Low and Moderate Income Housing Development Task Force
Monday, July 27, 2026 - 11:00 am

Ken Hughes - Chairman

Chairman Hughes called this task force to order at 11:00 am with the following in attendance: Clayton Barber, Timothy Follos (11:13), Ken Hughes, Mary Lamphear, Tracie McGill, Steve McNally, James O'Bryan, Tim Pierce, Matt Stanley, Meg Wood, Angie Allen, Mike Mascarenas, Terri Morse (11:06), Carol Calabrese, Adam DeSantis, Nicole Justice-Green, Caitlyn Wargo and. Cathy Reusser and Davina Thurston had been previously excused. Alan Jones was absent.

Also present: - Dina Garvey, Hannah Carson - RPTS Director, Bill Tansey - Assistant County Attorney, Renee Bruno - Deputy DSS Commissioner, Valerie Anisworth - Executive Director, Mental Health Association, Megan Murphy - Adirondack Community Housing Trust, Dan Kelleher - ROOST, Chelsea Granger - NRDC and James Monty.

HUGHES: Welcome everyone to this July 27th, 2026, Low and Moderate Income Housing Task Force. I am thrilled to see a full room of people. This is really great to talk about housing. I just want to go, just very quickly around the room, just names and what you do and where you are from.

AT THIS TIME INTRODUCTIONS WERE MADE AROUND THE ROOM

HUGHES: Thank you, in front of you is the agenda for today. I do just want to reference in the draft agenda that I did send out, I included some supporting documentation for agenda item 2b, regarding homelessness and housing. That was a conversation that was brought up at our last meeting by Mental Health Director, Terri Morse, and there was some language and some action out of Albany that related to that conversation. So, I wanted to at least provide some information that went out in that draft email with the agenda regarding homelessness and housing.
I also wanted to provide, and this is copied here, which was not part of that original email, an email that was sent by the Governor's North Country Representative, Alli Webbinaro, where there was a press release where the Governor Hochul is announcing $270 million in tax credits and subsidizes available to create and preserve affordable homes. So, again, not necessarily an immediate action item for us in the room but I like to keep people in the loop and aware of press releases and anything coming out of Albany or Washington DC or from anywhere higher than this office here, this chamber here, when it comes to efforts related to housing and housing affordability. So, this is just purely FYI, this is purely for your enjoyment, and again, if there's ever something that tickles your fancy, that you feel is something that's up your alley when it comes to housing, when it comes to something that you think you can do to bring back to this Task Force for future consideration to get something done in this county, please by all means, do not be shy. All the action does not come from the dais, the action some from us as a committee and individuals to get things done. So, that is just a gentle reminder there.
Any questions so far? Awesome.
We're going to move into the main topic of conversation for today, which is 2a. We've had some discussions at the County level regarding property assessments and how property assessments should or should not be decided or assessed for Housing Trust properties and there's an opportunity for some deeper discussion today and I wanted to make sure that the Task Force had

the opportunity to provide that discussion. You'll see in my agenda, I listed Tompkins County. Tompkins County is a county that has already endeavored in this area to create a model and it's an opportunity for us to decide whether we think that that model is, whether we think that model is worthy of consideration here in Essex or whether even property assessment of Housing Trust properties is even worth, is the juice worth the squeeze here, we don't even really know and so kind of this a Pedri dish, we're going to have this conversation here and if the Task Force members feel like to should be something moved to a committee and then maybe the Ways and Means and Full Board, then that's conversation that we can have. We may not have this solved today, but I just wanted to bring it up for conversation today.

And then in my little brain, whenever I am thinking about housing trusts and special properties and properties that go to support low and moderate income housing in unique and special ways, my mind also goes to the Land Bank. We did a really good job of creating a Land Bank a couple of years ago with all good intentions and I think the Land Bank has done a wonderful job at accomplishing its mission and so I thought, maybe the Land Bank should also be similar to what we're doing with the Housing Trust and I could be wrong and I might be right, I don't know. So, that's why I wanted to make sure we had the opportunity to discuss that topic, as well. I know Nicole has chimed in and weighed in on that discussion and that was done. I don't know if it was just to me or if it was to a larger group, but I at least wanted to start with the Housing Trust and see where that might take us and then we can also decide whether Land Bank properties should be included or not. But it's a lot of conversation to be had and I don't know who we should start with first. I don't know if we should start with you, Mr. Tansey, and then we can kind of move into deeper discussion. So, we will start with Mr. Tansey, thank you.

TANSEY: Good morning, welcome to Monday. This discussion started with a house and a Housing Trust property, taxes were assumed to be one value, the house got reassessed and the taxes were suddenly much higher. Right or wrong, that's just want happened and so you dove into that question and some of the answers that we found out were statute driven, some of them are exemption driven, some of them are assessment driven, deed driven and then there's an entire enforcement action behind it. So, it's a lot of ideas to consider when you look at this discussion that we're talking about. There are people in the room that can explain it much better than I am, and can, but the Adirondack Housing Trust owns the land, and the new homeowner earns the improvement of the house.

Tompkins County came up with a statute, which essentially exempts the value of the land, so only the improvement, the house gets taxed.

Another way of looking at this, slightly different than Tompkins County, is looking at the deed. The deed has restrictions so that when then individual buys the property from the community housing trust, they purchase the improvement, that deed restricts the price at which they can sell the house. They can only sell it at certain value, and the community trust enforces that value, and they enforce it by a deed, or a lease, excuse me. The new purchaser has to sign a lease. So, that's one avenue of doing it and we compare that to the Land Bank, as I understand it, again, we have a Land Bank expert here. The Land Bank has restrictions, and they screen the individual that purchases that property, but the end goal is that property is back on the market, there's no lease of land. The homeowner purchases the entire entity, the land and the property and they gain value in that, which is a good thing.

I have mentioned a bunch of things, I will throw them out there for consideration. We have the assessment of the property, you have tax exemptions, so if you give an exemption to the property,

everybody else in the town has to cover that difference versus an assessment which is what the tax value is. We have certain housing codes, these properties are classified as a certain way; it's residential, it's commercial and that drives what kind of assessment it is and you have the assessors out there, some feel comfortable with the deed restrictions and lower the assessment value of the property, so they don't assessed it as high and some assessors read the code, the regulations a little more strictly and they assessed the property versus the comparables irregardless of what the deed restrictions are. Right or wrong, that's what happens.
There are other towns and other counties that have addressed this issue with income based protections for the affordable housing. Based on your income you have a certain tax on the property. That's enforcement problem is how do you keep track of the incomes. How do keep track of what houses these individuals are buying or hiding and I think I already wrote up the deed restrictions. There are a lot of deed restrictions out there. How you can sell a house, I have crafted a few deeds for people; they don't want their house to be used for a particular purpose. Who enforces it? The neighbors. What neighbor is going to take on that land problem? I don't know. So, I throw these ideas out there for consideration and I think some of our experts are going to say some ideas. We'll address some of those issues or maybe provoke a thought or question in our own heads, thank you.

HUGHES: Great, thank you, sir.
Let's move to the Community Housing Trust representatives in the room. Megan and Caitlyn.

WARGO: I can jump in, so the Adirondack Community Housing Trust is a separate 501c3. It is managed by Adirondack Roots and we have 24, going to be 25 homes soon, in the Trust and have been since 2008-2009, each one having this ground lease, a 99 year ground lease. The ground lease gets renewed every time a home sells. So, when you purchase a home as an income qualified person, we go up to 120% AMI, when they sell it, using a calculation that we give them to restrict what they can derive from the sale, they have to sell it to an income qualified person, who gets another 99 year ground lease. So, it doesn't go down, it reups at 99 years. And this year, obviously a number of towns are reassessing wholly and so a couple of Trust homes have come up, that have been brought to our attention and to some Supervisors attention, the ways in which these Trust homes are assessed and Megan Murphy, who is the Program Director of the Adirondack Community Housing Trust and has been deep into these issues for a few years is really the Adirondack Roots expert on the assessment of a home and has, is handing out, I don't know if we have enough for everyone, but folks can share, on what the Housing Trust is and how it works. We had, in addition to some reassessments going on and a varying way that different assessors were treating assessments. There was one of the homes in Keene, also, I think it was brought to Supervisor Wilson's attention, the issues that she was having with moving forward with a transaction without some clarity. So, we're happy to share what we do with the Trust and like I said, Megan has handed out some documents and maybe what to take it from there.

MURPHY: Hi, everybody. Yeah, we did explain this a bit at the last meeting, but this is a much fuller room than we had last month, so I am sorry that I didn't bring enough copies. This is a really popular meeting today. So, anyway, so we explained and as Mr. Tansey got into it a little bit, the mechanism for the Housing Trust is that the Housing Trust continues to be an owner of the property underneath and that we have a ground lease with the homeowner who owns the improvement of the house. And in that ground lease there is something called a resale formula

and that's the legal mechanism that keeps the property affordable. So, I did provide for you a couple of handouts, the first one is just basics on what is a community land trust, and it will go through all those things. You know, we own the land, they continue to pay on the home, so the mechanisms of keeping it affordable is that separation of they don't end up paying for the property, so that reduces that home price already and then that resale price is controlled because when they sell that home, they only receive 25% of the equity that's built up in the home. We did an appraisal when they acquire it and an appraisal when they sell it and they only receive 25% of that. So, this house will never go out there at market rate. And so, you can see in the second page of the handouts that I have given you two actual resale examples. One from here in Elizabethtown, and one from Lake Placid and you can see what we do is we take their original sale price, we do an appraisal at that time, we then do the second appraisal at sale and they only get 25%. So, what you see is the actual difference in the house in Elizabethtown, they did not receive the full $150,000 of equity in that home. They received a quarter, the sellers. And so that's how we keep homes continuing to move ahead in a forward fashion is by that restriction in the equity. So, these homes, because the Trust is involved in every sale, so that's the other thing, you know, and we appreciate the concept of deed restrictions and it makes a lot of sense in certain instances, in this case, this home, we are always in the transaction when it gets sold. So, there's not a way for that home to be sold out of a different price other than this specific resale price. In a deed restricted home, you're counting on the next people in the transaction, the attorneys, the seller and the buyer themselves to adhere to the deed restrictions and then they don't, there are no deed restriction police. So, it like up, to like what Mr. Tansey said, a neighbor or someone who's aware of the deed restrictions actually going in and enforcing it. Some non-profit organizations that do put deed restrictions on properties continue to monitor them and enforce them, but you need to have an enforcement mechanism. What they would have to do is actually, I would assume, take legal action, if a transaction starts to move forward and they're not adhering the deed restrictions. It would all be done through the courts. In this case, the sale will ever go forward without this, I mean this is how we do it, we tell the person coming in and buying the house, this the cost, they have to go out and get a mortgage and that's the other thing, these folks are not, these last two sales, they didn't receive any assistance to purchase these homes. They went out, they got a mortgage, they purchased the home, and they had to meet all the requirements of the mortgage company. I will say, we struggle a bit with mortgage companies. This is a non-traditional sale. So, we only have a couple of mortgage companies that will work with us to be honest, and we work very well with them. They understand our transactions and so they help us move through them and work with us on how those transactions happen.

The other thing about the Housing Trust is that we do have a 120% AMI limitation on the buyers. So, whoever is coming in and purchasing that home, so on the second page, I did show you, what does that mean? Area median income and it changes every year, but that means that a single individual that makes $79,200.00 can qualify for a Housing Trust Home. So, that's a pretty good income. We're not talking, this isn't low income and again, they have to be able to go out and get a mortgage. So, you have to have good credit, you have to have the income to meet those mortgage payments. So, what we find is that anyone even trying, like we have a sweet spot of like 90, 100 up to 120% of AMI, it's pretty hard to get somebody to qualify for a mortgage as you move down the income ladder, just simply because they can't make the payments and all the other things that need to happen in a budget.

So, we do have 25 homes in total in the Adirondack Community Housing Trust and 22 of those are in Essex County. We have them in 11 towns in Essex County. Some of them are more highly

concentrated, Lake Placid or the Town of North Elba, we have 5 soon to be 6 homes and in Keene with the development in Keene we have 4 soon to be 5 homes. Most of them we have 3,1 or 1 home in there and I did put a list so that this helps you understand, at the end is a list of the communities that the houses are in, what they purchased that home for, the approximate resale cost of that home if it were to sell right now and that's approximate because there's lots of little, dependent on appraisals and different things, so these are approximate numbers and then where they are with an assessed value. So, those are, you know what you'll see is we've worked with a number of assessors in towns and as Mr. Tansey talked about, New York State has not been clear in the way that they have approached this type of sale. They've sort of left it up to assessors as to how to assess these and so there's not a right or a wrong in the different types of ways that these assessors are approaching these homes. There's just no actual clarity and law about how to do this, which I think puts the assessor in a difficult situation, because you can interrupt it different ways, as far as whether it's a permanent restriction or a temporary restriction and I think that's the crux of the question for the assessors and so that is where we are. And like what Mr. Tansey talked about, there are a couple of options. You know there's the Tompkins County example, they have just gone ahead and said that a piece of property that's owned, that is sold in this fashion, where a non-profit, very specific, a non-profit needs to own the land underneath and that they're reselling for the purposes of affordable housing. They do get to pay, they assessment is based on the resale value of the home and out in Tompkins County, there's an organization that is very similar to Adirondack Roots, there, it's just larger, because Ithaca is in Tompkins County and they have, basically they work with INHS, the organization there and they give the assessor the approximate resale formula and they let them know what those homes would resell for and they assess them.

And so the other opinion is New York State actually passed a law last year and that one is that a municipality can choose to assess a house that's been built by let's say, a Habitat for Humanity or is in any other kind of special situation like a housing trust, but the municipality chooses the percentage that they reduce the, and it's done by a percentage, that they can choose from 25 to 75% that they would reduce those assessments across the board in the town. So, it's a little bit, I give the word random because you've got to choose a percentage and then all the houses are subject to that same percentage and then that municipality has to pass the law. So, that was their, that was a statewide way of starting to try to address this issue because we do have the same things with like I said, Habitat for Humanity and some other non-profits that are working on affordable housing and attempting to get folks into homes whose average incomes may not be at the same place as some of the folks that live there or say second homeowners.

TANSEY: Megan, on your list of 2026 assessed values, do those values, is that the full market value of land and improvement or just the improvement?

MURPHY: That's both.

TANSEY: That's the full land and…

MURPHY: Yes

TANSEY: So, it would be less if the land were taken out?

MURPHY: Correct.
I don't know if anyone has any questions? It's kind of boring and technical, sorry.

HUGHES: Thank you for providing that kind of foundational understanding and background.

MONTY: So, when the State passed that law, it doesn't cost them anything, but it costs the locals, when it gets down to our level. So, they allow, the town allows a 25% exemption?

MURPHY: Just a reduction.

MONTY: Is that amount deducted from its town's overall assessed value? Is it? So, if we had 10 homes and just for argument's sake, $2.5 million, my assessed value is $100 million, my assessed value is now going to be $97.5. If it does it then that assessed value goes onto everyone else. If I am getting a break, you're all paying for me to get the break.

CARSON: So, each taxing jurisdiction can adopt a local law or resolution to allow this exemption.

MONTY: Right

CARSON: So, it is an exemption, so essentially it gets out onto everyone else.

MONTY: There you go, even through the State is, they're trying to offer something good, I get it, but they're offering something good. I get it, but they're offering something good at the local expenses and stuff. Soi, that kind of, I'm not paying that for 10 years, I pay enough.

MASCARENAS: I've got a couple of thoughts and probably confused and maybe Hannah can help me out with this. The land is a 99 year lease?

MURPHY: Yes

MASCARENAS: The ownership of that land is in the hands of a 501c3, why isn't that land already exempt? I don't understand that. So, one question that I am asking is, do we have to do anything? Assessments are about fair market value; they're about resale value. They're about what can be expected. Very different than your situation, very different. So, I think they are two different issues, I will agree with you on that. I am not sure that we have a legal issue or a change in the law issue or an education issue, where maybe best practices. I mean assessors are very different in every community. Some are elected, some are appointed, we have a variety of that kind of setup countywide and certainly we can't dictate to them how they should do their jobs but educating them on ownership and I don't know why you would pay tax on something you don't own. So, to not own the land and have to pay tax on that land seems odd to me. I just don't understand it. I mean if you lease an apartment or rent an apartment the owner pays the tax on it, you pay rent. You don't then get charged with the tax on the home on top of paying rent, that's just odd. So, am I missing something?

HUGHES: I would like to know, before we go to you guys from the experts, why are those, why is the land that the Housing Trust owns not take exempt?

MONTY: Why don't they pay for it? Why is the Housing Trust not paying for the tax on just that land?

HUGHES: They're a 501c3.

WARGO: We're a 201c3 so we wouldn't have to.

HUGHES: So, I can understand that and I know in Essex, any 501c3 that is federally recognized doesn't pay tax on the land.

MONTY: I get that, but then it stills ends up going back to the rest of the people in the community.

HUGHES: And I am okay with that because that is typically what a 501c3.

MONTY: Wel, the average income in Essex, I mean you look at these homes, the majority of these homes are built in the higher income community in Essex County, when you look at 15-17 of them are built in North Elba, in Keene, in Wilmington, there's one in Essex.

HUGHES: Right

MONTY: And these things, there's more of the higher income people that live there. If you look at the lower income, the Lewis, the Westport, the Elizabethtown, if you look at those homes the values are considerably different and stuff.

HUGHES: I just except it because I just think that's the way it is.

WARGO: It's the Community Land Trust Model and the Adirondack Community Housing Trust is a Community Land Trust for purposes of this conversation.

HUGHES: Right

WARGO: It's a national type of structure. It's used nationwide and in New York State, we're in a coalition, a statewide coalition of other community housing trusts that all operate under the same structure. I don't know how it evolved into that, you know 20-30 years ago. But what I can say is that at the time we were founded, Betty Little was very interested in bringing this benefit to her district and so she was the genesis of this. What I can also say is that you know when we first developed it, I think there was the intention that taxes be paid on the land because otherwise why wouldn't the non-profit just not pay taxes as a 501c3 and we haven't looked into that as an organization or perhaps we did 20 years ago, but we can certainly look into that. I know when we were in Mr. Tansey's office, we definitely talked about the role of non-profits as landowners and taxpayers and how that impacts some communities more than others, say Elizabethtown or our nation's capital when there is a lot of businesses there and landowners who aren't paying taxes. So, I think that, you know, we're here to discuss what is and to talk about what the County wants and so I can't really shed light on how it was developed historically, but that's the system that we

operate under and in the system the towns are receiving taxes, payment for taxes from the trust homeowner.

MURPHY: And I would just piggyback on that by saying that I think part of this is the Land Trust Model was developed 20-30 years ago and what we are seeing is that, I think we're seeing a bigger gap that there used to be between the resale value and the assessed value, particularly some of these homes that have been owned for quite a while. Some of these that came up, they've been homes since like 2012-2014, they have increased dramatically in value, some of them have more than double from what they were bought for, and I don't think anyone anticipated that, right? And so, then you're putting someone into a home that may have less income than some of their neighbors, right? So, I think that gap becomes more significant than it has been in the past and I think maybe that's why this is also coming up. That this is sort of the evolution of the model and let's see how this works, right? And see what we can figure out as far as what works for our communities, and you know I think in some of the cases we're not talking about a dramatic difference in assessments. So, although I appreciate what we're saying about other folks and communities picking these things up. I mean we have to get to what's the real dollar value and it actually may not be that significant for the whole entire community where it can be significant for a family, especially a single family home that has a limited income, like say in the case of a teacher at $65,000 and if they're paying, you know considerably more for taxes that really starts to stress their budget. And so, I think it's kind of about, what are the real values that we're talking about here when we're talking about one or two homes in a community that may have a slightly lower assessment than others.

JUSTICE-GREEN: So, I just wanted to bring up one point of information which I learned a lot about this issue. NRDC owns the Knights of Columbus Building in the Town of Ticonderoga. We're converting it into the Adirondack Performing Arts Center. A way in which we actually condoned the property, the building from the land. The Knights own the land underneath, and they pay taxes on that land and that is a secure instrument for them. We own the building, every single year we go to our wonderful assessors, and we have to reapply for a 501c3 exemption on NRDC's office building, on every property that NRCD owns, a 501c3 and if we don't do that, we get taxed. The Land Bank is different, the Land Bank has the New York State Land Bank Act, so upon acquisition the Land Bank is tax exempt. I will say, I am also struggling in that, if the Housing Trust owns this land and you are all applying every year for this tax exemption for this land just like we are doing for NRDC's property that we own, then it would make sense for me that the homeowner is just paying for their improvement and paying tax for the improvement. So, then why, it seems like maybe one of the easier solutions would be maybe education to the assessors if they're not familiar with that and I don't know. All I know is that Laticha and I send a lot of time with each other, once a year, which is the assessor now in Ticonderoga going through that process and it took a while for her to understand what we were trying to do, but we got it down pat. We have another entity, our Local Development Corporation, TRA, which owns 108 Montcalm Street. Every single year we have to go through the same process for that vacant property that that LDC owns to not pay taxes on it and one year they missed it and had to pay taxes. So, I question for you, Caitlyn and or more so, Megan, is the house in trust every single year for these 25-26 properties going to the individual assessors and making sure that you get the 501c3 exemption?

MURPHY: We don't though get the 501c3 exemption and there's a purpose that we have not.

JUSTICE-GREEN: Okay, so then that's being passed on the homeowner? They're having to pay taxes on the land? Then that's the issue. The homeowner should not be paying the taxes on the land. You should be going to your assessor every single year, now that you are all in the hot seat and driving the Trust, because I know it's had issues over the years with the lack of leadership and no staff and it's so exciting to see you have this one role, but otherwise I feel like…

MURPHY: But I just think this gets to this issue that Jim is talking about. I am not sure that that is the solution for this. We're investigating solutions and that is a possible solution, yes.

JUSTICE-GREEN: Okay

MCNALLY: I could go on for days on this topic. The first thing is; I have been asking people for 23 years to give them their money to run the town. If these get a break, someone else is going to have to make up for it, correct? We all understand that. So, I think anybody that is purchasing these homes, if they're in it for resale value or as a real estate investment, I think they're in it for the wrong reason. They're getting a great opportunity to buy a nice property for less than market value. So, this center category, resale value means nothing personally to me.
And then there's the adage that we're giving these people the opportunity to have nice homes at a reduced rate, you know, you teach the man to fish instead of giving him the fish and that's basically it. We're giving you a hand up for a nice opportunity for homeownership, but why should grandma and grandpa make up the difference on the taxes? And then on another aspect of it, I hear they were talking about income. Well, if you make $65,000 you pay less taxes, you make $75,000 you pay more? What's the incentive for that person to make $75,000 next year? This is a convoluted road we're going down with this right here and the rest there is an assessed value is for everyone in the county to pay their fair share. I think these people are getting, I love the program, I love the opportunity it gives people to have homeownership, but I don't think that homeownership should have anything to do with the resale value. And I think they have to, we're talking the land value. What is the land value of a house, $20,000, $30,000 assessment, correct? If that?

CARSON: It depends on the town.

MCNALLY: I mean what is the average? $20,000 for the property, they're on ¼ acre lots, ½ acre lots, probably.

CARSON: I would say the one from Jay, no. That's where the issue on some of these lay, is depending on the neighborhood they're in, like the one from Jay, I think the land alone, is like ½ acre, is over $200,000. So, it depends on where it is.

MCNALLY: So, how are these, we have a couple in Jay and the highest assessment here is $300,000.

CARSON: Right, $200,000 of that is the land.

MCNALLY: Well, I think Jay has some problems with their assessment, must be. But I don't think, like I own properties, my assessments are very small. My land assessments are a portion of my property.

CARSON: It depends on the town, honestly.

MCNALLY: I think this is, we're already giving these people an opportunity for homeownership at a reduced rate. The thing to think about is why should grandma and grandpa pay an extra $15 next year so they have this house? I don't believe they should. I think this is going to be a very sell to this Board.

MONTY: You can afford it grandpa.

STANLEY: I think the question has been avoided for the last 20 minutes. It was asked, these properties are owned by the Land Trust. They are a 501c3, why don't you guys apply that to the land that you own?

WARGO: All I will say is that is that's the model; that's the model we're operating under. What I would say is, we as a non-profit, not being here 20 years ago when it was formed, decided that that was important enough, the model, towns get paid the taxes. We probably could shift to that, but we also, I would add, we're here to help the county understand what to do and so we're here to explain how we operate.

STANLEY: I guess what I am saying is…

WARGO: We were asked to come and tell you how we operate.

STANLEY: I am agreeing with you, I am agreeing with you. There is nothing this Body need to do. You're a 501c3, you own the land, the house is sitting on that land that is owned by a tax exempt organization, file the tax exempt status for the land and then nothing needs to be done. That case is taken care of. There doesn't need to be a separate law; right? Hanna, am I missing something?

CARSON: No, I don't think so.

STANLEY: Okay

MCNALLY: But the problem goes back, if they're not paying taxes somebody else is.

STANLEY: I agree with you, but it's a tax exempt organization. Nothing needs to be done by this Body. It's a tax exempt organization, file the things you need to do to make it tax exempt, like a church, like a fire station. Our ambulance squad paid taxes for two years because they didn't do their yearly certification. That is what it is. I think it's a great model. I think it's a great model because there's somebody also in the driver's seat, but you've got to do your work as the program to file the tax exemption.

MURPHY: Or we can work with assessors that work with us.

STANLEY: No, no, no, you're not going to put my assessor into that. You file what you need to file, and you'll get your exemption you get because you're a non-for-profit.

JUSTICE-GREEN: When you guys say it's the model, is it in your bylaws? Is it in some governance?

MURPHY: It's the way that almost all CLTs operate across the Country.

JUSTICE-GREEN: Okay, but

MURPHY: It's the best practice.

MONTY: But somebody's got to…

WARGO: And so, I can't talk to their goals when this was founded, but I think having communities receiving taxes for that property is better than communities not receiving anything, just like you've spoken so eloquently Nicole, about the founding of the Land Bank and the intention was to put properties, blighted properties back on the tax rolls, these were not necessarily blighted properties, they were owned properties that moved into the Housing Trust and in some cases that we developed, but the intention was always to keep them on the tax rolls.

JUSTICE-GREEN: But I will also argue that Land Bank properties and we can have that conversation in a moment, are different than Housing Trust properties and there was an intentional choice four years ago in regards to that process and so I guess I just want to make sure that I am properly informed because if we were to change certain things the Land Bank does, there is the New York State Land Bank that informs a lot of the choices that we make. I didn't know if you have something similar or something in your bylaws that you have to do it a certain way and so it would be a lot more difficult for you to change the way in which you operated.

BARBER: I just wanted to say, trying to understand this whole thing, obviously I am working with the Land Bank and I've had two public hearings and you know the public came to make sure that when all was said and done, once you return these properties over, I concur with Matt Stanley, if you're going to do this, because the minute you go out to the public and say, I want to give a reduction on this housing, unless it stays in their name, I minute it's given to somebody the public is going to be asking, are they getting a tax break, and if you're given a tax break, why am I not? And you're going to find that awful hard. I mean I looked and we don't have any in the Town of Chesterfield?

MURPHY: No

BARBER: You're coming to work with us for Lot 9, and again, I had a hard time getting my public to donate this property that's been sitting vacant for 23 years to the Land Bank, and I am just telling you that the people that, their main concern was okay, so when this house is developed, they're going to be taxed on the assessment?

JUSTICE-GREEN: And I mentioned that in my email to Ken, because when that email come out, I had just attended a pubic hearing and saw you get a little beat up, but you handled it beautifully and that was one of the main selling points for the Land Bank, and it was one of the things that when we formed the Land Bank, and we wrote our application together we talked pretty eloquently to the Supervisors that were sitting at the time, who were kind of on the fence on the Land Bank, the tax issue came up and so it would be a huge mission alignment change for Land Bank properties, which is why I want to keep this conversation focused on the Housing Trust, because it's different, non-profit, housing authority.

MASCARENAS: Thank you for clarifying that. During the discussion you said that on the sale that the current homeowner will only receive up to 25% of the equity in the home. Where does the other 75% go?

MURPHY: It stays in the property. It just doesn't do anything.

MASCARENAS: So, the sale price is 25% higher, not the equity? So, you don't sell it for full equity, you come back, even if you have an appropriate buyer?

MURPHY: Correct

WARGO: It maintains affordability, it maintains the price as an affordable price. One of the other things that's involved in the ground lease is that when a homeowner wants to make an improvement to the home, say a decision whether to do an addition to a growing family or not, we can't have the home expand to a point where the value is beyond affordability for somebody making 120% AMI. So, that person might then choose to sell the home, using the resale formula, take out the equity they have and move to a market rate home, which happens 1 to 3 times per year. We have some of the folks who bought in the Trust when it was first formed and now being able to move up the property ladder into a market rate home and then resell that home to an income qualified person at the affordable rate.

MASCARENAS: Just to finish my thought, and Hannah, this may be more of a question to you. I get everybody's point, any tax is a tax shift, we're looking at equity in the home and assessed value, I do think there are options that don't require us creating new laws and those types of things, if you were really trying to keep taxes affordable and the home affordable, could the Community Housing Trust enter a PILOT in the communities that they have these homes and pay? I know non-profits often pay PILOTs to communities.

CARSON: I don't know…inaudible.

HUGHES: For a finite amount of time, I mean PILOTs are…

MASCARENAS: So, I know Mountain Lake is one that owns a lot of homes in a lot of communities. They have PILOTs with taxing districts, often. Not us, necessarily at the County, but I know they do with school districts and those types of things. So, you're almost making up the difference. If

you're that concerned, at least the taxes aren't being spread out among everybody else and the homeowner's still really paying for the value on their home.

WOOD: I hate to expose the fact that I am a day late and a dollar short, but could you refresh me on how these properties actually became part of your collection of properties? Or tax assessors, apparently, didn't know that we had two of these properties in our town. Lack of communication, they didn't know. And as far as enforcement goes with the neighbors, how would the neighbors know? Also, in addition to this, the value of this extreme increase stays with the land, well you may have a ¼ of an acre that was worth $15,000 ten years ago, and it's worth $30,000 now, but the house could be worth $250,000, but you're saying that that values stay with the land. I don't get that.

MURPHY: So, they were acquired in various ways. Some of them were Habitat for Humanity builds, 6 of them and we worked with Habitat and Habitat transfers the land to us afterwards and so that's a number of the homes. And then some of them were, the 4 in Keene were built and then brought into the Trust and then the rest were acquisitions that we actually assisted people to find the homes and purchase them and in around 2012, 2014, 2015, 2016 when we had funds from Senate Little and so they bought into those homes, but with the recognition that when they sold them, they would not receive all the equity back out of them.

WOOD: But how would our tax assessors know any of this?

MURPHY: If the taxes aren't an issue, then there hasn't been a concern. So, there wouldn't be even a reason to know because if you look at the two in Schroon, the resell, the approximate resell for one of them is fairly close to what the assessed value is, so there's not really an issue. So, there wouldn't be an issue. In towns where there tends to be more of an issue we work with those assessors and many of them have the actual resale formula in their files to say that. But if there's not, there would be no reason to treat a Trust home any differently, if there's not really any difference between their assessed value and their resale value.

STANLEY: So, I am just looking at the 3 Town of Jay properties.

MURPHY: Yes

STANLEY: The land value of 2 of them is $184,100, not $200,000, so I just want to clarify.

CARSON: I am sorry.

MONTY: Is that total?

CARSON: I was not saying that to dig into you at all.

STANLEY: What I do want to say is if the exemption of the Land Trust for being a 501c3 was taken away, the total assessed values of those homes would be exactly what your resale values are. So, it's in line. I don't feel we have to change or pass anything for those homes. It's just the formula that is there just needs to be followed.

HUGHES: I want to be clear that this is not a beat up session on the Community Housing Trust. That was not the, I just want to be clear.

MURPHY: It doesn't feel that way.

HUGHES: Okay, good. I just want to be clear.

MURPHY: It's a decision and this isn't actually something that we asked for.

HUGHES: Right

MURPHY: So, we're here just to educate people on the behest of certain Supervisors.

HUGHES: And to me it was always about, we have a Housing Trust, we have a Land Bank, we have these special, amazing programs that function for the betterment of housing in Essex County. It was brough to my attention that another county was, is dealing with something similar, Tompkins County, and I wanted to dive into that, because I am also curios if another county is doing something great, is that something that we want to think about, as well. That is what happened with the Land Bank 4 years ago, that's what has happened with a lot of other things that we have looked at, EMS, public safety. What could we potentially do as a local government unit to support those constituents that we have when it comes to your program, and maybe your program or not your program or not your program. So, I want to make sure that we're clear that that's the whole ownest of this conversation today. I guess my question for you is if we, and maybe I am a day late and a dollar short on this, but hopefully I am not the only one in the room, if we had the Tompkins County model in place in Essex County, right now, what would that, how would life be different or the same? Because I have not taken a deep dive into that Tompkins County law.

MURPHY: So, Bill, did you mention that maybe we wouldn't, that it wouldn't be for every Housing Trust property?

HUGHES: Okay

MURPHY: Because like I just said, some the assessments are not that different from what their resale value is, so there wouldn't be a need for those to have some sort of special assessment for these. But I think we've identified maybe 6-7, there was a certain number of properties.

HUGHES: And I also just want to just have the quick conversation, how long has the Housing Trust been around for?

MURPHY: Almost 20 years.

HUGHES: 20 years and how many pieces of property do you have?

MURPHY: 22 in Essex County, 25 altogether, 3 in Franklin and 1 in…

HUGHES: Okay, so 22 in Essex County over 20 years, so it's not like we're handing these properties out like candy, right? It's not, right? I feel like the Housing Trust has done a good job at going slow and steady to do what needs to be done. Again, I just wanted to put that out there. So, we're 55 minutes into this conversation, I want to mind our time. What do we feel our next steps for continued conversation, or have we talked about this ad nauseam today and we feel like we have an understanding and we can move onto something else? Is this dead on, is this DOA?

STANLEY: I just want to point out the more special cases we make, the possibility that there is for something to slip through the cracks. So, I think this is a great conversation today.

HUGHES: Agreed

STANLEY: Because I think it's, what do we have as avenues today, to take care of the issues of the things that work now, so we're not sitting, like Albany does sometimes and just make another law.

HUGHES: Right

STANLEY: And sometimes they interact and complicate things. Now, there are different ways, and we talked about this housing, several times, too, the way the Community Trust does it, the way Land Bank does it, they're both really great models for the way and reason they do the things they do. Now, I think this question came up because it's, how do we take and keep these houses affordable for people and part of that affordability is in the sale price so that your mortgage stays low. Now, I personally, 20 years ago probably could have qualified for a low income house, but my wife and I work 2-3 jobs, so our income is far superior to where it used to be. Now, I want to qualify that, so that's where maybe that conversation of income eligibility, now you have somebody who's bought a house at a lower income, but, yet 20 years down the road they're not low income anymore, but yet they're living in a low income house. So, there are definitely, I think…

MURPHY: These are not low income houses.

STANLEY: Well, first of all…

MURPHY: They never were low income.

STANLEY: The thing I want to point out, it's a get conversation to have, because there's so many aspects to this issue that need to be looked at, because some people who live in these homes maybe a lot better off than the, as Steve was saying, our elderly people who are living in our communities and we're creating exemptions for them, too. So, I think there's, how do we look at this and be fair and equitable to everybody who lives in Essex County.

HUGHES: Thank you, other comments?
Where do we go from here?

MASCARENAS: I think what Megan said, in my opinion, right at the end, was kind of a deal sealer for me, unless I misunderstood, for the County taking any further action in regard to a law. She said, you don't kind of what to do that, what I heard, because in most communities it works just fine, so what would you do that. So, I don't know where we can create a county law that would allow for towns to opt in or not based upon if their current situation works. We have 18 towns and villages in Essex County that are responsible for providing assessment services. So, I think it's hard for us to say, wait a minute, you've got to do this and then say, oh wait a minute, yours was working well? Oh, yeah, you don't have to. So, I don't know if that makes sense, unless I misunderstood you. It sounded like there were 6 of the 25, so that means 19 are working well in terms of the way they're currently assessed. That seems like the odds are in our favor that we're going to mess up 19 if we create a law that's going to change the way that we're currently doing business.

MURPHY: And I would defer to Bill, sorry, Mr. Tansey.

MASCARENAS: Did I hear you right, though?

MURPHY: I'm not going to comment actually, for a specific reason.

MASCARENAS: Okay

MURPHY: I will defer to Mr. Tansey or Hannah Carson, on taxing, and assessments. I am not an assessor, I'm not a lawyer.

TANSEY: I didn't do any research for today's meeting to find out the number of dollars that we're talking about for these 22 properties, so I don't know and I have not applied Tompkins Law to these 252 properties. I have just look at the law, itself and the law, essentially creates a backdrop so that is a, you take a house in Jay, because it's come up a couple of times, but let's say the house it's assessed for a million dollars and the resale is only $250,000, so maybe there should be a mechanism to keep it at $250,000 and as I read Tompkins Law, that's essentially what they've done, is they've said, look, let's look at the deed, let's look at its market restrictions, let's look at who owns the land and see the corrective measure that needs to be done and that I think is the question raised by the Tompkins County law, when it's applied.

HUGHES: Do you know when it was enacted?

MURPHY: I believe it's been on the books for quite a while. They have had a housing trust for almost as long as we've had, if not longer.

TANSEY: I know the direction came out in 2017 from Section 467, Real Property Tax Law for counties and taxing jurisdictions to consider improvements build on land owned by a non-profit, looking at the assessment values and what they're actually taxed at, and Tompkins County is following that direction, that 2017 direction.

HUGHES: Okay, we're at the hour, where do we go from here? Do you feel that this needs further conversation for next month? Do we punt and move on? Task Force members, if you feel that we should continue this conversation, please raise your hand.

MURPHY: Today?

HUGHES: No, next month. Should this be an ongoing agenda item?

WOOD: I would like to bring all this discussion back to my Board and to our assessors and get a feel for it and a feeling for what's going on and again, communication to me is, this is classic.

CARSON: I have numbers, me.

HUGHES: Oh, hi, yes.

CARSON: I haven't shared them, because I don't know how in-depth you guys wanted to go, but to mimic the Tompkins County law, here, so essentially the exemption would be, it would be the difference between the assessed value and the resale value for that year, that is what would be exempt and for all of these properties in Essex County, I did come up with a total. I didn't total by town, but I do have the possible exempt amount. If anybody is interested?

BARBER: I would love to hear it.

CARSON: $1.95 million.

HUGHES: $1.95 million

CARSON: But as the Supervisors are aware from the email that I just sent out last week, an impact over $22 million on the county level, was what? .0005 per thousand, so this would be minuscule on the county level. On the town level it would be different, but I didn't go that into depth on numbers, I just did a grant total.

MURPHY: Thank you for doing that.

HUGHES: Thank you, very much, Hannah.
So, if there's no further discussion, today, our next meeting will be August 31st at 11:00, after Ways and Means and if anything comes up, please contact me. Otherwise, thank you very much for your participation, we stand adjourned.

THERE WAS NO FURTHER BUSINESS TO COME BEFORE THIS TASK FORCE WAS ADJOURNED AT 12:03 PM.

Respectively Submitted,

Dina Garvey, Deputy Clerk
Board of Supervisors