



STATE OF NEW YORK
OFFICE OF THE ATTORNEY GENERAL

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The New York Attorney General Land Bank Community Revitalization
Initiative

Questions and Answers from the
August 20th Pre Application Conference Call

Additional Questions Should Be Submitted in
Writing to Dina.Levy@ag.ny.gov

1Q: For projects that will use grant funds within one municipality, is there a need to identify a more specific geography within the municipality where the grant funds will be targeted?

1A: The OAG recommends that you provide as much detail as possible regarding the geographic area(s) that your Land Bank will serve. You may identify multiple geographic areas that are potential targets for Land Bank activities, recognizing that not all of those areas may actually be served through the OAG funding initiative.

2Q: Under Project Requirements, the application states that “Any foreclosed upon or blighted residential property acquired with OAG funds must be purchased at a price that does not exceed the current value of the site, based on an independent appraisal or Broker Price Opinion, assuming

that all outstanding tax liens are forgiven.” Are Broker Price Opinions and appraisals eligible costs to be funded by the grant?

2A: Yes.

3Q: Are the following eligible costs to be funded by the grant?

- Security services for vacant properties slated for redevelopment
- Property management
- Development subsidy
- Asbestos surveys and remediation
- Professional services related to property redevelopment such as legal and title work
- Staffing for the Land Bank
- A citywide program that provides foreclosure prevention services

3A: “A citywide program that provides foreclosure prevention services” **would not** be considered an eligible use of funds under this RFA. All of the other expenditures stated above would be considered potentially eligible costs.

4Q: Can grant money be used to fund the rehabilitation of any vacant, blighted or tax-foreclosed property even if it isn’t owned by the Land Bank but will be rehabilitated to facilitate the return of these properties to productive use for the benefit of the public and the State as a whole? Do the properties that will be addressed by grant funds need to go through the Land Bank?

A: Only designated Land Banks are eligible to apply for and receive funds under this RFA. Land Banks may choose to enter into partnerships or subcontracts with other community development agencies who also engage in the types of community development activities cited above, however, those partnerships/subcontracts will be contingent on OAG approval and must be stated in the RFA proposal.

5Q: What is the OAG policy regarding including other municipalities or units of government in the RFA application even if they are not technically part of the Land Bank designated area at the time of application?

5A: As previously stated, only designated Land Banks may apply for and receive funding under this RFA. Nonetheless, applicants may include in their applications collaborations that expand into additional municipalities or geographic areas, even if those regions are not technically part of the Land Bank service area at the time of your RFA submission.

Q6: Can you confirm that an award can be used to hire staff and contract for services?

A6: Yes. OAG funds may be used to support Land Bank staff and service providers who will assist the Land Bank in carrying out project goals. Please remember that applications must be specific as to what specific outcomes and deliverables will be achieved by the Land Bank if awarded funding.

Q7. For our Land Bank “dedicated staff” will be comprised of staff from county and local cities that have been working on all Land Bank operations in addition to their current roles. Is this acceptable as “dedicated staff?”

A7: Land Banks may use funds awarded under this RFA to support staff who are employed by the Land Bank, but who may also be part-time employees of other municipal or county agencies.

Q8. With only approximately 6 weeks from the announcement to the due date and only 3 weeks from the conference call where questions will be answered, it’s a very tight window for a very complex application. Will the OAG grant extension for submission of responses to the RFA? In any event, the current due date of September 15th is a Sunday. Can the date at least be moved back to Monday the 16th or even Friday the 20th?

A8: Extensions will not be granted except under extremely rare and compelling circumstances. However, the OAG has decided to give all applicants until Friday, September 20th to submit RFA responses. We will confirm this change on the OAG website.

Q9. One of the few powers of the Land Bank is the ability to purchase properties at the value of the back taxes. In many cases, these properties can be purchased and have immediate equity upon acquisition. Although the Land Bank intends to purchase and rehabilitate properties for sale in specified areas for low income homebuyers and first time homebuyers, the ability to buy properties that can be sold immediately for a profit is a vehicle to fund the Land Banks future activities. Would this sale price

limitation be in effect for purchasing tax delinquent properties and immediately reselling them on the open market for whatever the market will bear? In practice, this would allow the Land Bank to significantly leverage OAG funds into additional dollars and support the Land Bank's sustainability.

A9: In certain situations, including discount acquisitions conveyed through tax liens, the OAG will allow Land Banks to re-sell homes at prices that exceed the Land Bank's acquisition price plus related costs. However, in the event that those properties will be resold as housing, the sales price to the incoming homeowner must be affordable to a household earning at or below 80% area median income. If the property will be sold for some other purpose, it must include a clear community or public benefit.

Q10. On page 14 under the Financial Information section, the first two bullets are very specific with regards to detailed financials. In our case, that information is not currently developed, because we are just now identifying potential properties to acquire at the next auction. We are early in the process, so we are looking for some guidance on how to address these issues in light of where we are in the process.

A10: The OAG has emphasized in the RFA that projects should be ready to commence activities within 45-60 days of grant commitment. However, we recognize that applicants may not have yet had the opportunity to identify and underwrite specific transactions. For the purposes of the RFA response, we suggest that applicants provide all information available on identified projects and provide sample financial projections for the type of projects expected to be undertaken during the grant period using all available information on local sales prices and potential purchaser demographics. If the Land Bank is awarded funds under this RFA, it will be required to submit a final budget and request OAG approval before any grant funds will be disbursed.

Q11: Would investing funds to function as a loan guarantee be considered an eligible use of grant funds? In our region, several local foundations and nonprofits have committed a \$1 million fund as a guarantee against a pool of \$6 million in bank loan funds made available for first-time homebuyers. We're looking to do something similar for local, responsible, pre-screened landlords who are having difficulty obtaining construction and acquisition

loans for gut-rehabs of existing buildings. Most of these projects are currently done without financing and we suspect that a guarantee fund would enable lenders to be more flexible in loaning funds for these purposes, expanding the pool of potential purchasers of Land Bank properties.

A11: It is possible to use the OAG funds to set up a loan guarantee pool. In order for the OAG to evaluate the proposal, however, the OAG will need the following information included with the application: a needs and demand analysis for the loan product, a detailed outline of the proposed structure, information about the capacity of the partners involved, and proposed milestones that can viably be met within a 24 month time frame, per the terms of this RFA.

Q12: If a Land Bank Board wanted to create a new full-time director position with this grant, would they need to include the selected candidate in the application, or could they conduct a job search after the award, identifying in the application some minimum criteria/qualifications?

A12: A Land Bank who wants to hire permanent staff does not have to identify the candidate in advance. A description of criteria and qualifications for the position should be included.

Also, applicants who are applying for funds to support staff costs should keep in mind that you will still be expected to describe and execute specific outcomes and deliverables as a condition of receiving funds under this RFA.

Q13: Our Land Bank may look to acquire and demolish blighted, residential properties in targeted neighborhoods with the intent to assemble into larger parcel for redevelopment. According to the RFP, the Land Bank acquisition price must be based on independent appraisal, which is reasonable. However, there is not sufficient time to carry out appraisals and secure commitments from property owners before September 15th. Can the Land Bank list, in order of preference, say 30 properties, with the goal to acquire and demolish 20? This would give Land Bank ability to adapt to those few property owners who may reject appraised price, while still applying the grant award to alternate properties identified in original application.

A13: Yes. You may identify a potential pool of properties that will be targeted by your Land Bank, and make clear in your application that not

necessarily all of the properties listed may ultimately be included in your project deliverables.