**



**A**s management of the Rochester Land Bank Corporation, we offer readers of the Rochester Land Bank Corporation's financial statements this narrative overview and analysis of the financial activities of the Rochester Land Bank Corporation for the fiscal year ended June 30, 2016.

#### Financial Highlights

+ The assets of the Rochester Land Bank Corporation exceeded its liabilities at the close of the most recent fiscal year by \$502,642 (*net position*). Of this amount, \$502,642 (*unrestricted net position*) may be used to meet the Rochester Land Bank Corporation's ongoing EDA grant obligations.

+ The Rochester Land Bank Corporation's total assets are comprised primarily of grant proceeds received from the Community Revitalization Initiative ("CRI") grant program offered through the New York State Office of the Attorney General. The New York State Office of the Attorney General awarded the Rochester Land Bank Corporation two grants. The first grant in the amount of \$2,780,642 has a term of 24 months commencing January 1, 2014 through December 31, 2016. The second grant in the amount of \$1,884,820 has a term of 24 months commencing January 1, 2015 through December 31, 2016. The Rochester Land Bank Corporation utilizes the grant funding to supplement the City's investments in transforming vacant properties into affordable owner-occupied housing, develop new affordable housing for homeownership in strategic project areas, demolish blighted structures, and fund certain staffing positions. The Rochester Land Bank Corporation has executed agreements with the Rochester Housing Development Fund Corporation (RHDFC), the Greater Rochester Housing Partnership (GRHP), and the City of Rochester in the form of a Share Services agreement to implement partnerships to fulfill the "CRI" grant initiatives.

#### Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the Rochester Land Bank Corporation's basic financial statements. The Rochester Land Bank Corporation's basic financial statements comprise two components: 1) corporation-wide financial statements and 2) notes to the financial statements.

**Corporation-wide financial statements.** The *corporation-wide financial statements* are designed to provide readers with a broad overview of the Rochester Land Bank Corporation's finances, in a manner similar to a private-sector business.

The *statement of net position* presents information on all of the Rochester Land Bank Corporation's assets and liabilities, with the difference between the two reported as *net position*. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the Rochester Land Bank Corporation is improving or deteriorating.

The *statement of revenues, expenses, and changes in net position* presents information showing how the corporation's net assets changed during the most recent fiscal year. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

The corporation-wide financial statements can be found on pages immediately following this section.

**Notes to the financial statements.** The notes provide additional information that is essential to a full understanding of the data provided in the corporation-wide financial statements. The notes to the financial statements can be found following the Basic Financial Statements section of this report.

#### Corporation-wide Financial Analysis

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of the Rochester Land Bank Corporation, assets exceed liabilities by \$502,642 at the close of the most recent fiscal year. The Rochester Land Bank Corporation's net position consists primarily of grant proceeds.



**Rochester Land Bank Corporation's Net Position**

	<u>2015</u>	<u>2014</u>
Assets	\$ 614,809	\$ 661,364
Liabilities	<u>112,167</u>	<u>420,500</u>
Net position	\$ 502,642	\$ 560,864
	<u>2015</u>	<u>2014</u>
Operating Revenues	\$ 885,215	\$ 1,630,785
Operating Expenses	<u>943,437</u>	<u>1,069,922</u>
Change in net position	(58,222)	560,864
Net position – beginning of year	<u>560,864</u>	<u>-</u>
Net position – end of year	\$ 502,642	\$ 560,864

**Financial Analysis of the Corporation's Funds**

**Unrestricted Funds.** The unrestricted funds consists primarily of the grant proceeds from the Community Revitalization Initiative (CRI) grant proceeds offered through the New York State Office of the Attorney General.

**Economic Factors**

Non-farm employment in New York State increased by 1.6% from July 2014 to July 2015. New York State added 166,000 private sector jobs (+2.5%) from July 2014 to July 2015. Private sector jobs in the Rochester metropolitan area increased over the year by 9,700, or 2.2%, to 465,400 in July 2015. Gains were concentrated in educational and health services (+5,400), professional and business services (+3,800), leisure and hospitality (+2,400) and construction (+300). Job losses were concentrated in manufacturing (-1,200), financial activities (-1,100) and trade, transportation and utilities (-200). Government employment declined (-400) over the year, non-farm employment increased by 1.8% for the same period. In New York State other services employment increased by 4.5% representing the largest increase of any major industry sector, while education and health services employment rose by 3.8%. For the same period, natural resources and mining employment showed a 5.3% decline, representing the largest major industry sector decline, while government jobs remained unchanged.

As of July 2015, the labor force segment of the Rochester Metropolitan area's civilian labor force continued to be education and health services (22.7%), followed by trade/transportation/utilities (15.7%), government (13.8%), and professional/business services (13.4%). Manufacturing jobs constituted (11.0%), and leisure and hospitality (9.6%).

The unemployment rate for the Rochester metro area was 5.4% as of July 2015 (down from 6.1% as of July 2014). This compares to the unemployment rate for New York State of 5.4% as of July 2015 (down from 6.6% at July 2014) and for the nation of 5.3% as of July 2015 (down from 6.2% as of July 2014).



We are aware however, that in certain parts of the City of Rochester the unemployment rate for some populations may be as high as 40%. The overall poverty rate for the City is 32.9%, which ranks us 6th worst in the US for cities of our size.

The top five largest employers in the Rochester area are University of Rochester/Strong Medical Center, Wegman's Food Markets, Rochester General Health System, Xerox Corporation, and Unity Health System. UR/SMC continues to be the largest employer, as the Rochester region economy continues to transition from an economy which was heavily based on manufacturing decades ago to one with a greater emphasis on education, health services, and professional/business services. As of June 2014, the University of Rochester was responsible for 22,500 jobs (over 20,000 estimated full time equivalent positions). A significant share of the University's growth has occurred at the University of Rochester Medical Center as Strong Health extends clinical service penetration beyond the metropolitan area and URMC expands its research facilities and total employment. Eastman Kodak Company is now the eighth largest employer in the Rochester area. The Company emerged from bankruptcy on September 3, 2013, and continues to operate as a much smaller business enterprise.

The US economy continued to show improvement as the Federal Reserve continued to utilize monetary policy to support the economic recovery. The prime rate of interest remained unchanged at 3.25% as the Federal Open Markets Committee (FOMC) continues to keep the target range for the federal funds rate at 0% - 0.25%, while long term interest rates hover at 2.50%. As expansion continues inflation is expected to gradually rise toward the FOMC's objective of 2%. The U.S outlook is deemed favorable.

#### Requests for Information

This financial report is designed to provide a general overview of the Rochester Land Bank Corporation's finances for all those with an interest in the corporation's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to: Rochester Land Bank Corporation, City Hall - Room 125B, 30 Church Street, Rochester, NY 14614.



**ROCHESTER LAND BANK CORPORATION**  
**(A COMPONENT UNIT OF CITY OF ROCHESTER)**  
**STATEMENTS OF NET POSITION**  
**For the Years Ended June 30,**

ASSETS	2015	2014
<b>Current assets:</b>		
Cash and cash equivalents	\$ 614,809	\$ 321,482
Accounts receivable	-	18
Due from other governments	-	689,364
<b>Total assets</b>	<b>614,809</b>	<b>801,364</b>
<b>LIABILITIES AND NET ASSETS</b>		
<b>Current liabilities:</b>		
Accounts payable	43,579	420,500
Due to City of Rochester	88,588	-
<b>Total liabilities</b>	<b>112,167</b>	<b>420,500</b>
<b>Net position:</b>		
Unrestricted	\$ 502,642	\$ 660,864

See notes to basic financial statements.



**ROCHESTER LAND BANK CORPORATION**  
**(A COMPONENT UNIT OF CITY OF ROCHESTER)**  
**STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION**  
**For the Years Ended June 30,**

	<u>2016</u>	<u>2014</u>
<b>Operating revenues:</b>		
NYS grant	\$ 735,823	\$ 1,282,383
City of Rochester grant	-	300,000
Sale of real estate	148,392	48,403
<b>Total operating revenues</b>	<u>884,215</u>	<u>1,630,786</u>
<b>Operating expenses:</b>		
Acquisition costs	44,310	378,422
Renovation and construction	600,810	690,600
Salaries and benefits	283,539	-
Other	14,778	-
<b>Total operating expenses</b>	<u>943,437</u>	<u>1,069,022</u>
<b>Change in net assets</b>	<u>(59,222)</u>	<u>560,864</u>
<b>Net position - beginning of year</b>	<u>560,864</u>	<u>-</u>
<b>Net position - end of year</b>	<u>\$ 602,642</u>	<u>\$ 560,864</u>

See notes to basic financial statements.

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**ROCHESTER LAND BANK CORPORATION**  
**(A COMPONENT UNIT OF CITY OF ROCHESTER)**  
**STATEMENTS OF CASH FLOWS**  
 For the Years Ended June 30,

	2015	2014
<b>Cash flows from operating activities:</b>		
Cash received from grants	\$ 1,366,877	\$ 922,529
Cash received from sale of real estate	149,418	48,385
Payments to service providers	(1,838,619)	(949,422)
Payments for employee services	(214,951)	-
<b>Net cash provided by operating activities</b>	<b>293,317</b>	<b>321,482</b>
Net increase in cash and cash equivalents	293,317	321,482
Cash and cash equivalents - beginning of year	321,482	-
Cash and cash equivalents - end of year	<b>\$ 614,809</b>	<b>\$ 321,482</b>
<b>Reconciliation of Income from operations to net cash provided by operating activities:</b>		
Income from operations	(68,222)	890,664
<b>Adjustment to reconcile income from operations to net cash provided by operating activities:</b>		
Change in assets and liabilities:		
Decrease (increase) in:		
Due from other governments	659,854	(859,854)
Decrease (increase) in:		
Accounts receivable	19	(19)
Increase (decrease) in:		
Accounts payable	(308,333)	420,500
<b>Net cash provided by operating activities</b>	<b>\$ 293,317</b>	<b>\$ 321,482</b>

See notes to basic financial statements.



**ROCHESTER LAND BANK CORPORATION.**

**NOTES TO BASIC FINANCIAL STATEMENTS**

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**NOTE 1. ORGANIZATION**

Rochester Land Bank Corporation (the "Corporation") is a public authority and not-for-profit corporation formed under Article 16 of the Not-for-Profit Corporation Law (the "Land Bank Act"). On November 14, 2012, by Ordinance Number 2012-416, the Rochester City Council approved the formation of a land bank pursuant to Section 1603(a) of the Land Bank Act. On February 21, 2013, the New York State Urban Development Corporation approved the creation of a land bank by the City of Rochester pursuant to Section 1603(g) of the Land Bank Act. On August 9, 2013, the City filed the Corporation's Certificate of Incorporation pursuant to Section 1603(a)(5) of the Land Bank Act.

The Land Bank Act, enacted as Chapter 257 of the Laws of 2011, authorizes the creation of land banks to acquire vacant, abandoned, and tax delinquent properties in order to facilitate their return to productive use. The mission of the Corporation is to return underutilized property to productive use, preserve and create quality housing, enhance the quality of life within neighborhoods, and encourage economic opportunities in the City of Rochester. The Corporation's acquisition, management, and disposition of vacant, abandoned, and tax delinquent properties is conducted in a manner that supports that mission in alignment with the City of Rochester's redevelopment strategies, goals and objectives.

There are seven members of the Board of Directors, five *ex officio* members, and two appointed members who serve three year terms.

**NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION**

The financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. Revenues, expenses, gains, and losses are classified into three classes of net position - restricted, unrestricted and net investment in capital assets - which are displayed in the statement of net position.

**B. NET POSITION**

Equity is classified as net position and displayed in three components:

- a. Net investment in capital assets - Consists of capital assets including restricted capital assets, net of accumulated depreciation. The Corporation has no net position in this class.
- b. Restricted net position - Consists of net position with constraints on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation. The Corporation has no net position in this class.
- c. Unrestricted net position - All other net position that do not meet the definition of "restricted" or "net investment in capital assets."



ROCHESTER LAND BANK CORPORATION

NOTES TO BASIC FINANCIAL STATEMENTS

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NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. ACCOUNTS RECEIVABLE

Accounts receivable are reported at their net realizable value. Generally accepted accounting principles in the United States of America require the establishment of an allowance for doubtful accounts, however, no allowance for uncollectible accounts has been provided since management believes that such allowance would not be necessary.

D. INCOME TAXES

The Corporation is a Public Benefit Corporation of the State of New York and is exempt from federal income taxes under Section 115 of the Internal Revenue Code. Accordingly, no provision for income taxes has been made on the accompanying financial statements.

E. CASH AND CASH EQUIVALENTS

Cash and cash equivalents include certificates of deposit which mature within 90 days of issuance.

F. USE OF ESTIMATES

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

G. ACCOUNTING PRONOUNCEMENTS

During the fiscal year ended June 30, 2015, the Corporation adopted the provisions of Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions – An amendment of GASB Statement No. 27*; Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*; and Statement No. 76, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*.

The primary objective of Statement No. 68 and No. 71 is to improve accounting and financial reporting by state and local governments for pensions. It also improves information provided by state and local governmental employers about financial support for pensions that is provided by other entities. These Statements result from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for pensions with regard to providing decision-useful information, supporting assessments of accountability and interperiod equity, and creating additional transparency. There was no material impact to the Corporation's financial statements as a result of the implementation of these statements.

The GASB has issued the following new statements:

- Statement No. 72, *Fair Value Measurement and Application*, which will be effective for the year ending June 30, 2016; and
- Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*, which will be effective for the year ending June 30, 2018.

The Corporation is currently reviewing these statements and plans on adoption, as required.



ROCHESTER LAND BANK CORPORATION

NOTES TO BASIC FINANCIAL STATEMENTS

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NOTE 3. DETAILS ON TRANSACTION CLASSES/ACCOUNTS

A. ASSETS

1. CASH AND CASH EQUIVALENTS

Cash and cash equivalents include interest-bearing accounts and certificates of deposit totaling \$815,491 at June 30, 2015. The Corporation's investment policies are governed by State statutes. The Corporation's monies must be deposited in FDIC insured commercial banks or trust companies located within the State. Permissible investments include demand accounts and certificates of deposit, obligations of the U.S. Treasury and U.S. Agencies, repurchase agreements and obligations of New York State or its localities.

Collateral is required for demand and time deposits and certificates of deposit not covered by Federal Deposit Insurance. Obligations that may be pledged as collateral are obligations of the United States and its agencies and obligations of the State and municipalities and school districts.

Investment and Deposit Policy

The Corporation currently follows an investment and deposit policy as directed by State statutes, the overall objective of which is to adequately safeguard the principal amount of funds invested or deposited; conformance with federal, state and other legal requirements; and provide sufficient liquidity of invested funds in order to meet obligations as they become due. Oversight of investment activity is the responsibility of the Board of Directors.

The Corporation's bank balance was fully collateralized at June 30, 2015.

Interest Rate Risk

Interest rate risk is the risk that the fair value of investments will be affected by changing interest rates. The Corporation's investment policy does not limit investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk

The Corporation's policy is to minimize the risk of loss due to failure of an issuer or other counterparty to an investment to fulfill its obligations.

Custodial Credit Risk

Custodial credit risk is the risk that in the event of a failure of a depository financial institution, the reporting entity may not recover its deposits. In accordance with the Corporation's investment and deposit policy, all deposits of the Corporation including interest bearing demand accounts and certificates of deposit, in excess of the amount insured under the provisions of the Federal Deposit Insurance Act (FDIC) shall be secured by a pledge of securities with an aggregate value equal to 102% of the aggregate amount of deposits.



**SECTION B  
COMPLIANCE AND INTERNAL CONTROLS**



**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING  
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL  
STATEMENTS PERFORMED IN ACCORDANCE  
WITH GOVERNMENT AUDITING STANDARDS**

**INDEPENDENT AUDITOR'S REPORT**

To the Board of Directors  
Rochester Land Bank Corporation  
Rochester, New York

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the Corporation, as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the Corporation's basic financial statements, and have issued our report thereon dated September 14, 2015.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Corporation's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Corporation's internal control. Accordingly, we do not express an opinion on the effectiveness of the Corporation's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of the internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.



**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Corporation's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

**Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Corporation's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Freed Maxick CPAs, P.C.*

Rochester, New York  
September 14, 2015



**ROCHESTER LAND BANK CORPORATION**

**REPORT TO THE BOARD OF DIRECTORS**

**JUNE 30, 2015**



Trust earned.

September 14, 2015

To the Board of Directors  
Rochester Land Bank Corporation  
Rochester, New York

**Members of the Board:**

We are pleased to present this report related to our audit of the basic financial statements of the Rochester Land Bank Corporation, (the Corporation) for the year ended June 30, 2015. This report summarizes certain matters required by professional standards to be communicated to you in your oversight responsibility for the Corporation's financial reporting process. Also, included is a summary of recently issued accounting standards that may affect future financial reporting by the Corporation.

This report is intended solely for the information and use of Corporation Board and management and is not intended to be and should not be used by anyone other than these specified parties. It will be our pleasure to respond to any questions you have regarding this report. We appreciate the opportunity to be of service to the Corporation.

Very truly yours,  
*Freed Maxick CPAs, P.C.*  
Freed Maxick CPAs, P.C.

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Rochester, New York 14609  
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FREEDMAXICK.COM

One of the firm's members is a Certified Public Accountant (CPA) in the State of New York and is a member of the New York State Society of Certified Public Accountants (NYSSCPA).



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**Required Communications**

Generally accepted auditing standards require the auditor to promote effective two-way communication between the auditor and those charged with governance. Consistent with this requirement, the following summarizes our responsibilities regarding the financial statement audit as well as observations arising from our audit that are significant and relevant to your responsibility to oversee the financial reporting process.

Area	Comments
<p><b>Our Responsibilities with Regard to the Financial Statement Audit</b></p>	<p>Our responsibilities under auditing standards generally accepted in the United States of America and <i>Government Auditing Standards</i> issued by the Comptroller General of the United States has been described to you in our arrangement letter dated May 27, 2015. Our audit of the financial statements does not relieve management or those charged with governance of their responsibilities which are also described in that letter.</p>
<p><b>Overview of the Planned Scope and Timing of the Financial Statement Audit</b></p>	<p>We have issued a separate communication regarding the planned scope and timing of our audit and have discussed with you our identification of and planned audit response to significant risks of material misstatement.</p>
<p><b>Accounting Policies and Practices</b></p>	<p><b>Preferability of Accounting Policies and Practices</b></p> <p>Under generally accepted principles, in certain circumstances, management may select among alternative accounting practices. In our view, in such circumstances, management has selected the preferable accounting practice.</p> <p><b>Adoption of, or Change in, Accounting Policies</b></p> <p>Management has the ultimate responsibility for the appropriateness of the accounting policies used by the Corporation. In the current year the Corporation implemented the provisions of Governmental Accounting Standards Board (GASB) Statement No. 68, <i>Accounting and Financial Reporting for Pension – an amendment of GASB Statement No. 27</i>; GASB Statement No. 71, <i>Pension Transition for Contributions Made Subsequent to the Measurement Date</i>; and GASB Statement No. 76, <i>The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments</i>. The adoption of these standards had no impact on the Corporation.</p> <p><b>Significant or Unusual Transactions</b></p> <p>We did not identify any significant or unusual transactions or significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.</p>



	<p><b>Management's Judgments and Accounting Estimates</b></p> <p>There were no accounting estimates noted during our audit.</p>
<b>Basis of Accounting</b>	<p>The financial statements were prepared on assumption that the entity will continue as a going concern.</p>
<b>Audit Adjustments</b>	<p>There were no audit adjustments made to the original trial balance presented to us to begin our audit.</p>
<b>Uncorrected Misstatements</b>	<p>There were no uncorrected misstatements noted during our audit.</p>
<b>Disagreements with Management</b>	<p>We encountered no disagreements with management over the application of significant accounting principles, the basis for management's judgments on any significant matters, the scope of the audit, or significant disclosures to be included in the financial statements.</p>
<b>Consultations with Other Accountants</b>	<p>We are not aware of any consultations management had with other accountants about accounting or auditing matters.</p>
<b>Significant Issues Discussed with Management</b>	<p>No significant issues arising from the audit were discussed with or were the subject of correspondence with management.</p>
<b>Certain Written Communication Between Management and Our Firm</b>	<p>A copy of certain written communication between our firm and the management of the Corporation is attached as Exhibit A.</p>



#### Recently Issued Accounting Standards

The GASB has issued several statements not yet implemented by the Corporation. The Corporation's management has not yet determined the effect these Statements will have on the Corporation's financial statements. However, the Corporation plans to implement all standards by the required dates. The Statement which might impact the Corporation is as follows:

#### Summary of GASB Statement No. 72 *Fair Value Measurement and Application*

This Statement issued in February 2015 will be effective for the Corporation beginning with its year ending June 30, 2016. The objective of this Statement is to define fair value, how fair value is measured, what assets and liabilities should be measured at fair value, and what information about fair value should be reported in the notes to the financial statements. The definition of fair value in GASB Statement No. 72 is consistent with the definition of fair value in FASB Accounting Standards Codification (FASB ASC) 820, *Fair Value Measurement*. Additionally, GASB Statement No. 72 utilizes the same three-level hierarchy for measuring fair value that is used in FASB ASC 820. Although GASB Statement No. 72 is similar to the FASB's guidance on fair value, GASB Statement No. 72 differs in some ways with the FASB literature. The requirements of GASB Statement No. 72 are effective for financial statements for periods beginning after June 15, 2015. Earlier application is encouraged.

#### Summary of GASB Statement No. 75 *Accounting and Financial Reporting for Postemployment Benefits other than Pensions*

This statement issued in June 2016, will be effective for the Corporation beginning with its fiscal year ending June 30, 2018. The primary objective of this Statement is to improve accounting and financial reporting by state and local governments for postemployment benefits other than pensions (OPEB). This Statement results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for all postemployment benefits (pensions and OPEB) with regard to providing decision-useful information, supporting assessments of accountability and interperiod equity, and creating additional transparency.

This Statement replaces the requirements of Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, as amended, and No. 57, *OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans*, for OPEB. It establishes new accounting and financial reporting requirements for OPEB plans.

The scope of this Statement addresses accounting and financial reporting for OPEB that is provided to the employee of state and local governmental employers. This Statement establishes standards for recognizing and measuring liabilities, deferred outflows of resources, deferred inflows of resources, and expense/expenditures. For defined benefit OPEB, this Statement identifies the methods and assumptions that are required to be used to project benefit payments, discount projected benefit payments to their actuarial present value, and attribute that present value to periods of employee service. Note disclosure and required supplementary information requirements about defined benefit OPEB also are addressed.



In this Statement, distinctions are made regarding the particular requirements depending upon whether the OPEB plans through which the benefits are provided are administered through trusts that meet the following criteria:

- Contributions from employers and nonemployer contributing entities to the OPEB plan and earnings on those contributions are irrevocable.
- OPEB plan assets are dedicated to providing OPEB to plan members in accordance with the benefit terms.
- OPEB plan assets are legally protected from the creditors of employers, nonemployer contributing entities, the OPEB plan administrator, and the plan members.

The requirements of GASB Statement No. 75 are effective for financial statements for periods beginning after June 15, 2017. Earlier application is encouraged.



**EXHIBIT A - CERTAIN WRITTEN COMMUNICATION  
BETWEEN MANAGEMENT AND OUR FIRM**



ROCHESTER LAND BANK CORPORATION  
31 CHURCH STREET, CITY HALL ROOM 125A  
ROCHESTER, NY 14614

September 14, 2015

Freed Maxick CPAs, P.C.  
108 Meridian Centre, Suite 310  
Rochester, New York 14618

This representation letter is provided in connection with your audit of the basic financial statements of the Rochester Land Bank Corporation (the Corporation) as of and for the year ended June 30, 2015 for the purpose of expressing an opinion on whether the financial statements are presented fairly, in all material respects in accordance with accounting principles generally accepted in the United States (U.S. GAAP).

We confirm, to the best of our knowledge and belief, as of the date of the auditor's report:

*Financial Statements*

1. We have fulfilled our responsibilities, as set out in the terms of the audit arrangement letter dated May 27, 2015, for the preparation and fair presentation of the financial statements referred to above in accordance with U.S. GAAP.
2. We acknowledge our responsibility for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.
3. We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.
4. Related party transactions, including those with the City of Rochester having accountability for the Corporation and interfund transactions, including interfund accounts and advances receivable and payable, sale and purchase transactions, interfund transfers, long-term loans, leasing arrangements, and guarantees, have been recorded in accordance with the economic substance of the transaction and appropriately accounted for and disclosed in accordance with the requirements of U.S. GAAP.
5. All events subsequent to the date of the financial statements and for which U.S. GAAP requires adjustment or disclosure have been adjusted or disclosed.
6. The effects of all known actual or possible litigation and claims have been accounted for and disclosed in accordance with U.S. GAAP.
7. The following have been properly recorded and/or disclosed in the financial statements:
  - a. Net position.
  - b. Accounting pronouncements which have been issued, but which we have not yet adopted.
8. We have no direct or indirect, legal or moral obligation for any debt of any organization, public or private that is not disclosed in the financial statement.
9. We have complied with all aspects of contractual agreements that would have a material effect on the financial statements in the event of noncompliance. In connection therewith, we specifically represent that we are responsible for determining that we are not subject to the requirements of the Single Audit Act and OMB Circular No. A-133, because we have not received, expended, or otherwise been the beneficiary of the required amount of federal awards during the period of this audit.
10. We have no knowledge of any uncorrected misstatements in the financial statements.



*Information Provided*

11. We have provided you with:
  - a. Access to all information, of which we are aware that is relevant to the preparation and fair presentation of the financial statements such as records, documentation, and other matters;
  - b. Additional information that you have requested from us for the purpose of the audit.
  - c. Unrestricted access to persons within the Corporation from whom you determined it necessary to obtain audit evidence.
  - d. Minutes of the meetings of the governing board and committees of board members, or summaries of actions of recent meetings for which minutes have not yet been prepared.
12. All transactions have been recorded in the accounting records and are reflected in the financial statements.
13. We have disclosed to you the results of our assessment of risk that the financial statements may be materially misstated as a result of fraud.
14. We have no knowledge of allegations of fraud or suspected fraud, affecting the Corporation's financial statements involving:
  - a. Management
  - b. Employees who have significant roles in the internal control.
  - c. Others where the fraud could have a material effect on the financial statements.
15. We have no knowledge of any allegations of fraud or suspected fraud affecting the Corporation's financial statements received in communications from employees, former employees, analysts, regulators, short sellers, or others.
16. We have no knowledge of noncompliance or suspected noncompliance with laws and regulations whose effects should be considered when preparing financial statements.
17. We are not aware of any pending or threatened litigation and claims whose effects should be considered when preparing the financial statements.
18. We have disclosed to you the identity of the Corporation's related parties and all the related-party relationships and transactions of which we are aware.
19. We are aware of no significant deficiencies, including material weaknesses, in the design or operation of internal controls that could adversely affect the Corporation's ability to record, process, summarize, and report financial data.
20. We are aware of no communications from regulatory agencies concerning noncompliance with, or deficiencies in, financial reporting practices.

*Compliance Considerations*

In connection with your audit, conducted in accordance with *Government Auditing Standards*, we confirm that management:

1. Is responsible for compliance with the laws, regulations, and provisions of contracts and grant agreements applicable to the auditee.
2. Has identified and disclosed to the auditor all instances, that have occurred or are likely to have occurred, of fraud and noncompliance with provisions of laws and regulations that have a material effect on the financial statements or other financial data significant to the audit objectives, and any other instances that warrant the attention of those charged with governance.
3. Has identified and disclosed to the auditor all instances, that have occurred or are likely to have occurred, of noncompliance with provisions of contracts and grant agreements that have a material effect on the determination of financial statement amounts or other financial data significant to the audit objectives.



4. Has identified and disclosed to the auditor all instances that have occurred, or are likely to have occurred, of abuse that could be quantitatively or qualitatively material to the financial statements or other financial data pertinent to the audit objectives.
5. Has a process to track the status of audit findings and recommendations.
6. Has identified for the auditor previous audits, consultation engagements, and other studies related to the audit objectives and whether related recommendations have been implemented.
7. Has provided views on the auditor's reported findings, conclusions, and recommendations as well as management's planned corrective actions for the report.
8. Acknowledges its responsibility as it relates to re-audit services performed by the auditor, and assumes all management responsibilities. Kim Jones, Treasurer, who possesses suitable skill, knowledge, or experience, has evaluated the adequacy and results of the services performed and accepts responsibility for the results of the services.

During the course of your audit, you may have accumulated records containing data that should be reflected in our books and records. All such data have been so reflected. Accordingly, copies of such records in your possession are no longer needed by us.

A handwritten signature in black ink, appearing to read "Kim Jones", is written over a horizontal line.

Treasurer