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September 20<sup>th</sup> 2024

New York State Homes & Community Renewal  
Office of Community Renewal  
c/o Hailey Hamias  
38-40 State Street, 4 South Hampton Plaza  
Albany, NY 12207

Subject: Request for No Cost Extension of 8CVHR33-21

Albany County is requesting a no-cost, 6 month extension of the CDBG-CARES award 8CVHR33-21 following the September 30<sup>th</sup>, 2024 extension, now through March 31<sup>st</sup>, 2025. Albany County and its sub-awardees have spent down all awarded funds and the Mental Health System Support projects have been completed. The Albany County Land Bank successfully rehabilitated two historic buildings in Albany's South End as affordable homeownership opportunities, yet there have been several challenges in the sales process that have led to this request. Additional time is needed to find qualifying buyers and close on the sales of the properties. We feel confident that our sub-awardee, the Albany County Land Bank, can sell these properties to serve the mission of the Community Development Block Grant, and anticipate that this extension should be sufficient to complete the work plan.

The challenges faced by the Land Bank include:

- **Market Conditions:** The current real estate market has presented unique challenges, affecting buyer confidence and financing options. With interest rates remaining high as the Fed seeks to counteract the impact of inflation, the added cost of capital has been a deterrent.
- **Buyer Withdrawals:** The Land Bank has experienced instances where pre-qualified buyers have lost funding or become hesitant during the contract signing phase, primarily due to the program's necessary restrictions. While buyers can be prequalified, during the underwriting process, circumstances may arise that could not be anticipated or buyers while working with the benefit of an attorney better understand the requirements of the sale.
- **Financing Complexities:** The specific financing requirements of the Land Bank's Affordable Homebuyer Program have led to extended closing processes that under normal conditions can take two to four months to complete.

In response to these challenges, Sean Maguire, Executive Director, has directed his team to take certain actions to ensure the successful completion of this grant including the sale of these properties to qualified buyers. These actions include:

- New marketing strategies to reach qualified buyers more effectively, including engaging a real estate agent.
- Enhancing educational initiatives to better prepare potential buyers for the responsibilities and benefits of the program.
- Strengthened partnerships with local financial institutions to streamline the mortgage approval process.

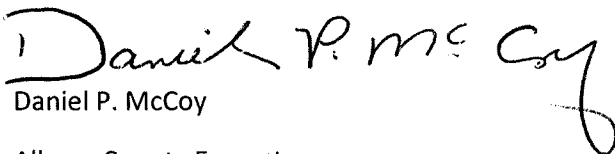
Albany County and the Land Bank believe these measures will significantly improve their ability to sell these properties, and that a 6-month extension, rather than the standard 3-month extension, would be more appropriate for the following reasons:

- Adequate Marketing Time: This will allow us to fully implement and assess the effectiveness of new marketing strategies.
- Buyer Education and Preparation: Extra time will ensure potential buyers fully understand and are comfortable with the program's requirements and restrictions.
- Closing Process Allowance: Given the complexities of financing in the program, this extension accounts for potentially lengthy closing processes.

Albany County and the Land Bank are confident that with these additional six months, the Land Bank will successfully sell and complete the closing of these buildings. The Land Bank is committed to the goal of providing affordable homeownership opportunities, and this extension will allow the organization to fulfill this mission more effectively.

Thank you in advance for consideration of this request. Should you have any questions, please don't hesitate to reach out to myself, Lucas Rogers, or Alexandra Araujo.

Sincerely,

A handwritten signature in black ink that reads "Daniel P. McCoy". The signature is fluid and cursive, with the first name "Daniel" being the most prominent.

Daniel P. McCoy

Albany County Executive