

CITY COUNCIL MEETING

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Mayor Nelson called the meeting to order and asked the Clerk to call the roll:

PRESENT: Mayor Nelson, Councillors Ashley, Morley, Skamperle, Hosmer and Stevenson

ABSENT: Councillor Cilley

PUBLIC HEARING

1. A public hearing regarding an ordinance to sell City-owned property located at 807-809 Ford Street at public auction was held.

No one being present to speak, the hearing was declared closed.

PERSONAL APPEARANCE

1. Joe Cosentino provided Council with an update on the Operation Veterans plan to bring a veterans hospital to Ogdensburg. Mr. Cosentino advised the next meeting will be held on October 24th at 1:00 p.m. at the Dobisky Center. Mr. Cosentino said representatives of the Veterans Association and possibly from Washington, DC will be in attendance. Mr. Cosentino asked people to come and voice their opinion. Sue Rupert, Heuvelton Amvets, said a dinner was held to raise money for the project and noted more organizations and businesses need to get on board. Mr. Cosentino said they would like a large crowd to greet the representatives on October 24th.

2. Sandra Gooshaw of 805 Ford Street addressed Council regarding property taxes. Mrs. Gooshaw said she was surprised by the tax bill she received for a vacant lot she recently purchased and asked why a now vacant parcel is taxed as though a building still exists. Interim City Manager Philip Cosmo explained the process, noting the taxable status as of

April 1st of the previous year determines the tax bill for the current year.

CORRESPONDENCE

1. City Clerk Kathleen Bouchard read a letter from Rena Mee, Ellen Washburn, Steve, Mary & Jessie Sovie and the extended Sovie family thanking Council for allowing the placement of the memorial plaque and bench at Groulx Park in honor of Nic Sovie.

CONSENT AGENDA

Mayor Nelson moved that the claims as enumerated in General Fund Warrant #17-2012 in the amount of \$924,768.15 and Library Fund Warrant #17-2012 in the amount of \$398,930.79 and Capital Fund Warrant #17-2012 in the amount of \$250,098.74 and Community Development Fund Warrant #17-2012 in the amount of \$39,367.45 and Community Renewal Fund Warrant #17-2012 in the amount of \$2,136.65 and HOME Fund Warrant #17-2012 in the amount of \$0.00 and AHC Funds Warrant #17-2012 in the amount of \$40,000.00, RESTORE Program Warrant #17-2012 in the amount of \$0.00 and NSP Funds Warrant #17-2012 in the amount of \$0.00 and NY Main St. Program Warrant #17-2012 in the amount of \$14,642.22, as audited, be and the same are ordered paid and Councillor Skamperle seconded the motion.

The vote was:

CARRIED, AYES ALL

ITEMS FOR COUNCIL ACTION

1. Councillor Morley moved an ordinance to sell City-owned property located at 807-809 Ford Street at public auction, and Councillor Skamperle seconded to wit:

ORDINANCE #7 of 2012
AN ORDINANCE TO OFFER FOR SALE AT PUBLIC AUCTION
CITY OWNED PROPERTY

BE IT ORDAINED AND ENACTED by the City Council of the City of Ogdensburg, New York, as follows:

SECTION ONE:

The following properties shall be offered for sale at public auction by the City of Ogdensburg:

<u>TAX MAP #</u>	<u>LOCATION</u>	<u>MINIMUM PRICE</u>
48.071-9-9	807-809 Ford Street	\$ 10,000.

SECTION TWO: The City does not guarantee clear property title in the transfer of property by auction and conveyance will be made by Quit Claim Deed. The City Council reserves the right to reject any or all bids or to withdraw any parcel from sale.

SECTION THREE: This ordinance shall become effective ten days after publication.

Interim City Manager Philip Cosmo said the auction can be held on November 1, 2012 at 2:00 p.m.

The vote was:

CARRIED, AYES ALL

2. Mayor Nelson moved a resolution calling for a public hearing on an ordinance to amend the Administrative Regulations, §AR-31 entitled “Use of City-Owned Vehicles”, for the City of Ogdensburg, and Councillor Ashley seconded to wit:

RESOLUTION OF CITY COUNCIL INTRODUCING AN ORDINANCE
AND PROVIDING FOR PUBLIC NOTICE
AND PUBLIC HEARING

BE IT RESOLVED, that Ordinance No._____ of 2012, entitled:

Amendment to the Administrative Regulations, §AR-31 entitled “Use of City-Owned Vehicles” of the City of Ogdensburg be and it hereby is introduced before the City Council of the City of Ogdensburg, NY, and

BE IT FURTHER RESOLVED that copies of the aforesaid Ordinance be laid upon the desk of each member of the City Council, and

BE IT FURTHER RESOLVED, that the City Council hold a Public Hearing on said proposed Ordinance at the City Council Chambers at 7:00 pm on Tuesday, October 9, 2012, and

BE IT FURTHER RESOLVED that the City Clerk publish or cause to be published a public notice in the official newspaper of the City of Ogdensburg of said public hearing at least seven days prior thereto.

The vote was:

CARRIED, AYES ALL

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3. Mayor Nelson moved a resolution to approve and adopt the revised NSP real estate disposition procedures, and Councillor Morley seconded to wit:

RESOLUTION TO APPROVE AND ADOPT
THE REVISED NSP REAL ESTATE DISPOSITION PROCEDURES

WHEREAS, the Neighborhood Stabilization Program (“NSP”) was enacted by the United States Legislature as part of the Housing Economic Recovery Act of 2008 (Pub. L. 110-289, approved July 30, 2008) to deal with the housing foreclosure crisis facing many localities throughout the country; and

WHEREAS, City of Ogdensburg (“City”) was awarded NSP funds to redevelop tax-foreclosed properties in the City; and

WHEREAS, New York State Real Property Tax Law § 1166 states that:

1. Whenever any tax district shall become vested with the title to real property by virtue of a foreclosure proceeding brought pursuant to the provisions of this article, such tax district is hereby authorized to sell and convey the real property so acquired, either with or without advertising for bids, notwithstanding the provisions of any general, special or local law.
2. No such sale shall be effective unless and until such sale shall have been approved and confirmed by a majority vote of the governing body of the tax district, except that no such approval shall be required when the property is sold at public auction to the highest bidder; and

WHEREAS, Section 1166 of the New York State Real Property Tax Law may override Section 11-2 of the Administrative Regulations of the City of Ogdensburg which require that City Properties be sold at public auction. Council deems it appropriate to sell the properties pursuant to the requirements of this resolution and the authority given to it under New York State Real Property Tax law Section 1166.

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WHEREAS, NSP Guidelines (“Guidelines”) set forth the requirements and procedures for implementing the City’s NSP for homes that will be redeveloped with NSP funds; and

WHEREAS, the City will utilize grant funds to rehabilitate, demolish and/or redevelop properties and to provide mortgage assistance in the form of “Deferred Loans” to qualified buyers to assist in reducing the purchase price of the homes.

NOW, THEREFORE, BE IT RESOLVED that for the purpose of the Neighborhood Stabilization Program, notwithstanding any other state or local law, in accordance with New York State Real Property Tax Law §1166, the Ogdensburg City Council hereby approves and adopts the attached NSP Real Estate Disposition Procedures allowing the sale of properties acquired by tax lien foreclosure and rehabilitated or redeveloped through the NSP Program.

BE IT FURTHER RESOLVED that upon completion of the renovations and all other NSP Program requirements necessary to offer the properties for sale, and prior to any lottery being conducted to identify a qualified owner and prior to the execution of any contract of sale, a resolution and ordinance shall be brought before Council for approval pursuant to Section C-17 of the City Charter. Upon the approval required by Section C-17 of the City Charter, the City Manager is then authorized to execute a contract of sale along with such other documents necessary to complete the transfer of title and loan closing to the Buyer along with any other documents required for the administration and implementation of the NSP Program.

Neighborhood Stabilization Program
Real Estate Disposition Procedures

Procedures for Sale of Homes Redeveloped through the Neighborhood Stabilization Program

New York State Real Property Tax Law § 1166 states that:

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Whenever any tax district shall become vested with the title to real property by virtue of a foreclosure proceeding brought pursuant to the provisions of this article, such tax district is hereby authorized to sell and convey the real property so acquired, either with or without advertising for bids, notwithstanding the provisions of any general, special or local law.

No such sale shall be effective unless and until such sale shall have been approved and confirmed by a majority vote of the governing body of the tax district, except that no such approval shall be required when the property is sold at public auction to the highest bidder; and

In 2008, the Neighborhood Stabilization Program (“NSP”) was enacted by the United States Legislature as part of the Housing Economic Recovery Act of 2008 (Pub. L. 110- 289, approved July 30, 2008) to deal with the housing foreclosure crisis facing many localities throughout the country.

Consequently, the City of Ogdensburg (“City”) was awarded NSP funds to redevelop tax-foreclosed properties in the City. These Guidelines (“Guidelines”) set forth the requirements and procedures for implementing the City’s Resale Program (“Program”) for homes that will be redeveloped with NSP funds. The City will provide mortgage assistance (“Loan”) to qualified buyers to assist in reducing the purchase price of the homes.

The NSP imposes the following requirements on all local government agencies and other NSP participants that will apply to the Program:

1. NSP funds may only be used by the City on eligible projects that assist very low, low, and moderate-income households whose incomes do not exceed one hundred twenty percent (120%) of St. Lawrence County Area Median Income (“Eligible Household”). A Enforcement Note and Recapture Mortgage restricting ownership, occupancy, and resale of each home to Eligible Households for a term of 5 to 15 years according to the following schedule (known as the affordability period) will be executed by each Eligible

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Household acquiring a home through the Program and will be recorded against each such home concurrently with close of escrow for the conveyance to such Eligible Household. (Please see attached.)

Affordability Period

Up to \$15,000 - 5 years

Over \$15,000 up to \$40,000 – 10 Years

Over \$40,000 - 15 Years

Acquisition of Newly Constructed Homes – 20 Years

2. The City must provide 25% of NSP funds to households whose income is at or below 50% of St. Lawrence County Area Median Income (“AMI”). (Please see attached 2010 income limits.)
3. Households acquiring a home pursuant to the City’s Program must occupy the home they acquire as their primary residence if a mortgage loan is needed to complete the purchase the mortgage loan must be a conventional mortgage obtained through a financial institution with a presence (headquarters or branch) within St. Lawrence County, NY or a government (U.S. government or New York State government) provided or guaranteed mortgage, and attend at least an eight (8) hour home buying course with a HUD certified counselor.
4. Homes rehabilitated and developed using NSP funds will be constructed according to the standards established by the City of Ogdensburg and all code violations shall be cured. In addition, all rehabilitation work performed pursuant to the Program must comply with Title X of the 1992 Housing and Community Development Act, 42 U.S.C. Section 4800, et seq. and the implementing regulations set forth at 24 C.F.R. part 35, subparts A, B, J, K, and R, with respect to notification, inspection, assessment, reduction, and clearance of lead based paint.
5. Each Home acquired and rehabilitated through the Program must be sold to an Eligible Household at a price that does not exceed the total appraised value, plus all transaction costs, including but not limited to abstracting, title insurance, recording costs, transfer tax, mortgage recording tax, survey costs and City’s attorney’s fees

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- incurred in preparation of title transfer and loan documents.
6. The City shall convey title via Quit Claim Deed prepared by the City along with the real property forms TP-584 and RP-5217 in a form acceptable for recording with the St. Lawrence County Clerk.
 7. The City makes and shall make no warranties of any kind to the Properties or the condition of title to them. The City makes and shall make no representations or warranties relating to either hazardous substances and /or contamination of any kind which may be on the properties. The City shall in no way be responsible for any contamination and/or hazardous substances regardless of when any such substances and/or contamination may be discovered by anyone. The Deed to the successful purchaser shall permanently so indemnify the City and shall be signed by the successful bidder before the deed is delivered to the Buyer.
 8. The City shall convey title and the Buyer shall accept title subject to all covenants, conditions, restrictions and easements of record.
 9. Buyer shall properly record the deed and loan documents, under supervision of the City at their expense. Title shall be deemed transferred to the Buyer upon delivery of the deed to the Buyer. Risk of loss or damage to or destruction of the property shall pass to the Buyer upon delivery of the Deed to the Buyer.

ELIGIBLE HOUSEHOLD QUALIFICATIONS. Homes acquired, rehabilitated and resold pursuant to the Program must be purchased by Eligible Households (1) that earn 120% or less of the St. Lawrence County area median income, as published annually by HUD, and (2) that will both own and occupy the home throughout the affordability period.

Prior to close of escrow for resale of the home, all Eligible Households will also be required to (a) attend a HUD-certified, 8-hour pre-acquisition home ownership class.

ESTABLISHING THE LOAN AMOUNT: The Loan will be established so that appropriately sized households for each unit are not required to spend more than 30% of gross income toward debt service on a mortgage; 30% of

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gross income for housing expenses. Housing expenses includes mortgage payments, real estate taxes, homeowners insurance, condo fees (if applicable), and private mortgage insurance. From the gross income the estimated taxes insurance, condo fees, and private mortgage insurance (PMI) are subtracted to determine how much is available to support mortgage payments. (PMI amount is .078% of the loan amount). Applicant shall be required to contribute a minimum cash deposit of \$2,000.00 at the time of a fully executed purchase offer.

AFFORDABILITY COVENANT REQUIREMENTS. In accordance with the NSP regulations, each Eligible Household shall execute an Enforcement Note and a Recapture Mortgage (or Restrictive Covenant) in recordable form restricting resale of the Home within the specified affordability period (see attached). Any resale of the Home within the affordability period will require a recapture of a percentage of funds provided to the Eligible Household that will be payable to the City of Ogdensburg and deposited to the NSP Program Income fund account. The recapture schedule for the Loan is as follows:

Year 0-5	100%	Year 9	60%	Year 13	20%
Year 6	90%	Year10	50%	Year14	20%
Year 7	80%	Year 11	40%	Year 15	+0%
Year 8	70%	Year12	30%		

MARKETING AND OUTREACH. Marketing for the lottery(ies) will be conducted in compliance with the City's Citizen Participation Plan and will adhere to HUD regulations, 24 C.F.R. 570.601 Equal Opportunity and Fair Housing and 24 C.F.R. 570.602 Affirmative Marketing.

LOTTERY PROCESS. The lottery process(es) will be utilized to identify which of the eligible applicants from the waiting list will be selected for the available unit/home and will be administered by a third-party, not directly affiliated with the City. The application period will last for a minimum of 45 days and the lottery will be held after such application period.

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The mortgage application process for each buyer should only be conducted after the lottery so that only the households that can purchase a unit have to go through the lengthy mortgage approval process. The City, through its NSP application process, secured letters from financial institutions and USDA Rural Development indicating these institutions' support for providing permanent lending to eligible homebuyers.

The steps of the lottery process will be as follows:

1. Prepare applications to verify income eligibility –including an application form, application certification form, authorization for consent to release information, description of the use restriction, and a description of the eligibility requirements.
2. Conduct informational meeting(s) to explain lottery process, review housing plans, tour properties.
 - a. Household size and composition shall govern for which units a household can compete.
 - i. One bedroom units - household of 1 to 2
 - ii. Two bedroom units - household of 2 to 4
 - iii. Three bedroom units - Household of 3 to 6
3. Advertise deadline dates for the lottery.
4. Review applications to insure income eligibility.
5. If more than one unit will be available for the lottery, then each applicant will rank their unit preference.
6. Applicants will be assigned an entry number which will then be written on a slip of paper measuring 3” x 4”. Each 3 x 4 slip will be folded once and placed in the “hat” from which the slips will be drawn one at a time by random selection.
7. Each applicant will be ranked in order of drawing from the “hat”. This ranking will serve as the qualified buyer list and will determine which applicant will have the first choice of the next available unit subject to the limitations of the household size and the number of bedrooms in the home.

Interim City Manager Philip Cosmo explained the resolution describes the end product following discussions. Councillor Morley said the second page

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refers to a majority vote for the sale of real property and he believes a $\frac{3}{4}$ vote is required. Councillor Skamperle asked if Council can override the New York Real Property Tax Law. Mayor Nelson said the City can be more restrictive than State Law but not less restrictive.

Interim City Planner Andrea Smith explained a new addition to the process is that buyers must now bring \$2,000 to the table. Ms. Smith also added the last part of the resolution references Section C-17 of the City Charter, specifically the super-majority requirement.

The vote was:

CARRIED, AYES ALL

OLD BUSINESS

1. Councillor Morley requested an update on the cost to fill in the ditch for the Beaverbrook residents. Public Works Director Kit Smith explained the City is waiting for the estimate from Tisdell Associates. Mr. Smith said once the estimate is received, the pipe can be sized and the depth determined so it will be ready.

2. Councillor Morley said he would like to talk about the tax resolutions received in the update. Mayor Nelson advised there is a joint meeting being held on Thursday, October 18th at 7:00 p.m. in Potsdam with county, town and village representatives. Councillor Morley said he will wait to discuss these resolutions.

3. Councillor Stevenson requested an update on the Oddfellow's water situation. Mr. Smith advised the water lines are being flushed every Friday, and there have been no complaints. Mr. Smith said the line will be flushed as long as weather permits. Councillor Stevenson asked that Council be advised when weekly flushing is no longer possible.

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4. Councillor Skamperle requested an update on Joe Basta's paper street issue. Interim City Manager Philip Cosmo said the information was sent to Council in the update.

NEW BUSINESS

1. Councillor Ashley requested a complete list of all City Boards members and a schedule of their meetings. Councillor Stevenson said it was helpful to have the list of the people on the Zoning and Planning Boards along with completed training. Councillor Skamperle asked if there are current openings on the Planning or Zoning Boards. Interim City Manager Philip Cosmo said he believes the boards are full, but there is some question on their training. Mr. Cosmo said if they do not receive the required training, they may not be eligible to serve. Councillor Stevenson asked why some members are serving expired terms. Mayor Nelson said some terms expire while people are working on obtaining the required education. Councillor Stevenson noted she is concerned some members are making SEQR decisions without training and education. Councillor Hosmer asked why some people are ineligible. Ms. Smith explained some are ineligible because they missed meetings or did not meet the education requirements. Ms. Smith said the boards are currently full with two alternate members for the Planning Board. Mayor Nelson said he believes when the previous City Planner presented the education requirement to Council, we went above the State requirements. Ms. Smith explained the State only requires four credit hours but the City requires five credit hours. Ms. Smith said Chapter 222 of the Municipal Code states the Planning Board makes recommendations to Council, noting four credit hours are required annually with five credit hours being required only in the first year. Councillor Stevenson said she believes the first year education requirement is a good idea. Councillor Skamperle asked if these are annual credit requirements, and Ms. Smith said yes. Mayor Nelson asked if we need to be stricter than New York State. Interim City Manager Philip Cosmo said the first year of training is important, adding it can be done online and believes that requirement should stay. Ms. Smith said she checks the list of available online courses quarterly and will

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send the information to board members and Council. Ms. Smith explained she agrees with the first year credit hour requirements for new members. Mrs. Smith noted the County Planning Board travels around the County for education sessions. Ms. Smith said no one from our boards attended the last session in May, and the County is reluctant to hold another training session in Ogdensburg. Councillor Morley said Council is the lead agency for SEQR waterfront development and asked if there are any training requirements for Council. Ms. Smith said none of the Planning Board members have attended SEQR training, noting there is a lot of information available online. Mayor Nelson suggested a mandatory training session for Council and asked Interim City Planner Andrea Smith to see what can be scheduled.

2. Mayor Nelson read an announcement that there will be a meeting at the Potsdam Civic Center on October 18th at 7:00 p.m. to discuss the sales tax rates and distribution.

ITEMS FOR DISCUSSION

1. Interim City Manager Philip Cosmo explained a longer BOA presentation can be done at 6:00 p.m. on October 22nd with a shorter version presented to Council at the City Council Meeting at 7:00 or the entire presentation can just be done at the City Council Meeting. Mr. Cosmo added the auditors will also be present.

Mayor Nelson said he will be at a NYCOM meeting on October 22nd. Ms. Smith said the BOA presentation and meetings have been scheduled for a month and a half and the flights are already scheduled. Mr. Cosmo suggested the entire presentation be done at the Council Meeting if some people will not be present.

Mayor Nelson asked if Council wants to meet at 6:00 p.m. on October 22nd. Ms. Smith said there will be a 30 minute presentation and 30 minutes for discussion on the BOA feasibility study.

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Ms. Smith explained the purpose of the meeting is to get feedback from Council and the community before the recommendation is reported. Ms. Smith noted it is an opportunity to meet the consultants under contract and provide a preliminary recommendation, noting the final draft should be completed by the end of December. There was a consensus of Council to present the entire BOA presentation at the City Council Meeting. Mayor Nelson asked if any of the BOA presentation information will be provided to Council in advance. Ms. Smith said she will ask for the presenter's findings and recommendations summary for Council to review in advance of the meeting. Mayor Nelson asked if there will be a separate session for community input. Ms. Smith said she is hoping for more feedback from Council but wanted the community to be able to hear the presentation since some have worked on the LWRP project since the beginning. Mayor Nelson said a diagram outlining and clarifying the area wide program, BOA and LWRP would be helpful. Mr. Cosmo stated the BOA presentation will be done at the Council meeting.

2. Mr. Cosmo asked Council to look at their schedules so November budget review meetings can be scheduled at the October 22nd meeting. Mayor Nelson and Mr. Cosmo agreed last year's schedule was too packed and there was too much planned on certain nights.

3. Mayor Nelson asked if the fire department planned to buy a demo truck. Fire Chief Steven Badlam said a non-refundable retainer is required to hold the truck and should be paid in the next month or so if we plan to make the purchase in 2013. Councillor Morley asked for the final cost before the down payment is made. Chief Badlam said the cost of the demo truck is \$300,000 with modifications in the \$10,000 range, noting a new truck is \$375,000 - \$400,000. Councillor Ashley asked Chief Badlam if he changed his mind on the first truck looked at, and Chief Badlam said yes. Councillor Stevenson explained there wasn't enough time to complete the fire tour this past Saturday and asked Chief Badlam if he is available this Friday at 10:00 a.m. Chief Badlam said he will check his schedule and email Council.

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Councillor Skamperle asked if part of the modifications will include changing the truck controls to the side. Chief Badlam explained the truck he is looking at already has the side controls.

4. Councillor Morley said the estimate to paint the new walking bridge is \$600,000, and he will not support it. Councillor Stevenson said she has never been in support of painting the bridge. Councillor Morley asked if the wood deck of the bridge will be slippery in winter. Public Works Director Kit Smith said it was recommended that we use non-calcium ice melt.

5. Mayor Nelson reminded everyone that the Harvest Walk/Run will be held at the Dobisky Center on October 21st, adding registration begins at noon and the walk begins at 1:00 p.m. Mayor Nelson explained the event will benefit Renewal House, Seaway House, Ogdensburg Neighborhood Center, emergency services of the Saints (St. Peters' & St. James' in Lisbon, St. Raphael's in Heuvelton and St. John's Episcopal in Ogdensburg), food programs of the First Presbyterian Church in Ogdensburg, Catholic Charities, St. Vincent de Paul of Notre Dame Church and St. Mary's Cathedral.

On a motion duly made and seconded, the meeting was adjourned.