

# Executive Director Report

February 27, 2014

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Cook County Land Bank Authority

# Overview

- Report is intended to inform board and interested parties of our progress in moving the Cook County Land Bank Authority forward.
- Report considers the context (starting point), strategic considerations, and proposed responses.
- Report includes a proposed plan for the next 90 days, by the end of which, our main operating systems should be in place and the CCLBA should be executing.

# Background

- CCLBA was formed to put vacant, abandoned, and foreclosed property back into productive use.
- CCLBA is intended to align with local plans and stakeholder interests', where possible.
- CCLBA is designed to improve the process whereby property is put back into productive use.

# The Potential Impact

- Negative impact on the value of properties within 500' of a property that is:

Vacant	Tax Delinquent	Foreclosed	Impact
X			↓ 2.1%
	X		↓ 2.1%
X	X		↓ 2.7%
		X	↓ 3.9%
X		X	↓ 6.1%
	X	X	↓ 6.1%
X	X	X	↓ 9.4%

- A property that is within 1000' of a property slated for demolition (blighted) will be valued 11.5% less than a similar property that does not have a blighted property nearby.

Based on research completed by the Cleveland Federal Reserve and shared by Center for Community Progress at meeting of South Suburban Land Bank Development Authority, 2/24/2014.

# Immediate Questions?

- Who will CCLBA work with?
- Where can CCLBA be most effective?
- What are the kinds of properties CCLBA we will target?
- When will we start acquiring properties?
- Why will we choose to acquire or not?
- How will the CCLBA operate?

# The Response:

- CCLBA will help a responsible end user execute an appropriate strategy to restore property to productive use.
- CCLBA will accept properties we are confident we can convey to an appropriate end user for within an appropriate time frame.
- CCLBA will execute partnership agreements to convey & transition properties for new uses.
- CCLBA will help generate demand with outreach & engagement.

# The Response

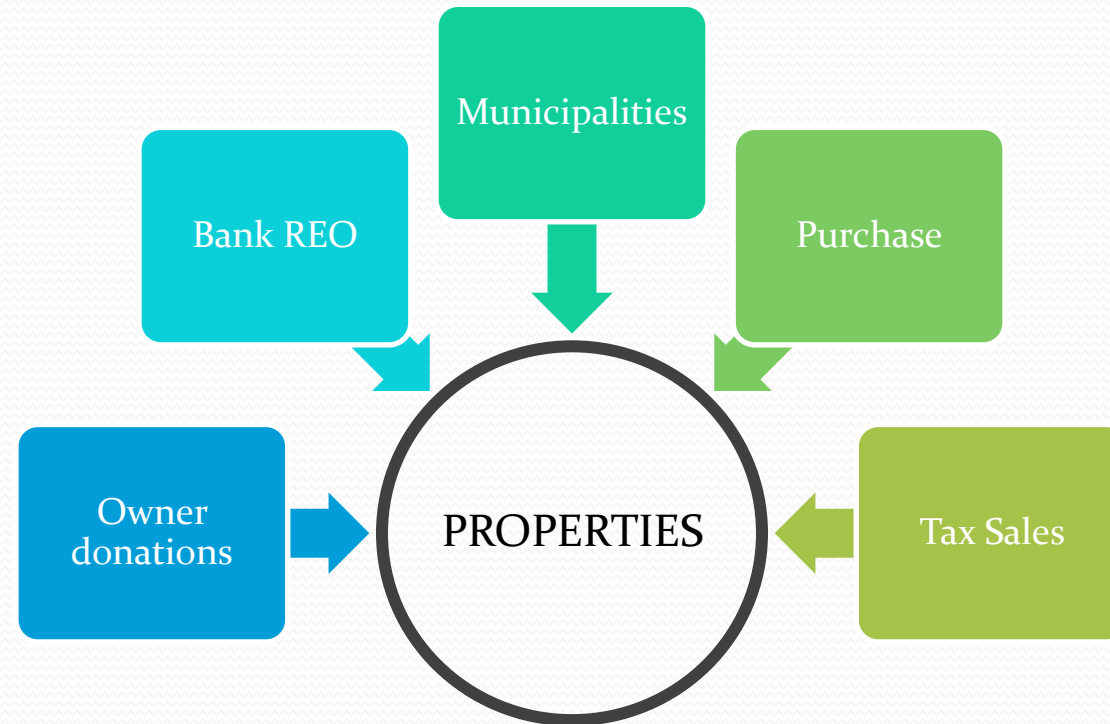
- CCLBA will work with partners who have identified properties that meet basic criteria and whose repositioning serves a larger strategic purpose for the public good, the CCLBA, and the partner.
- CCLBA will begin to acquire when it has the capacity to accept, hold and convey property responsibly.
- CCLBA will be run by a professional staff working according to established program plans and goals and operating under established partnership plans.

# Acquisition Strategy

- Acquire properties to generate social impact and revenue for CCLBA (ready to convey).
- Acquire properties that are blighted or nonconforming and demolish to boost adjacent values (ready to demolish).
- Acquire properties and hold with conduit or conveyance agreements for future development.

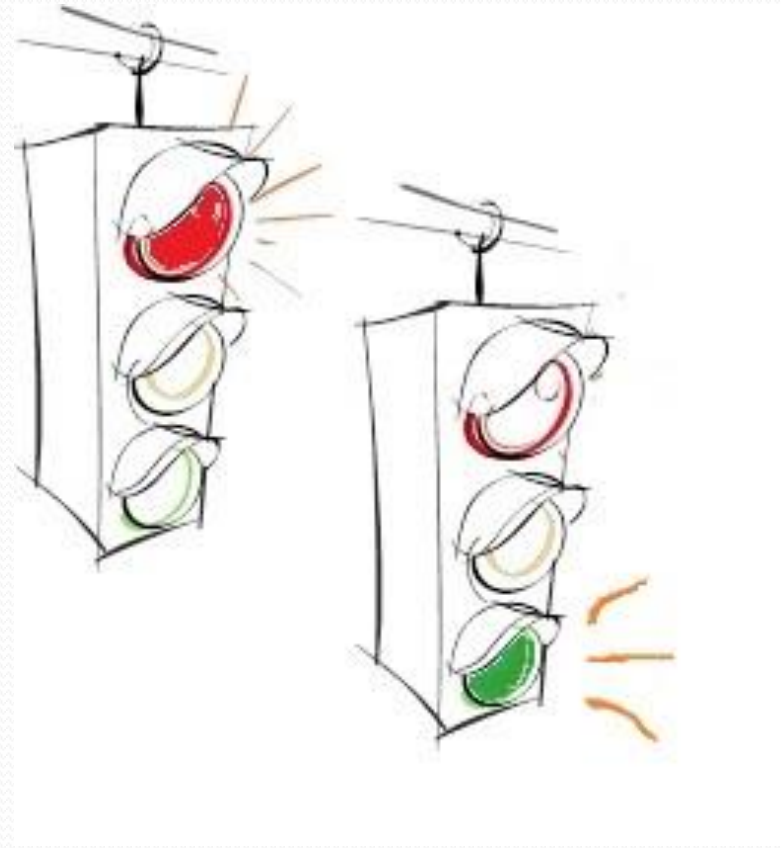


# Acquisition Sources



# Acquisition Considerations

- Safety hazard abatement (proximity to schools, police/fire safety calls).
- Proximity to occupied structures.
- TOD and/or jobs benefits.
- Requests from external parties.
- Visibility/symbolism.
- Carrying costs/operational costs.
- Disposition opportunity.



# Developing the Strategy

## Consideration for starting fast

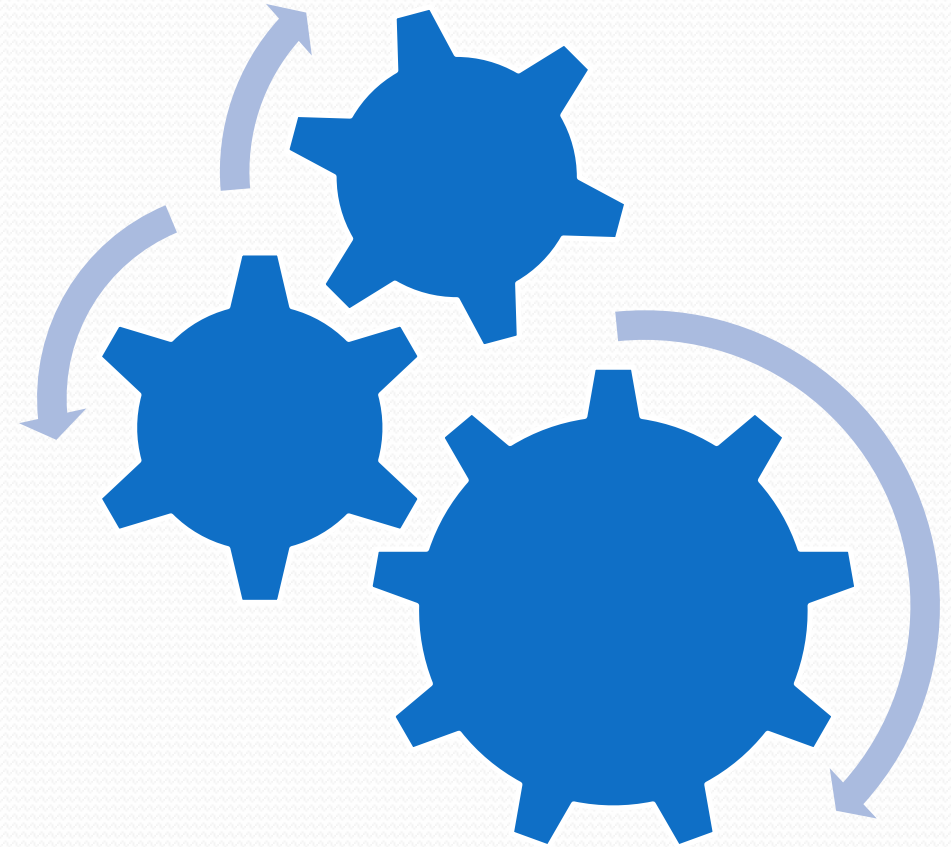
- Visible victories
- Intervene to help communities in distress
- Ready opportunities to generate revenue

## Considerations for starting slowly

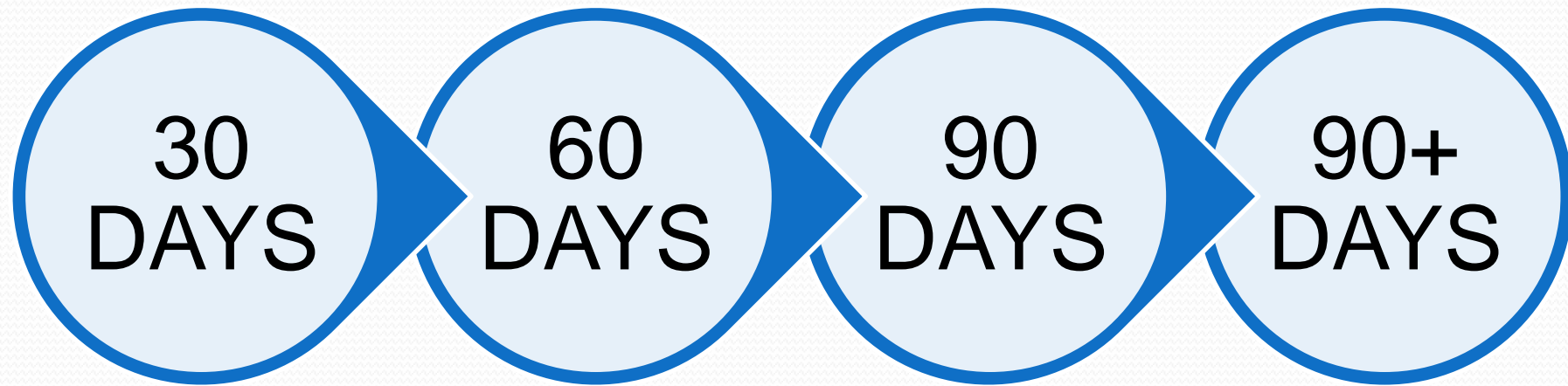
- Developing internal capacity: Staffing, board capacity, data evaluation, legal guidance, agreements
- Creating formal operating plan to guide work
- Avoid accepting/inheriting “problems”
- Time to engage external stakeholders around plans
- Time to develop ancillary programs: job training, deconstruction

# Key Objectives

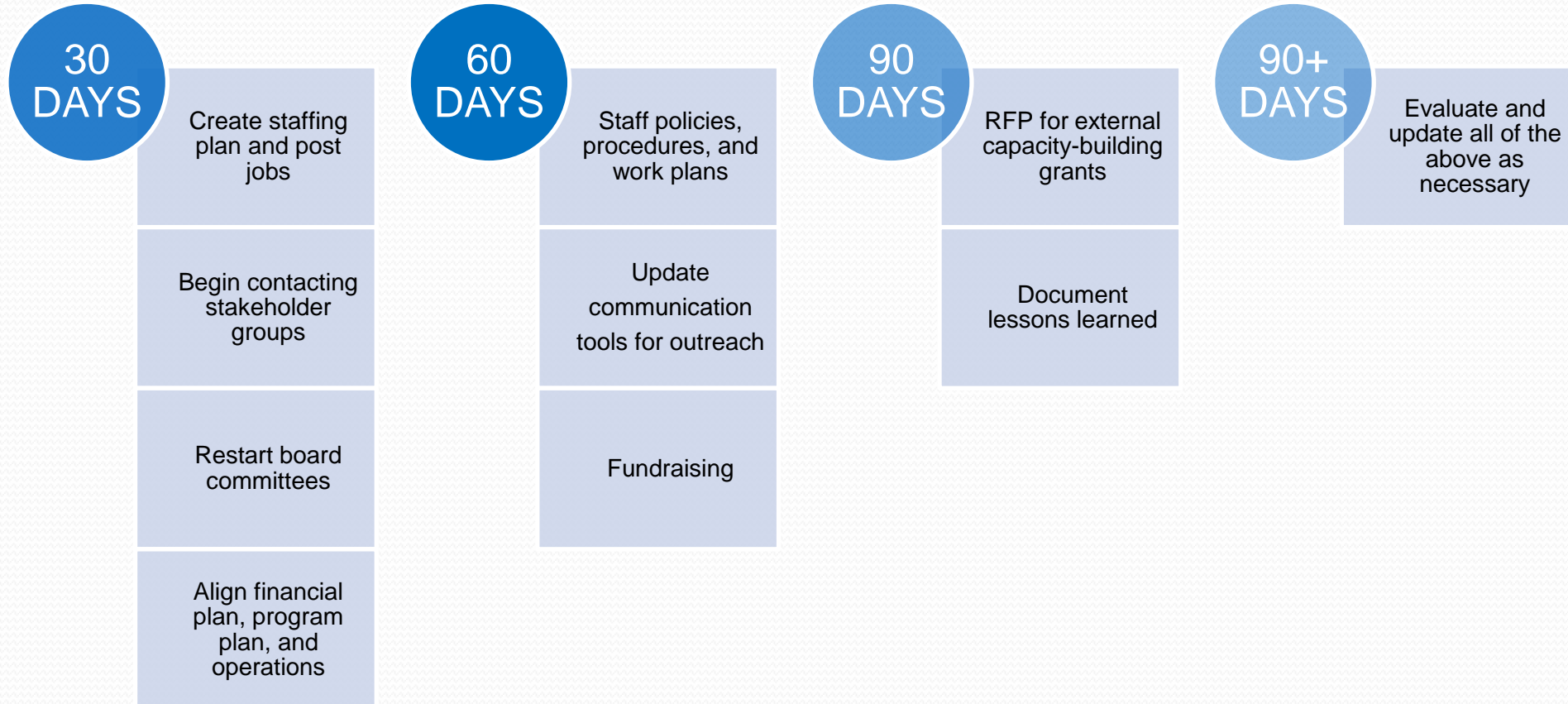
- Improve capacity to operate efficiently and effectively.
- Identify strategic opportunities.
- Engage in transactions.
- Develop our data analytics.
- Begin to act on larger priorities.



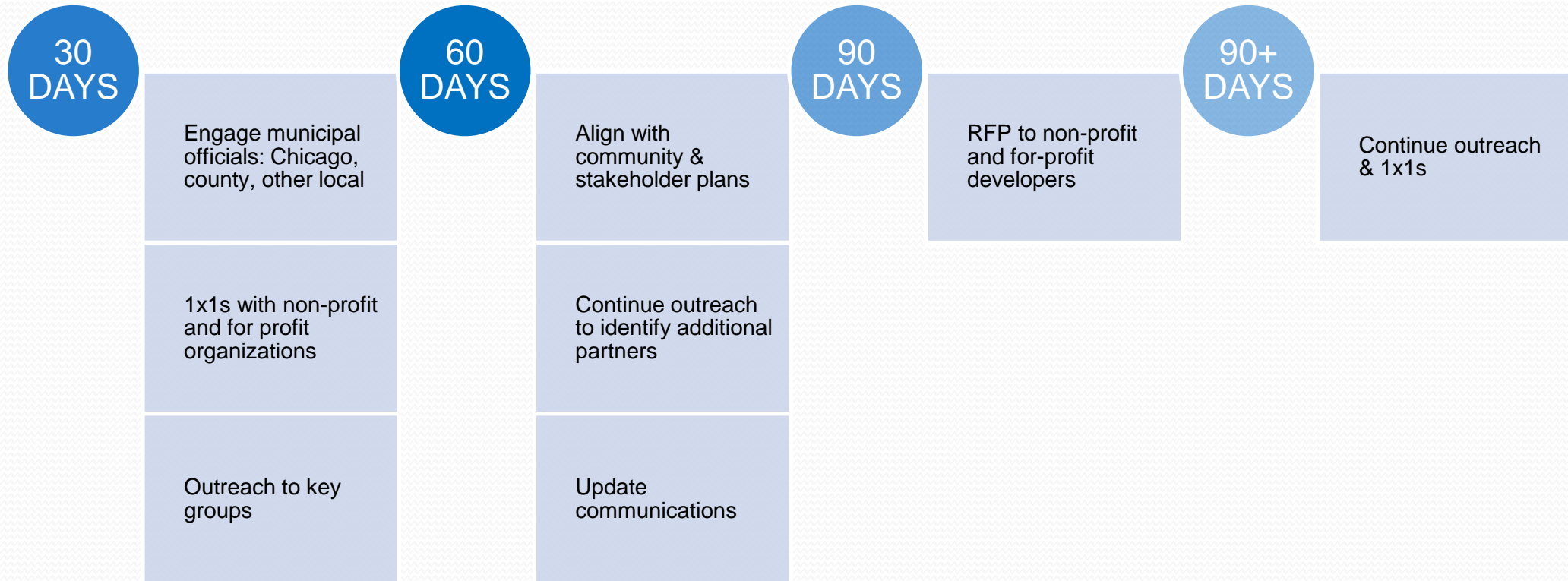
# 30-60-90 Day Plan



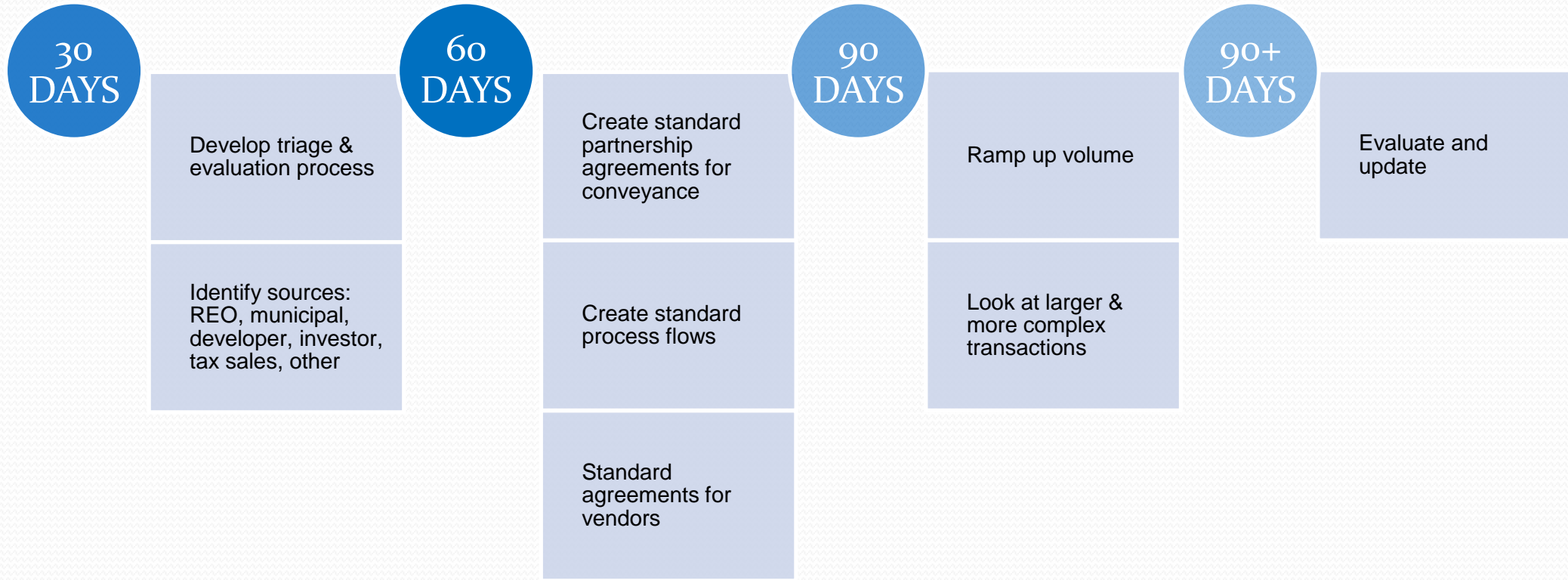
# 1. Improve CCLBA Capacity



## 2. Identify Strategic Opportunities

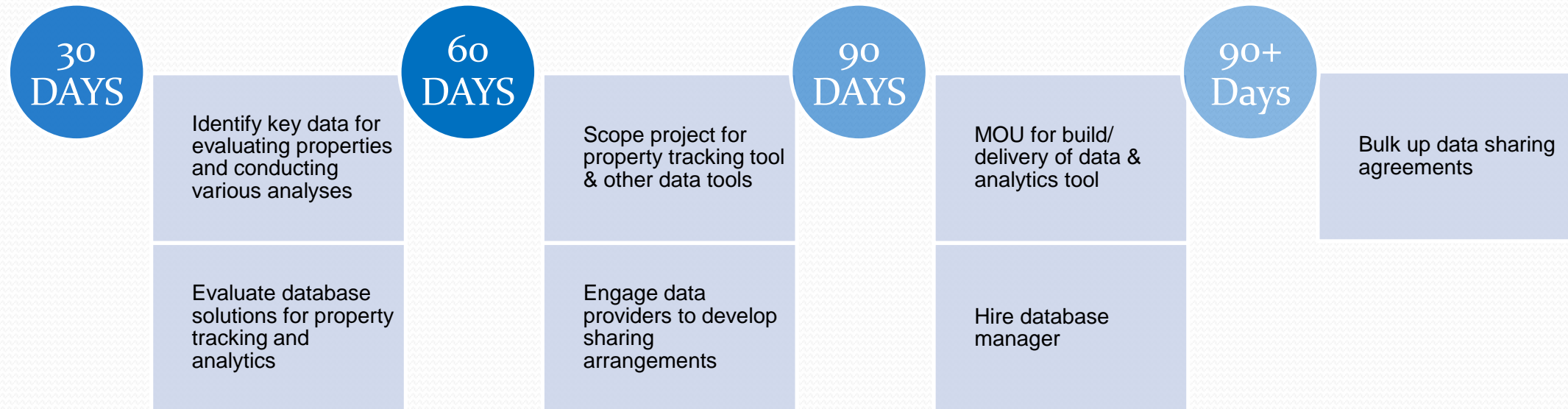


# 3. Engage in Strategic Transactions

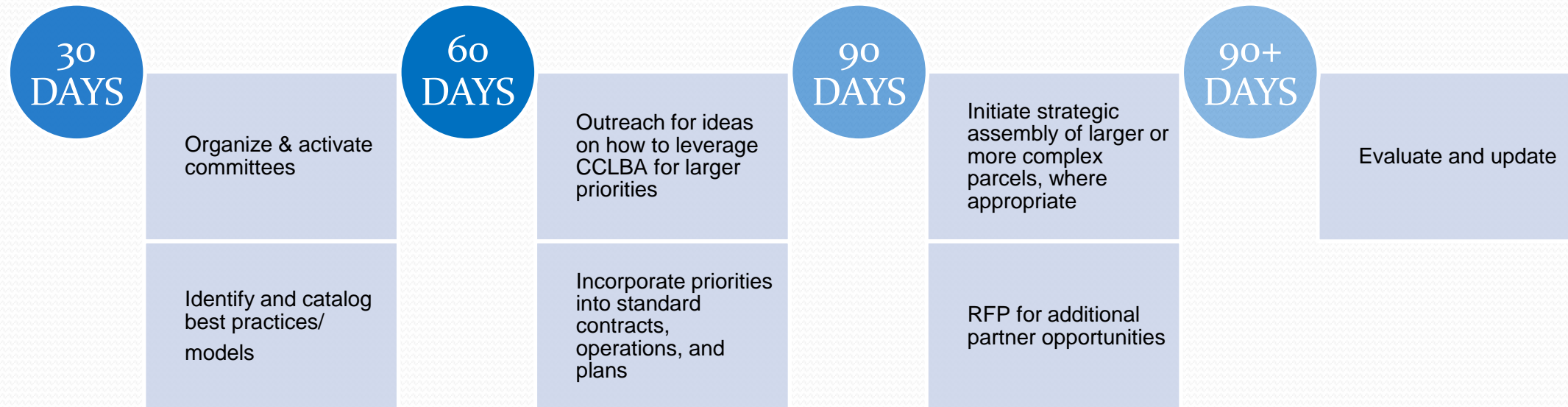




# 4. Develop Data Tools



# 5. Act on Larger Priorities



# Proposed Projections

	Year 1	Year 2	Total
Purchase to convey (move-in ready)	23	10	33
Donations for demolition	61	161	222
Donations to convey (move-in ready)	10	30	40
Donations to convey (rehab required)	13	14	27
TOTAL	107	201	308

Based on budgeted costs and assumptions concerning cost to acquire, rehab, and maintain properties – all of which is subject to change as we begin to engage in transactions.

# Staffing (Projected)

	Year 1	Year 2
Executive Director	x	x
SR. Manager for Acquisitions	x	x
Asset Manager (2 in YR 2)		x
Acquisition Specialist (2 in YR 2)		x
Rehab/Demolition Specialist	x	x
Resource Development Mgr. (contract)		x
Database Administrator	x	x
Administrative Assistant	x	x
General Counsel (contract)		
Operations Manager/CFO (contract in Yr 1)		x

# Budget (Draft)

<b>EXPENSE</b>	<b>Year 1</b>	<b>Year 2</b>
Personnel	\$501,238.76	\$1,191,531.73
Overhead	177800.00	101700
Program Expense	270000.00	179000
Contract Services	754000.00	339500
Capital Costs	2605405.00	4422535
<b>REVENUE</b>		
Grants (AG, CCT, Cook)	3,776,693.06	2,921,731.73
Property Revenue (fees, sales)	1,011,000.00	4,542,249.30
<b>NET</b>	<b>485,249.30</b>	<b>1,229,714.30</b>

# Summary

By the end of the first 120 days, the Cook County Land Bank Authority will have increased its capacity and begun to engage in strategic acquisitions of properties for which an intended use has been identified.

The Cook County Land Bank Authority will work with established partners and in pursuit of clearly identified goals, which will primarily be derived from community and other plans.

The Cook County Land Bank will engage in ongoing outreach to identify opportunities and partners for ongoing strategic repositioning of properties.

# Progress to Date - Month 1

- Initiated process to begin posting for new hires via Cook County.
- Initiated outreach to City of Chicago, SSMMA, and SSLBDA.
- Initiated basic property triage process, with outreach to lenders and development of internal evaluation system.
- Established draft operating plan for first 90 days.



# Questions & Discussion