

**Rochester Land Bank Corporation**

**Meeting Minutes**

**May 20, 2021**

**Electronic Video Call**

Board Members Present: Carol Wheeler, Kim Jones, Kurt Martin, Condenessa Brown,

Board Members Absent: Dana Miller and LaShay Harris

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

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

The minutes from the last meeting were distributed. Condenessa Brown provided a copy with corrections that were needed. Kurt Martin moved that the minutes from the last meeting be approved with revisions; Condenessa Brown 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 EMS Systems for the monthly security monitoring for March and May for 225-227 Michigan Street; payments made to Urban League of Rochester for the L2P Grant agreement; payments made for services for 225-227 Michigan Street including water bill to the City of Rochester and RG&E for utility bill; payment made for rehabilitation and environmental remediation to Rochester Housing Development Fund Corp. for 202 Clay Avenue. Treasurer's Report classifies those disbursements accordingly. Reports distributed to all members for review.

The board's first item on the agenda was **Resolution No. 4 of 2021 to Enter Into An Agreement To Carry Out Activities For The Expanded Homebuyer Asset Protection Initiative**.

Rianne Mitchell shared and discussed Resolution No. 4 of 2021 to Enter Into An Agreement To Carry Out Activities For The Expanded Homebuyer Asset Protection Initiative. CCCS, which on the Land Bank's behalf is administrating the pilot program that covered home inspections and legal services, was approved for an expanded version of the program with the same partners which will include homebuyer training, post-sale follow-up, and services including surveys and appraisals for individuals who participate. For this agreement, CCCS is the Grantee and RLBC is a sub-contractor providing services of obtaining the surveys and appraisals. There is a total of \$23,000 available in the budget to provide up to 20 surveys and 20 appraisals. We also included that figure in the anticipated 2022 fiscal year budget. Patrick Beath has reviewed the Agreement and is currently confirming if it meets with the insurance requirements. Rianne Mitchell then provided an update on HAPI and advised they are anticipating the first closing of one of the participants for June 11, 2021.

Carol Wheeler asked if the \$23,000 budget will be fully expended. Rianne Mitchell advised that there is some cushion due to the fact the amount of the surveys and appraisals are not confirmed. Our expectation is to have the grant terms fulfilled by less than the budgeted amount and estimated we should be using \$21,000 for the program. Carol then asked if we would have any penalties if it was not fully utilized. Rianne Mitchell confirmed on average it would not.

Kurt Martin then asked what the average cost was for the appraisal and for the survey. Rianne Mitchell advised we put in the cost for the survey as \$650 which is on the higher side and \$500 for the appraisals totaling \$13,000 for surveys and \$10,000 for appraisals.

Kurt Martin moved for a motion to approve **Resolution No. 4 of 2021 to Enter Into An Agreement To Carry Out Activities For The Expanded Homebuyer Asset Protection Initiative** with corrections; Kim Jones seconded. The motion was approved by the Board at 3:12 pm.

Carol Wheeler went onto the next item on the agenda discussion of the **2021 Partnership Program RFQ** and confirmed this was an exciting event since we were not able to have an RFQ for 2020 due to the pandemic. Since this is a new year and with the possibility of a tax foreclosure sale at the latter part of this year or early part of next year, the request for qualifications for partners is needed. Rianne confirmed the partnership is renewed yearly, and we had approximately 16 partners for the last RFQ. Structurally there are differences with this program based on how things went with the previous programs. We will still encourage both For-Profit and Non-For-Profit Developers to submit qualifications. We will also encourage first time home buyers to submit qualifications. There are two categories of Partnership for this proposed program. Category A will operate similar to the previous partnership programs. Pre-qualified partners will be required to submit their list of properties that they are willing to purchase if RLBC is able to obtain them. We are asking for more properties than they are eligible to buy because properties continue to fall off the list until we get to the auction. Those properties will be awarded according to partner preference; according to commitments of the City or the Land Bank to Home Ownership and Affordable Housing Program, which the City and RLBC support; and particularly in the case of a first time home buyer, according to staff expertise regarding the condition and development cost for the particular property. The properties will be held in the RLBC inventory for the statutory seven (7) days and then transferred to the qualified partners in Category A at cost with a clause in the deed requiring they obtain their C of O within 12 months. For owner occupants there will also be a clause requiring occupancy for five (5) years after obtaining their C of O. Category A partners will only include non-for-profit developers and first time home buyers. For all the other partners, there is a Category B. Partners in this category will also submit a list of the properties that they are willing to purchase if RLBC is able to obtain them, but in this Category there will be no ranking of partners as we did last time. The way it would work is after the auction, RLBC will notify the partners of the properties that were on their list which RLBC was able to obtain. Then they will be provided with bid forms to complete and provide their best offer. Opening bids will be the property value established by the independent exterior appraisals that RLBC obtains prior to the auction to insure that the bid price does not exceed their value. The properties will then be sold to the highest bidder, limited by how many properties each bidder is permitted to buy and verification of their financial capacity.

Carol Wheeler pointed out this process was different than the previous process. Rianne Mitchell confirmed it is different. The properties will be offered for the best bid of each partner. The partners will be able to select the properties they are interested in and will only be able to bid on their selected properties. The previous structure of the partnership program resulted in RLBC operating at a loss. With this two-part structure, we will be able to afford our not-for-profit partners and our first time home buyers with the preferences we intend for them to have, still provide a discount to the developers who have demonstrated the quality of their rehabilitation, and provide RLBC revenue to continue. Kim Jones asked if the bid amount would start at the preferred bid. Rianne Mitchell advised the bid amount would start at the appraised value. Rianne confirmed the not-for-profit partners and first time home buyers would get the properties at the Bid Amount at cost.

Carol Wheeler asked if we had a date for the release. Rianne Mitchell advised it will depend on when we have a date for the foreclosure sale. Kim Jones advised they are hoping and looking at a November date.

Kurt Martin asked if we have talked to the previous partners of the structure of this proposed program. Rianne Mitchell advised we have only discussed this structure internally and have now presented it to the Board.

Carol Wheeler went onto the next item on the agenda, **Racial Equity Growth Fund Application**. Rianne advised this application was discussed in the April meeting where RLBC had offered support to IBERO American Development Corporation, in connection with that organization and the other partners of HAPI, to apply for a grant from the Rochester Area Community Foundation's Racial Equity Growth Fund which is fairly new. All the organizations participating in of the HAPI program were involved and additional support was provided by the City's Neighborhood and Business Development Department. The submitted application proposed a project that would assist a cohort of 10 potential home purchasers with an income at or below 50% of the AMI to reach a self-identified goal of home ownership. The grant funds would be used at the front end to provide a 4 to 1 savings match up to \$4,000 and once they reach their goal of homeownership, to provide up to \$4,000 in a repair grant within 6 months of closing on the property. This would be a 2-year program where CCCS, IBERO and Urban League would provide homebuyer training, individual financial counseling, and educational programming to that cohort of 10 purchasers. Then they would be considered for participation in the RLBC partnership program (not this year but next year) or, potentially, City's Home Purchase Assistance Program, if they become eligible for a mortgage. They would not be required to use the programs, but if they were able to obtain a property through either of those programs or on their own, they would then as owner occupants be eligible for a repair grant of up to \$25,000 from the City along with the \$4,000 in a repair grant within 6 months of closing on the property. The grant application deadline was May 14, 2021, and we do not know when the award will be announced. The RLBC participation is making the future partnership program available to those 10 potential owner occupants.

Carol Wheeler asked if there was an income limit. Rianne Mitchell advised it was 50% of AMI or below.

Rianne Mitchell went onto the next item on the agenda, **Bank of America Grant**. Rianne advised the City Grant coordinator made us aware of the grant. Bank of America's charitable foundation has an RFP coming out the 31st of this month for a program called Economic Mobility focused on the needs of the c Community. The eligible areas are for affordable housing, small business and neighbor revitalization. We had a call with the Rochester area staff member of the foundation and learned their awards are between \$5,000 and \$25,000. RLBC staff thought this would be an opportunity to identify, potentially, an occupied tax-delinquent rental property that the City is bringing to the tax-foreclosure auction. If the occupant is interested and qualified, they could obtain a grant to make it possible for them to become the owner occupant through purchase price assistance and/or subsidy to bring the property up to C of O status.

Carol Wheeler asked if the maximum amount was \$25,000 and Rianne Mitchell confirmed. Carol Wheeler then asked if there are any Admin dollars associated with the grant. Rianne Mitchell advised she was not sure, but thinks it may be possible to structure it that way. Carol Wheeler asked for the deadline date and Rianne Mitchell advised it opens the 31<sup>st</sup> of May and closed June 25, 2021.

Rianne Mitchell went onto the next item on the agenda, **6 Madison St Offering**. Rianne advised the sale to RLBC was approved at the May City Council meeting and we should expect to close by the end of May 2021. Since the sale was approved by both the Board and City Council, we have decided to move forward with the offering and expect to go live with the RFP Saturday, May 29, 2021. Hopefully we can have a candidate for the Board's approval by the July monthly meeting. We have a schedule showing the RFP release date on May 29, 2021; information session on June 4, 2021; showings on June 11 and 14, 2021; and the submission date on June 18, 2021. Part of the reason we think it is reasonable timing is many people who did not submit a proposal for the City RFP, came to the previous showing and we feel they have things to get them started on a proposal prior to seeing the property again. We, of course, will be reaching out to them. Once we have selected a proposal, we will have the candidate begin the approval process with the Preservation Board. We have put in a 9-month rehabilitation requirement in the RFP with the expectation that if rehab has progressed adequately by December, we do not foresee any trouble requesting an extension from Enterprise for the following quarter. In addition to all the normal sale requirements, for this property we are requiring, if the use is as a residential rental, the buyer to commit to rent the property at affordable HUD rent for ten (10) years. Preference

will be given to landlords who live within Rochester ~~who~~ live within 15 miles ~~from~~ of the 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 to zoning/building approvals, and they will need to reside in the property for the next 10 years. We will enlist City staff for assistance through the Shared Services Agreement to review proposals and provide recommendations.

Carol Wheeler asked if we are seeking the standard C of O or will we be requiring above the standard C of O. Rianne Mitchell advised the exterior will have to meet the requirements of the Preservation Board. Also, with the significant subsidy we will be providing of the \$100,000, we expect to see that reflected in the proposals. Maritza Mejias advised we also require the Enterprise Community green standards.

Carol Wheeler brought the discussion to a close. Kim Jones made the motion to adjourn the meeting, Kurt Martin seconded, all were in favor.

The meeting was adjourned at 3:44 pm.

ATTEST: \_\_\_\_\_

  
Kurt Martin – Secretary Pro-Tem