

## **City of Newburgh Surplus Real Property Disposition Policy**

The City of Newburgh (“City”) disposes of its surplus real property (defined as any real property owned by the City, but not required or designated by the City for municipal use) through the following methods and procedures:

### **GENERAL INFORMATION**

#### **Purpose**

Promote principles that result in a beneficial, standardized, and transparent policy for the sale of City-owned surplus real properties. The City’s disposition policy seeks to:

- Encourage redevelopment of City-owned buildings and land.
- Recapture the City’s property tax loss.
- Strengthen the City’s tax base.
- Eliminate blight and revitalize neighborhoods.
- Expand homeownership opportunities, especially for City of Newburgh residents.

#### **Public Information**

All City-owned, surplus real property, is listed and published on the City’s website:

[https://www.cityofnewburgh-ny.gov/planning-development/pages/  
buying-property-from-the-city-of-newburgh-ny.gov](https://www.cityofnewburgh-ny.gov/planning-development/pages/buying-property-from-the-city-of-newburgh-ny.gov)

The Department of Planning and Development (“Department”) also utilizes social media, flyers, and the Multiple Listing Service (“MLS”) to promote City properties for sale.

### **ELIGIBILITY FOR PURCHASE**

#### **Expression of Interest/Private Owner Development Application**

All sales of City-owned property require prospective purchasers to complete a Private Owner Development Application (“PODA”). The PODA is the first step that a potential purchaser must take to indicate interest in viewing or acquiring a property. A prospective purchaser must answer all questions on the PODA, sign and date the application, provide the necessary financial documentation, include a detailed and accurate estimate of repair costs, and supply any other information, including but not limited to a credit report application, which may be relevant to the acquisition, upon request.

#### **Viewing Property**

Once the Department acknowledges receipt of a completed PODA, a prospective purchaser may make an appointment to inspect a property.

Inspection of properties listed through the Department shall be coordinated by the Department, and generally by the Department's Economic Development Specialist. Inspection of properties listed with the City's designated real estate broker (see below) shall be coordinated by the real estate broker. Inspection of properties listed through the Request for Proposals ("RFP") process shall be shown subject to the terms and conditions of the specific RFP.

Inspections of structures deemed unsafe to enter by the City of Newburgh Department of Code Compliance or by the Fire Chief shall not be permitted.

### **Qualified Purchasers**

The City will only sell property to Qualified Purchasers. A prospective purchaser under any form of ownership (i.e. individual, joint, or part of a business entity) is considered a "Qualified Purchaser" if:

1. Purchaser is current on all municipal obligations for properties they own in the City of Newburgh. Municipal obligations include City/County taxes, School taxes, Installment Payment Agreements, water/sewer bills, and sanitation bills.
2. Purchaser must not have any outstanding tax or property-related liens (including Judgments of record) on any property in the City of Newburgh.
3. Purchaser must not have any open housing code violations or a substantial history of unremediated housing code violations.
4. Purchaser must have valid rental licenses for any rental property owned in the City of Newburgh.
5. Purchaser must have valid vacant building registrations for any vacant property owned in the City of Newburgh.
6. Purchaser may not own more than three (3) properties in the City of Newburgh that either have open permits or lack a valid Certificate of Occupancy.
7. Purchaser must not have been the subject of a completed, City of Newburgh tax foreclosure proceeding in the last seven (7) years.

Compliance with all of the preceding requirements will be determined by the Department only after receipt of a completed PODA. The Department may request additional information from prospective purchasers to confirm qualifications.

If the Department determines that a purchaser fails to meet any of the criteria above, purchaser shall have a maximum of 30 days from receipt of notice of non-qualification to cure any and all outstanding obligations and become a Qualified Purchaser.

## **PROPERTY DISPOSITION**

The final and formal decision for disposition of any and all City-owned, surplus real property lies solely with the City Council. All property shall be disposed of by either a competitive or non-competitive process, as follows:

### **Competitive Process**

#### **Properties Offered For Sale through the Department**

The Department markets certain City-owned properties which are not suitable for transfer through more conventional means (e.g. real estate brokerage listings, RFP process). These properties are either of low value, in poor or unsafe condition, or require specialized redevelopment experience. Examples include buildable vacant land parcels, parcels with “shell” buildings, and parcels with buildings that are structurally unsound or require substantial construction work to redevelop. These buildings generally would not qualify for a traditional mortgage.

The Department advertises these properties on the City’s website as they become available for no less than 30 days, during which time Qualified Purchasers may offer to purchase the property.

The minimum price for these properties is set at the current year’s assessed value.

Purchase proposals from Qualified Purchasers are evaluated based on the following minimum criteria:

- Offer price;
- Reasonableness of repair estimate;
- Demonstrated financial capacity to complete the purchase and rehabilitation;
- Renovation experience of the purchaser and/or purchaser’s contractor;
- Credit history.

All purchase proposals and any questions or comments about the property shall be directed to and through the Department.

The Department may reject applications that do not meet minimum criteria. The Department is not obligated to present a purchase proposal to the City Council from an applicant who is solely the first to submit a proposal. The Department may extend a time period in which purchaser proposals are received for any property (or properties) at its discretion. The Department is not

obligated to counteroffer any purchase proposals, including proposals that meet the minimum criteria.

The Department will recommend the most beneficial purchase proposal from the pool of Qualified Purchasers who submit proposals meeting the minimum criteria to the City Council for its review and approval.

#### Properties Marketed Through the City's Designated Real Estate Broker

The City Council, from time-to-time, may elect to contract with a New York State licensed real estate broker ("Broker") to market properties. The City Council engages a Broker to market certain City-owned properties in an effort to obtain higher prices for those properties using marketing techniques, including the Multiple Listing Service ("MLS") and the Broker's existing marketing network. The Department determines which properties will be marketed through the Broker's services. Properties marketed by the Broker are buildings that generally require less extensive rehabilitation work than those listed for sale through the Department, and many of the properties would typically qualify for a traditional mortgage.

All purchase proposals and any questions or comments about the property shall be directed to and through the Broker.

Purchase proposals from Qualified Purchasers submitted to the Broker will be conveyed to the Department and evaluated based on the following minimum criteria:

- Offer price;
- Reasonableness of the repair (if any);
- Demonstrated financial capacity to complete the purchase and rehabilitation;
- Credit history.

The Department may reject applications that do not meet minimum criteria. The Department is not obligated to present a purchase proposal to the City Council from an applicant who is merely the first to submit a proposal. The Department may extend a time period in which purchaser proposals are received for any property (or properties) at its discretion. The Department is not obligated to counteroffer any purchase proposals, including proposals that meet the minimum criteria.

The Department will recommend the most beneficial purchase proposal from the pool of Qualified Purchasers who submit proposals meeting the minimum criteria to the City Council for its review and approval.

#### Priority for Owner Occupants, City Residents, and City Employees for Properties Marketed Through the Department or Through the Broker

Properties marketed through the Department or the Broker will have "bonuses" applied to any bid prices of Qualified Purchasers who meet one or more of the following criteria:

1. City of Newburgh residents who reside in federally-subsidized housing units, or recipients of housing voucher assistance from a federal or state program will receive a 25% bonus in addition to any bid.
2. City of Newburgh residents who demonstrate proof of residency in the City of Newburgh for at least the past five years will receive a 20% bonus in addition to any bid.
3. Members of minority groups that have historically experienced housing discrimination (i.e. Black, Latinx, and Asian) will receive a 20% bonus in addition to any bid.
4. Persons whose area median income (“AMI”) met the “low income” or “very low income” thresholds from the prior tax year will receive a 20% bonus in addition to any bid.
5. A first-time homebuyer will receive a 15% bonus in addition to any bid.
6. Owner-occupant purchasers who agree to a 5-year owner occupancy restriction will receive a 10% bonus in addition to any bid. Owner-occupant purchasers who agree to a 10-year owner occupancy restriction will receive a 15% bonus in addition to any bid.
7. Full-time City of Newburgh employees (employed for at least one year) will receive a 5% bonus in addition to any bid.

Qualified Purchasers may be eligible for multiple bonuses.

No other bonuses, discounts, or credits will be awarded or applied pursuant to this policy.

If there are multiple qualified offers, the highest qualified offer (after bonus adjustments) will then be selected for recommendation to the City Council. However, the offered purchase price will remain the amount actually proposed by the purchaser, exclusive of bonuses.

If there is a tie for the highest qualified offer after bonus adjustments, the Department will give Qualified Purchasers who tied for the highest qualified offer an opportunity to submit another offer until the tie is broken.

#### Request for Proposals (RFP) and Brownfield Remediation Opportunities (BRO)

Requests for Proposals (“RFP”) and Brownfield Remediation Opportunities (“BRO”) allow the City of Newburgh to set specific development goals for targeted properties and/or redevelopment projects using the RFP process.

All RFP and BRO listings will be listed on the City's website, as well as Bidnet. These listings will state the greater of the property's appraised value (if available) or its assessed value, any requirements or preference for the use/reuse of the property, and the applicable evaluation criteria. The Department may convene an RFP committee to review certain listings. RFP committees may include a review and recommendation of the Mayor's Strategic Economic Development Committee ("SEDAC"), members of City staff, and/or potential stakeholders, as the Department deems appropriate.

Properties with known, listed, Brownfield contamination shall only be listed as a BRO, and in addition to all other RFP policies and submission criteria, shall include the following:

- The City Engineer shall be included on any RFP committee, review each proposal, and provide a weighted score equal to that any other person or entity reviewing the RFP;
- The scoring rubric must include, at a minimum, applicant's ability and experience managing brownfield programs, including familiarity with Brownfield Tax Credits and DEC and EPA laws and regulations.

The RFP committee shall evaluate each proposal according to the weighted criteria set forth in the RFP or BRO using a weighted scoring rubric.

At its discretion, the RFP committee can elect to ask all, none, or some of the applicants to provide written follow-up information in order to determine a score.

In the event of a tie, the RFP committee will re-evaluate and re-score the tied applications only. If two or more proposals remain tied after the re-evaluation process, such tied proposals shall be presented to the City Council for consideration.

The following criteria shall apply when only one qualified applicant submits a proposal for evaluation:

- Each RFP committee member will also indicate whether the applicant is "recommended" or "not recommended" for the project. If a majority of the committee members recommend the applicant, then the applicant's proposal will be presented to the City Council. If the committee members do not recommend the applicant, the RFP will be issued in the Department's discretion. The applicant will not be permitted to re-submit an application in substantially the same form for the same property in the event of an RFP re-issue.

The recommended project shall be presented in full to the City Council, along with the completed scoring rubric for all Qualified Proposals.

### **Non-Competitive or Limited Competitive Process**

#### **Side Lots/Non-Buildable Land**

Side Lots are properties that do not meet the minimum lot area in the City’s Zoning Code (see City of Newburgh Code of Ordinances, Chapter 300), and are adjacent to property that do meet minimum lot area requirements (a/k/a “primary lot”). A Qualified Purchaser who is also the owner of a primary lot may purchase a Side Lot for its current assessed value. Merger of a Side Lot and a primary lot may be required as a condition of sale.

Owner-occupant primary lot owners who are also Qualified Purchasers shall receive a 10% bonus in addition to any bid.

Separately, either a side lot or a non-buildable parcel (i.e. vacant land that is less than 1,750 square feet), may be purchased for assessed value and for use as a community garden, open space, or recreational area by a Qualified Purchaser that is also a not-for profit organization recognized and existing under New York State law.

### **Nominal and Discounted Pricing for Qualified Not-for-Profit Entities**

Qualified not-for-profit entities, including not-for-profit religious and/or charitable organizations, engaged in activities in the City of Newburgh may request nominal or discounted pricing of property from the Department for projects that provide community benefits as further described below.

A qualified not-for-profit may propose a project on City property that meets the public benefit criteria below, and must detail the amount of discount needed to make the project both financially feasible and continually sustainable. The City will strive to apply a discount that is no greater than the minimum reduction necessary to make the project viable while capturing the greatest possible return for the City.

The following are eligible for nominal or discounted pricing:

- Open Space/Recreational Space: a use that creates a garden, open space, or recreational area for public use;
- Affordable, Mixed Income, and/or Workforce Housing
- Owner-occupied units
- Community-Benefiting Use

### **Newburgh Community Land Bank**

The Newburgh Community Land Bank (“NCLB”) is a quasi-governmental, not-for-profit organization. NCLB acquires properties in target areas, often from the City. These target areas and target properties are part of multi-year programs developed by the NCLB Board. These properties are conveyed for nominal value.

The NCLB presents updates to the City Council annually, including annual requests for property transfer.

#### Habitat for Humanity of Greater Newburgh

Habitat for Humanity of Greater Newburgh (“Habitat”) is a not-for-profit organization that creates homeownership opportunities for certain qualifying individuals. Habitat seeks to acquire properties from the City that are in harmony with Habitat’s mission. These properties are part of multi-year programs developed by Habitat. These properties are conveyed for nominal value.

Habitat presents updates to the City Council annually, including annual requests for property transfer.