

Note: this disposition policy was passed by the City of Kingston Common Council via Resolution 66 of 2023.

City of Kingston Disposition Plan 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 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, the Mayor of Kingston shall determine whether such property should be retained.

II. For one- or two-unit residential properties with less than \$30,000 in outstanding taxes and fees (including those yet to be billed) associated with the parcel preceding, during and post foreclosure:

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 for \$1.00. This 90-day offer period begins to run when the City communicates an offer notice 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. 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 an additional payment to the City within 30 days of the sale of each property received in accordance with this disposition policy. 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 (purchased by end-user households below 80% AMI): the lesser of \$7,000 or the full amount of outstanding taxes and fees (including those yet to be billed) associated with the parcel preceding, during and post foreclosure;

- Properties in Tier 2: (purchased by end-user households between 80–100% AMI): the lesser of \$13,000 or the full amount of outstanding taxes and fees (including those yet to be billed) associated with the parcel preceding, during and post foreclosure;
- Properties in Tier 3 (purchased by end-user households between 100–130% AMI): the lesser of \$18,000 or the full amount of outstanding taxes and fees (including those yet to be billed) associated with the parcel preceding, during and post foreclosure:
- Properties in Tier 4 (purchased by end-user households above 130% AMI): The full amount of outstanding taxes and fees (including those yet to be billed) associated with the parcel preceding, during and post foreclosure, plus 10% of the net sales revenue. Net sales revenue is defined as the total sales price minus closing costs.

D. 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.

III. *For vacant land with less than \$30,000 in outstanding taxes and fees (including those yet to be billed) associated with the parcel preceding, during and post foreclosure:*

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

A. The Kingston City Land Bank shall have a 90-day option to purchase such land for \$1.00. This 90-day offer period begins to run when the City communicates an offer notice 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. The Kingston City Land Bank shall communicate its acceptance or rejection of properties via resolution of the Kingston City Land Bank Board of Directors. 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 an additional payment to the City within 30 days of the sale of each transferred property. The payment due to the City for each property will be calculated as follows:

- If the Kingston City Land Bank sells the property for a purchase price that exceeds ***any and all outstanding taxes and fees (including those yet to be billed) associated with the parcel preceding, during and post foreclosure***, the Kingston City Land Bank will pay the

City the full amount of outstanding taxes and fees (including those yet to be billed) associated with the parcel preceding, during, and post foreclosure.

- If the Kingston City Land Bank sells the property for less than the outstanding taxes and fees (including those taxes and fees yet to be billed) associated with the parcel preceding, during and post foreclosure, the Kingston City Land Bank will pay the City of Kingston 25% of the net sales revenue. Net sales revenue is defined as the total sales price minus closing costs.

IV. *For all other “in-rem” tax foreclosed commercial and residential properties, including those with one- or two-unit residential buildings for which \$30,000 or more in outstanding billed taxes and fees (including those yet to be billed) associated with the parcel preceding, during, and post foreclosure are due, as well as all properties not accepted by the Kingston City Land Bank during its option period, the following disposition options apply:*

A. The City of Kingston shall 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, provide the Committee with at least ten business days to provide comments on the RFP, and request that a member of the Finance & Audit Committee serve on the Evaluation Committee. The City of Kingston shall also share all non-winning proposals with the Finance & Audit Committee.

B. If the City fails to receive qualified responses to the RFP or if the City 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.

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.

B. The Kingston City Land Bank shall not 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.

C. City employees and members of the City of Kingston Common Council who are involved with the negotiation or preparation of the sale and closing process of properties title to which has been acquired by the City through the “In Rem” delinquent tax lien foreclosure process, have access to knowledge or information about a parcel conveyed by the City to the 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 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 Land Bank by the City during and for two (2) years after the termination of their City employment or term of office.

D. This resolution 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- or two-unit residential properties sold by the Kingston City Land Bank are disposed to households at or below 130% of Area Median Income for Ulster County.

E. The Kingston City Land Bank will provide the Corporation Counsel 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. 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 these Disposition Plan's provisions or the City's Comprehensive Plan. The City shall then have the right to offer property to another affordable housing non-profit under the conditions of this Disposition Plan.