

Rochester Land Bank Corporation

Meeting Minutes

July 21, 2016

City Hall, Rm. #223-B

30 Church Street,

Rochester, NY 14614

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

Non-Board Members Present: Lia Anselm; Margot Garcia; Susan Lindsay; Maritza Mejias; Rianne Mitchell; Paul Scuderi; Kathy Sheets; Scott Smith

The meeting was called to order at 3:04 pm by Carol Wheeler, Board Chair.

The minutes from the last meeting were distributed. George Parker moved that the minutes be approved; Kim Jones seconded. The motion was approved by the board.

The board first discussed Resolution No. 11 of 2016 to approve the sale of 139 Mitchell Street. The property had been offered for sale via auction in May. The high bidder had been required to submit a development proposal. Dana Miller asked what was known about Y & M Trucking. Maritza Mejias answered that the prospective buyer was based in Florida. Gary Kirkmire said that he thought the buyers were required to be owner occupants. Margot Garcia answered that the buyers were required to either occupy the property or maintain affordable rent levels for ten years. George Parker moved that the board approve the resolution. Gary Kirkmire seconded it. The board voted to approve Resolution No. 11.

Resolution No. 12 of 2016 to authorize a contract amendment with the RHDFC was then discussed by the board. The Office of the Attorney General approved the Land Bank's request to reprogram unused acquisition funds for HOME Rochester to offset environmental remediation costs and to carry out other complementary CRI activities. This necessitates modifying the budget of the operating agreement with the RHDFC. George Parker made a motion to authorize the contract amendment; Kim Jones seconded it. The board voted to approve Resolution No. 12.

The next item on the agenda was Resolution No. 13 of 2016 to authorize the purchase of window guards that will provide both security and ventilation for the Pulaski Library Building. The Land Bank found a sole source for a suitable product and obtained a quote. The project was within the amount budgeted for the project. Gary Kirkmire made a motion to approve the resolution authorizing the sale. Kim Jones seconded it. The board voted to approve Resolution No. 13.

The board next discussed Resolution No. 14 of 2016 to authorize release of a Request for Proposals to review the Land Bank's CRI grant activities. The review would include analysis of the Land Bank's interaction with its development partners and recommendations on future development practices based on a survey of the activities of other land banks and community development organizations. Upon reviewing the document, Kim Jones noted that Kathy Sheets's email

address would likely not be the best contact as she would be retiring before the deadline. Carol Wheeler asked who would be on the review committee. When she learned that no committee had yet been formed, she asked if there were any members of the board who would like to serve on such a committee. Kate Washington volunteered. Both she, as the City's Deputy Commissioner of Neighborhood and Business Development, and Gary Kirkmire, as Director of the Bureau of Inspection and Code Compliance Services, also recommended members of their staff who would have the appropriate expertise to review submissions. George Parker made a motion that the board authorize the release of the RFP. Dana Miller seconded it. The board voted to approve Resolution No. 13.

Carol Wheeler opened the discussion of a new City initiative to encourage more owner occupants to purchase properties at the Tax Foreclosure Auction, though the use of rehabilitation mortgages with supportive grants. She wanted the board to have an opportunity to discuss whether and how the Land Bank might provide assistance to the program. There has been a committee that included members of the City's Neighborhood and Business Development Department and Law Department that has been working to generate a program. Susan Lindsay, who administers the City's First-time Homebuyer Program, described the Request for Qualifications that the City would be releasing the following week. The program will be for first-time homebuyers and the RFQ is intended to find partner organizations such as lenders, vendors for homebuyer training, and possibly real estate firms. The goal is to find multiple vendors from whom pre-qualified homebuyers can choose to supply the services necessary to participate in such a program. The City will not be contracting with the vendors, but will enter into participation agreements. The RFQ will be sent to 165 organizations. Purchasers in the new program will need to be preapproved through the City's First-time Homebuyer Program prior to bidding. If a property is purchased and rehabilitation financing is secured, the pre-approved buyers will be eligible to receive City grants for closing cost assistance and for some of the repairs.

Gary Kirkmire asked if the Land Bank's role was to purchase properties for the program using its preferred bid, and if so, what criteria would be used to choose the houses to purchase. Susan Lindsay answered that City hoped the Land Bank would use its preferred bid and that the criteria for desirable properties would be the same as for the HOME Rochester program. Kim Jones asked whether there was a particular location where the City was focusing. Susan Lindsay answered that the program would be available City-wide, but there was a definite desire to encourage homeownership in the Northeast. Carol Wheeler added that she hoped that some properties would be within the boundaries of the Rochester/Monroe County Anti-Poverty Initiatives focus map. Margot Garcia asked whether the properties purchased by the Land Bank would be transferred to the City or sold directly to the homebuyers. Kim Jones cautioned that the Land Bank will have insurance costs and potential liability as long as the properties are held in its name. Kathy Sheets added that if the Land Bank sells directly to the buyers, it will be confusing for homebuyers to have to deal not only with the City and the approved lender, but with the Land Bank as well. The sole benefit of the Land Bank selling the properties is that it is permitted to sell at below market value. Carol Wheeler said that it seemed to make more sense for the Land Bank to transfer properties to the City rather than directly to buyers. Dana Miller asked whether the homebuyers would be bidding for properties and how the potential bidders will be made aware of what properties are available. Carol Wheeler answered that the properties would be offered via sealed bid. Dana Miller asked whether the property sales would be advertised. Susan Lindsay answered that the sales would be restricted to the pre-qualified buyers. Gary Kirkmire suggested that offering the properties by lottery might be the best way to sell them. He then asked if the City grants were guaranteed. Susan Lindsay answered that all properties purchased through the program would be eligible for the grants and all participating lenders would be required to have a rehabilitation product to help finance required repairs. Andrea Guzzetta asked if the buyers would be required to participate in the City's roof lottery grant with other home owners. Carol Wheeler explained that the roof grant is separate from the funds that will be used

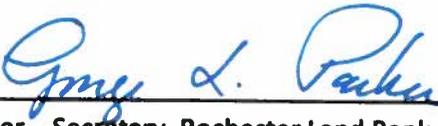
for the rehabilitation grants. Kim Jones asked what the benefit of the program is for the other participants, such as the lenders and training providers, if the City will not be contracting with them for services. Susan Lindsay answered that at least one of the interested participants charges a fee to potential buyers for their program. Kim Jones asked about the information session scheduled for August that was listed in the RFQ. Susan Lindsay said that it would be an opportunity for potential respondents to hear an explanation of the program by the City staff who will administer it. Andrea Guzzetta asked how long it would take for the City to close with the buyers of the properties. Susan Lindsay answered that the contracts generally require a closing within ninety days. Kim Jones asked what happens if someone defaults on the requirements at any point in the process. Lia Anselm, of the City's Housing Division, answered that the City Law department would hold a note and mortgage on each property. Kim Jones asked about the source of funds for the purchase of the properties. Carol Wheeler answered that the City had block grant funds available.

Several other questions arose about the structure of the program that required further elaboration. Gary Kirkmire asked how the purchase price would be established and noted that the cost of the property rehabilitation would need to be assessed by the City. Maritza Mejias asked whether the new homeowners who were already receiving City grants would also be able to participate in the City's roof grant lottery. Gary Kirkmire noted that the proposed scope of the rehabilitations would need to be reviewed by Technical Services. Maritza Mejias added that Inspection and Code Compliance would need to be involved as well. Carol Wheeler noted that the fact that homeowners will be making their own repairs should limit the costs. Gary Kirkmire pointed out that the Asbestos remediation requirements had to do with the source of the funding involved in the project. Dana Miller asked for the definition of the required "market rate mortgage commitment" mentioned in the program description and whether the program required that buyers work with a contractor or if the program would allow buyers to use sweat equity to rehabilitate the properties. Carol Wheeler asked whether the board was in support of the Land Bank's participation in the City's new program. Dana Miller said that he would like to see three things before making a decision: 1) an example demonstrating the process from acquisition through occupancy; 2) ideas for how the properties could be sold for less than their cost; 3) how could sweat equity be included as a component of the program. Carol Wheeler said that it may be difficult to build in sweat equity as many rehabilitation mortgage products require licensed contractors for payouts. Kim Jones asked if there will be an information meeting for potential buyers as there had been for potential vendors. Andrea Guzzetta recommended that the program be a subject of a work session with City Council before it is put on the Council Agenda. Susan Lindsay asked for the opportunity to continue the discussion of the program parameters with the board at a future date.

Carol Wheeler recommended the discussion of its self-evaluation report be delayed until the next meeting due to the limited time remaining. The board agreed.

Kim Jones then presented the Treasurer's Report and the CRI Grant report. She also introduced a Cash Disbursement report, an additional report recommended during the Land Bank's audit by the State Comptroller's office. The new report will show a detail of each payment made during the previous calendar month and will be presented at each board meeting.

The meeting was adjourned at 4:10 pm.

ATTEST: 
George Parker – Secretary, Rochester Land Bank Corporation