

This policy was passed by the City of Kingston Common Council via Resolution 83 of 2025

City of Kingston Disposition Policy Provisions

Purpose: The purpose of this Disposition Policy is to ensure the City of Kingston follows a standardized and transparent procedure for the sale of City-owned surplus property. It seeks to encourage the timely redevelopment of City-owned buildings and land, bring City-owned buildings and land back on the tax rolls, and encourage the development of affordable rental and homeownership housing opportunities.

The City will henceforth dispose of all properties it acquires through the “in rem” tax lien foreclosure process under Article 11 of the New York Real Property Tax Law and abandoned dwellings under Article 19-A of the New York Real Property Tax Law in the following preferential order, subject to the stated conditions:

I. For all properties, irrespective of the amount of outstanding taxes and fees due:

The City may, in its discretion, retain and/or alternately dispose of the property for any reason. Within 60 days of the City’s acquisition of a property through the “in rem” delinquent tax lien foreclosure process under Article 11 or through the Article 19-A abandoned dwelling process, the Mayor of Kingston shall determine whether such property should be retained.

II. For one, two, or three family residential properties and vacant land associated with the parcel preceding, during and post foreclosure/acquisition that the City of Kingston plans to acquire or has acquired through Article 11:

The City will offer such property to the Kingston City Land Bank.

A. The Kingston City Land Bank shall have a 90-day option to purchase such property in the amount of the full equalized assessed value of the property as shown on the most recent tax roll of the City of Kingston (“Assessed Value”) plus an administrative fee (“Administrative Fee”), as defined in the latest fee schedule of the City of Kingston. This 90-day offer period begins to run when the City communicates an offer notice in writing to the Kingston City Land Bank. This offer letter will include the Assessed Value and Administrative Fee. The Kingston City Land Bank shall communicate its acceptance or rejection of properties via resolution of the Kingston City Land Bank Board of Directors. For each property, the Kingston City Land Bank may, at its own option and expense, also establish the full value of the property via an appraisal prepared by a licensed New York state appraiser (“Appraised Value”). The City has discretion to extend this offer period to facilitate the Kingston City Land Bank’s property inspection and due diligence procedures.

B. The Kingston City Land Bank is required to take title to a property within 90-days of Common Council Resolution approving the conveyance of the property. If the Kingston City Land Bank fails to take title to a property within this 90-day period, the City will follow the provisions of Section IV for that property.

C. The Kingston City Land Bank shall remit the amount of the Assessed Value or Appraised Value, whichever is lower, and Administrative Fee simultaneously with the passing of title from the City of Kingston to the Kingston City Land Bank.

D. The City may dispose of any property that the Kingston City Land Bank declines to purchase during the 90-day option period in accordance with Section IV below.

III. For one, two or three family residential properties with less than \$120,000 in outstanding taxes and fees (including those yet to be billed) associated with the parcel preceding, during and post foreclosure/acquisition that the City of Kingston plans to acquire or has acquired through Article 19-A:

The City will offer such properties to the Kingston City Land Bank.

A. The Kingston City Land Bank shall have a 90-day option to purchase such properties. The payment due to the City for each residential property will reflect the Area Median Income (AMI) level, adjusted for household size, of the end-user-household as follows:

- Properties in Tier 1 (to be purchased by end-user households at or below 80% AMI): 10% of the full amount of outstanding taxes and fees (including those yet to be billed) associated with the parcel preceding, during and post foreclosure/acquisition or \$7,000, whichever is greater, plus an Administrative Fee. In no event will the sales price to Kingston City Land Bank exceed the full amount of the outstanding taxes and fees.
- Properties in Tier 2: (to be purchased by end-user households between 80–100% AMI): 50% of the full amount of outstanding taxes and fees (including those yet to be billed) associated with the parcel preceding, during and post foreclosure/acquisition or \$7,000, whichever is greater, plus an Administrative Fee. In no event will the sales price to Kingston City Land Bank exceed the full amount of the outstanding taxes and fees.
- Properties in Tier 3 (to be purchased by end-user households between 100–130% AMI): 60% of the full amount of outstanding taxes and fees (including those yet to be billed) associated with the parcel preceding, during and post foreclosure/acquisition or \$7,000, whichever is greater, plus an Administrative Fee. In no event will the sales price to Kingston City Land Bank exceed the full amount of the outstanding taxes and fees.
- Properties in Tier 4 (to be purchased by end-user households above 130% AMI): 70% of the outstanding taxes and fees (including those yet to be billed) associated with the parcel preceding, during and post foreclosure/acquisition or \$7,000, whichever is greater, plus an Administrative Fee. In no event will the sales price to Kingston City Land Bank exceed the full amount of the outstanding taxes and fees.

This 90-day offer period begins when the City communicates an offer notice in writing to the Kingston City Land Bank. This offer letter will include the total of all delinquent taxes and fees associated with the parcel preceding, during, and post foreclosure/acquisition plus an Administrative Fee. The City has discretion to extend this offer period to facilitate the Kingston City Land Bank's property inspection and due diligence procedures. The

Kingston City Land Bank shall communicate its acceptance or rejection of properties via resolution of the Kingston City Land Bank Board of Directors.

- B. The Kingston City Land Bank is required to take title to a property within 90 days of Common Council Resolution approving the conveyance of the property. If the Kingston City Land Bank fails to take title to a property within this 90-day period, the City will follow the provisions of Section IV for that property.
- C. The Kingston City Land Bank shall remit payment due based on the Tiers described in Section III (A) and Administrative Fee simultaneously with the passing of title from the City of Kingston to the Kingston City Land Bank. If the AMI Tier of the final end user is higher than originally planned, the Kingston City Land Bank shall remit an additional payment to the City within 30 days of the sale of each property received in accordance with this Disposition Policy. The City will not remit payment to the Kingston City Land Bank if the AMI tier of the final end user is lower than originally planned. The Kingston City Land Bank will assume responsibility for the above-listed payment obligations when it sells properties directly to end-user households and when it conveys properties received in accordance with this Disposition Policy to for-profit and not-for-profit corporations, which then sell property to end-user households.
- E. The City may dispose of any property that the Kingston City Land Bank declines to purchase during the 90-day option period in accordance with Section IV below.

IV. *For all properties not accepted by the Kingston City Land Bank during its option period, or for all other properties the Kingston City Land Bank is not eligible to acquire under the provisions of Sections II or III, including all commercial properties, the following disposition options apply:*

- A. The City of Kingston may develop a public Request for Proposals (RFP) or other appropriate document, drafted to advance housing goals identified in the City's Comprehensive Plan and the revitalization objectives set forth in General Municipal Law §§ 505 and 907. The City of Kingston shall issue this RFP in accordance with its established procurement rules. In developing an RFP, the City of Kingston shall notify the Finance & Audit Committee of its intent to issue an RFP, and provide the Committee with at least ten business days to provide comments on the RFP. The Finance & Audit Committee shall serve as the Evaluation Committee for any RFP process. At its option, the Finance & Audit Committee may invite community members to join the RFP review process. The minimum sales price for any Article 11 property subject to an RFP process shall be the sum of the Assessed Value and the Administrative Fee.
- B. If the City chooses to not develop an RFP or if the City fails to receive qualified responses to the RFP or if the Evaluation Committee rejects the proposals received or if the Common Council fails to approve the conveyance of any property to an RFP Respondent, the City shall hold a public auction and sell the property to the highest bidder. The final sales price shall be the bid amount plus the Administrative Fee.

General Provisions

A. This Disposition Policy does not divest the Common Council of its statutory authority to sell or convey real property acquired through foreclosure proceedings or through Article 19-A.

B. The Kingston City Land Bank shall not intentionally convey any property acquired from the City of Kingston back to the property's immediate former owner(s) for less consideration than the amount of any and all delinquent taxes and fees associated with the parcel preceding, during and post foreclosure/acquisition.

C. City employees and members of the City of Kingston Common Council who: (i) are involved with the negotiation or preparation of the sale and closing process of properties which have been acquired by the City through the "In Rem" delinquent tax lien foreclosure through Article 11 or Article 19-A process;(ii) have access to knowledge or information about a parcel conveyed by the City to the Kingston City Land Bank or about the present or proposed use of nearby parcels through his or her City position, which knowledge or information is not accessible to the general public; or (iii) who have the authority to appoint employees who have any of the foregoing powers or access to the foregoing information, are specifically precluded from purchasing properties conveyed to the Kingston City Land Bank by the City during and for two (2) years after the termination of their City employment or term of office.

D. This Disposition Policy is intended to incentivize the production of low-to-moderate affordable housing opportunities in the City of Kingston. Accordingly, it is expected that at least 65% of all one, two, or three family residential properties sold by the Kingston City Land Bank are disposed to households at or below 130% of Area Median Income for Ulster County. Affordable homes sold by the Kingston City Land Bank are subject to various restrictions to incentivize them to be preserved as affordable housing for the term of the agreements entered into by the homeowners, as well as additional terms and conditions contained in those agreements.

E. The Kingston City Land Bank will provide the Corporation Counsel, Director of Housing Initiatives and Comptroller of the City of Kingston with a quarterly report on the properties subject to this Disposition Plan that were acquired and/or sold by the Kingston City Land Bank in the preceding quarter and must include information sufficient for the City of Kingston to ensure compliance with these provisions, including information on resale restrictions the Kingston City Land Bank is party to. Notwithstanding any other provision herein, the City of Kingston may decline to offer property to the Kingston City Land Bank if the Land Bank fails to provide quarterly reports or if those reports indicate noncompliance with either this Disposition Policy's provisions or the City's Comprehensive Plan. The City shall then have the right to sell the property in accordance with Section IV.