



Land Bank FAQ's

What is a Land Bank?

New York State's Land Bank Program, as established by enactment of Article 16 of the New York State Not-for-Profit Corporation Law (the "Land Bank Act"), allows governmental entities with the power to foreclose on tax liens to create a not-for-profit corporation whose purpose is to facilitate the return of vacant, abandoned, and tax delinquent properties to productive use. The City's application to create a Land Bank was approved in February 2013, and the Rochester Land Bank Corporation was incorporated in August of that year.

What is the purpose of the Land Bank?

The "Legislative Intent" of the Land Bank Act explains, *"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 by [the Land Bank Act] to eliminate the harms and liabilities caused by such properties.**"*

When should the Land Bank, rather than the City's Division of Real Estate, acquire property?

The Land Bank Act gives land banks additional powers that are not afforded to municipalities. Unique land bank tools include: 1)the ability to dispose of property using negotiated terms, 2)to sell for non-monetary compensation, 3)to retain an equity position in properties, 4)to purchase tax liens, **5)to purchase properties at the City's Tax Foreclosure Auction for the amount of the opening bid (called the "Trump Bid")**, and 6) to pay for properties purchased at the Tax Foreclosure Auction according to terms set by prior agreement between the Land Bank and the City (called the "Credit Bid"). These tools can increase the efficiency and effectiveness of the City's demolition program, HOME Rochester (an acquisition and rehabilitation program), the Focused Investment Strategy, and land aggregation for economic and housing development.

How does the Trump Bid work?

The Land Bank will create a list from the tax delinquent properties that are expected to be included in the Tax Foreclosure Auction and present it to the City Treasurer, expressing the intent to purchase "any or all" of those properties at the auction using the Trump Bid. Those properties will be listed separately in the public notices for the auction and will be listed separately from the alphabetical grid of available properties provided at the auction. At the beginning of the auction, properties from the segregated Trump Bid list that are still tax delinquent will be publicly sold to a representative of the Land Bank. The Land Bank has a fixed number of properties it plans to acquire and a maximum amount of funding to use. If either of those figures is exhausted before the all properties on the Trump Bid list are acquired, the remainder of the segregated properties will be offered to the public as they have been in the past.