

Rochester Land Bank Corporation

Meeting Minutes

March 18, 2021

Electronic Video Call

Board Members Present: Dana Miller, Carol Wheeler, Kim Jones, LaShay Harris, Condenessa Brown, Kurt Martin

Board Members Absent: None

Non-Board Members Present: Paul Scuderi, Maritza Mejias, Patrick Beath, Rianne Mitchell, Cindy Castillo

The meeting was called to order at 3:05 pm by Dana Miller.

The minutes from the last meeting were distributed. All members agreed no corrections were needed. Kurt Martin moved that the minutes be approved; Kim Jones seconded. The motion was approved by the board.

Kim Jones presented the **Treasurer's Report and the Cash Disbursement Report**. Payments were listed on the cash report. Payments made to EMS Systems for the monthly security monitoring for the Michigan Street Property; utility bill payments; RHDFC for rehabilitation charges; Gary Federico for the demolition of 76 Bernard Street (90% completion); RHDFC for environmental remediation; and Greater Rochester Housing Partnership for the construction subsidy. Treasurer's Report classifies those disbursements accordingly and reflects a grant payment received totaling \$156,116. Reports distributed to all members for review.

LaShay Harris questioned the 90% allocation disbursement for the demolition and if more funds will need to be paid for the completion of the project. Kim Jones advised we will pay the remaining 10% once the project is completed. LaShay Harris also questioned whether the grant payment received is a one-time disbursement or will there be more disbursements. Kim Jones advised payments are received after Maritza Mejias and her team submit the quarterly information to the state for reimbursement.

The board's first item on the agenda was discussion of the status of **225-227 Michigan Street**. Paul Scuderi discussed the details of this property of which RLBC has been trying to reclaim title due to some fraudulent activities by the purchaser. Paul Scuderi advised the law department provided an update earlier in the day on the foreclosure process. The Order of Reference has been signed by the Judge and a Referee has been appointed. The law department has been in contact with the Referee and is currently working on the Referee's Report to be reviewed and signed by the Referee. Once the Report is returned, the application for the Judgment of Foreclosure will be submitted to the court for the Judge to review and sign. When the Judgment is signed and entered with the court, title will revert back to the RLBC. We will follow up with the Law Department for the time line of the final stages.

Carol Wheeler questioned once we have title to the property, will this be marketed as owner occupant. Paul Scuderi responded this is an N4N (Neighbors for Neighborhoods) property and owner occupancy would violate the original grant terms but the buyer would have to live close to the property, only own a couple other properties within a certain mile radius and would have to rent the property at specific rent levels. It will not be marketed as an owner occupant property but for a local real estate investor as per the N4N Program detail.

Paul went onto the next item on the agenda, **CRI 4 & 4.2 Extension Request** and advised we are currently working on the request. Rianne Mitchell advised due to the course of the past year, we have known we would have to ask for an extension to use some of the funding RLBC currently has, specifically for acquisition. Enterprise requested that we wait for this upcoming quarter (in April) to submit our extension request. We wanted to give the Board an update on the progress and advise what exactly we are requesting to be extended as once the extension is granted, the Board will then have to approve. Rianne Mitchell shared the draft plan including the most recent scope of the approval of the 4.2 Funds with the detailed extension requests for portions of the plan including:

Administrative Costs/Professional Services – previously, awarded funds were set out for coordinating public events with our local Community Action Agency and reserved for staff and board training through attendance at the Reclaiming Vacant Properties Conference that was postponed due to the COVID shutdown and travel and gathering restrictions. The funds set aside for these purposes have been reprogrammed to fund the HAPI pilot. We will be arranging for alternative training in calendar year 2021 and requesting an extension for the Administrative Funds through December 31, 2021;

Acquisition – due to the Postponement of the City’s 2020 Tax Foreclosure Auction as a result of the state moratoriums on foreclosures and the social distancing guidelines, there are remaining acquisition funds. We are currently seeking property acquisitions in the private market and also have also been informed by the City that they anticipate that there may be a Tax Foreclosure Auction by the end of 2021. We are requesting an extension for the Acquisition Funds through December 31, 2021;

Rehabilitation Subsidy – rehabilitation has been completed on 17 properties and construction has begun on all of the remaining 4 structures but the restrictions related to COVID have caused delays and may continue to do so prior to end of current grant term in June 2021. We are requesting an extension for the Rehabilitation Subsidy Funds through December 31, 2021;

Environmental Remediation – funds for environmental remediation are not provided until all rehabilitation is complete. We are requesting an extension for the Environmental Remediation Subsidy Funds through December 31, 2021;

Special Project: 6 Madison Street – RLBC is working in partnership with the City of Rochester on this special project which has specific goals to achieve in the sale of the property. This has extended the sales process such that we do not anticipate completion prior to the current grant deadline of June 30, 2021. We are requesting an extension of the special project funds through December 31, 2021.

Dana Miller questioned the extension request for 6 Madison Street (which brings us to the next item on the agenda, **6 Madison Street**) and pointed out that the time the owner would have to obtain their C of O is twelve (12) months. Rianne Mitchell confirmed it was not enough time but pointed out that based on the experience of the potential buyer, it may seem feasible. If at that time we are not at the finish line to meet the grant guidelines, we will likely be able to demonstrate progress that would warrant a further extension. Whereas if we were to ask for a year extension in June, that would most likely not be approved.

Kurt Martin questioned on 6 Madison Street if we will be requesting from the prospective buyer (who would also be doing the rehabilitation of the property) a projected timeline on the construction. Rianne Mitchell confirmed we would be requesting such timeline once we have secured a buyer. She advised the current prospective buyer has provided a proposal and has contacted the Preservation Board but we are not at the point that he is the purchaser. She confirmed we have been keeping the current prospective buyer informed how this project is tied to our funding and will be asking for the projected timeline once we move forward with the purchase. Kurt Martin expressed his concern with the short timeline and the impacts the current COVID 19 pandemic has on contracting and restrictions. He suggested that as soon as we close, we should obtain a comprehensive schedule from the buyer. Maritza Mejias acknowledged Mr. Martin’s concerns and discussed the previous need to request an extension on the last N4 N project - 225-227 Michigan Street due to the fraud issues and the need to obtain a new contractor. Maritza Mejias assured that once the buyer is secured,

she makes sure no funds are disbursed until work is in progress and completed and the timeline is carried through diligently. Kurt Martin shared the information that construction material costs are currently exorbitant. Rianne Mitchell advised we had a spec done prior to the COVID 19 pandemic by a City staff member. We had the City staff member look at the current costs and what was included in the proposal prior to COVID 19 and he felt comfortable enough but we can certainly ask for a review of the scope pricing once we have confirmed a buyer.

Kim Jones reverted back to Acquisitions and questioned the fact that even though the City anticipates that there may be a Tax Foreclosure Auction this year, there is also the possibility that there will not be a Tax Foreclosure Auction this year. She asked what are the plans if there is not a Tax Foreclosure Auction this year. Paul Scuderi advised if the City does not conduct a Tax Foreclosure Auction this year, he will assume the County of Monroe will not conduct their Tax Foreclosure Auction this year as well. But if the County holds a sale, we will attend and try to acquire properties there. If neither events take place, we will spend the funds and acquire properties through private acquisitions. We will not be able to obtain as many properties through private acquisitions as they cost more than in the Tax Foreclosure Auctions but we will use the funds in the private market. Kim Jones advised a substantial amount of liens were sold to various tax lien purchasers and suggested that we contact those tax lien purchasers and see if it may be feasible for us to obtain properties from them. Paul Scuderi advised that it would be a good idea to reach out to them but with caution as to which properties we would be able to obtain as they must be vacant. Rianne Mitchell asked whether properties purchased from the tax lien holders might have City liens against them and current taxes due as well. Kim Jones advised that would be something to discuss and negotiate with the tax lien holders for properties that were already foreclosed by the tax lien holders. Paul Scuderi then confirmed we could consider that as another option assuming we can have clear and insurable title.

Carol Wheeler asked Kurt Martin, who may have the most information, regarding the number of vacant properties we have in the City of Rochester and if there was any way to assess a list reflecting vacant properties, in particular single-family residential vacant properties, that would be of interest in purchasing. Kurt Martin responded Rochester currently has approximately 1,300 and we would have to run the data specifying vacancy of over one (1) year. He believes Gary Kirkmire would be able to run such report. Kurt Martin also advised he can see if Building Blocks can run such report but will definitely discuss the request with Gary Kirkmire. Carol Wheeler expressed this may also be another option for acquisitions.

Updates: Rianne Mitchell provided an update that the grant for which CCS, IBERO, the Urban League and the RLBC had applied to augment funds for the HAPI program has been approved. The additional funding will be coming to CCS and the RLBC will be a subcontractor to provide specific services for that program.

Dana Miller brought the discussion to a close. LaShay Harris made the motion to adjourn the meeting, Carol Wheeler seconded, all were in favor. Dana Miller thanked everyone for attending.

The meeting was adjourned at 3:38 pm.

ATTEST:  5/11/2021
LaShay Harris –Secretary