

**RESOLUTION NO. 302 -2017, ADOPTING LOCAL LAW
NO. 11 -2017, A LOCAL LAW TO IMPROVE THE REAL
PROPERTY AUCTION PROCESS TO ENCOURAGE SMART
REVITALIZATION BY TOWNS AND VILLAGES**

WHEREAS, there was duly presented and introduced to this County Legislature at a meeting held on February 7, 2017, a proposed local law entitled, "**A LOCAL LAW TO IMPROVE THE REAL PROPERTY AUCTION PROCESS TO ENCOURAGE SMART REVITALIZATION BY TOWNS AND VILLAGES**"; now, therefore be it

RESOLVED, that said local law be enacted in form as follows:

LOCAL LAW NO. 11 -2017, SUFFOLK COUNTY, NEW YORK

**A LOCAL LAW TO IMPROVE THE REAL PROPERTY AUCTION
PROCESS TO ENCOURAGE SMART REVITALIZATION BY
TOWNS AND VILLAGES**

**BE IT ENACTED BY THE COUNTY LEGISLATURE OF THE COUNTY OF
SUFFOLK**, as follows:

Section 1. Legislative Intent.

This Legislature hereby finds and determines that the County of Suffolk regularly acquires real property due to non-payment of property taxes.

This Legislature finds that the County sells many of these parcels at auction to the highest bidder; other parcels are transferred to towns and villages for affordable housing and other public purposes for nominal consideration.

This Legislature determines that the County is currently facing substantial fiscal issues that can be eased, in part, by ensuring that the maximum number of properties are sold at auction to the highest bidder.

This Legislature also finds that many municipalities are willing to purchase parcels located within their jurisdictions at the price offered by the highest bidder at auction, but no mechanism exists which allows them to do so.

This Legislature further finds that in order to maximize the County's revenue from real property auctions and still allow municipalities to identify and purchase parcels for strategic revitalization of their communities, municipalities should be permitted to match the highest bid offered at auction for certain parcels, and acquire those parcels.

Therefore, the purpose of this law is to allow towns and villages a greater opportunity to acquire properties offered for sale at auction by the County.

Section 2. Amendments.

I. Article 40 of the SUFFOLK COUNTY ADMINISTRATIVE CODE is hereby amended as follows:

Article XL.

COUNTY REAL PROPERTY

* * * *

§ A40-4. Disposition of property acquired through Suffolk County Tax Act.

* * * *

G. Public auction. All parcels approved for disposition, except those that may be sold as provided in Subsection H or as provided under § A36-2A of the Suffolk County Administrative Code, shall be offered for sale to the highest bidder at public auction pursuant to regulations established for such auctions by the Commissioner, subject to the provisions set forth in paragraph (5) of this subsection. All parcels approved for disposition which have structures affixed thereto capable of physical occupancy by individuals shall only be offered for sale to the highest bidder at a public auction who is willing to agree, in writing, to a restrictive covenant in such deed as may convey title to such individual requiring the owner of the parcel, or his or her natural children or natural parents, to occupy said premises, said restriction to run with the land for a period of 10 years subsequent to the transfer of title from the County of Suffolk. Parcels obtained by a town or village pursuant to the municipal requests set forth in subparagraph (5) shall be exempt from the owner occupancy restrictions. The owner of the parcel shall provide the County written notice of any subsequent transfer of the parcel within said ten-year period. The Commissioner shall reserve to the County a right of reverter should this restriction be violated. In those instances in which a former property owner has affirmatively waived, in writing, his, her or its right of redemption of property under Subsections A and B of this Section, then the Commissioner, or his or her designee, shall take such measures as shall be necessary and appropriate to expedite the offering for sale of such parcels to the highest bidder at public auction in accordance with the provisions of this article at the earliest possible date.

* * * *

(4) The Division of Real Property Acquisition and Management shall provide to each member of the Suffolk County Legislature a list of all parcels to be auctioned at least ~~[45]~~ 60 days prior to the auction date and shall notify legislators of any parcels added to the auction list prior to the auction date. The auction list must be complete 15 days prior to the auction date, and no additional parcels may be added to the auction list after that time.

(5) Municipal requests. A town or village may request, in writing and prior to an auction, that they be permitted to purchase a parcel or parcels within their jurisdiction at a price set by the highest bidder at the auction. The Division of Real Property, Acquisition and Management may reject such request and/or transfer the property for the County investment. If the Division approves a municipal request, the requesting town or village must approve a resolution

within thirty (30) days after the completion of an auction, confirming their intention to purchase such parcel.

II. Article 36 of the SUFFOLK COUNTY ADMINISTRATIVE CODE is hereby amended as follows:

ARTICLE XXXVI.

AFFORDABLE HOUSING

A 36-2. Suffolk County housing opportunities programs.

* * * *

B. New York State General Municipal Law § 72-h transfer program.

(1) Designated habitable improved parcels, uninhabitable improved parcels and vacant parcels shall be transferred by the County to participating municipalities for nominal consideration and shall be constructed and/or reconstructed for affordable housing purposes. Any property transferred through the New York State General Municipal Law § 72-h transfer program to a municipality for affordable housing purposes pursuant to Article 40 of the Suffolk County Administrative Code shall not be subject to the nominal consideration provisions contained herein. These parcels shall be subject to covenants and restrictions requiring cooperating municipalities to transfer these parcels to eligible individuals whose income does not exceed 80% of the HUD-established limits for the Nassau-Suffolk PMSA adjusted by family size, unless the Director, subject to legislative approval, issues a waiver and authorizes the transfer to eligible individuals whose income does not exceed 120% of the HUD-established limits. Municipalities accepting habitable improved parcels shall reimburse the County for all back taxes and the applicable charges due and owing on such parcels at the time of transfer. Units constructed and/or reconstructed on a parcel transferred pursuant to this Subsection B, and sold or rented subject to a hierarchy of local preferences established by the participating municipality, shall be constructed and/or reconstructed, as the case may be, using design and construction features in compliance with § A36-3 of this article. Parcels transferred pursuant to this Subsection B shall be made available to military veterans pursuant to such local preference who served during expeditionary service in a theater of conflict in Iraq or Afghanistan, as verified by the Director of the Suffolk County Veterans Agency, which credentials shall qualify such person as first-time homebuyers as defined in this article, subject to the following:

* * * *

(5) Conditions of County transfer:

(a) The nominal consideration paid to the County of Suffolk for an affordable housing conveyance under § 72-h of the New York General Municipal Law shall [a nominal] not to exceed \$10 for any parcel.

* * * *

III. Chapter 1070 of the SUFFOLK COUNTY CODE is hereby amended as follows:

CHAPTER 1070.

REAL ESTATE APPRAISAL, ACQUISITION AND DISPOSITION

Article I. Requirements for Appraisers and Appraisals; Auction of Surplus Real Estate.

* * * *

§ 1070-13. Auction list release.

The release of the list of surplus real estate parcels to be placed on the County auction block and offered for sale to the highest bidder at public auction, or as a direct sale to adjacent owners, shall be done by the County Division of Real Estate in such a manner so as to ensure that no one will have access to the list before others, by imposing a single release date for such list that is at least 60 days prior to the set auction date, thereby providing all prospective bidders with the same amount of time to conduct a due diligence investigation of such properties. Towns and villages shall be mailed a copy of the auction list on the date of release.

* * * *

Section 3. Authority of amend auction rules.

The County Real Estate Division is hereby authorized, empowered and directed to review and, if necessary, update the current auction rules to comport with the provisions of this law.

Section 4. Applicability.

This law shall apply to all auctions held on or after the effective date of this law.

Section 5. Severability.

If any clause, sentence, paragraph, subdivision, section, or part of this law or the application thereof to any person, individual, corporation, firm, partnership, entity, or circumstance shall be adjudged by any court of competent jurisdiction to be invalid or unconstitutional, such order or judgment shall not affect, impair, or invalidate the remainder thereof, but shall be confined in its operation to the clause, sentence, paragraph, subdivision, section, or part of this law, or in its application to the person, individual, corporation, firm, partnership, entity, or circumstance directly involved in the controversy in which such order or judgment shall be rendered.

Section 6. SEQRA Determination.

This Legislature, being the State Environmental Quality Review Act (SEQRA) lead agency, hereby finds and determines that this law constitutes a Type II action pursuant to Section 617.5(c)(20), (21), and/or (27) of Title 6 of the NEW YORK CODE OF RULES AND REGULATIONS (6 NYCRR) and within the meaning of Section 8-0109(2) of the NEW YORK ENVIRONMENTAL CONSERVATION LAW as a promulgation of regulations, rules, policies, procedures, and legislative decisions in connection with continuing agency administration, management and information collection. The Suffolk County Council on Environmental Quality

(CEQ) is hereby directed to circulate any appropriate SEQRA notices of determination of non-applicability or non-significance in accordance with this law.

Section 7. Effective Date.

This law shall take effect immediately upon filing in the Office of the Secretary of State.

[] Brackets denote deletion of existing language
___ Underlining denotes addition of new language

DATED: April 25, 2017

APPROVED BY:

/s/ Steven Bellone
County Executive of Suffolk County

Date: May 11, 2017

After a public hearing duly held on May 8, 2017
Filed with the Secretary of State on June 7, 2017