



Onondaga County Legislature

JAMIE McNAMARA
Clerk

DAVID H. KNAPP
Chairman

MELANIE VILARDI
Deputy Clerk

401 Montgomery Street • Court House • Room 407 • Syracuse, New York, 13202
Phone: 315.435.2070 • Fax: 315.435.8434 • www.ongov.net/legislature

PLANNING & ECONOMIC DEVELOPMENT COMMITTEE – APRIL 14, 2021 **KEVIN HOLMQUIST, CHAIRMAN**

MEMBERS PRESENT: Mr. Kelly, Mrs. Abbott-Kenan, Mr. Kinne

ABSENT: Mr. Williams

ALSO PRESENT: Ms. Kuhn, Mrs. Ervin, Mr. Bush, Ms. Wright, Mr. LaFlair, Mr. Hogan, Ms. Velasco, Mr. Carrick, Mr. DeSantis, Ms. Vilardi, Mr. Frantzis

Chairman Holmquist called the meeting to order at 9:09 a.m. *A motion was made by Mrs. Abbott-Kenan to waive the reading of the minutes of the previous committee. MOTION CARRIED. A motion was made by Mr. Kinne to approve the minutes of the previous committee. MOTION CARRIED.*

C. PRESENTATION OF RESOLUTIONS AND LOCAL LAWS:

1. **GREATER SYRACUSE LAND BANK:** Ms. Katelyn Wright, Executive Director
 - a. Transfer from County Legislature, Account 666500 Contingent Account, to County General Other Items, Account 668720 Transfer to Grant Expenditures, \$200,000

Ms. Wright:

- Although at times hard to see the Land Bank has made significant progress
- Millions invested in Syracuse and suburbs since 1960 – fighting a losing battle
- Unprecedented opportunity to make an impact with stimulus money received by City and Onondaga County (“OC”)
- Established relationships with North Syracuse, Salina, Pompey, and Manlius – approach is different because of different context – provide services to OC as a whole not just the City
- Home headquarters starting on 6 parcels – demo and subdivision takes time to get properties shovel ready
- Still many opportunities where Land Bank own one property with bad properties on each side
- Not just reducing vacant buildings – City population dropping since 1950 - abandoned properties increase
- Imperative to deal with property – not just to right size our inventory – many are very old with deferred maintenance – so even though occupied may have lead problems – need to be replaced with new affordable housing
- Past year started tracking demographics on home buyers – over 90% are sold to local buyers – prefer local buyer that lives in the area – also track ethnicity and minority – 5 times as many blacks as whites – represent neighborhoods – average white owner has \$140k house wealth – selling more to black and brown to help rectify problem
- Leveraging \$32m in private investment – works well if buyers are in construction trade– seen partners struggle – would like to sell more renovated homes that are move in ready – easier for buyers and are fully renovated in a timely manner
- Long-term how do we sustain home headquarters – currently have cash in hand through September
- Ideally would like to

Mr. Hoogan:

- In second term as a City Council – as a new councilor he would get phone calls that City had no vehicle to address these projects – one bad house leads to two then three

- Increased criminal activities include house fires
- Kaitlyn wins over critics – Land Bank most effective vehicle to improve the city – provide housing and taxes for the City
- Represent Tip Hill – near Nibsys – took over two houses nearby that are currently occupied – those stories abound within the City – will ask for more money from the City
- Proud to be the chairman – appointment from CE and Mayor

Mr. Kinne:

- Two concerns - why is it so expensive to tear down a home - thought he read \$80k

Ms. Wright:

- Compared to other states a lot more – other states have less stringent environmental regulations and insurance costs higher in NYS 27-30 per house – Hudson Valley spend \$70k for one house – trucking debris a lot farther than we are – try to get more bidders to drive the cost down
- Land Bank is great asset for the entire County – never set up properly – always looking for money – doing good for City and County – need to find a way to properly fund
- Answered the question why wouldn't one let this go to auction – Land Bank is more predictable – they may put on stipulations with the sale in regard to tax payments and timing – they can demolish where a private buyer isn't going to incur that expense

Mrs. Abbott-Kenan:

- Struggle with business model – why continue gathering inventory

Ms. Wright:

- Land Bank thinks it makes sense to take possession – may hold for 7 years before demo – City continues to make school whole – city continues to do trash, board up – achieving same for less – also file a report with city police – may arrest on the spot for trespassing – otherwise police have to find owner before arresting
- When we hold we have a long list of shovel ready – if we leave on list time is long to put
- Brought back more grants than any other in the state – competing with 26 Land Bank – allows us to do sight assembly –
- Confirm city has a huge benefit – city did a bad job of collecting receivables
- One year ago hired a communications person to attend neighborhood meetings – collecting real data so can show results
- Other frustration is that we sell to private and don't have ability to buy at 10 and invest 80 – looking at realization that need a meeting – wanting to do more work themselves to show more visible progress in the neighborhoods

Ms. Kuhn:

- If more predictable plan for financing – how would that effect the Land Bank – we can only do as many demos as funding allows – 30-80 demos per year – if sustainable then could plan for more demos – could catch up on backlog
- Do other Land Bank programs around the state have programs that help individuals
- Local public authorities so not able to make grants and loans - 10 houses with grant money – may have a 200 renovation that gets sold for 100 effectively granting 100
- Partner with other agencies like home headquarters – empire housing is a local nonprofit for local housing – about 30k per house – not a lot of money to go around

Dr. Chase:

- What is track record of taking property back

Ms. Wright:

- Put a lien on property – do a lot of screening 1000 sold only taken 7 back – none have gone to litigation

Mr. Kinne:

- Basic economics – setting up an organization with common business sense –

Mrs. Abbott-Kenan:

- Pop going down - school districts have less attendance – have to do due diligence to make sure it could be funded for years to come – stimulus money could set up for failure

Ms. Kuhn:

- That's why we are talking about a sustainable plan for Land Bank
- One shot of capital injection would make a huge difference to the community

Mr. Hoogan:

- LB generates tax rev for the city – city gets rev doesn't come back to Land Bank

Mr. Kelly:

- What % of property are owner occupied?

Ms. Wright:

- About 25% of properties have owner occupied stipulation — about 50% rental and 25 % owner occupied

Mrs. Ervin:

- Fan of Land Bank – real concern of maintenance especially on South side – how is this handled

Ms. Wright:

- Lawn mowing, snow removal have contracts – routine schedule – pick up 1 cubic yard of garbage
- Inspector on contract is supposed to look at building – someone is there every week – takes a picture of front and back of every property
- Take calls from neighbors to get trash picked up within 24-48 hours
- If demo candidate then upkeep isn't done – keep boarded up until demo
- This time of year also do a supplemental clean up because always litter after snow melts
- City slowed down foreclosures with COVID

Mr. Bush:

- Was at a conference and stated Syracuse Land Bank is a gold standard
- Frustration is that you don't have adequate funding – major challenge for Legislature to come up with budget – last year \$250k ripped from budget
- Admire you are reaching out to TV to show what you do – tremendous asset to communities – potential is unlimited
- Ask Legislature to come up with a plan to have resources – Land Bank gives hope to neighborhoods

Ms. Wright:

- Proposed in 2019 a transfer tax to have a predictable stream – maybe worth revisiting or something comparable to achieve the same goal

A motion was made by Mr. Kinne to approve this item. Passed unanimously; MOTION CARRIED

b. Annual Report

2. **INFORMATIONAL:** A Local Law to Establish a Sustainable Energy Loan Program (Open C-Pace) in the County of Onondaga, Sara Smiley, Energy Improvement Corporation, Director of Municipal Membership; Chris Carrick, Central New York Regional Planning and Development Board, Energy Program Manager

Ms. Kuhn:

- Paper this morning showed need to reduce greenhouse emissions - will stimulate growth and provide clean energies
- Financing opportunity administrated by EOC 100% improvement of clean energy could be borrowed – loan goes for life of equipment – financial institutions that are approved provide low energy

Ms. Smiley:

- Presented the following presentation reading from the slides



Energy Improvement Corporation

- Not-for-profit, Statewide Local Development Corporation
- Mission to operate a successful Commercial PACE program in NYS that increases clean energy adoption and reduces greenhouse gas emissions

Clean Energy Public Benefits Property Assessed Clean Energy



"Municipalities would fulfill an important public purpose by providing financing to property owners for the installation of renewable energy systems & energy efficiency measures."

- Article 5L of the NYS General Municipal Law

- Repayments secured through a municipally based assessment lien

Open C-PACE Benefits



Property Assessed Clean Energy (PACE)

- PACE is not a bank loan
- Pays for up to 100% of the cost of renewable and energy efficiency projects
- Automatically transfers to new owner if the property is sold
- Flexible loan terms not to exceed the average useful life of the improvements, often 20-30 years
- Competitively-priced financing from EIC-approved capital providers

Economic Development



Lowers Cost of Funds

- PACE is secured by property = has lower rates than construction loans, mezzanine debt, or preferred equity; inclusion of PACE in the capital stack reduces the weighted average cost of capital needed to get a project done

Pass Through Expense

- PACE is a municipally authorized lien and may be passed through as an operating expense on net leases, similar to tax charges and utility costs

Supports More Efficient, High-Performance Buildings

- Facilitates energy measures that might otherwise be cut from the budget of a gut renovation or new construction project

Eligible Building Types



Commercially-owned and Not-for-Profit Buildings



- | | |
|--------------------------------------|---|
| <input type="checkbox"/> Multifamily | <input type="checkbox"/> Office |
| <input type="checkbox"/> Healthcare | <input type="checkbox"/> Retail |
| <input type="checkbox"/> Hospitality | <input type="checkbox"/> Agricultural |
| <input type="checkbox"/> Industrial | <input type="checkbox"/> Institutional |
| <input type="checkbox"/> Warehouse | <input type="checkbox"/> Private colleges |

Ineligible Buildings Include

- Public Sector Properties
- 1-to-4 Family Homes

Eligible Improvements



Efficiency:

- Lighting
- HVAC Equipment
- Chillers
- Boiler Conversions
- Furnace Upgrades
- Insulation
- Windows
- Smart Controls
- Pumps
- Variable Speed Drives
- Combined Heat + Power

Renewable Energy:

- Solar Thermal
- Solar Photovoltaic (PV)
- Small Wind
- Ground Source Heat Pumps
- Air Source Heat Pumps
- Air to Water Heat Pumps
- Anaerobic Digester Gas
- Fuel Cells
- Wood Heating Systems
- Energy Storage

New Construction Guidelines



- Amendment to State law adopted September 2020; Revised C-PACE Guidance from NYSERDA
- Whole-building energy audit, where practical; otherwise measure-by-measure
- Designed to meet or exceed selected building standard: NY Stretch, Passive House Institute, Energy Star, LEED (gold)
- EIC's independent engineer reviews: scope of work, energy audit/renewable energy feasibility study, incentive approvals (if any), utility company interconnection agreement (if applicable)
 - Audit must include calculation for amount financed over a term not to exceed weighted average useful life of the improvements
 - Same process for PACE applications for existing buildings

Capital Providers



**Competition and choice for property owners and developers
= lower rates and longer terms**

- | | |
|---|---|
| <input type="checkbox"/> CastleGreen | <input type="checkbox"/> LordCap PACE |
| <input type="checkbox"/> CleanFund | <input type="checkbox"/> PACE Equity |
| <input type="checkbox"/> Counterpointe Energy | <input type="checkbox"/> PACE Loan Group |
| <input type="checkbox"/> Dividend Finance | <input type="checkbox"/> Petros PACE Finance |
| <input type="checkbox"/> Enhanced Capital | <input type="checkbox"/> Rockwood/Live Oak Bank |
| <input type="checkbox"/> Greenworks Lending | <input type="checkbox"/> Twain Financial Partners |
| <input type="checkbox"/> Imperial Ridge Real Estate | <input type="checkbox"/> White Oak |

Starting a Transaction



- Apply directly to participating capital providers
- Property Underwriting
 - No bankruptcy
 - Current on property taxes & mortgages
 - Mortgage Lender Consent required
- NYSERDA CPACE Guidelines for technical qualifications
- If qualified for capital:
 - Finance Agreement between Capital Provider and Property Owner
 - EIC signs Administration Agreement & Assignment Agreement with Capital Provider
 - EIC files Benefit Assessment Lien and Assignment on Land Records
 - EIC bills and collects directly with property owner

Program Administration



EIC's Responsibilities:

- Review applications, energy audits, scopes of work
- Manage capital provider list
- Record the PACE lien on the property when financing is originated, and any subsequent recordings
- Bill property owner with instructions to repay the capital provider
- Deliver an Annual Report to Municipality with lists of improved properties and schedule of repayments

Member Municipality Advantages:

- No collection or enforcement responsibilities
- No obligation to backstop finance repayments
- No financial exposure for EIC and its member municipalities
- No fees to participate
- Template Local Law and Municipal Agreement to enable program

Lien Enforcement



PACE Benefit Assessment Lien is subordinate to municipal taxes, and senior to non-municipal liens.

If property owner does not pay the Annual PACE Installment:

- ☐ Capital provider must pay off any delinquent taxes *before* enforcing the PACE lien; must follow same timeline that municipality would follow for delinquent taxes

If a benefitted property owner is delinquent on municipal taxes:

- ☐ The municipality will provide, upon EIC's request, verification to EIC of such delinquencies.
 - Capital provider may then pay off the delinquent taxes to avoid the municipality redeeming the property.

Results



- Since April 2019:
 - 62 municipalities have activated Open C-PACE
 - 25 counties, 25 cities, 12 towns/villages (in Westchester County)
 - \$970,370 in combined estimated annual energy savings
 - 149,053 MtCO₂e in lifetime estimated greenhouse gas emissions savings



Marriott Syracuse Downtown
- Petros PACE Finance



Wheatfield Gardens, Niagara County –
Greenworks Lending



192 Erie Blvd, Schenectady –
PACE Equity

Next Steps



To Enable Open C-PACE / Join EIC:

- Adoption of Local Law
- Authorization & Signing of EIC Municipal Agreement
 - Uniform documents statewide; submit to EIC for review prior to adoption

Once Enabled, Provide Documents Necessary for Transactions

- Municipal Certificate
- Opinion of Local Counsel
- Lien Filing Letter

Membership – Counties (4/13/21)



- | | |
|--------------|------------|
| • Albany | • Nassau |
| • Broome | • Niagara |
| • Cayuga | • Oneida |
| • Chautauqua | • Orange |
| • Clinton | • Otsego |
| • Columbia | • Putnam |
| • Cortland | • Rockland |
| • Dutchess | • Suffolk |
| • Franklin | • Sullivan |
| • Lewis | • Ulster |
| • Madison | • Warren |
| • Montgomery | • Wyoming |
| | • Yates |

Membership – Cities (4/13/21)



- Amsterdam
- Beacon
- Buffalo
- Canandaigua
- Geneva
- Glens Falls
- Hudson
- Ithaca
- Kingston
- Lackawanna
- Lockport
- New Rochelle
- Niagara Falls
- North Tonawanda
- Oswego
- Peekskill
- Port Jervis
- Rochester
- Rye
- Saratoga Springs
- Schenectady
- Syracuse
- Troy
- White Plains
- Yonkers

For More Information



[Sarah Smiley](#)

[Director of Municipal Membership / Transactions Manager](#)

914-302-7300 x8105

ssmiley@eicpace.org

eicpace.org

Ms. Kuhn:

- Syracuse is involved as well as neighboring counties

Mr. Holmquist:

- If mortgage lender doesn't consent then what happens – answer then it doesn't move forward

Ms. Smiley:

- Answered Mr. Kelly's question regarding number of projects in Syracuse - 2 projects so far – in city

Dr. Chase:

- How does this change for a homeowner or developer – answer just for commercial

Mr. Holmquist:

- Any data on how many approved applications by municipality –

Ms. Smiley:

- 12 projects so far since launched – 2 in Buffalo and 2 in Suffolk 1 in Rockland and 1 in Westchester

Ms. Kuhn:

- Do you expect a larger turnout now with new construction is available as an option?

Ms. Smiley:

- Yes expect larger number of applications now that program allows new construction

Mr. Carrick:

- Serves 5 county region
- Potential implementation in OC
- Been talking with County staff for several years – from his perspective one of the most exciting opportunities for OC to promote clean energy – no risk and no cost to the County – really is a public private relationship
- Finance program that ties to property assessment – similar to sidewalks, sewers
- NYS has recognized that developers want to do what's right
- Technology is more efficient but more expensive up front but less costs over time
- Banks can't wrap their heads around financing – still an unknown
- Program is tied to NYSERDA – solid understanding that we will see the benefits
- Talking with property owners across OC who would love to use this program
- Has requests from outside the City for program
- NYSERDA is excited because municipalities could earn up to \$250k in grant money
- Encourage enactment – don't see any downside – subordinate to taxes
- Old program is renewed and new program is turnkey

Mrs. Abbott-Kenan:

- Serve on the board and commend you and your programs
- Will it be a challenge to get banks to buy in

Mr. Carrick:

- Don't see a problem – haven't seen that many instances where the bank has said no

Ms. Kuhn:

- Where do we go from here

Mr. Holmquist:

- Local law so could go to floor but need to get information to other Legislators – doesn't have to go to Ways and Means because no cost to the County

A motion was made by Mrs. Abbott-Kenan, seconded by Mr. McBride to approve this item. Passed unanimously; MOTION CARRIED.

- b. Authorizing the Transfer of Tax Delinquent Properties to the Onondaga County Housing Development Fund Company Item b**

A motion was made by Mr. McBride, seconded by Mrs. Abbott-Kenan to approve this item. Passed unanimously;

MOTION CARRIED.

A motion was made at by Mr. McBride, seconded by Mrs. Abbott-Kenan to adjourn the meeting. Passed unanimously; MOTION CARRIED.

The meeting was adjourned at 9:24 a.m.

Respectfully submitted,



MELANIE VILARDI, Deputy Clerk
Onondaga County Legislature

ATTENDANCE

COMMITTEE: PLANNING & ECONOMIC COMMITTEE

DATE: APRIL 14, 2021

NAME (Please Print)	DEPARTMENT/AGENCY
Katelyn Wight	Land Bank
Mike Lahir	Landbank
Pat Hogan	Land Bank
Wette Velasco	Law
Chris Carrick	Central NY Regional Planning Board
Cindy Meriti	VSA