



FINGER LAKES REGIONAL LAND BANK

Operational Plan Presentation

OCTOBER 24TH, 2023

AGENDA

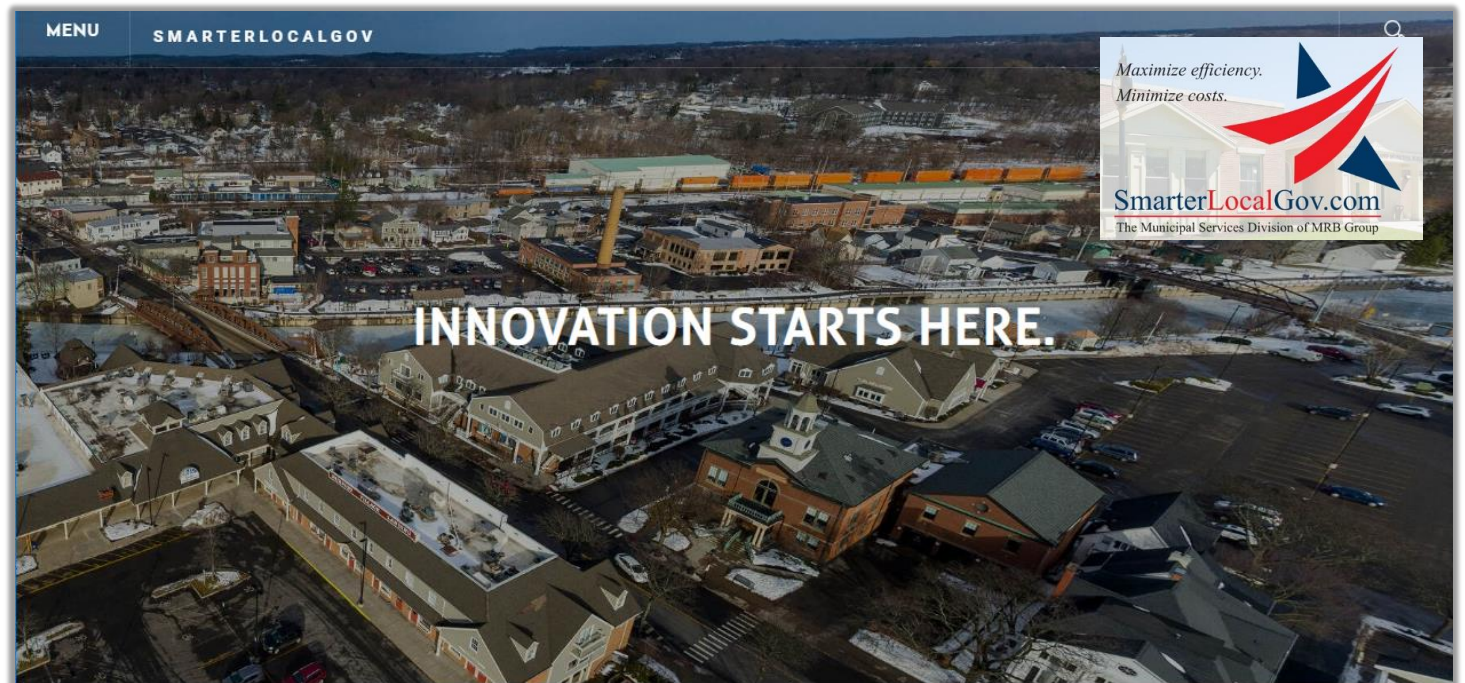
- 1 Introductions
- 2 Process
- 3 Challenges to Development
- 4 Property Acquisition
- 5 Development Models
- 6 Key Takeaways

MRB Group and SmarterLocalGov

MRB Group has been serving local governments for nearly a century as engineers and architects.

SmarterLocalGov was established in 2010 as the firm's local government management arm.

Today, we support local governments around New York, South Carolina, and Texas in their management, community, and economic development needs.



MENU SMARTERLOCALGOV

Maximize efficiency.
Minimize costs.

SmarterLocalGov.com
The Municipal Services Division of MRB Group

INNOVATION STARTS HERE.

IT ALL STARTS WITH COMMUNITY

SmarterLocalGov is an initiative of MRB Group; a multidisciplinary firm with over a century of service to local government. After working with over 100 communities around the country, our principals identified common themes that communities are struggling with. We began to assemble the best and brightest local government minds in the hopes of advancing total community health--the financial, social, and environmental sustainability and resilience of our communities.

Consulting Team



MICHAEL N'DOLO

Michael is our Director of Economic Development. He has decades of experience in strategic planning, site advancement analysis, and economic development.



TRACY VERRIER

Tracy is a Senior Economic Analyst and Project Manager for this project. She is a former economic development director who led up a local economic development organization, chamber, and two IDAs.



MONICA MCCULLOUGH

Monica is the owner of MM Development Advisors. Monica has more than 20 years of experience in mission-driven housing and community development. She has extensive knowledge of affordable housing development.

WHY?

The Finger Lakes Regional Land Bank needed an Operational Plan to **guide future activities**, and more specifically to identify a set of models and strategies that would balance **mission-oriented outcomes** with **financial sustainability**.

In the process, the Land Bank also gained a better understanding of the challenges of redevelopment in the current atmosphere.



PROCESS

- Assessment of Current Capacity
- Identify Gaps and Needs
- Develop Activities Matrix
- Board Workshop
- Interviews with Developers
- Model Development
- Plan Development

Activities	Mission Aligned?	Expand/Keep/Reduce/Abandon
Acquire properties from County tax foreclosure	Y	expand
Demolish unsalvageable buildings	Y	keep
Rehab deteriorated buildings, particularly with partners	Y	expand
Historic preservation	?	keep
Brownfield redevelopment	Y	expand
Supportive/Transitional housing partnerships and projects	?	expand
Side lot sales	?	keep
Straight sale/disposition for private redevelopment, particularly high value properties (e.g. lakefront, ag on water/sewer)	Y	expand
Straight sale/disposition without specific redevelopment plan	N	reduce
Market rate housing	Y	expand
Affordable housing development	Y	expand

Gaps/Needs	Mission Aligned?	Role
Revenue generating activities	Y	Lead
Increase property acquisitions	Y	Lead
Additional partnerships to develop larger projects	Y	Lead
Coordinated scattered site development	Y	Convene/Partner
Streamline site identification tactics	Y	Convene/Partner
RFP large lot development	Y	Lead
Utilize Article 1111-a and 19a to access properties	Y	Advocate and educate
Mixed use downtown development	?	Partner

? = Arguably, but not directly

Challenges



Effect of Property Taxes on Affordability



Financing Gap



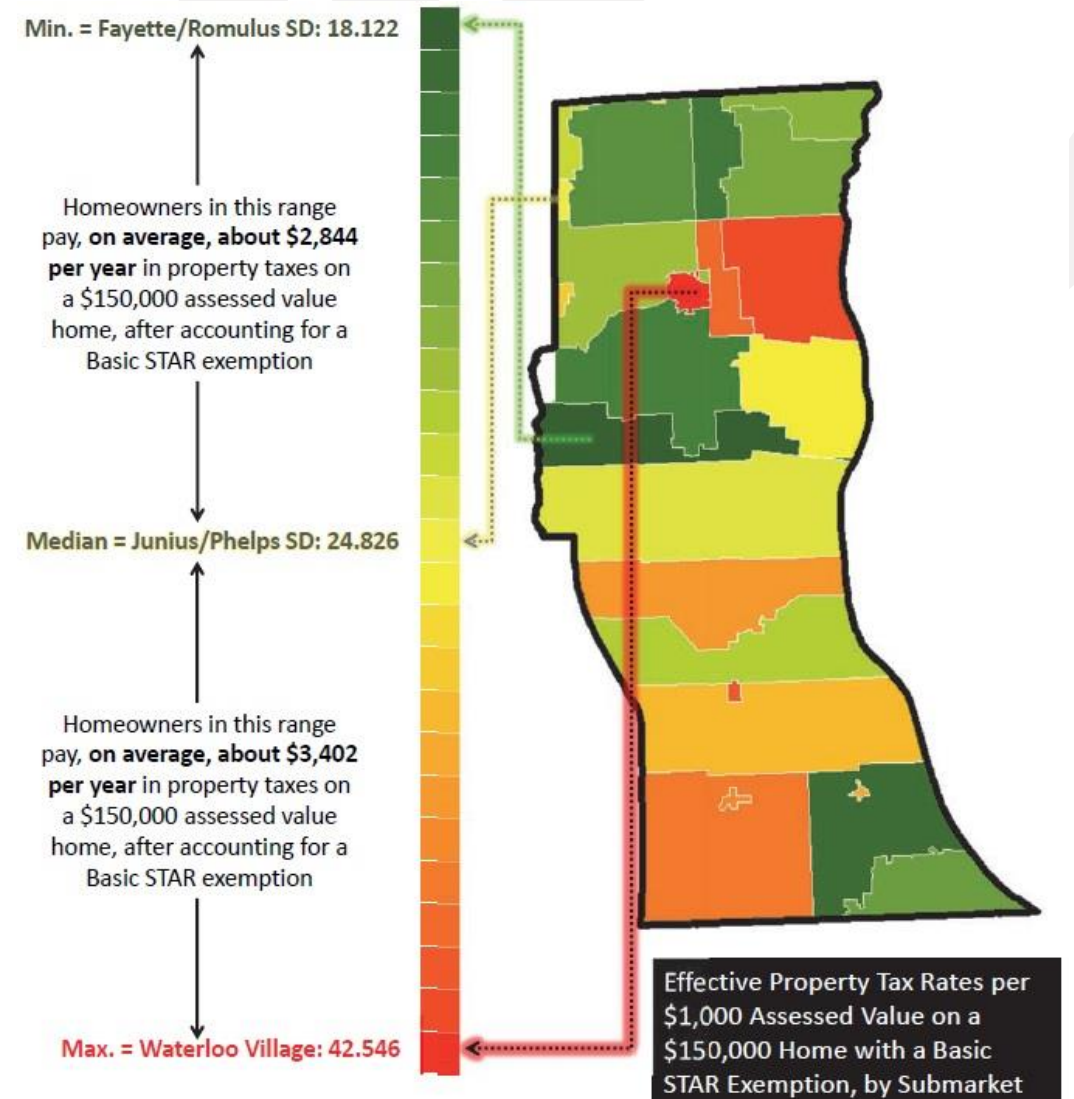
Identifying Qualified End Users

PROPERTY TAXES & AFFORDABILITY

A property tax escrow makes up a sizeable portion of a monthly mortgage payment.

Affordability at the time of closing is directly related to the affordable sale price.

Over time, monthly payments simply increase when taxes increase.



Source: Seneca County Housing Needs Assessment

FINANCING GAP

Taxes



Interest Rates



Affordable Sale Price



GAP

Estimated Affordable Home Price at 80% AMI in Seneca County

HUD AMI (4 person household) \$84,700

Sample Budget for Affordable Single Family Home Development

Costs		Revenue		Net Income
Acquisition	\$6,500	AHOP Grant	\$200,000	
Soft Costs	\$37,500	HOME Grant	\$50,000	\$375
Construction & Contingency	\$300,000	Sale Proceeds	\$134,000	\$1,320
Financing, Holding & Sales Costs	\$30,500			\$134,000
Developer Fee	\$30,000			\$355
TOTAL	\$404,500	TOTAL	\$384,000	\$164
NET gain/loss (\$20,500)				\$800

Sources: HUD, US BLS Consumer Expenditure Surveys, Seneca County Real Property, Zillow Mortgage Calculator, MRB Group

Primary barrier to attracting developers.

AREA MEDIAN INCOME & AFFORDABILITY

Estimated Affordable Home Price at 80% AMI in Seneca County

HUD AMI (4 person household)	\$84,700
80% AMI	\$67,760
Cost Burden Threshold (30%)	\$20,328
Affordable Monthly Housing Expenditure	\$1,694
Average Monthly Utilities	\$375
Average Monthly Mortgage	\$1,320
Affordable Home Price	\$134,000
Property Tax Escrow	\$355
Insurance/PMI	\$164
Principle & Interest	\$800

Sources: HUD, US BLS Consumer Expenditure Surveys, Seneca County Real Property, Zillow Mortgage Calculator, MRB Group

Estimated Affordable Home Price at 80% AMI in Tompkins County

HUD AMI (4 person household)	\$112,000
80% AMI	\$89,600
Cost Burden Threshold (30%)	\$26,880
Affordable Monthly Housing Expenditure	\$2,240
Average Monthly Utilities	\$375
Average Monthly Mortgage	\$1,866
Affordable Home Price	\$187,000
Property Tax Escrow	\$494
Insurance/PMI	\$188
Principle & Interest	\$1,185

Sources: HUD, US BLS Consumer Expenditure Surveys, Seneca County Real Property, Zillow Mortgage Calculator, MRB Group

AREA MEDIAN INCOME & AFFORDABILITY

If developers can't fill this **gap**, they are going to go **here** instead.

Sample Budget for Affordable Single Family Home Development - Seneca County

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Construction & Contingency	\$300,000	Sale Proceeds	\$187,000
Financing, Holding & Sales Costs	\$30,500		
Developer Fee	\$30,000		
TOTAL	\$404,500	TOTAL	\$437,000
		NET gain/loss	\$32,500

IDENTIFYING QUALIFIED BUYERS



Income Eligible



Completed Homebuyer Counseling



Have Down Payment & Financing Lined Up

Orgs cultivating
buyer pool



Buyers

Developers

PROPERTY ACQUISITION

Priority: Gain site control of abandoned properties **before** they are demo candidates. The state has more grant resources available for rehabilitation and renovation projects than demo and new construction projects.

Tax Foreclosures

- Tyler v. Hennepin will change this process
- Diversification will reduce Land Bank reliance on foreclosures
- Reexamine tax foreclosure system in context of Tyler, particularly for vacant properties

Other Acquisition Mechanisms

- RPAPL Article 19A & 19B
- Municipal Excess Property
- Article 1111a
- Property owner deeds/estates
- Relationships with entities that may have property to donate/transfer

DEVELOPMENT MODELS



Workforce & Senior Affordable Housing



Transitional & Supportive Housing



Planned Owner Redevelopment



Large Scale Development

DEVELOPMENT MODELS



Workforce & Senior Affordable Housing

Outcome

Rental and ownership units affordable to:

- Seniors – 50-60% AMI
- Retail/Hospitality/Service Workers – 30-50% AMI
- Manufacturing Workers – 60-120% AMI

Challenges & Needs

- Financing gap
 - New, non-State resources
- Pool of eligible buyers
- Maintaining affordability long term
- Additional, dedicated partnerships

DEVELOPMENT MODELS



Transitional & Supportive Housing

Outcome

Multi-family units that include:

- Temporary (transitional) units
- Long-Term (supportive) units
- Wrap around supports

Challenges & Needs

- Unpredictable taxing structure
- Additional nonprofit development partners
- Coordination with County services
- Sites

“...the County is experiencing a severe shortage in temporary housing, housing for persons experiencing mental health crises, housing for persons dealing with addiction, and housing for currently unhoused persons and families.”

- Seneca County Housing Needs Assessment

DEVELOPMENT MODELS



Planned Owner Redevelopment

Outcome

- Reuse of vacant properties with high value potential
- Unrestricted revenue for Land Bank
- Ideal candidates:
 - Lake frontage/views
 - Mid- and large-sized properties without infrastructure
 - Large/historic homes and rural rehabs
 - Certain commercial properties

Challenges & Needs

- Partnership with Codes and Treasurer to identify vacant sites that fit the model
- Mechanism for acquiring these sites outside of tax foreclosure

DEVELOPMENT MODELS



Planned Owner Redevelopment

Outcome

- Large scale single-family subdivisions, multi-family rental facilities, or mixed-use development
- Could be greenfield, brownfield, or adaptive reuse
- Supply of units impacting market pricing more broadly

Challenges & Needs

- Large properties with water/sewer
- Acquisition mechanisms to acquire these properties
- Potential financing gaps for workforce/senior units
- Expanded developer relationships

KEY TAKEAWAYS

- 1 New Property Acquisition Mechanisms are Needed
- 2 Shorter Timeframes from Abandonment to Site Control will Open Access to Additional Funding Resources
- 3 Local Solutions to the Funding Gap are Key
- 4 Collaboration with Identified and Cultivated Partners will be Critical to Future Housing Development of all Kinds



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THANK YOU!



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