



# Annual Report

**Fiscal Year**

# 2015-16

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Rochester Land Bank Corporation  
30 Church Street, Room 125-B  
Rochester, NY 14614  
(585) 428-7320  
[www.cityofrochester.gov/landbank](http://www.cityofrochester.gov/landbank)  
Paul Scuderi, 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 (through June 30, 2016)
- Legal Counsel – Scott Smith
- Corporation Auditor – Freed Maxick CPAs, PC

## **2015-2016 Board Committees & Membership**

### **Audit**

- Gary Kirkmire, Chair
- Andrea Guzzetta
- Kim Jones
- George Parker

### **Finance**

- Kim Jones, Chair
- Kate Washington

### **Governance**

- Andrea Guzzetta, Chair
- Dana Miller
- George Parker

## **Fiscal Year 2015-2016 Meeting Attendance**

### **July 16, 2015**

Board Members Present:

Andrea Guzzetta, Kim Jones, Dana Miller, George Parker, Kate Washington, Carol Wheeler

Board Member Absent: Gary Kirkmire

**September 21, 2015 – Annual Meeting**

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

**October 15, 2015**

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

Board Member Absent: Kim Jones

**November 17, 2015**

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

**January 21, 2016**

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

Board Member Absent: Dana Miller, George Parker

**February 18, 2016**

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

Board Members Absent: Gary Kirkmire, Dana Miller

**March 17, 2016**

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

**April 21, 2016**

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

**May 19, 2016**

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

Board Members Absent: George Parker, Kate Washington

**June 16, 2016 – Board Training & Planning Session**

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

Board Member Absent:

Gary Kirkmire

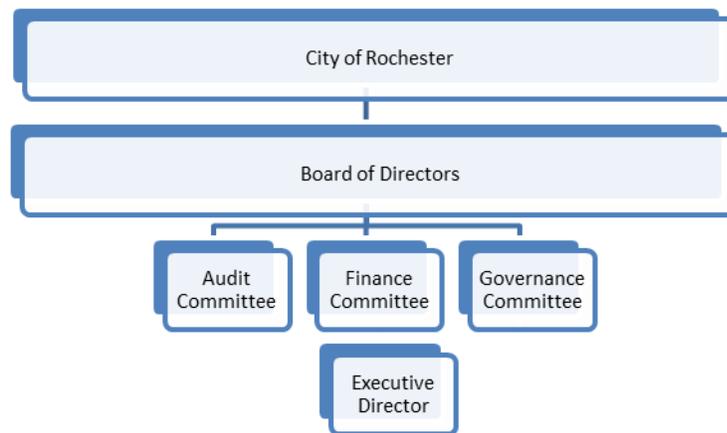
## Compensation Schedule

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 2015-2016.

## 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 22, 2016

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 2015-2016.

## 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 a municipal attorney 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 2016. 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 2015-2016 will be available after September 26, 2016 on the Corporation's website at <http://www.cityofrochester.gov/landbank>.

In the 2015-2016 fiscal year, the Land Bank acquired twenty-seven (27) tax delinquent, tax foreclosed, vacant, or abandoned properties: one (1) was donated, twenty-two (22) were purchased at the City of Rochester Tax Foreclosure Auction and four were purchased at the City's subsequent Below Lien Sale. The Corporation conveyed five (5) of those properties for redevelopment projects that will provide quality affordable housing and nine (9) for resale to prequalified bidders through established City of Rochester sales programs. In addition, the Land Bank conveyed a property purchased the previous fiscal year for use as the site of a newly constructed single-family home reserved for affordable first-time homebuyers.

There were nine (9) regular public meetings of the Board of Directors of the Corporation in fiscal year 2015-2016. The Land Bank also conducted a Board Training and Planning Session where John Sidd, attorney for the Greater Syracuse Land Bank, gave a presentation on recent legal and regulatory developments affecting New York State land banks.

## 2015-2016 Accomplishments

### Community Revitalization Initiative (CRI) Grant Program

The Land Bank continued to carry out neighborhood stabilization activities funded by the New York State Office of the Attorney General (OAG)'s Community Revitalization Initiative grant. The OAG awarded RLBC a total of \$4,645,762 for the following grant programs:

#### ***HOME Rochester***

RLBC met its CRI Round 1 goal of acquiring, performing environmental testing and any necessary remediation on, and rehabilitating fifty (50) properties, and surpassed the Round 2 goal of rehabilitating a total of sixty-five (65) single family homes. In the course of the fiscal year the Land Bank acquired twelve (12), remediated nine (9) and rehabilitated thirty-eight (38) properties. RLBC had assisted in the development of seventy-four (74) rehabilitated homes for first-time homebuyers.

#### ***Neighborhood Builders***

The CRI Round 2 award included subsidy to construct six (6) new in-fill houses for first-time owner occupants. Three of the six properties completed construction in 2016 and two had closed with buyers by the end of the 2015-2016 year.

#### ***Strategic Blight Removal***

The Land Bank was able to fund the demolition of seventeen (17) properties in 2015 through its agreement with the City of Rochester, thus exceeding the grant's numerical expectations using 80% of the funds awarded. With Strategic Blight Removal Acquisition funds, the Land Bank purchased seventeen (17) blighted structures at the City Tax Foreclosure Auction on November 6, 2015, and an additional four (4) vacant and abandoned structures at the City's Below Lien Sale on March 4, 2016. Again, RLBC was able to exceed the CRI quantitative goals with 70% of the grant award. Both demolitions and acquisitions will continue into the next fiscal year until all of the funds are expended.

While the first round of the New York State Office of the Attorney General's Community Revitalization Initiative grant allowed RLBC to partner with the City of Rochester's longstanding and successful rehabilitation program, the second round of funding allowed RLBC to attack blight and vacancy on multiple fronts. A particular example was the sole remaining vacant and distressed property on a block of Straub Street, where public and private investment had been able to effect a transformation by refreshing the housing stock and promoting affordable homeownership. Through its Strategic Blight Removal program, RLBC acquired the property from the City's bulk tax lien purchaser – which had been unable to sell it on the private market – and demolished the functionally obsolete structure. The vacant lot was then conveyed to the RLBC's development partner for use in the Neighborhood Builders Program – where newly-constructed homes are sold to income-qualified, first-time homebuyers. The proud owner of the new home is a first-generation immigrant who has been able to participate in the "American Dream" of homeownership.

## Assistance with City of Rochester Initiatives

The Land Bank was able to purchase 1313 E. Main Street at the November 6, 2015 City Tax Foreclosure auction, a small strip of land that was integral to an affordable housing project in an area the City has identified as strategic. Sale of the property to Home Leasing, LLC, a frequent partner with the City in developing quality affordable housing, allowed it to gain the site control necessary to pursue state funding for the project.

Several of the properties acquired for blight removal at City auctions were found to be salvageable. The Land Bank sold nine (9) of these properties to pre-qualified bidders at on-site auctions. Per the Land Bank's Property Disposition Policy, the bidders were required to meet the same minimum qualifications as those who purchase City-owned properties. In addition, the buyers agree to maintain the properties either as their primary residence or to maintain rent levels at no more than thirty percent of the tenants' income for a period of ten years. Direct sale by the Land Bank, rather than the City, allowed developers who demonstrated adequate capacity to bid for these properties regardless of the number of other City properties currently in the process of rehabilitation.

In April 2016, the Land Bank negotiated with Wells Fargo for the acceptance of an additional donation of a vacant, mortgage-foreclosed structure. In this instance, the property was a blighted structure directly across the street from the City's School #2 and adjacent to a City-owned residential lot. The Land Bank conveyed the property at no cost to the City for necessary demolition.

## Administrative Activities

At the annual meeting on September 17, 2015, 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 17, 2015.

The efforts of the New York Land Bank Association (NYLBA) resulted in welcome changes to the Land Bank Act that required the revision of the Land Bank's Real Property Disposition Policy. In addition, the Land Bank adopted Investment Guidelines at its 2015 Annual meeting. The Land Bank's annual tax return was submitted in November 2015. On March 3, 2016, the Corporation's Chair made the Land Bank's annual report to the municipality. On April 21, 2016 the Land Bank Board adopted a 2016 – 2020 budget and financial plan.

## 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 2015-2016 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	\$ 1,883,973
Sale of Real Estate	<u>174,859</u>
Total Revenues	\$ 2,058,832

##### OPERATING EXPENSES

Acquisition Costs	270,382
Renovation and Construction	894,740
Salary & Benefits	268,670
Other	<u>18,060</u>
Total Expenses	\$1,451,852

Change in Net Position 606,980

Net Position - Beginning of Year 502,642

Net Position – End of Year \$1,109,622

#### Assets and Liabilities Summary

##### ASSETS

Cash & cash equivalents	\$ 1,386,407
Accounts receivable	<u>25,000</u>
Total Assets	\$ 1,411,407

##### LIABILITIES

Accounts Payable	228,707
Due to the City of Rochester	<u>73,078</u>

Total Liabilities	\$ 301,785
Net Position	
Unrestricted	<u>\$ 1,109,622</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 twelve (12) properties with a market value in excess of \$15,000 in the 2015-2016 fiscal year.

## **Description of Pending Litigation**

The Corporation was not involved as a party to any litigation in fiscal year 2015-2016.

## **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 any assets or services in fiscal year 2015-2016. See Appendix I - Procurement Report.

## **Investment Report**

Appendix J



# Appendix A

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## 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.	4	3		
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.	6	1		
The Board meets to review and approve all documents and reports prior to public release and	7			



is confident that the information being presented is accurate and complete.				
The Board knows the statutory obligations of the Land Bank and if it is in compliance with state law.	6	1		
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.	5	2		
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.	7			
Board members demonstrate leadership and vision and work respectfully with each other.	7			

Name of Authority: Rochester Land Bank Corporation

Date Completed: September 22, 2016



# Appendix B

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## Performance Measurement Report FY 2015-2016

**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 22, 2016

➤ ***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, thirty-three (33) formerly vacant houses were rehabilitated and sold for fair market value in the 2015-2016 fiscal year to first-time homeowners.
- The Land Bank held its first property auctions this fiscal year. In April and May nine (9) blighted, vacant properties acquired through tax foreclosure were auctioned to prequalified bidders. The Land Bank's Real Property Disposition Policy precludes sale to prospective purchasers with delinquent taxes or open code violations. The purchasers are contractually obligated to make the necessary repairs to obtain a Certificate of Occupancy within one year of purchase.

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

- In fiscal year 2015-16, rehabilitation of thirty-eight (38) 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.
- CRI grant funding allowed the Land Bank to participate in the Neighborhood Builders program, which constructs new infill housing for affordable, first-time homeownership. Three new, single-family homes were built this year. Neighborhood Builders properties meet the NYSERDA Energy Star requirements. These standards benefit the new homeowners by keeping energy bills low and



creating a healthy housing environment. The newly created homes and new, are energy efficient and affordable to maintain.

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

- During the 2015-2016 fiscal year, the Land Bank funded the demolition of seventeen (17) vacant, blighted structures in neighborhoods where redevelopment plans or strategies are underway.
- In June 2016, the NYS OAG authorized the reprogramming of CRI funds originally allocated exclusively for acquisition for the HOME Rochester program to be used for alternative blight remediation activities. The funds will now be used for the interior demolition of a mixed-use property in an area of significant public and private investment that is of interest to a local not-for-profit developer, and for the purchase and installation of unique window guards that will provide needed ventilation while still offering security to the Pulaski Library, a vacant property that is on the National Register of Historic Properties and is a neighborhood anchor on the Hudson Avenue Corridor.

➤ ***Encourage economic opportunities***

- In spring 2016, the Land Bank sold nine vacant, tax-foreclosed properties to preapproved developers through an auction process. The properties were sold with the requirement to complete their rehabilitation within a year, and with an owner-occupancy or affordable rental provision that requires rent to be capped at no more than 30% of the tenant's income for a period of ten (10) years.
- The CRI grant program continued to be a 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.

➤ ***Build organizational capacity***

- Land Bank Board Members, Staff and Attorney attended the 2015 New York State Land Bank Association Summit. Highlights included workshops with the following topics:
  - Training on operational risk and insurance needs for land banks;
  - A panel on nuisance abatement and New York State Abandonment Law that included attorneys from the City of Rochester Corporation Counsel's office;



- Recent legal and regulatory developments affecting land banks and a recently issued ABO guidance statement.

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 agreement with the NYS OAG to authorize the reprogramming of CRI funds awarded for staffing and administrative expenses. Funds have been allocated to hire a consultant to review our current grant activities and to provide guidance on best practices for working with development partners going forward.
- All of the Land Bank's staff members were able to benefit from CRI grant funding to build their skills. Staff participated in real estate salesperson training, appraisal certification and continuing education courses, and webinars with targeted training on particular types of property transactions, such as easement language.
- On June 16, 2016, the Land Bank conducted a Board Training and Planning Session where John Sidd, attorney for the Greater Syracuse Land Bank, gave an overview of GSLB's major activities and a presentation on recent legal and regulatory developments affecting New York State land banks. The board's planning session included a discussion of succession planning and guidelines for development 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 fifteen 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 charitable 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 twenty 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 charitable 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. Notwithstanding any other general, special or local law relating to fees of clerks, no clerk shall charge or collect a fee for filing, recording or indexing any paper, document, map or proceeding filed, recorded or indexed for a land bank, or an officer thereof acting in an official capacity, nor for furnishing a transcript, certification or copy of any paper, document, map or proceeding to be used for land bank purposes.

(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.

(a-1) This section governing the disposition of property by land banks shall supersede section twenty-eight hundred ninety-seven of the public authorities law in the governance of property dispositions by land banks and, as such, notwithstanding any other general, special or local law to the contrary, section twenty-eight hundred ninety-seven of the public



authorities law shall not apply to land banks.

(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 and posted prominently and continuously on the homepage of any website maintained by 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 charitable 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 posted prominently and continuously on the homepage of any website maintained by the land bank, 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 Benincasa  
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 Conklin, Harg, 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 ACOUISION, 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: 04/26/2016

Fiscal Year Ending 06/30/2017

Status: CERTIFIED

Budget & Financial Plan:	Budgeted Revenues, Expenditures, And Changes In Current Net Assets					
	Last Year (Actual) 2015	Current Year (Estimated) 2016	Next Year (Adopted) 2017	Proposed 2018	Proposed 2019	Proposed 2020
<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	\$22,007	\$151,006	\$50,000	\$20,000	\$25,000	\$0
<b>Nonoperating Revenues</b>						
Investment earnings	\$0	\$0	\$0	\$0	\$0	\$0
State subsidies / grants	\$735,823	\$2,078,225	\$1,209,185	\$500,000	\$500,000	\$0
Federal subsidies / grants	\$0	\$0	\$0	\$0	\$0	\$100,000
Municipal subsidies / grants	\$0	\$0	\$0	\$0	\$0	\$0
Public authority subsidies	\$0	\$0	\$0	\$0	\$0	\$0
Other Non-Operating Revenues	\$127,385	\$0	\$25,000	\$0	\$0	\$0
Proceeds from the issuance of debt	\$0	\$0	\$0	\$0	\$0	\$0
<b>Total Revenues &amp; Financing Sources</b>	<b>\$885,215</b>	<b>\$2,229,231</b>	<b>\$1,284,185</b>	<b>\$520,000</b>	<b>\$525,000</b>	<b>\$100,000</b>
<b>EXPENDITURES</b>						
<b>Operating Expenditures</b>						
Salaries and Wages	\$283,539	\$180,780	\$85,943	\$0	\$0	\$0
Other Employee Benefits	\$0	\$0	\$0	\$0	\$0	\$0
Professional Services Contracts	\$0	\$0	\$60,000	\$0	\$0	\$0
Supplies and Materials	\$276	\$310	\$0	\$0	\$0	\$0
Other Operating Expenditures	\$651,161	\$1,354,146	\$1,227,836	\$500,125	\$500,125	\$100,125
<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	\$8,461	\$12,031	\$23,816	\$3,000	\$3,000	\$3,000
<b>Total Expenditures</b>	<b>\$943,437</b>	<b>\$1,547,267</b>	<b>\$1,397,595</b>	<b>\$503,125</b>	<b>\$503,125</b>	<b>\$103,125</b>
Capital Contributions	\$0	\$0	\$0	\$0	\$0	\$0
<b>Excess (deficiency) of revenues and capital contributions over expenditures</b>	<b>(\$58,222)</b>	<b>\$681,964</b>	<b>(\$113,410)</b>	<b>\$16,875</b>	<b>\$21,875</b>	<b>(\$3,125)</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, 2016								
	<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>Competitively Bid?</u>
1	11/18/2015	1313 E MAIN ST	Vacant Land	\$799	\$1,000	11/25/2015	\$1,000	No
2	12/9/2015	134 ALBEMARLE ST	Residential Structure	\$6,021	\$30,000	5/23/2016	\$25,000	Yes
3	12/9/2015	265 AVIS ST	Residential Structure	\$8,860	\$40,000	5/17/2016	\$31,000	Yes
4	12/9/2015	99-101 BOWMAN ST	Residential Structure	\$12,203	\$28,000	5/23/2016	\$14,500	Yes
5	12/9/2015	97 BURROWS ST	Residential Structure	\$6,391	\$7,000			
6	12/9/2015	516 CAMPBELL ST	Residential Structure	\$9,042	\$5,000			
7	12/9/2015	129 CLIFTON ST	Residential Structure	\$5,708	\$15,000	5/23/2016	\$15,000	Yes
8	12/9/2015	213-219 CONKEY AV	Mixed Use	\$15,894	\$50,000			
9	9/19/2014	21 STRAUB ST	Residential Structure	\$12,000	\$12,000	9/14/2015	\$1	No
10	12/9/2015	28-30 DEPEW ST	Residential Structure	\$7,236	\$22,000		\$26,000	Yes
11	12/9/2015	1499 E MAIN ST	Residential Structure	\$6,956	\$15,000	5/31/2016	\$13,500	Yes
12	12/9/2015	298 FOURTH ST	Residential Structure	\$6,466	\$8,000			
13	12/9/2015	1241 GENESEE PK BLVD	Residential Structure	\$5,610	\$40,000	2/12/2016	\$1	No
14	12/9/2015	15 GREELEY ST	Residential Structure	\$9,167	\$42,000	2/12/2016	\$1	No
15	12/9/2015	20 HERKIMER ST	Residential Structure	\$4,411	\$15,000	5/23/2016	\$24,500	Yes
16	12/9/2015	519 LAKEVIEW PK	Residential Structure	\$5,480	\$25,000	2/12/2016	\$1	No
17	12/9/2015	72 MALLING DR	Residential Structure	\$6,176	\$10,000			
18	12/9/2015	139 MITCHELL ST	Residential Structure	\$9,317	\$40,000			
19	12/9/2015	79 NORTHVIEW TER	Residential Structure	\$5,865	\$12,000	2/12/2016	\$1	No
20	12/9/2015	60 OAK HILL VIEW	Residential Structure	\$5,656	\$35,000			
21	12/9/2015	123 PIERPONT ST	Residential Structure	\$5,393	\$20,000	2/12/2016	\$1	No
22	12/9/2015	150 RANDOLPH ST	Residential Structure	\$3,262	\$40,000	5/17/2016	\$23,159	Yes
23	12/9/2015	47 ROSEWOOD TER	Residential Structure	\$11,712	\$35,000	6/9/2016	\$6,000	Yes
24	5/17/2016	118-120 AVENUE E	Residential Structure	\$13,003	\$13,500			
25	5/17/2016	23 COPLEY ST	Residential Structure	\$11,786	\$20,000			
26	5/17/2016	597 DRIVING PK AV	Residential Structure	\$19,103	\$20,000			
27	5/17/2016	57-59 JEROLD ST	Residential Structure	\$5,712	\$15,000			
28	6/24/2016	43 STERLING ST	Residential Structure	\$1	\$6,000			

# Appendix I

## Procurement Report FY 2015-2016

PARIS Public Authorities Reporting Information System		Procurement Report for Rochester Land Bank Corporation	
Fiscal Year Ending: 06/30/2016		Run Date: 09/15/2016	
Expenditure Information:		Status: UNCOMMITTED	
Question	Response	URL (if applicable)	
1. Does the Authority have procurement guidelines?	Yes		
2. Are the procurement guidelines reviewed annually, amended if needed, and approved by the Board?	Yes	<a href="http://cityofrochester.gov/landbank">http://cityofrochester.gov/landbank</a>	
3. Does the Authority allow for exceptions to the procurement guidelines?	No		
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?	No		
6. Does the Authority incorporate a summary of its procurement policies and prohibitions in its solicitation of proposals, bid 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-j(1)(a) 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-j(1)(b) of the State Finance Law?	No		
9. Does the Authority have a process to review and investigate allegations of impermissible contact during a procurement, and to impose sanctions in instances where violations have occurred, in accordance with Section 138-j(9) of the State Finance Law?	No		



Procurement Report for Rochester Land Bank Corporation

Report Date: 09/19/2016

Status: UNSUBMITTED

Fiscal Year Ending: 06/30/2016

Procurement Transactions Listed:

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



**Procurement Report for Rochester Land Bank Corporation**

**Run Date: 05/15/2016**

**Financial Year Ending: 06/30/2016**

**Status: UNMODIFIED**

**Procurement Transactions Listing**

**Additional Comments:**



## Appendix J

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### Investment Report

Following are the investment guidelines approved by the Board of Directors on September 22, 2016:

- 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
3. 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.
4. 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:

**Depository Name**

**Maximum Amount**



Depository Name	Maximum Amount
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
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, 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 2015-2016 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 22, 2016, is included at Exhibit B of this document.

DRAFT



**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, 2016**



**ROCHESTER LAND BANK CORPORATION**

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**SECTION A  
FINANCIAL SECTION**



### **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 years ended June 30, 2016 and 2015, 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 audit. We conducted our audit 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, 2016, 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 13, 2016 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 CPA's, P.C.*

Rochester, New York  
September 13, 2016



**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 \$1,109,622 (*net position*). Of this amount, \$1,109,622 (*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 \$2,780,942 has a term of 24 months commencing January 1, 2014 through December 31, 2015. 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 infill 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 \$1,109,622 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>2016</u>	<u>2015</u>
Assets	\$1,411,407	\$ 614,809
Liabilities	<u>301,785</u>	<u>112,167</u>
Net position	<u>\$1,109,622</u>	<u>\$ 502,642</u>
	<u>2016</u>	<u>2015</u>
Operating Revenues	\$2,058,832	\$ 865,215
Operating Expenses	<u>1,451,852</u>	<u>943,437</u>
Change in net position	806,980	(58,222)
Net position – beginning of year	<u>502,642</u>	<u>560,864</u>
Net position – end of year	<u>\$1,109,622</u>	<u>\$ 502,642</u>

**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 0.4% from July 2016 to July 2018. New York State added 131,700 private sector jobs (+1.4%) from July 2015 to July 2016. Private sector jobs in the Rochester metropolitan area increased over the year by 800, or 0.2 percent, to 452,100 in July 2016. Gains were concentrated in leisure and hospitality (+2,000), education and health services (+1,700), construction (+700) and financial activities (+600). Job losses were concentrated in professional and business services (-3,100), and manufacturing (-1,200). Government employment declined (-100) over the year, non-farm employment increased by 0.1% for the same period. In New York State leisure and hospitality increased by 3.2% representing the largest increase of any major industry sector, while information employment rose by 3.0%. For the same period, natural resources and mining employment showed a 6.9% decline, representing the largest major industry sector decline, while the manufacturing sector declined by 0.9%.

As of June 2016, the primary labor force segment of the Rochester Metropolitan area's civilian labor force continued to be education and health services (22.3%), followed by trade/transportation/utilities (15.7%), government (15.0%), and professional/business services (12.6%). Manufacturing jobs constituted (11.0%), and leisure and hospitality (9.3%).

The unemployment rate for the Rochester metro area was 4.7% as of July 2016 (down from 5.3% as of July 2015). This compares to the unemployment rate for New York State of 4.7% as of July 2016 (down from 5.1% at July 2015) and for the nation of 4.9% as of July 2016 (down from 5.3% as of July 2015).



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 5th 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, Rochester Regional Health, Wegman's Food Markets, Xerox Corporation, and Paychex Inc. 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. The University of Rochester was responsible for 25,773 jobs. 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.

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 increased from 3.25% a year ago, to the current rate of 3.50% as the Federal Open Markets Committee (FOMC) maintains the target range for the federal funds rate at 0.25 - 0.50. Currently long term interest rates hover around 1.50%. As expansion continues inflation is expected to gradually rise toward the FOMC's objective of 2 percent. 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,**

<b>ASSETS</b>	<b>2016</b>	<b>2015</b>
<b>Current assets:</b>		
Cash and cash equivalents	\$ 1,386,407	\$ 614,809
Accounts receivable	25,000	-
Total assets	<u>1,411,407</u>	<u>614,809</u>
<b>LIABILITIES AND NET ASSETS</b>		
<b>Current liabilities:</b>		
Accounts payable	228,707	43,579
Due to City of Rochester	73,078	68,588
Total liabilities	<u>301,785</u>	<u>112,167</u>
<b>Net position:</b>		
Unrestricted	\$ <u>1,109,622</u>	\$ <u>502,642</u>

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>2015</u>
<b>Operating revenues:</b>		
NYS grant	\$ 1,883,973	\$ 735,823
Sale of real estate	174,859	149,392
Total operating revenues	<u>2,058,832</u>	<u>885,215</u>
<b>Operating expenses:</b>		
Acquisition costs	270,382	44,310
Renovation and construction	894,740	600,810
Salaries and benefits	268,670	283,539
Other	18,060	14,778
Total operating expenses	<u>1,451,852</u>	<u>943,437</u>
Change in net assets	<u>606,980</u>	<u>(58,222)</u>
Net position - beginning of year	<u>502,642</u>	<u>560,864</u>
Net position - end of year	<u>\$ 1,109,622</u>	<u>\$ 502,642</u>

See notes to basic financial statements.



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

	<u>2016</u>	<u>2015</u>
<b>Cash flows from operating activities:</b>		
Cash received from grants	\$ 1,883,873	\$ 1,395,677
Cash received from sale of real estate	148,858	149,410
Payments to service providers	(998,054)	(1,036,819)
Payments for employee services	(284,180)	(214,851)
<b>Net cash provided by operating activities</b>	<u>771,598</u>	<u>293,317</u>
Net increase in cash and cash equivalents	771,598	293,317
Cash and cash equivalents - beginning of year	614,809	321,492
<b>Cash and cash equivalents - end of year</b>	<u>\$ 1,386,407</u>	<u>\$ 614,809</u>
Reconciliation of income (loss) from operations to net cash provided by operating activities:		
Income (loss) from operations	606,880	(58,222)
Adjustment to reconcile income from operations to net cash provided by operating activities:		
Change in assets and liabilities:		
Decrease (increase) in:		
Due from other governments	-	659,854
Decrease (increase) in:		
Accounts receivable	(25,000)	18
Increase (decrease) in:		
Accounts payable	189,618	(308,333)
<b>Net cash provided by operating activities</b>	<u>\$ 771,598</u>	<u>\$ 293,317</u>

See notes to basic financial statements.



**ROCHESTER LAND BANK CORPORATION,  
(A COMPONENT UNIT OF CITY OF ROCHESTER)  
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 under 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.

The accompanying financial statements include assets, liabilities, net position, and the financial activities of the corporation, a component unit of the City of Rochester.

**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  
(A COMPONENT UNIT OF CITY OF ROCHESTER)  
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, 2016, 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*; Statement No. 72, *Fair Value Measurements and Application*; 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. 80, *Blending Requirements for Certain Component Units – An Amendment of GASB Statement No. 14*, which will be effective for the year ending June 30, 2018.

The Corporation is currently reviewing this statement and plans on adoption, as required.



**ROCHESTER LAND BANK CORPORATION  
(A COMPONENT UNIT OF CITY OF ROCHESTER)  
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 \$1,366,407 at June 30, 2016. 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, 2016.

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.

**NOTE 4. COMMITMENTS AND CONTINGENCIES**

**A. CONTINGENCIES**

The Corporation participates in a grant program with the State of New York Office of the Attorney General (the OAG), the principal of which are subject to program compliance audits pursuant to the OAG program guidelines. Accordingly, the Corporation's compliance with applicable grant requirements will be established at a future date. The amount of expenditures which may be disallowed by the granting agencies cannot be determined at this time, although the Corporation anticipates such amounts, if any, will be immaterial.



**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 Rochester Land Bank Corporation, (the Corporation), as of and for the year ended June 30, 2016, 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 13, 2016.

**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 C.P.A.s, P.C.*

Rochester, New York  
September 13, 2016



**INDEPENDENT ACCOUNTANT'S REPORT**

To the Board of Directors of the  
Rochester Land Bank Corporation

We have examined Rochester Land Bank Corporation's (the Corporation) compliance with the New York State Comptroller's Investment Guidelines for Public Authorities and Section 2925 of the New York State Public Authorities Law (collectively, the "Investment Guidelines") for the year ended June 30, 2016. Management is responsible for the Corporation's compliance with those requirements. Our responsibility is to express an opinion on the Corporation's compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and, accordingly, included examining, on a test basis, evidence about the Corporation's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination on the Corporation's compliance with specified requirements.

In our opinion, the Corporation complied, in all material respects, with the aforementioned requirements for the year ended June 30, 2016.

This report is intended solely for the information and use of the Board of Directors, management and others within the Corporation and the New York State Authorities Budget Office, and is not intended to be and should not be used by anyone other than these specified parties.

*Freed Maxick CPAs, P.C.*

Rochester, New York  
September 13, 2016