

**Rochester Land Bank Corporation**

**Meeting Minutes**

**April 15, 2021**

**Electronic Video Call**

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

Board Members Absent: Carol Wheeler

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

The meeting was called to order at 3:02 pm by Dana Miller.

The minutes from the last meeting were distributed. All members agreed no corrections were needed. Kim Jones moved that the minutes be approved; LaShay Harris 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 disbursement report. Payments made to the Urban League of Rochester for the L2P Grant agreement; payments made for services for 225-227 Michigan Street including alarm permit to the City of Rochester, EMS Systems for the monthly security monitoring; Atlantic Property Management for property management, utility bill payments; payment for deed recording of 21 Morgan Street to Monroe County. We also have some reimbursements to staff including payment to Maritza Mejias for professional development training as well to Paul Scuderi. Payment of \$1,000.00 yearly membership dues for 2021 to the NYLBA. Payments to the Rochester Housing Development Fund Corp. and Greater Rochester Housing Partnership for construction, environmental, and rehabilitation costs for 201 Melville Street, 104 Woodward Street, 136 Magee Avenue, and 602 Clay Avenue. Treasurer's Report classifies those disbursements accordingly and reflects a grant payment received totaling \$154,000.00. Reports distributed to all members for review.

The board's first item on the agenda was **Resolution No. 2 of 2021 to Adopt the Budget for Fiscal Year 2022**.

Rianne Mitchell shared and discussed the Budget for the fiscal year of 2022 and discussed each item as Paul Scuderi was absent from the meeting. She began with review of the items for 2021 including the Operating Revenues which includes the sealed bid sales; Non-Operating Revenues which includes grant monies received through July 2021; Operating Expenditures which includes salaries and wages, professional services, supplies and materials, and other operating expenditures which includes CRI4, environmental remediation costs, rehabilitation costs and demolition costs, the L2P Grant, payments for the HAPI program, deed recording fees, water and taxes and other operating costs for 225-227 Michigan Street; and Non-Operating expenditures which includes reimbursement of staff licensing and continuing education, NYLBA dues, CHAR500, advertising costs. Rianne reviewed the figures which are good through the end of June 2021 and asked if there were any questions for 2021.

Rianne then reviewed the items for 2022 including the Operating Revenues which includes expenses for the HAPI program, sale price for 6 Madison and 225-227 Michigan Street; Non-Operating Revenues which includes potential federal grant funds; Operating Expenses which includes professional services contracts expected for 225-227 Michigan Street, supplies and materials and other Operating Expenditures which includes the remaining CRI4 and 4.2 grant funds which have been extended to December 31, the remaining L2P funds, estimated commission due for the Realtor for 225-227 Michigan Street, costs associated to the HAPI program; Non-Operating Expenses which includes estimates for

training, advertising, staff licensing and continuing education, NYSLB Association dues and CHAR500. Rianne then advised and briefly reviewed the estimated list for the next following three years and asked if there were any questions.

Dana Miller questioned the lack of salaries and wages for the year 2022 and so on. Rianne advised the RLBC does not have employees but is staffed by City of Rochester employees. The current and prior CRI grant agreements provide funds to the RLBC for a certain percentage of staff time to administer the grant (example 50% for Maritza Mejias and 10% for the Admin) and the City of Rochester is reimbursed for that salary expense. Those grant funds will be expended by the end of the fiscal year. Outside of the provisions of the grant, staff to the Land Bank are paid strictly through the City of Rochester and there are no salaries and wages coming out of the RLBC budget. Dana Miller advised he was under the assumption that the RLBC was required to reimburse the City for the time RLBC used the City employees for RLBC activities. Rianne explained that this was not part of the shared services agreement, but was included in the CRI grant agreements and will most likely be built in future grant agreements. The shared services agreement did not detail any costs related to services that are shared between RLBC and the City. Dana Miller advised he will make sure to include this information to the City's Budget which is being currently worked on. Kim Jones confirmed that the expense reimbursement was contingent of the grant proceeds and once the grant proceeds were exhausted, that expectation is no longer relevant. Rianne advised we will definitely include it in future grant proposals but currently we do not have anything to which to tie such requirement.

Rianne advised we propose to submit the budget to the Authority's budget office. We are required to submit the same by April 30, 2021 which gives us some time for further questions and any needed corrections. It will need to be approved by the CEO or the CFO.

Kim Jones moved for a motion to approve Resolution No. 2 of 2021 to Adopt the Budget for Fiscal Year 2022 be approved; Kurt Martin seconded. The motion was approved by the board.

Rianne Mitchell went onto the next item on the agenda, **Resolution No. 3 of 2021 Authorize Acquisition of 6 Madison Street from the City of Rochester**. Rianne advised the RFP process conducted by the City of Rochester for 6 Madison Street did not result in an eligible purchaser. The prospective buyer had a number of other rehabilitations projects throughout the City for which they were unable to show adequate progress to make them a viable candidate for completion of the purchase of 6 Madison Street. The City of Rochester has agreed to sell the property to the RLBC which will allow us to conduct our own sale program and by achieving site control, we have been permitted to make an alteration to our CRI 4.2 grant scope for this special project. In this new scope, the property will be purchased from the City of Rochester for the appraised value of \$8,000.00 using the acquisition funds, and we have been granted permission to reallocate an additional \$40,000.00 from the acquisition funds to be used for rehabilitation. This will make a total of \$100,000 in rehabilitation subsidy available as opposed to the \$60,000 we originally anticipated. RLBC staff anticipates to offer the property via RFP. We will prequalify all of our buyers; begin the opening bid at the RLBC purchase price of \$8,000; and the parameters of the sale would be it can be sold for use as an owner occupied property. If the proposal is for owner occupancy, we will require the purchaser to de-convert the property from a two family residence to a one family residence subject zoning approvals and they will need to reside in the property for the next 10 years. It can be sold to a purchaser who intends to rehabilitate the property then transfer it to an owner occupant. If that is the proposal, we will require the RLBC be permitted to conduct an independent appraisal of the completed property and provide it to the named buyer prior to the transfer so they know the fair market value of the property. If that is not feasible, we can also sell the property for use as a rental but the buyer will need to commit to rent the property at affordable HUD rent for ten (10) years. Either outcome would have a deed restriction and a compliance mortgage with a recapture provision. The City of Rochester has presented this sale for City Council approval in May and should both the Board and City Council approvals go through, we anticipate an offering in June 2021. This grant activity currently has a deadline of December 31 with all of the other grant funds. We will be prioritizing the proposals that could work expeditiously and have a quick but thorough, quality rehabilitation. This resolution is authorizing RLBC to purchase the property from the City of Rochester for \$8,000.

Dana Miller advised that this property is extremely distressed and requires a substantial amount of rehab. It is the only property left on Madison Street in this condition in the Susan B. Anthony neighborhood, not directly but near by the Susan B. Anthony house. The City of Rochester is very anxious to have this moved along in a way that it enables the property to be restored and reoccupied.

LaShay Harris moved for a motion to adopt Resolution No. 3 of 2021 Authorize Acquisition of 6 Madison Street from the City of Rochester; Kim Jones seconded. The motion was approved by the Board.

HAPI Updates: Rianne Mitchell provided an update that our partner in the pilot program, CCCS developed their own webpage and an online application for the program that went live the beginning of April. They also put together an email flyer and sent it to their nearly 7,000 clients they had for the past three years and 14% of recipients reviewed the email within the first 90 minutes of the release. We now have 8 applicants who appear to be eligible and will be meeting with the counselor they have assigned this month to enroll in the program. In addition, CCCS is now under contract with Enterprise for the expanded HAPI program which includes homebuyer training and service navigation through IBERO and the Urban League as well as the surveys and appraisals that the RLBC will be obtaining for them. RLBC will likely be receiving a sub-contractor agreement from CCCS for approval at the May Board meeting.

Rianne also informed the project team that is working on the HAPI program which includes IBERO, the Urban League. CCCS and the RLBC have worked so well together that we continue to meet to explore other ways to increase equitable access to home ownership. Currently IBERO and the Urban League are looking at seeking funding through Rochester Area Community Foundation, Racial Equity Growth Fund for a program where the RLBC may assist through our next partnership RFQ, prioritizing the owner occupants that would be assisted through that program.

Acquisitions: Maritza Mejias provided an update on the acquisition of properties and the challenge due to the lack of a tax lien foreclosure sale last year. She advised that we took Kim Jones' suggestion to contact the City's tax lien holders and see if they had a list of properties that they will not be foreclosing because the liens are less than \$5,000. We are currently waiting on two (2) lists from two different entities to see if there is a possibility we could acquire through them, if there is anything to acquire and if we do not have to spend too much doing so. If we do not have a tax lien foreclosure sale this year, acquisition of properties will be difficult.

Kim Jones advised a meeting was held to discuss a smaller version of a tax lien foreclosure sale that will not include owner occupied properties. A list has been prepared and will be provided for review to determine what properties are of interest to foreclose. From that meeting, there are a number of tasks to be done by the Law Department, Treasury and NBD. There is a concern that we are in the midst of a pandemic and Corporation Counsel did advise there may be an out for individuals who have been impacted by COVID 19. We will be developing a process to vet those issues but we do plan to hold a smaller version of a tax lien foreclosure sale. Kim advised she will keep everyone apprised as we make progress towards that goal.

Dana Miller advised the purpose of the list is for Real Estate to review and remove the owner occupied properties and those with a star exemption. Kim Jones also confirmed the same and advised a warning letter will be sent out to those on the list to give the delinquent tax payers an opportunity to remedy the delinquency before we assess the \$250 foreclosure fee and include them in the official foreclosure action.

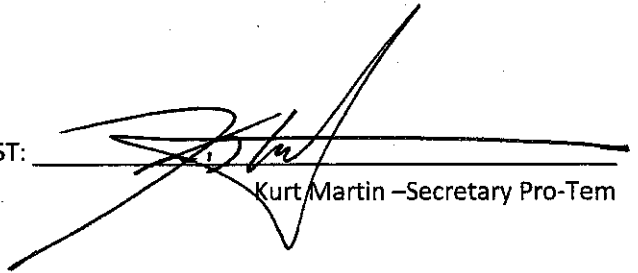
Dana Miller advised the target date for the sale is November 2021. Dana Miller noted that these activities will have to be done quickly but hopes that this will provide the RLBC an opportunity for property acquisitions. Dana Miller thanked Kim Jones for her work with this. Kim Jones advised her concern was having a foreclosure sale in the midst of a pandemic and the reaction by the City Council. Dana Miller advised that there is clear agreement by everyone that one of the biggest challenges for the City and the RLBC is to create and preserve owner occupied housing and we do not

want to do anything that will undercut our primary goal to create and preserve owner occupied housing. If we have owners that are occupying housing and are delinquent for some reason, we will work with them. Dana Miller presented an example of a landlord who is currently delinquent due to lack of payment by his tenants and was concerned of the penalties being charged to him. Dana Miller advised and directed his concern to Kim Jones that we may look to discuss a way to assist. Lashay Harris also advised that is the same discussion the City Council has had and they are waiting to see if the CARES Act would assist with relief for our residents. She advised that she will bring up the discussion again to the City Council.

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

The meeting was adjourned at 3:47 pm.

ATTEST:



Kurt Martin –Secretary Pro-Tem