

Rochester Land Bank Corporation

Meeting Minutes

April 21, 2016

City Hall, Rm. #223-B

30 Church Street,

Rochester, NY 14614

Board Members Present: Andrea Guzzetta, Kim Jones, Gary Kirkmire, Dana Miller, George Parker, Kate Washington, Carol Wheeler

Non-Board Members Present: Margot Garcia, Maritza Mejias, Rianne Mitchell, Paul Scuderi, Kathy Sheets, Scott Smith

The meeting was called to order at 3:02 pm by Carol Wheeler, Board Chair.

The minutes from the last meeting were distributed. Kate Washington moved that the minutes be approved; Gary Kirkmire seconded. The motion was approved by the board.

The board next discussed Resolution No. 4 of 2016 to approve the Budget and Financial Plan. Kathy Sheets gave a brief overview. Carol Wheeler asked whether, given the anticipated release of multiple funding opportunities at the state level, the budget could be amended should the Land Bank be awarded a larger amount than estimated. Kathy Sheets answered that the projections were estimates based on the information currently at our disposal and that though the Public Authorities Board's model requires forecasting for five years, it is a document that must be updated annually. Kate Washington asked what comprised the \$60,000 of anticipated expense for Professional Service Agreements. Kathy Sheets explained that it reflected the CRI grant request to reprogram a portion of the staff reimbursement funds for outside counsel to advise the Land Bank as it branches out into new activities. Gary Kirkmire moved that the budget be approved. Andrea Guzzetta seconded the motion and the board voted to approve the budget.

Next, the board discussed Resolution No. 5 of 2016 to approve the sale of nine properties to prequalified purchasers. The properties were auctioned over five days in March and April and purchase offers were made by the high bidders. Dana Miller asked how the sale was advertised. Kathy Sheets answered that the sale was advertised on both the City website and the Land Bank's page on the site, notice was emailed to the list of people who, in interactions with the City's Real Estate division, asked to be notified of upcoming property sales, and ads had been placed in the *Democrat and Chronicle's* Saturday Real Estate insert. Dana Miller then asked if there had been any specific efforts to reach potential owner occupants. Kathy Sheets answered that there were no specific efforts made to reach a particular type of buyer. Carol Wheeler asked if there was an incentive to encourage owner occupancy. Kathy Sheets explained that in order to encourage the goals of owner occupancy and affordable rental, the purchasers were informed that they would be required to occupy the home or maintain rent levels at thirty percent of the tenant's income for a period of ten years. The purchase price was discounted twenty percent to incentivize and secure the commitment with a mortgage that will be forgiven after the occupancy/affordability period. Carol Wheeler asked whether any of the buyers planned to occupy the properties. Margot Garcia answered that to our knowledge, all of the buyers were investors who would rent or resell. Dana Miller asked if the Land Bank had evaluated the cost of the rehabilitation. Kathy Sheets answered that

while the prequalification process included verifying that potential bidders had funds available to bring the property up to code, no rehabilitation cost estimate was requested. Gary Kirkmire suggested that the investors could be surveyed to find out how they will prioritize repairs and what they anticipate their costs to be. George Parker moved that the sale of properties be approved. Kim Jones seconded the motion. The board voted to approve the motion.

The next item on the agenda was Resolution No. 6 of 2016, to extend the term of the deed restrictions on 44 Aldine Street. Kathy Sheets informed the board of the outcomes of a meeting with representatives of the City, the Land Bank, the Rochester Housing Development Fund Corporation and the Urban League of Rochester. Regarding the subsidy necessary to rehabilitate 44 Aldine Street, the RHDFC agreed to contribute subsidy of \$35,000 and the City agreed to increase the subsidy it would provide to \$56,000 which together comprise adequate subsidy to complete the project based on the most recent pro forma. The great benefit of completing the project through HOME Rochester is that it will result in an owner-occupied home. Kathy Sheets noted that while the proposed resolution extended the term to comply with the deed restrictions an additional twelve months, the City's Commissioner of Neighborhood and Business Development requested the timeline for completion of the rehabilitation be shortened. Kate Washington shared that the City encouraged the RHDFC to adopt a timeline of six months for completion at the meeting. Carol Wheeler suggested that the resolution be amended to read "up to twelve months." Kathy Sheets said that as the Land Bank would also prefer the rehabilitation of the property to be expedited, extending the term for six months supported the City's intentions. Carol Wheeler said that the City's standard contracts with the RHDFC generally give a term of twelve months for rehabilitation. Kate Washington noted that the terms could still be changed. Carol Wheeler added that the City's required approval process for contracts could cause a delay to the RHDFC's ability to start rehabilitation. Kathy Sheets asked if adding an additional month to the extension would be adequate time to allow for City approvals. Scott Smith suggested that the board might prefer to wait until the contract terms were set between the City and the RHDFC before deciding on the resolution. Kate Washington said that it was the Land Bank's role to make a decision about the timeframe as it was driven by the deed restrictions and that the board had decided at the previous Land Bank meeting to make the determination on the deed restrictions at the April meeting. Dana Miller asked whether, based on past experience, six months was a reasonable timeframe for completion. Kathy Sheets asked Maritza Mejias for an estimate of the average length of time to complete a HOME Rochester rehabilitation. Maritza Mejias estimated four to five months. Kathy Sheets suggested a term of seven months would allow adequate time for the rehabilitation and the time needed for the City's approval process. Dana Miller said that he would prefer the Land Bank to grant another extension at seven months if it was needed than for it to find itself in the same situation of an incomplete rehabilitation after another twelve. He recommended that the extension to the term of the deed restrictions be changed from twelve months to seven months. George Parker moved that the board approve resolution with that change; Dana Miller seconded the motion. The board voted to approve the resolution as amended.

Next, the board discussed Resolution No. 7 of 2016 to accept the donation of a property from Wells Fargo. Carol Wheeler asked where the property was located. Dana Miller answered that 221-223 Reynolds Street, the property address, was across the street from School #2. Gary Kirkmire asked the amount of the cash contribution accompanying the donation. Kathy Sheets answered that a \$25,000 contribution would accompany the property donation and remain with the Land Bank. The property would be transferred to the City for demolition. Kim Jones asked that the amount of the cash contribution be added to the resolution. Gary Kirkmire moved that section 2. of the resolution be amended to read, "...and cash contribution of \$25,000." Kate Washington seconded the motion. The board approved the amendment. Gary Kirkmire then made a motion that the board approve the resolution as amended. Dana Miller seconded the motion. The board voted to approve the resolution as amended.

Next, the board discussed its Ongoing Action Plan. Kathy Sheets gave an explanation of the item involving Board Training. She asked the board if they would be interested inviting John Sidd, counsel to the Syracuse Land Bank, to give a presentation on the recent changes to the Land Bank Act and recent policy guidance from the Public Authorities Board. The date noted on the action plan was the May 19th meeting. Andrea Guzzetta recommended that the presentation happen at a separate meeting from the Land Bank meeting. The board decided that it would also like to have a meeting in which to do some planning rather than just attending to business items. Kate Washington asked the Land Bank staff to schedule a meeting sometime in June.

Before presenting the financial reports, Kim Jones wanted to make sure that the board members were aware that the Land Bank was currently being audited by the Office of the State Comptroller. Rochester's is the first land bank to be audited by the Office of the State Comptroller. Kathy Sheets gave the update that the auditor was still collecting information in order to be able to decide on the focus of the audit. He will then perform a risk assessment. Next, Kim Jones presented the Treasurer's Report and the CRI Grant Report.

The meeting was adjourned at 4:09 pm.

ATTEST:  *for*
Andrea Guzzetta
George Parker - Secretary, Rochester Land Bank Corporation
Pro-tem