

The Suffolk County Landbank Corporation



Annual Report 2016

The Suffolk County Landbank Corporation
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Board of Directors and Officers

Names and Titles

Hon. Steven Bellone
Chairperson

Theresa Ward
Vice-Chairperson

Hon. DuWayne Gregory
Director

Hon. Thomas Cilmi
Director

Kelly Morris
Secretary

Jason Smagin
Treasurer

Cara Longworth
Director

Hon. Richard Schaffer
Director

Corporation Staff

Amy Keyes
Executive Director

Sarah Lansdale
President

Andre Bermudez
Senior Project Manager

Robert Braun, Esq.
Lead Counsel

Janet Gremli
*Suffolk County Department of Health
Services Liaison*

Justin Hornung
Community Development Program Analyst

Michael Maraviglia
Environmental Analyst

Rosemarie Pforr
Community Development Program Analyst

Corporation Outside Counsel - Harris Beach, PLLC

Environmental Outside Counsel - Allen and Desnoyers, LLP

Corporation Accountants - Albrecht, Viggiano, Zureck & Company, PC

Corporation Auditor - Sheehan & Company, CPA, PC

SUFFOLK COUNTY LANDBANK CORPORATION

2016 ANNUAL REPORT

Dated as of March 29, 2017

This report has been prepared in compliance with the Public Authorities Reform Act of 2009. The Suffolk County Landbank Corporation ("SCLBC" or "Corporation") is a non-profit entity authorized under New York State's Land Bank Act (Article 16 of the Not-for-Profit Corporation Law), which passed in 2011. It is not a county agency, but operates in close affiliation with Suffolk County Government via a memorandum of understanding.

1. Mission Statement and List of Measurements

The mission of the Corporation is to efficiently facilitate the return of distressed and underutilized properties within Suffolk County ("The County") to productive uses consistent with the comprehensive plans of the jurisdictions in which they are located.

To accomplish this mission, the SCLBC has listed 8 measurable performance goals which are publicly available and understood by SCLBC staff. These goals are:

- a. Reduce the number tax delinquent and environmentally challenged properties within Suffolk County
- b. Recoup outstanding delinquent taxes from Brownfield parcels
- c. Facilitate environmental site assessments of Brownfield parcels
- d. Transfer tax liens from the County to the SCLBC
- e. Market and sell tax liens to qualified third party developers
- f. Increase in # of parcels remediated and redeveloped by 3rd party developers
- g. Increase in # of parcels returned to productive tax paying use
- h. Rehabilitate and resell foreclosed residential property to residents with incomes at 100% of AMI or below

2. 2016 Operations and Accomplishments

Tax-Delinquent Brownfield Program

- Marketed tax liens on eight tax-delinquent brownfield sites via RFP for sale to developers interested in remediating and re-using/redeveloping the sites.
 - At year end, three of the eight sites were pending tax lien sale to selected developers, with the remaining properties being re-marketed in 2017.
- Pursued the successful adoption of state legislation which aids in the execution of the SCLBC's mission.
 - Suffolk County Tax Act Amendment
 - Amendment to the Suffolk County Tax Act clarifies that Suffolk County may convey property or tax liens to the SCLBC pursuant to the NYS Land Bank Act for such consideration and on terms and conditions as the County and the SCLBC may determine
 - NYS Land Bank Act Amendment

- Authorizes holding title of real property of a land bank in the name of a subsidiary for specific projects which the land bank has the power to pursue
 - Any authorized subsidiary organization of a land bank corporation is subject to reporting and public transparency requirements, similar to those of the land bank itself
- Continued to coordinate with the Suffolk County Comptroller's Tax Lien Unit (formerly under the Suffolk County Treasurer) resulting in further collection of back taxes from property owners. Tax Liens on two additional delinquent brownfield parcels were paid in full in 2016. Since the 2013 creation of the SCLBC, collaborative collection efforts have resulted in over \$5 million in back tax payments received by the County.
- Environmental Site Assessments
 - Performed 18 Phase I environmental site assessments on tax-delinquent brownfield sites.
 - Performed 7 Phase II remedial investigations on tax-delinquent brownfield properties in close collaboration with the Suffolk County Department of Health Services ("SCDHS").
 - Coordinated with SCDHS to obtain access to 18 additional sites for Phase II site assessments.
- Entered into an historic agreement with New York State Department of Environmental Conservation ("NYSDEC"), New York State Oil Spill Fund, and Suffolk County. The agreement addresses the following on all tax-delinquent brownfield properties in Suffolk County:
 - Information sharing and cooperation amongst the entities to facilitate the sale of tax-delinquent brownfield properties
 - Liability protection for Suffolk County and the Suffolk County Landbank Corp. in advancing the SCLBC's mission
 - Release to prospective buyers of past costs associated with NYS DEC or NYS Oil Spill Fund cleanup actions incurred prior to the transfer of the sites
- Prioritized six additional tax-delinquent brownfield sites to market for re-use, utilizing Environmental Assessment Data and via SCLBC collaboration with SCDHS and NYSDEC. New Tax Lien marketing RFP to be released Spring 2017 which will include properties unsold from the previous RFP, as well as the six additional properties.

Zombie Houses

- In partnership with non-profit affordable housing developers, Long Island Housing Partnership and Community Development Corporation of Long Island, the SCLBC completed rehab projects on five former zombie properties located in areas highly affected by the foreclosure crisis. As of end of year, one property had been sold to an income qualified homebuyer, and three properties were in contract to sell. One other property was being marketed for sale.
- In addition to the above, one structurally unsound zombie property, acquired by the SCLBC in 2015, had been transferred to Habitat for Humanity of Suffolk County for a

new construction project. The house was subsequently demolished and permitted for new construction as of end of year.

Grants

- The SCLBC applied for and was awarded funds via the New York State Office of the Attorney General's Community Revitalization Initiative Round 3, \$1.23 million to be awarded to aid the SCLBC in addressing tax-delinquent brownfields and "zombie" houses in Suffolk County between 2017 and 2018.
- The SCLBC applied for and was awarded funds to pay for an Americorps member to serve on the SCLBC's staff for 10 months beginning December 2016.

3. Assessment of the Effectiveness of Internal Control Structure and Procedures

This statement certifies that the Suffolk County Landbank Corporation followed a process that assessed and documented the adequacy of its internal control structure and policies for the year ending December 31, 2016. To the extent that deficiencies were identified, the authority has developed corrective action plans to reduce any corresponding risk. There were no material changes to the Corporation's internal control structure in FY2016.

4. Material Changes in Operations & Programs

- In 2016 the Corporation began to market and sell various former "zombie" properties and tax liens on tax-delinquent brownfield sites.

○ **Financial
Activity**

A summary of the Corporation's financial activity for the year ending 2016 is as follows:

Condensed Statement of Net Position
Governmental Activities
As of December 31,

	2016
Assets	
Current and other assets	\$ 1,744,821
Total Assets	1,744,821
Liabilities	
Current liabilities	630,599
Total Liabilities	630,599
Net Position	
Unrestricted	1,114,222
Total Net Position	\$ 1,114,222

Condensed Statement of Activities
Governmental Activities

	Year ended December 31, 2016
Revenues	
Program Revenues	
Operating grants and contributions	\$ 968,341
Total Program Revenues	968,341
General Revenues	
Interest on investments	401
Total General Revenues	401
Total Revenues	968,742
Expenses	
Home and community services	475,537
Total Expenses	475,537
Increase in Net Position	493,205
Net Position at Beginning of Year	621,017
Net Position at End of Year	\$ 1,114,222

5. Bonds of the Corporation

The Corporation has no Bonds.

6. Compensation Schedule

The Corporation is staffed by Suffolk County Employees via a Memorandum of Understanding agreement between the Corporation and Suffolk County. One Americorps Program member was added to the staff beginning in December 2016. This temporary position is entirely funded via a grant received by the non-profit Local Initiatives Support Corporation.

7. Projects undertaken by the Corporation during 2016

As highlighted in the 2016 Operations and Accomplishments, the Corporation engaged in several projects in the execution of its mission to efficiently facilitate the return of distressed and underutilized properties within Suffolk County to productive uses consistent with the comprehensive plans of the jurisdictions in which they are located.

These projects focused on addressing tax-delinquent brownfield properties and “zombie” properties.

8. Real property owned and or disposed of by the Corporation

The Corporation acquired the following properties in 2016.

Address	Purchase Price	Assessed Value	Back Taxes Owed	Transferor	Conditions/Restrictions
19 West William St, Bay Shore, NY	\$132,000	\$263,779	\$0.00	Ocwen Loan Services, LLC	None

The Corporation disposed of the following properties in 2016.

Address	Sale Price	Estimated Fair Market Value	Date Disposed	Transferee	Conditions/Restrictions
104 Mastic Blvd, Mastic	Donation	\$25,000	3/23/2016	Habitat for Humanity of Suffolk Housing Development Fund, Inc.	Reverter Clause to Deed – 10 Year Workforce Housing Maximum 80% AMI – to begin development within 10 months
20 School St, Lake Ronkonkoma	\$300,000	\$300,000	11/29/2016	Laura Claus	Deed Restriction – 10 Year Workforce Housing Maximum 120% AMI

At the close of the fiscal year, four properties were held in inventory with the following status.

Location	Status
19 West William St, Bay Shore, NY	Being marketed for resale
4 Sinclair St, Mastic, NY	In contract to sell to income qualified homebuyer Restricted at 80% AMI affordability
6 Lawrence Dr, Sound Beach, NY	In contract to sell to income qualified homebuyer Restricted at 80% AMI affordability
495 Pinelawn Ave, Copiague, NY	In contract to sell to income qualified homebuyer Restricted at 120% AMI affordability

9. Description of Pending Litigation

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

10. Description of the total amount of assets, services, or both assets and services bought or sold without competitive bidding

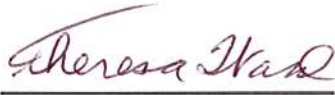
In 2016, the SCLBC purchased real property via negotiation, which is highlighted in Section 9.

Additionally, \$107,188.15 was paid to Suffolk County to reimburse the County for staffing costs incurred in relation to the New York State Office of the Attorney General's Community Revitalization Initiative grant.

CERTIFICATE OF THE CHIEF EXECUTIVE OFFICER AND THE CHIEF FINANCIAL OFFICER OF SUFFOLK COUNTY LANDBANK CORPORATION

The undersigned chief executive officer and chief financial officer of Suffolk County Landbank Corporation, a land bank organized pursuant to Section 1600 of the Not-For-Profit Corporation Law of the State of New York, hereby certify, pursuant to subdivision 3 of Section 2800 of the Public Authorities Law, as follows:

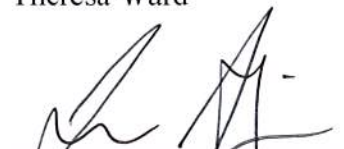
The financial information provided within the Annual Report of the Suffolk County Landbank Corporation (the "Corporation"), dated as of March 29, 2017 (the "Annual Report"), is based upon current financial information and to the best of our knowledge, is accurate, correct and does not contain any untrue statement of material fact. The Annual Report does not omit any material fact which, if omitted, would cause the financial statements to be misleading in the light of the circumstances under which the report and any such statements made therein are made. The Annual Report fairly represents in all material respects the financial condition and results of operations of the Corporation as of, and for, the periods presented in said report. IN WITNESS WHEREOF, the undersigned chief executive officer and chief financial officer have executed this Certificate as of this 29th day of March, 2017.



Vice Chair/CEO
Theresa Ward

3/28/17


Date



Treasurer/CFO
Jason Smagin

3/29/17

Date



Executive Director
Amy Keyes

3/29/17

Date



President
Sarah Lansdale

3/29/17

Date